

Legislative Assembly of Alberta

Title: **Tuesday, March 18, 2003**

8:00 p.m.

Date: 2003/03/18

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

head: **Government Bills and Orders**

head: Second Reading

Bill 30

Appropriation (Interim Supply) Act, 2003

The Deputy Speaker: The Hon. Government House Leader on behalf of.

Mr. Hancock: Yes. Mr. Speaker, I'd like to move for second reading Bill 30, the Appropriation (Interim Supply) Act, 2003.

As all members of the House know, we brought forward in Committee of Supply estimates letters from Her Honour the Lieutenant Governor recommending to the House that we have interim supply. It's necessary to provide interim supply because, as all members know, the budget comes down on the 8th of April, and we will then have a full month to . . . [interjection] Yes, Mr. Speaker. I will move right along and move second reading of Bill 30.

The Deputy Speaker: The hon. Leader of Her Majesty's Loyal Opposition.

Dr. Nicol: Thank you, Mr. Speaker. I rise tonight to debate the process in second reading of Bill 30. This is, basically, the bill that now puts in place the legislative authority for the Committee of Supply of last week. So we want to kind of look at the process of what we're doing as much as anything.

I guess one of the things that we have to start with early on in this discussion is the fact that this interim supply is quite different from the interim supplies that we've had in previous years. Recognizing that time constraint with the 1st of April start of the fiscal year, we end up needing authorization for expenditures to begin the first of the fiscal year, but we don't always have the budget completed at that time.

I guess the thing that's unique about this year is the fact that as we go through this, we don't have a budget document to tie the interim supply to. I know that that, in effect, doesn't influence the operation of ministries very much, because they do have the authorized power to move money around within their ministry as they see fit anyway, even after we approve a budget. But the thing is that for MLAs to critically evaluate what the Crown is asking for in the ministry, what we need to know is: how does that fit with the budgeting process? What percentage of the budget is represented by the interim supply? We know it varies by ministry, but it doesn't give us much to go on, because we don't have that base budget for fiscal year changes that we've always had in other years when we've been dealing with interim supply. It's generally been a process that's occurred halfway through budget deliberation so that we, in effect, have that document. I guess the thing that we need to deal with here is the idea that we are not as informed this year as we usually are by having that budget in process when we debate interim supply.

So what we're dealing with here, you know, is just blanket authorization of money for the ministries to spend. This leads to a lot of questions that come up in terms of: how do we go about now and begin our planning processes as we start looking at this over the

next number of weeks, possibly months, until we're finished with the budget? We start on the 8th of April. Where do we end up by the time the budget process is finished? It could be, you know, late May, possibly the start of June. In effect, what we've got, then, is the government operating with no program guidelines, no message being sent to agencies that use those dollars, like school boards, health authorities, children's authorities, local governments. They don't have the kind of information that they would have had if the budget had been in the process of being debated.

So I guess the question that comes up as we look at this is: what is it that sets this year apart so that the government is so late in bringing forward a budget? You know, the normal process is to blame the feds – right? – because they interrupted our budgeting process by having the gall to come forward with their own budget halfway through our process. But that doesn't really hold much when you look at it in terms of real process, because all we're dealing with are revenues that are going to be transferred down from the feds and how that fits into our budget. That kind of thing could have been adopted and fairly easily built into the budgeting process after the federal budget came down in late February. So the idea that it's almost two months after the federal budget before we can come up with our budget, to me, Mr. Speaker, doesn't hold much of an argument in terms of why we're so late this year.

So one has to put some other questions out there about what is going on. What has happened that the government couldn't finalize a budgeting process this year? You know, the volatility of revenues and the projections for revenues for the next year should have led the government to a reasonable expectation that they could have built this budget around the second year of last year's business plan and the fact that we're going to have dollars available because of the surplus this year to start a stability fund, which would then be there for us if some uncertainties were to arise during the next budgeting year. I guess the real question is: what happened this year that the budget was so late? It's really raising some concerns about: how do we operate as a province? What kind of planning can we do as a province? This delay and the uncertainty that gets created by this really start to reflect on whether or not we are really sending the right signals.

Mr. Speaker, this is where I think I get a chance now to talk about the fourth component of our fiscal plan that we keep talking about. The other three now have been basically adopted by the government, and I'd like to see the fourth one as well. That is, for any given budget the second year of the previous year's business plan becomes the basis for the next budget, and that has to be built on and prorated each year, based on per capita and productivity changes, so that we end up with, in effect, a really strong message being sent out there about a base budget for the year. Then bringing forward a budget is really fine-tuning it. It's a decision process that shows that we want to move money from one program that's now complete to a new program or to supplement an ongoing program or to in effect cut back expenditures for the province.

These are the kinds of things that we need to be more explicit about. This kind of a budgeting process, where there's always the uncertainty that gets reflected in the government's lack of consistency and lack of predictability in their budgeting processes, really leaves us in a situation where we should be looking at whether or not this is going to in effect stabilize and give us reasonable planning and reasonable direction for where we want to go.

So the process that we want to go through, then, is to look at that in terms of making sure that any kind of a budget expectation should almost have fixed dates through the year. The government has been getting fairly consistent now at starting session in early February, usually the second or third week in February. You know, it would

be great if we could institutionalize the same kind of thing about budgeting, say, being the last week in February. Then we could have it effectively through the process of approval by the time a budget year starts on the 1st of April so that we don't end up with all the uncertainty that gets passed on to the agencies that depend on the government for their funding. This is the kind of thing that we really need to be able to look at in terms of being able to work with the community groups, that more and more are responsible for delivering those services.

8:10

If we don't as a province put some predictability and consistency into our budgeting process, what do we expect, then, from those agencies? How do school boards finalize their budgets so that they can start dealing with staff, dealing with changes in school openings, classroom sizes, that kind of issue, until they get a budget? So, you know, it's really important that we be consistent and be in a position to facilitate proper decision-making and full decision-making by these agencies. To have them go through "Let's guess at our budget process" right now and then, when they do get the budget, have to go through the process again, that in effect wastes dollars that could be in the service delivery areas. We want to make sure that that doesn't detract from how we go about providing those services in a cost-effective way. We don't want to in effect create an overhead budget problem, because we're going to be dealing with the issues of uncertainty associated with not knowing what their budget is at the time they have to start operating under that budget. So that's what's important about having some consistency and some timing expectation associated with the budgeting process.

As you go through the document of Bill 30 and look at the different ministries, there are obviously different percentages allocated to the ministries. You know, it's not all consistent with, say, a three-month budget or a four-month budget being a quarter or a third of the total expenditures. Without having anything else in front of us, we have to make the assumption that this kind of reflects the in-year expenditure pattern. Some ministries spend more at the early part of the fiscal year; some spend more or less at other times.

You know, I think that really brings us back to the whole idea that we have to have some kind of planning process that gets accountability. Mr. Speaker, I was traveling the province in the last couple of weeks, and I ran into an individual who was kind of shaking his head at a phone call that he'd received that week. He had been a fairly regular supplier of material or services to the government, and he got a phone call from one of the people that he'd been dealing with saying: you know, we've got a bunch of money we've got to spend before the end of March. Well, that kind of message being distributed through communities really raises some issues about how accurately and how well we plan our budgeting processes. I don't want to in any way jeopardize that individual's relationship with the government, but the expenditures that he talked about making were in a program area that, to the best of my knowledge, is not an ongoing program.

Why are there a number of expenditures right at the end of the fiscal year when the program, in effect, is phasing out? These were not phaseout or closeout types of expenditures; they were asset expenditures. So with a program that's closing out, why do you need additional assets? You kind of wonder what process was going on in terms of getting those kinds of end of the year budget-clearing activities.

It would be, I think, more appropriate if we had the budget document in hand. Then I could be looking at it and saying: well, okay; I was operating under misinformation or incomplete information because I thought the program was ending, yet according to the

budget there are actually going to be expenditures in that program next year, so it might be reasonable for these kinds of asset expenditures at the end of a year. But, you know, that's the kind of question that comes up when we don't have a full disclosure and we're trying to debate and question what government expenditures hope to achieve.

Now, the idea that we're dealing here with interim supply. We'll get to address those issues after the 8th of April, when the budget is fully brought into place. You'll hear the story again at that time probably, and that means that in effect we'll be judging whether or not the kinds of things we're hearing in the community do reflect what is actually happening in this interim supply. You know, when you kind of look at it, it's awful hard to recognize that we're dealing with what is, in a sense, a couple of months' worth of expenditures in the budget when we're not really going to be able to know with any degree of accuracy where those dollars are going, where they're going to be put. So the main thing that we have to look at is: are we going to make sure that this budget process leads to that kind of support for and ability for the agencies that we've got out there to plan so we can really make sure we're dealing with them from the point of sending the right signals to them?

It's quite interesting in the sense that, you know, this year we're authorizing significantly more money for most of the departments than we did in interim supply last year. I guess that means that we're looking at the possibility of a longer time before the government expects the budget to be approved or whether or not it's just a matter of: they ran it too close last year; they want to have a little more this year. Yet we're trying to look at creating accountability and openness in this process, and that's kind of the basis for the comments that we're making that we can't judge what's going on when all we get is a set of numbers in a five-page document. The role that we're supposed to play dealing with the budgeting process is to be able to question government expenditures, yet when it comes to us in this form, as the opposition it's impossible for us to make any kind of a strong judgment about what is there.

I think that if we're going to convey to Albertans that we're serious about being an open process here, having full debate of what we're doing with their money, then what we should be doing is making sure that processes are in place for that kind of transparency, and we need to make sure that the budget document is available in a time frame that we have it when we start talking about spending parts of the money on a ministerial level expenditure base. The main focus there is to make sure that, in effect, as we look at the budgeting processes, the analysis that comes up – or even when we were in Committee of Supply on the debate on these bills, it's really difficult to talk about what is there when you don't have line items and all you can do is relate expenditure patterns here to comments that have been made by ministers with respect to expected changes in their programs or expected changes in their budget processes. We look at this in the context of where it might be going, and we don't really see much in the context of revenue-side estimates to balance what we're seeing here in expenditures.

8:20

We have to make an assumption that, in effect, this expenditure pattern over the period that it's authorized for – you know, it's interesting that we're authorizing it for the entire year because all of the little clauses in the bill talk about expenditures for operating expense or capital expense up to and including March 31, 2004. So this is a full year's expenditure possibility. I know full well that it'll all be gone long before that, but the main thing is that it gives a part of a budget for a full year's expenditure program, yet when we were

in Committee of Supply debating this, there was no ability to relate it to the programs that potentially will be offered by those ministries or to go back and look at potential revenues, changes in revenues, what impact this might have with respect to the status of the budget.

As I mentioned, Mr. Speaker, in many of the departments this is much bigger than last year, yet what we're dealing with is the idea that we have no basis to tie that into the revenue stream. If we're going to be assuming it's over the same number of weeks or months of expenditure, then obviously the budget for this year is going to be significantly bigger than last year's was. Well, is that a fair implication to be sending by putting this out without any revenue-side comparisons? We've got to be looking at this in the context of: is it reasonable for the next year? Is it operational for the next year? Will we be able to make it work? Will we be able to balance it with our revenues? Yet there's nothing in here that talks about where we will be expecting those revenues to come from, what basis they have for the significant changes that go on in some of those departments compared to the interim supply from last year. By that, I mean not only ups and downs but relative to other ministries. Why is it that we see such big shifts of the total dollars being spent by ministry this year?

You would expect that there would be some degree of consistency if we're looking at the same movement through a fiscal year, that they should have the same relative expenditures early in the year versus later in the year. That's the kind of approach that we think would really make the process work better, would be able to help so that as we go out to Albertans and they say, "Well, what's happening? You're not voting on the budget until May or something," you can say, "Well, we had a good view of the budget in the interim supply." Under this basis right now it's hard to say what the budget might look like from this interim supply.

That's, I guess, one of the other issues that I need to put on the record at least, that it was very difficult when we were in Committee of Supply on the interim supply estimates because what happens is that when you ask questions about those expenditures – why they were different from last year, how they related to last year's expenditures – the response that comes back from ministers is: well, we can't talk about that, because we don't want to disclose the budget. You know, I guess if that's the kind of attitude that's going to be involved in providing interim supply, what we need to do is, in effect, change the interim supply process more into the special-warrant process that occurs outside of session. What we have here is authorizing money that we have no idea and no ability to question how it's being spent.

That's the same thing that happens when you have special warrants outside the session except that it's cabinet that approves it as opposed to the Legislature. You know, when you don't have debate on it, what's the significance of our legislative vote as opposed to a government cabinet vote? In effect, what the government is trying to do is move this more and more into a secret, closed-door, behind-the-door process rather than having it open and out where we can effectively say: why are dollars being spent in certain ways at this time of the year when budgets are still being planned and we can't get a real good sense of what's needed to be done to make the process work?

Mr. Speaker, as I kind of wind down here and make some final comments, as someone who looks at this and says, "What do I tell my constituents when they ask what we did in terms of interim supply debate?" I'm not going to be in a position to be able to give them very much information about what we were doing, what we were expecting, what the government was telling Albertans about their expenditures when we voted to spend more than \$5 billion of their money. I think that really should make all of us a little bit uneasy when we're in effect committing \$5 billion of Alberta

taxpayers' and other revenue sources of dollars to programs that we have no basis to judge, no basis to compare to last year, no basis to compare to what we're hearing in the communities. I think that this really creates an accountability problem for us here in the Legislature as we look at this and say: what's going on? Why are we not providing Albertans with a degree of information that'll let them judge what we're doing when we vote in excess of \$5 billion for programs?

So, Mr. Speaker, I guess this is one of those bills that we have to have, but it's one of the bills that you kind of just feel like: how do we justify voting for it? The services that Albertans want from their government have to be there on the 1st of April, have to be available while we do the rest of the budgeting process. I guess all we can do right now is truly, you know, hold our nose and say: let's get on with it so we can see the budget on the 8th of April and hope that the explanations that we need will be available at that time. From the perspective of going back to my constituents now and saying, "I did a good job by you by voting for this," I'd have a real tough time trying to do that and feel that I was serving them well as their MLA.

I guess the question here is: next year let's make sure that the budget document is available by the time we start dealing with interim supply. Because of the fiscal year status relative to the first of the year and the process of getting the Legislature started, it's probably a little bit farfetched to ask the government to make sure that the budget is approved before the 1st of April so that we can get proper debate. But at least by having the budget document in the public domain by the time we vote on this, there's a greater degree of connection between what we're doing here and the ability to go out to our communities and tell our constituents that, yes, we worked on their behalf, and we worked in a way that will be accountable, that they can follow through and see that we worked on them.

As we go through this process, it's important that we try to do better next year. This is the 11th budget that I've debated since being in the Legislature, and I have to say: it's the worst budget process that we've had in the whole 11 years.

Rev. Abbott: You said that last year.

Dr. Nicol: Just in response to the member across the hall who said that I said that last year, that's a real bad admission by that member over there because it means his government is going downhill instead of making improvements over what we evaluated last year. That's the thing that we have to be afraid of, Mr. Speaker, and make sure that next year we go uphill, get the budget on the record before we have to vote for interim supply.

Thank you.

[Motion carried; Bill 30 read a second time]

8:30head: Government Bills and Orders

head: Committee of the Whole

[Mr. Tannas in the chair]

The Chair: I call the Committee of the Whole to order.

Bill 27

Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Whitecourt-Ste. Anne, followed by the hon. Member for Edmonton-Gold Bar.

Mr. VanderBurg: Thank you, Mr. Chairman. Just some comments I wanted to make. I know the minister is not here this evening, but maybe he could reply to me.

The health care staff out in Whitecourt-St. Anne have provided great service to my constituents. I often have time to talk to both the providers and the users of our health care system, and they've gotten to be good friends. The questions that the providers have on Bill 27 are few but very important to them. They are concerned that Bill 27 might remove their ability to fairly and freely negotiate with their employers. I would like the minister to address this for me.

As the MLA for Whitecourt-St. Anne I'm concerned that our rural health care facilities are able to keep and attract nurses and other health care professionals. Again, if the minister can give me assurance that Bill 27 will not negatively impact the staffing out in my constituency, I'd feel much better.

Those are my comments. Thank you.

The Chair: The hon. Member for Calgary-Buffalo.

Mr. Cernaiko: Thank you very much, Chairman. I welcome the opportunity to speak on Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. This legislation strikes the necessary balance between the right to be treated fairly as a worker and the right to be a patient receiving care. The amendments facilitate better operations, fairer working conditions, and more effective and seamless patient care.

Albertans should be proud of our health care system. It is one of the best and most progressive in Canada for patients and caregivers alike, but this did not happen by accident. We are leaders in health care because we understand that to be the best means finding new ways of delivering health care and being committed to a vision.

When we started down the road toward health reform, we understood that the road was going to get rough from time to time. We also understood that we must stick to our vision and make the necessary changes that bring us closer to better patient care for all Albertans. This means we must be flexible and willing to adapt where we see a need for change. That is what Bill 27 is about. It provides the health regions with the flexibility they need to use the workforce to the best of its ability. It provides a level playing field and fairness for workers. It ensures that health care workers are available and that patients can count on those services at all times.

I'm particularly interested in the common dispute resolution mechanism that is established in this legislation. This is an area that the MLA review committee on ambulance service delivery closely looked at. In Canada there are some services that are so important to the public's well-being that the right to strike is withheld. In Alberta that includes people who work in hospitals, firefighters, and police officers. If these groups cannot come to a settlement on their own, they use compulsory arbitration to resolve these disputes.

Mr. Chairman, I've been an employee of the Calgary Police Service for 25 years. During my 25 years as a member I had the opportunity to work as an association representative for 10 years as well as a management representative sitting across the table from the association for three years negotiating contracts. We didn't have the ability to strike or the right to strike, but I can guarantee you this: the arbitration awards were always fair. The arbitrator himself was always selected mutually with both parties in agreement as to who that arbitrator should be. Firefighters and police officers have resolved their disputes successfully through compulsory arbitration for decades. In Alberta those same firefighters, police officers, and nurses are amongst the highest paid in Canada.

In the regional health authorities even the threat of a strike affects services to patients. If you can't be certain that the health workers

will be there to care for a patient, surgeries begin to be canceled and key people are pulled away from managing patient care to work on contingency plans. Health services and the authorities are so interconnected that you can't draw lines around certain groups of workers. If a person on early discharge from hospital can't get their IV drugs administered by a community nurse, people get backed up in the hospital, wait times increase, and more people have to be turned away. Having the right to strike in one part of the system affects the entire system, and we have seen health workers manage to negotiate very competitive salaries and benefit packages even when they do not have the right to strike. Currently 90 percent of the regional authority employees do not have the right to strike, and compulsory resolution is consistent with the dispute resolution process that most health care workers work under. As the hon. Minister of Health and Wellness said, reform is about being "responsive to the needs of Albertans and to the needs of health care providers." This legislation is a means to provide that responsiveness.

Bill 27 is necessary legislation to move health reform forward, reforms that will see Albertans enjoying improved access, expansion of primary health care, a stronger workforce, better collaboration among regions, and ongoing sustainability. Bill 27 is not the answer to health reform, but it is a necessary step on the road to reform. Providing our regional health authorities with the flexibility to develop the best team of health professionals helps Alberta's health system remain the best place to work and receive care.

Thank you very much, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Gold Bar.

8:40

Mr. MacDonald: Thank you, Mr. Chairman. It's a pleasure to rise this evening in committee and participate in the debate on Bill 27. Certainly a lot has happened in less than 24 hours since we debated this bill at second reading. I listened with a great deal of interest to the previous speakers, and certainly with the firefighters and the police services across the province there has been balance and fair labour relations. The city of Edmonton firefighters are a model for a lot of different groups across the country that do provide essential services in that way, but I don't think that the nurses with Bill 27 can show much faith or confidence in any form of compulsory arbitration when we look at the wide-open window which is the regulations to this bill. If there's anything that would cause this member concern, it's these regulations. Now, what they will become, who's to say? But it is my view – and I expressed it last night certainly with section 162.1(1)(f) – we can eliminate an entire step in the collective bargaining process by mediation or going directly to the board.

Now, since we had a discussion on this at second reading, I see where the union, the Alberta Federation of Labour to be exact – and this is information from today. For more information regarding this concern regarding Bill 27, some unions in this province have launched a NAFTA challenge of this proposed labour bill. We thought last night that perhaps it would be prudent to have another look at this legislation, but obviously the will of the Assembly was not there. So less than 24 hours later, Mr. Chairman, here we go with a statement from the Alberta Federation of Labour that Bill 27 would strip all fairness and balance from negotiations in the health sector. Mr. Steel, who is present in the public gallery for the debate tonight, is one of the organizers and spokespersons in regard to this matter. I think we in this Assembly should take this matter quite seriously.

If the Alberta Federation of Labour and seven unions representing health care workers in the province have decided to launch a formal

challenge to Bill 27 and the amendments that are incorporated in Bill 27 on the grounds that it violates the NAFTA side agreement on labour, I would think that it's certainly time for – perhaps the hon. Minister of Human Resources and Employment doesn't have the time himself – officials in his department to maybe talk to this lawyer.

Now, the union's brief to the NAFTA administration office has been prepared by Mr. Robert Blair, described as a prominent Edmonton labour lawyer and the former chief of the Alberta Labour Relations Board. So this individual knows a great deal about this issue, and I think we should have, again, another look at this issue.

One of the key features, according to the Alberta Federation of Labour, of Bill 27 is that it robs health care workers and their unions of the right to due process when it comes to basic labour relations. This is a statement from Mr. Steel. We had quite a discussion on this and a lengthy discussion, granted, last night. There were many members on this side of the House who expressed similar concerns.

Now, the Federation of Labour also has this to say, and it is a quote: this is a clear violation of the obligations outlined under the North American agreement on labour co-operation, better known as the NAFTA side agreement on labour. The agreement was entered into in 1995 by a then labour minister who went on to a certain notoriety in Ottawa, the former Member for Red Deer-North, on behalf of the Alberta government. The labour minister signed this deal on behalf of the Alberta government, and it's still in force today.

Where the union is coming from on this, Mr. Chairman – the union complaint, which will be filed later this month, argues that Bill 27 violates part 2, section 5 of the North American agreement on labour co-operation, which says that each party – Canada, the United States, and Mexico – shall ensure that all labour relations proceedings “comply with due process of law.” This is very interesting. If you don't have a copy of this document, it is available at www.afl.org for any of you who have a laptop, because this is quite interesting.

Mr. Chairman, as it stands right now, the Alberta Labour Relations Board administers the rules governing collective bargaining in Alberta, but they decide whom the unions can bargain for, when they can bargain, how they can bargain, and even sometimes what they can bargain. The Alberta Labour Relations Board is bound by law to exercise its authority in an evenhanded manner. In particular, before making any decisions, the board conducts formal hearings at which all parties have the right to state their case publicly. The board then makes its decision based on the law and the evidence. It is exactly the impartial and balanced approach, a process that respects both sides in labour relations, that is being thrown out by Bill 27, and this is a concern, again, from Mr. Les Steel.

Basically, with Bill 27 the government is breaking its promises again. We've had many broken promises with this government, and this could be added to a long list. Bill 27, according to the Alberta Federation of Labour, is breaking its promises under NAFTA and completely short-circuiting the Labour Relations Board process. Instead of decisions being made with input from all parties, the power is going to be transferred to the provincial cabinet. There will be, in their estimation, no fair hearing for health care workers and no due process. It will be a kangaroo court. This is a concern, again, that was expressed last night. Of course, I was disappointed when we didn't decide to put a six-month freeze on this bill and have another look at it. We're going full steam ahead with this.

Now, people are very concerned about this bill, and one of them, of course, is Mr. Blair, whom I mentioned earlier. His concern with Bill 27 is that it will give the cabinet power to determine appropriate bargaining units in health care, to determine which unions emerge as

bargaining agents after regional health authorities have been amalgamated, and to determine which collective agreements are going to govern in those new bargaining units. So the cabinet is going to make this decision. On one hand and in one bill we have the argument being made where choice is good. Choice is good. We can have choice for electricity providers, choice for natural gas providers, but we're not going to give the health care workers any choice.

Mr. Dunford: You're wrong.

Mr. MacDonald: The hon. minister says that that statement is wrong, and certainly I would welcome his input in debate on this matter, Mr. Chairman.

This is a serious departure from past practice and in clear violation of our commitment to due process under NAFTA, maintains Mr. Blair.

Now, the Labour Relations Board has traditionally maintained its impartiality by engaging in a very careful balancing act between the interests of the employer and the workers, but with Bill 27 the government is throwing out all pretense of impartiality. We have to take the words of this learned fellow very seriously, and we have to study this. Again, Mr. Chairman, I'm urging all members to have a close second look at just what this gentleman has studied in this proposed bill. I think we should have a look at this, and we should examine this thoroughly.

8:50

When we have a complaint of this nature being filed, Mr. Chairman, and it is filed jointly by the Alberta Federation of Labour, the United Nurses of Alberta, the Canadian Union of Public Employees, the Health Sciences Association of Alberta, the Communications, Energy & Paperworkers Union of Canada, the United Food & Commercial Workers' International Union, the United Steelworkers of America, and the International Union of Operating Engineers – that is a large group, and that group wants to be part and parcel of a vibrant, progressive province. They don't want to be treated any differently than anyone else. They want to be treated with fairness, and they want to know that whenever they have an issue surrounding collective bargaining, it will be dealt with in a timely fashion and, again, with impartiality.

After reading this, my concerns, as I outlined them last night, Mr. Chairman, are deeper than ever regarding this bill. I think that when you look at the whole issue of essential services and the fact that it's not fair and it's not balanced and that some nurses in the public sector have lost their right to strike and others who are working in private nursing homes have not – no one has explained to me how this is fair and why one group loses their rights and another does not. I hope that this is not done on purpose. I can't see this being done on purpose. Why would we in this Assembly devise a law that's going to pit one group of workers against the other? That is what I'm afraid can happen here by, let's say, pitting the Alberta Union of Provincial Employees against the Canadian Union of Public Employees.

Mr. Dunford: It happens all the time.

Mr. MacDonald: If we're going to have this happening all the time, as the hon. minister states, how is that going to improve relations? Certainly, one group at the certification process can try to attract workers to their union, but let them work it out. Let's not take perfectly good sectors and throw one group after another. Let AUPE and CUPE go to the private nursing homes, and if conditions are

right, then unions will be formed because the workers will see that it's in their interest to get together so that they can have a common voice.

There's an old adage not only in Alberta but across the country that bad employers attract good unions. That's where competition belongs in the union movement; it's to have them go out and spread their message, organize the unorganized. It would be very easy for them to organize the unorganized if there is a poor employer or an employer that does not see them as a resource but looks at them as a commodity. I think we should always, if we're going to have productive labour relations, see our workforce as a resource. Workers are not commodities.

Mr. Chairman, at this time I will conclude my remarks regarding Bill 27, and I will be anxious to hear the comments from others, particularly in light of this development today where the Federation of Labour is launching a NAFTA challenge to this proposed bill.

Thank you very much.

The Chair: The hon. Minister of Human Resources and Employment.

Mr. Dunford: Thank you very much, Mr. Chairman. I know that there are members on both sides of the House that want to enter into the debate. One of the terms that's come into our jargon is mid-course corrections. One of the things we need to do if we see any member getting steered off a little bit is try to bring them back in line or at least in the direction very, very quickly before the rhetoric gets totally lost on us. I think it's important that we do that.

One of the things that I'm hearing the hon. Member for Edmonton-Gold Bar talk about is a concern about cabinet somehow picking the union or picking the collective agreement. Of course, we have to be clear, I think, about this particular area. Yes, there are going to be regulations that go along with this act, and this is causing some concerns, as has been articulated not only here in the House but also outside this Legislative Assembly. Basically, I'd just ask you to look at the patterns and processes that are already in place. It's not unusual in labour relations through regulation to bring some powers to the Labour Relations Board. When the hon. member and people both inside and outside the House get to see the finalized regulations, I'm sure that'll cause them a great deal of relief instead of the sort of grief that they currently have as they start thinking about all this boogie-woogie stuff that they keep surmising and of course trying to articulate.

I probably am as happy about today's events as the hon. member. I might even be more happy. I am happy that we have unions in this province that feel so strongly about an issue that they would actually make a NAFTA challenge. I think that is great. I think that shows that over time unions have come to realize what an important aspect NAFTA has been for the province of Alberta. This has been a tremendous trade agreement that has added immensely not only to the number of workers that are employed in this particular province but to the general wealth of workers that are employed in this province.

What I am particularly pleased about today, then, is the fact that here is a legal means that is available to organizations such as the unions that the hon. member listed that now are taking legal action against what we believe to be a legal entity here, Bill 27. I think that's right and proper. As a matter of fact, I have no idea what the press gallery did with this today, because as a member of government I can't expect to be shown in good light all of the time. Certainly, when I heard about the NAFTA challenge and when I was approached by the media, this was extremely refreshing because up until that point the only time the media were approaching me was

about what I was going to do in case there was an illegal strike. Very refreshing today, I must say, hon. members, to be able to talk about opposition within a democracy and what they were going to do in legal terms. I think this is extremely important.

9:00

Where we need to make a midcourse correction, I think – if we listened closely to the hon. Member for Edmonton-Gold Bar, he talked about pitting a union member against a union member. Now, this happens. In the real world this happens. Unions are very aggressive. Unions just don't go out and try to organize unorganized workers. Unions are no different than any marketing, free enterprise operation in the sense that they try to increase their jurisdiction, they try to increase their mandates, they try to increase their membership. And why shouldn't they? What is wrong with that? In an Alberta that is based on the principles of a market system, who here in this Legislative Assembly could possibly be against it? I'm certainly not.

So what we have here is not something that is abnormal or unusual. If there's anything unusual about it it is the fact that the government is taking a direct hand in saying that, yes, there's going to have to be some reorganizing of the certificates that are existing here in Alberta so that at the end of the day, whenever the end of that day is, we're going to have four certificates within a jurisdiction operated by a regional health authority. We're not saying, hon. members, for one minute which union it has to be.

Dr. Taylor: Of course not.

Mr. Dunford: That's right. Of course not.

We're saying: look; there'll be a democratic vote at some point, and the very people that will be covered, then, by that certificate and then subsequently that collective agreement are going to have a choice on who they pick. It is very, very simple what is taking place here.

As a reference to an earlier question that came from the MLA for Whitecourt-St. Anne, he talked about the concern that people have about removing their ability to fairly and freely negotiate with their employers. That's going to still continue, but the difference is that, like I tried to talk about last night, instead of 400 and some-odd collective agreements that have to be administered, well, throughout this province there are only going to be 36.

You know, I'm not so sure that the unions might not be supportive on this. Can you imagine all the energy and all the resources that they must put into administering 400 and some-odd collective agreements? And here's the government that is going to bring it down to 36, probably going to save them some resources, and at the same time they kind of get to kick us in the shin over it. Actually, they've kind of got it both ways when you think about it. I mean, we're probably doing something that's going to help them eventually, and in the meantime they get to continue with their old position and their traditional position of bashing this government. Actually, I'm not so sure that I shouldn't get with the leader of the Alberta Federation of Labour and maybe tell him what a good deal I think I'm giving him. Would you support that? [interjections] Absolutely. Okay.

An Hon. Member: We might come along for the show.

Mr. Dunford: Well, now, just a minute. I had some invites of people that might want to come along for the show. Now, just be careful.

I am having a little bit of fun, but I want to get serious for a moment. I want to get back to this NAFTA challenge and how

important I think this is. I believe that it establishes once again why this government has the respect it has for the Alberta Federation of Labour and for its leadership, not only now but the leadership that it's had in the past. You know, it's really the Federation of Labour that probably gets caught up inside the so-called pitting of unions, as they try to pick a union that will represent them over another union that was currently in existence. So I recognize the role that the Alberta Federation of Labour must have to have as kind of a referee within the union movement. I would think that they would have some understanding, then, of what we have as a government here and then trying to referee the situation that happens in just the normal events of labour relations as it happens here in the province.

But there's no question – and, again, I think I've been straightforward on this – that the reason we have Bill 27 in front of us tonight and the reason that Bill 27 has the title that it has is because there was a request by the employers involved in the reformation, the reorganization of the regional health authorities, and they asked us for some help in this area. The government after some deliberation said: yes, we are willing to help in this particular area. I think it's an exaggeration to suggest that we've gone overboard, that we're trying to switch a balance here in favour of all employers over all unions throughout the province. Again, I want to indicate that this is a specific situation that's been set up for a specific reorganization that is taking place.

There was a concern expressed last night and again tonight about whether or not our changes are going to somehow restrict the ability of people to go into this profession. Now, I might be wrong, but I would bet that there's not one nurse, there's not one licensed practical nurse, there's not one lab tech, there's not one dietician that went into this profession because they would then be able to join a union. I don't think that that's a part of the equation at all. The beauty of the whole situation, though, is that when they became a registered nurse or they became a licensed practical nurse or whatever profession they chose inside the system, in certain occupational capacities they could make, then, a clear choice as to whether or not they wanted to have their individual situation as it related to salary and benefits and working conditions bargained on their behalf by a registered trade union, and that's the way it should be. There's nothing in this bill that takes away from that.

So with those clarifications, thank you, Mr. Chairman, for recognizing me, and I hope this midcourse correction gets us back in the direction in which this bill is truly trying to go.

Dr. Pannu: Mr. Chairman, I would like to enter the debate on Bill 27, Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. The title of the bill is quite innocent. The argument is given that since the number of health authorities is now cut down to about eight or nine, we need to make some changes in the legislation to reflect the reduction in the number of health care authorities across the province.

On the face of it it looks obviously interesting, reasonable, but I want to start by reflecting on some of the remarks that the Minister of Human Resources and Employment has just made. He's the one minister in this cabinet whose job it is to make sure that both the legislation related to labour rights and the policies governing the relations between employees and employers are even-handed, that they're fair, that he's not taking sides. The minister, I would like to hope, takes that responsibility seriously and interprets his responsibilities in the spirit and the way in which I have interpreted these responsibilities of his. I want to look at his remarks to see whether or not in my judgment he's so doing.

9:10

He talks about midcourse correction. I guess this is a term which is rather loose. It can be used in all kinds of ways. He, I guess, was referring to intervening in order to set the course of the debate here in the House midway through this debate ride, but I guess he's also perhaps alluding to the government's midterm crisis, midlife crisis, as it were. It's now desperately looking for ways of creating new issues. Its agenda has failed on deregulation, its agenda on education is blowing in its face, its policies on seniors are coming to haunt it, and now it's trying to create new bogeymen to attack. Its policies on regional health care delivery in rural areas are giving it some concerns. There is a veritable revolt in the rural areas in response to this government's attempt to roll back the services that are available to Albertans who live in small towns, in rural communities, on their farms.

So in order to cover its failures, in order to put a cover on its failed policies and anti ordinary people policies in this province, it's now targeting the union movement. It's targeting radiologists, the radiological technicians, X-ray technicians, nurses, most of whom also happen to be female workers in this province. The attack in this bill on labour rights very seriously has a focus of attacking female workers in this province, most of whom are the frontline workers in our health care service. I challenge the minister of labour to address these points that I'm raising and assure me that that's not what this bill is about.

He is talking in a very, I think, frivolous way about how the labour movement has come to see NAFTA as a benign agreement rather than acknowledging that the concerns of the labour movement must be so serious as to lead them to contemplate undertaking this most expensive lawsuit against this government's desire to dismantle the framework of labour relations that has worked really, really well in this province up to this point and is therefore saying: well, well, yeah, we know that we have pushed the labour movement to the wall. If anyone has their back against the wall, they fight back. That's what the labour movement is doing and is determined to do, it seems from the news release today.

If the minister is really serious and not frivolous about his remarks on the labour movement's attempts to take this matter through the NAFTA process, then he ought to stand here today and say that he is willing to commit his government and his ministry to footing the bill for this legal challenge so that once and for all the labour movement's concern, Alberta Federation of Labour's concern that this bill will violate NAFTA provisions is addressed and addressed not at the cost of the unions that represent custodial workers, janitorial services people, people who keep our hospital floors clean and get the minimum wages to do it for us, that their union membership fees are not used to pay for this NAFTA challenge but that this government in fact, taking the concerns of the labour movement seriously, is ready to pay for the legal costs of the NAFTA challenge that AFL and its affiliates are about to launch. I want the minister's answer to this. If he is serious in his praise of the labour movement, then I think it's incumbent on him to stand up and say that he will in fact find the funds from his own ministry under this government to pay for that. It's good for them, it's good for us, it's good for this Legislature, it's good for this government, it's good for the labour movement to have this matter settled. I'm disappointed but not surprised that the minister will do this. He was not being serious about this.

So Bill 27 is what I've said it is: it's a frontal assault on the democratic rights of Albertans. It's a frontal assault on the internationally recognized human rights of the people working everywhere and the people of Alberta. On the eve of a war that's being taken

into a country tomorrow in the name of democracy, I think we need to remember how we got these rights over the centuries. People fought for them. I'm sure the ancestors of most of us were victims of the injustices which brought them to a point where they recognized the need to organize to seek justice, fairness, and dignity for all regardless of whether these people are employees or employers.

A decent society, a good society, a civilized society extends those rights of dignity and fairness and justice to all, and this bill, in my view, is a withdrawal from that commitment. It's turning back the clock. I don't think that I for one am remiss in making note of what I see in this bill, which is really the betrayal of those commitments, which have historical roots. It's those commitments that were made as a society to all employers, employees, and ordinary citizens: powerful and weak, rich and poor, women and men.

Anyone who wants to seek employment in the workplace today I think has the right to expect to be treated fairly, treated in terms of laws that are fair and just and not told: we're going to take away the rights from you because we want to tell you that unless you accept these rules, we won't be able to deliver the health care services in an orderly fashion to Albertans. It's putting at odds with them the sons and daughters of the very people that this government claims to want to provide these services to.

Who are these nurses? Who are these X-ray technicians? Who are these dieticians? Who are these janitors? Who are these custodial workers? These are men and women whose parents are the ones that use these hospitals. This government wants to pit the frontline health care workers against their own parents, against their own brothers and sisters, against their own communities, Mr. Chairman, and that, I think, is a deeply regrettable strategy on the part of this government to divide and rule.

I will not stay silent on this. I want to bring these matters out and put them on the record. It's not a very creditable way, it's not a very good way, it's not a very reasonable way to deal with the changes that we are making and the changes we need in legislation to reflect those changes in the organization of regional health authorities. There are other ways, better ways, more fair ways, just ways of addressing and responding to those changes that are needed as a result of the reduction in the number of health authorities to the eight or nine that we have now.

Now, Mr. Chairman, I also want to beg your indulgence to refer to the circumstances that constitute the background to Bill 27. Bill 27 is part of a series of legislative and policy steps that this government has taken to undermine our health care system, to undermine the labour relations framework that has governed the delivery of services within health care. We first had the private hospitals bill, Bill 11. That's been in place. We've got the legal machinery and the legal framework now for private hospitals to set up shop, and we have one already operating. Then we had the Mazankowski report and the Premier's Advisory Council on Health, that was a product of that Bill 11. So the Mazankowski report has been accepted by this government, and the thrust of the agenda of those 46 or 47 recommendations that came out of the so-called Mazankowski report was to shift the costs of health care more and more to the users of those services and of course to facilitate step-by-step growing and progressive privatization of the health care system.

9:20

The third is the most recent step: the dismissal in a most contemptuous and regrettable way of the democratically elected members of the regional health authorities. That is the third major step in the progression of steps that this government has taken, all designed cumulatively to undermine the public health care system in this province and in this country. This government has made no

apologies about leading the charge on assaulting our public health care system in this province and setting an example for other people in other provinces who think in the same way as this government does to be able to do the same. This contemptuous dismissal of democracy and democratic practices and democratic processes that provided Albertans some assurance that the regional health authorities would have if not a hundred percent at least 66 percent representation through the democratic will openly and freely expressed by Albertans has been now squelched. That's been killed. So that's the third step.

Then we reach Bill 27, Mr. Chairman. This bill is not an isolated bill necessitated all of a sudden overnight by a change in the number of health authorities. It's part of a chain of events. It's part of a systematic attempt on the part of this government to transform our health care system so that we'll never be able to recognize it. If this government continues to be able to do this for another 10 years, it'll turn it into a private, for-profit health care system and a two-tiered health care system.

This Bill 27, then, in my view, is yet another step in the direction of not only weakening the health care system as we know it but of creating space for private, for-profit providers, the so-called private delivery of publicly funded health care services. Private companies don't come into the field unless they get legislative fire walls built around their rights to make profit. We have seen that with respect to Bill 19. Direct Energy wouldn't come into this province unless they are given the freedoms and the liberties that they think they need in order to make a profit.

Here, too, Bill 27 is creating the conditions for private, for-profit providers of health care to find the legislative framework in place which will assure them hefty profits without any roadblocks in their way. They want these legal guarantees, and that's what Bill 27, it seems to me, provides. It does so, as I said, Mr. Chairman, at a huge cost in terms of democratic rights that have been taken away from ordinary Albertans who are willing to work in the front lines of our health care system from janitors and custodial workers all the way up to physiotherapists and nurse practitioners. What's the reward for their willingness to work, for the commitment to provide those services when we need them? To lose the democratic rights that they along with all of us have earned as a result of the centuries of struggle and hard work on the part of democratic forces in our modern societies.

Government's agenda has changed. It's now to privatize, to assure that private, for-profit providers feel confident and assured that they can enter the field without risking their investment. To guarantee them profits, then, the government is willing now to stop talking about the cost-effectiveness of their policies. Whether they have to do with a reduction in the number of health authorities or the dismissal of democratically elected members of the regional health authorities or anything else, the government is now silent on the cost-effectiveness impact of its policies and merely talks about making sure that there remains in place one payer, the so-called public payer, but the delivery of services regardless of cost increasingly would be transferred to private, for-profit health care deliverers.

Having changed its own agenda, having come to the conclusion that its own policies will not lead to a reduction of costs – and we are seeing that, and I think they have come to realize this now – they are now changing the items on their agenda, what they want to accomplish. What they to accomplish is, therefore, privatization, and privatization requires, of course, decimation of the unionized labour force that presently provides the nursing services, health care services to most of us.

There may be another motive here. The health care service

providers represented by public unions have of course stood very firmly in support of a public health care system. They opposed the introduction of private, for-profit hospitals in the province, they opposed most of the recommendations of the Mazankowski report, and they have advocated the rights of Albertans to be able to have health care when they need it at a reasonable cost. They are being punished, I guess, for standing up for public health care, and this bill is further evidence of the fact that this government will not spare any man who stands up and defends the public health care system and expresses dissent and opposition to this government's agenda with respect to its own so-called reforms of health care.

So there's a price to be paid, Mr. Chairman, in this context, and much of the price is going to be paid by health care workers. They are going to lose the right to strike. Not only will they lose the right to strike; some of them will not even have the right to join a union. That to me is one of the legacies that this bill will leave behind if it ever becomes a law, and that's why I'm calling on everybody in this Legislature and everyone outside, whether they're members of unions or not, to pay attention to the real intentions and the potential impact of this bill before they decide to support it. This bill does not merit our support. This bill needs to go back to the drawing board and address the issues, some of which have been raised here by other colleagues of mine and some of which I have raised here at this moment. Once we do this, then we can go on to find a better bill to address the issues.

Thank you, Mr. Chairman.

The Chair: The hon. Member for Edmonton-Rutherford.

Mr. McClelland: Thank you, Mr. Chairman. The hon. member who has just taken his seat, the hon. member representing Edmonton-Strathcona, a person for whom I have great personal respect and whom I know to be a person of passion, I know to be a person who is entirely committed to the position that he brings to the table and, it must be said, is consistent. Each time our friend representing Edmonton-Strathcona takes to his feet in the Chamber, he's consistent in what he says and essentially how it is said.

I think tonight the argument of our friend representing Edmonton-Strathcona is somewhat overblown, and in my considered opinion his argument is not strengthened when hyperbole is used to suggest that the legislation is anti woman, which it is clearly not; to suggest that it is anti union, which it is clearly not; to suggest that it is anti labour, which it is clearly not. The member asks: who are these people? Who are they? They are X-ray technicians, they are the nurses, and they are the support workers. They are also our brothers, our sisters. They're our mothers and our fathers. They're our neighbours. They're people that we work with shoulder to shoulder. They may be our children. To suggest that somehow there is a divide that divides all of these people who work in the health sector from all other Albertans is just not true, because we are all in this society together and we all have different responsibilities that we bring to the table. They're all human beings deserving of respect, human beings deserving of respect because they are human beings and deserving of respect for what they do, what they do for us as individuals, for us as a society, for Albertans as a whole.

9:30

Nothing in this legislation takes anything away from that. This legislation respects the employees. It respects the unions representing the employees. It does create a situation whereby employees are going to have to make a decision and make a decision in their best interests, and they will be the ones making the decision about what union they will belong to. At present, as has been said, there are

over 400 collective agreements representing these people who will now be working in nine health regions, and is it not better that people working shoulder to shoulder should have the portability to be able to work within the health region and work shoulder to shoulder beside others who are working under the same terms and conditions?

It respects the employer, and the minister has said that this legislation very clearly comes as a result of a request from the employer because the employer needs to have a much more workable relationship within the bargaining units. Can you imagine over 400 collective agreements and how much better it is for everyone involved, including the employees covered under these agreements, to bring it down to a workable 36?

Finally, this bill respects the taxpayer, the person that eventually pays the freight, and let's not forget that in a province with a budget of something in the region of \$20 billion a year, when the direct government expenditures in health care are in the region of \$6.5 billion, many of the people that we're discussing today to be covered under these agreements are the very taxpayers that will be funding the agreements in the first place. We can't separate people who work in the health care industry from people who pay taxes and support the very health care industry in which they're working. It's an enormous part of our gross provincial product.

So this is a commonsense approach in the consolidation to nine health authorities, four broad distinctions within the health authorities in bargaining units, and a total of 36 different collective agreements. It provides flexibility for the employees and the employers, it provides consistency for those working side by side, shoulder to shoulder, and it reflects a genuine commitment of the minister and of the department to the collective bargaining process and respect for organized labour and respect for people covered under collective agreements to be treated with respect and to be treated fairly.

The bottom line is that this legislation, in my opinion, is fair to all parties, including the public, the public who are part of this agreement through employment, through management, through use as a patient, and finally as a taxpayer.

Mr. Chairman, I commend this legislation to the House and ask that all members wholeheartedly support it. Thank you.

[Two members rose]

The Chair: The hon. Member for Edmonton-Mill Woods had indicated that he wanted to speak, hon. member. Edmonton-Mill Woods, followed by Whitecourt-Ste. Anne.

Dr. Massey: Thanks, Mr. Chairman. I appreciate the opportunity to make a few comments about Bill 27, the Labour Relations (Regional Health Authorities Restructuring) Amendment Act, 2003. It's interesting to view the context of the legislation that's before us. I think that if we look back, there's been a history of conflict between this government and unions. They certainly haven't a history of getting along with each other, and it's rather curious because the government parades itself often as a populist government. Certainly, the Premier is noted as seeing himself as a populist Premier, yet when it comes to concerns that everyday Albertans hold dear, I think it's interesting that the right to belong to a union and to take appropriate action if your interests are not being served by your employer is not supported by the government claiming to be populist.

So the context of this is an important context. I'm not sure quite what the word is, but when I saw the government describe the legislation as housekeeping, as just a correction, I thought that that

is really unfortunate because it is not any of those things. It's not housekeeping. It's not a correction. It's a direct attack on unions and the ability of unions to represent and to serve the interests of their members. So it's, as I said, unfortunate in terms of the way the government is describing the legislation. It's not the minor piece that they would have us believe it is, and I think that everyone in the province now knows that that's to be the case.

Part of the problem, of course, is the brevity of the bill. The main highlights of the bill, I think, are fairly obvious. It makes employees of the same employer subject to the same dispute resolution process, and it takes away the right to strike. It creates four functional regionwide bargaining units within each health region, and it excludes nurse practitioners from labour relations coverage. Finally, it ensures that severance isn't paid to a person who continues in the same job even though the name of the employer has changed.

So it's a bare-bones piece of legislation. It's a great piece of law writing. It doesn't really tell the full story, and I think that everyone is waiting for the other shoe to drop, and that's when the regulations are formulated. I think people have every good reason to be fearful of the regulations. We've been burned in this Legislature with regulations in the not too recent past. Just prior to the last election the rebate legislation was dramatically changed by the regulations. It was only after the regulations came out that Albertans found out that rebates wouldn't kick in until energy prices had reached a particular level and remained that way over the period of a year. That was a betrayal, I think, of the people of this province, and that was done not in the legislation but in the regulations that appeared later.

9:40

So I think that this is an instance where the government would be wise to put in place the draft regulations before the bill is passed in the Legislature. I've had this discussion before with government members who say: well, you can't have regulations until you have the bill passed. But you can have draft regulations. You can give interested parties a look at the shape of what regulations might look like, and probably you can give them just about the full body of the regulations, knowing the legislation that you have before the House. I think that given the unease of the unions and working Albertans over this legislation, the government would be wise to put forward the draft regulations for their examination before the legislation is through the House. I think it would be one way of at least delaying some of their fears. It doesn't take away the negative aspects, the attack in this bill on unions, but at least it would allow people some confidence that the worst is not yet to come.

It was interesting to note again the context of the bill, and again there's a commentary by a history professor at Athabasca University about the legislation. He reiterates the notion that there's a long history of conflict with this government and unions and people who represent workers. As that commentator, Alvin Finkel, indicated, it's a relationship that has been in place almost since the Conservative government came to power. He goes on to speculate that the root of this uneasiness is that the government is in actuality a big-business government that parades sometimes as a populist government. So that context, I think, is important as we view Bill 27.

One of the tragedies of it is the cavalier way in which the right to strike and unions are dismissed. I look at the profession, of course, that I know best, and that's the teaching profession. I look at how long and how hard that profession had to work to organize to gain professional status and to gain the ability to control its own affairs, and it was rooted in the treatment of workers and teachers that was just reprehensible. Teachers could be fired at the will of a school board member. They could be fired if they didn't buy their insur-

ance from a particular insurance agent in the community. Their abuses were many. At one point one of the local school boards contributed part of their salaries to the war effort without consulting with the teachers. So their will to control their own affairs, to gain some independence, to balance off the power of their employer with some power of their own was rooted in a long struggle and a very unfair history. There's a similar history to most unions in the province. Their roots are in unfairness. Their roots are in situations where they were not treated fairly by employers. They're rooted in situations where they found their work undervalued. It was a hard, hard struggle, and there were many, many sacrifices by many Albertans to obtain the rights that professional groups and unions enjoy today.

Here we see, with the stroke of a pen, those rights being abolished for a large number of Albertans, and again I think that that's really unfair. From the kind of comments I've heard from government members, there's little recognition of that history, and there's little recognition of the kinds of injustices that workers in the province have suffered. Again, I think that that's unfortunate. It's easy to take away rights from a group. You can take away their rights, but you can't make them believe, and I think workers will not believe the kind of pitch that the government has accompanied Bill 27 with in terms of the reasons for its need and the way it has been passed.

I think it's unfortunate that the government failed to consult with union officials. It seems the height of arrogance to take and change people's lives without even having the courtesy of consulting with them. It could have led to a so much better climate were the government to have spent some time talking with the union officials, talking about the kinds of things that they were trying to achieve, and to seek the co-operation and also the good ideas that unions might have brought to the table in terms of achieving those objectives. It's, again, a failure, and we've seen this, unfortunately, before.

I think the teachers' strike, the first provincewide teachers' strike in the province, is almost a case study in how not to work with unions, and it was fraught with opportunities lost on the part of the government, where if at any point someone had picked up the telephone and talked to the professional association, things might have then turned out quite differently, and students and teachers may not have lost time in the classroom. It's a real failure, I think, on the part of this government not to consult with those people that are going to be affected by the decisions that they're making, particularly as important a decision as taking away the right to strike and reorganizing the way in which they will operate with their employer and negotiate with their employer. So, again, I think that a failure to consult is unfortunate.

There are a number of things that can be said about the specific sections of the bill, Mr. Chairman. I think the detail is fairly clear. Again, the most contentious section is section 96, which lists employees who cannot strike and prohibits lockouts, the widening of the list of people who are not allowed to strike.

So I think that with those comments, Mr. Chairman, I'll conclude, and hopefully the government will see fit to pick up the telephone and talk with unions to see if the kinds of very offensive sections of this legislation can't be ameliorated and made more palatable to the employers and to the workers that it affects.

Thanks, Mr. Chairman.

9:50

The Chair: The hon. Member for Whitecourt-St. Anne, followed by the hon. Member for Edmonton-Glengarry.

Mr. VanderBurg: Thank you, Mr. Chairman. I thank the minister for clearing up one of the questions that I had, but could the minister

comment on the second part of my question, regarding if Bill 27 will negatively affect the ability to keep or attract health care workers in rural areas? I think that if I could have that assurance, I could definitely support this.

Thank you.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that we adjourn debate.

[Motion to adjourn debate carried]

The Chair: Shall the progress on Bill 27 be reported when the committee rises? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

Bill 19 Gas Utilities Statutes Amendment Act, 2003

The Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Chairman. There is still a great deal to talk about regarding Bill 19 at this time. It is of great importance to Albertans that there be a detailed discussion on the implications of this bill along with its sister bill, Bill 3, because when we align the natural gas retail market with the electricity retail market, we've all been told that this is going to be a good thing for all Alberta consumers. We have been told as consumers to wait and we will see all the benefits of deregulation, whether it's for electricity or for natural gas, and if we are patient, we will see the economic benefits of this. Well, I'm afraid that Alberta consumers could have a great deal of patience and the only thing they would see is their pocketbooks getting thinner and thinner and thinner as a result of the deregulation of our energy supplies.

Now, when we amend the Gas Utilities Act, the Gas Distribution Act, and the Rural Utilities Act, as we see in Bill 19, it puzzles me for one reason when I was listening to their earlier discussions. The amendments for this draft bill and the regulations, at least some of the regulations, were on the Internet for months, and I like that. A person could have a look at them. The researchers could have a look at them. If it's good enough for this bill, why would it not be good enough, for instance, for Bill 27? Why could we not have the draft regulations to Bill 27 on the Internet for all to see? The labour groups could also have a squint at the amendments.

When we talk here, Mr. Chairman, of changing with Bill 19 the structure of the natural gas retail market to allow for more competition, is this competition just for competition's sake, or is this actually going to drive down prices for Albertans? Now, I'm told by members opposite that this Bill 19 is to provide consumers with the choice of signing a contract or floating on the natural gas spot market to receive natural gas, and it allows for a flow-through price for natural gas. It's going to change the role of the marketplace in an attempt to attract more competition. Certainly, Direct Energy is very, very anxious to participate in the Alberta market. At least, they're advertising now. We have discussed this campaign in previous debate on this bill, and I'm waiting for the campaign to go one step further, and we will see what happens with that.

This legislation also affects the operation of the gas co-ops by allowing their members to buy natural gas from other suppliers if choice is approved by two-thirds of the members. Now, I said this earlier, and I have had no satisfactory answer: if we're going to allow the gas co-ops, their members, this choice, why not give the citizens of Calgary or the citizens of Edmonton the same opportunity to outline their views on this?

I have, Mr. Chairman, a constituent who ran into this whole idea of choice here a couple of days ago. The door-to-door salesman knocked on her door – the woman is 89 – and she was very polite, let this gentleman into her home, and he immediately went into a sales pitch. Within a couple of minutes he wanted to see her previous gas bill – and this is what the future is going to be for all Albertans – and then he wanted to see her electricity bill. This is the convergence that we're talking about. This fellow said that everyone in the neighbourhood was buying, and this was the price. Now, gas for a five-year contract would be \$7.25 a gigajoule, and for a three-year contract it would be \$7.67 for a gigajoule of natural gas.

Now, when one looks at this and one looks at the current price and what the price has been and one looks at the long-term forecast – and there's a great range in those long-term forecasts – where is the benefit for the consumer? We can look at the natural gas contract, and we can look at the terms and the conditions – and, fair enough, it's all outlined in the code of conduct regulations – but when we have this army of door-to-door salespeople, how is all this going to be regulated? How is the consumer going to be protected?

I asked earlier in question period here today about a senior citizen without Internet access. Fair enough, the Department of Energy, at www.customerchoice.gov.ab.ca I believe it is, has the marketers listed. Direct Energy's name is not on that list, but EPCOR is and Enmax is. There is a significant amount of money an outfit has to put up front in order to participate in the market, but seniors who don't have Internet access don't have access to this information, and in the case of the constituent of Edmonton-Gold Bar and other people in the neighbourhood, they had no idea if there was such a thing as an exit fee, what exactly it would cost if they wanted to remove themselves from the contract. There were taxes and other charges. What would that cost them? None of this was explained, as I am aware, between the time the salesperson entered the premises and the time the contract was signed.

10:00

Now, this particular company, EPCOR, to their credit realized that this was a rather forceful presentation and sent a supervisor around with a handwritten letter of apology to that customer, and they voided the contracts that had been sold. The 10-day cooling off period did not have to work, and that was a responsible company, in my view, but how many people besides the constituent, in this case Mrs. Annie Matlock, have signed these contracts and have not regretted the decision until it was too late? Now, there are some interesting details in this contract. I'm not going to discuss them before the Assembly now, but we need to know that if this bill were to go through that consumers, Mr. Chairman, are going to be protected.

Now, when we talk about marketers and misrepresentation, the government promised that there would be a strict code of conduct in place for marketers to follow, and make no mistake, the government assured everyone that they were going to be prepared to enforce it. Certainly, if we're going to have this system – and I look across the way and I'm disappointed, but it looks like we're going to have it – the first thing that Albertans who have concerns with any contracts have the right to do is to compare prices. The marketers must give consumers the time beyond the initial contract to read all documents

and understand them before they make a decision. That was not the case in the constituency of Edmonton-Gold Bar. That didn't happen.

Sure, we can cancel energy marketing contracts within 10 days of signing for any reason and without any discussion and without paying a penalty. These cancellation rights must be disclosed in the contract, but I would like to see the marketers explain the exit fees as well because if you want to get out of some of those contracts, the \$150 a month can add up to a lot of money for a senior that's on a fixed income.

Any and all marketers – and this is where the Navigant report hopefully is going to come into play – have to state plainly what they are selling, and certainly they have to show identification, and they must make timely, accurate, and truthful comparisons on every aspect of the contract including the cost or the price. You just can't go into someone's home and ask for their utility bill and then tell them, "This is what you're going to save," and forget to add on all the municipal franchise fees, the GST, the distribution charges. You can't forget to add those things on in your price comparisons. I don't know who is going to be monitoring that if we pass this legislation.

Now, marketers also cannot exert undue pressure. I believe in the case in the constituency of Edmonton-Gold Bar that undue pressure was exerted. Marketers cannot state that a product is less expensive when it cannot be proven, and certainly we have to give consumers a break after 9 o'clock at night and not bother them until 8 o'clock in the morning. Certainly the legislation that was presented this week by the hon. Member for Edmonton-Rutherford . . .

Now, we could have . . .

Chair's Ruling Decorum

The Chair: Hon. members. If you wish to be on the list for debating, hon. Member for Calgary-North Hill, I'm happy to oblige. Just put your name on the list. The same goes for you, and I'm not sure whether it was Edmonton-Glengarry or Edmonton-Strathcona. [interjection] You're the sinner. All right. Then we'll put your name down too. But right now we have the hon. Member for Edmonton-Gold Bar.

Debate Continued

Mr. MacDonald: Thank you, Mr. Chairman. When we have a look at how Bill 19 and Bill 3 are going to affect Albertans, we have to be concerned as to how this will lower the price in this case for the almost 900,000 natural gas customers served by the major utility companies.

Now, I talked a little earlier, Mr. Chairman, about consumer choice or the ability of consumers to purchase natural gas from the provider of their choice. We know that this has been available to large industrial gas customers in Alberta since the late '70s.

If we do an analysis of this bill and if we look at this whole notion of convergence and if we look at the Navigant report, and the Navigant report was urging some sort of consumer education program for Albertans, and the cost of that was \$2 million, 2 and a half million dollars, I don't know who's going to bear the cost of this, but perhaps that would help out consumers such as those in Edmonton-Gold Bar who were visited recently by the door-to-door salesmen.

Now, other jurisdictions have tried this deregulation. A lot of jurisdictions have tried it and have come to their senses and have concluded that it's not a situation that's going to benefit consumers, and so they have gone back to more regulatory control.

If we were to take Bill 19 and place in it somewhere a process

whereby we were going to allow for consumer education, consumers could know, and the senior who does not have Internet access would know the questions to ask the individual who comes to his or her door; the senior would know. I could be wrong, and certainly hon. members are encouraged if they have the Navigant report in their bill brief to discuss the total cost, but I believe it was about 2 and a half million dollars for this consumer education program.

Now, maybe the Minister of Energy is going to surprise everyone and announce a consumer education program. Maybe the government could rent part of our website, www.altaliberals.ab.ca. We could certainly help them out and put a page on there of consumer information and ways that consumers could have information and protect their interests whenever the door-to-door sales people come. We may have more retailers in this province as a result of this bill, but I don't think that's going to make things automatically better for the consumers, Mr. Chairman.

10:10

Now, we've heard this before, but there is still no guarantee that more competition will reduce our heating bills. Retailers will only come to Alberta if there's a possibility of making a profit, and if you've got the middlemen, they're going to want to make a profit. That's fair enough, but the profit is going to come out of the consumers' pockets. I don't know how we're going to reduce costs in this way. An enterprise has to make a profit. They certainly do, but I don't know how this is going to reduce gas bills, and Albertans have said many times over that they consider not only electricity but gas for heating as an essential service. They do not want to shop around. They want reliable and affordable prices, and there are no guarantees from this bill that just because the government makes more changes, energy deregulation will suddenly start to work.

If anything, I would have to say that the changes proposed in this act are going to create more uncertainty, more chaos for the customer, more frustration, more confusion. At the proper time I'm certainly going to try to repair this bill, to improve it. I look at the numbers across the way, and certainly it would be a miracle if we could convince this government that energy deregulation is an expensive folly, but I don't think that's going to happen. We're going to have to try to make a bad situation better with amendments.

I cannot support this bill at this time, because I think it's going to make things worse for customers. Thank you.

The Chair: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Thank you very much, Mr. Chairman. I'd also like to add a few comments on Bill 19, the Gas Utilities Statutes Amendment Act, 2003. The Member for Edmonton-Gold Bar has certainly raised many, many concerns that Albertans have, particularly about our energy costs and certainly where the government is going in regard to the delivery of energy to our homes. With the tremendous spikes that we've encountered in the price of gas this particular winter, Albertans are confused, and they're quite baffled about the whole process. But they're most concerned about the fact that not very long ago we had a very good system in this province where we didn't see these sharp spikes.

Certainly, when we look at legislation, particularly when Albertans look at legislation, one of the questions they do ask is: who does this legislation benefit? We look at the Gas Utilities Statutes Amendment Act and see that one of the big selling points is that it gives the consumer choice. It gives them the choice of the supplier, but it certainly does not give that consumer the opportunity to get cheaper gas prices that supposedly, because of competition, this is going to lead to.

Now, one of the examples that the Member for Edmonton-Gold

Bar did bring up was about a constituent of his who got approached by a particular salesman of a particular company. Well, one of those salesmen actually visited my home and offered my wife – I wasn't home; I was here – the same deal of signing a five-year contract whereby we would be paying the \$7.25 per gigajoule. Now, she is a thrifty Scot, and she watches those dollars and cents pretty close, so she said: "Well, I need some information in order to make a decision of this nature. That's quite a while, and we've seen many, many variations and fluctuations in the price." She said: what have you got for me that shows me that this will be beneficial to me? This person did not have any information that was satisfactory to her. The only information she could judge on was the last few gas bills that we had received, and they were certainly above the \$7.25 per gigajoule, so she said: well, no; I am not prepared to make this decision right now without at least having the opportunity to research this.

Now, then, it's also quite interesting to me in all this talk about whether rebates kick in or not that we don't use some type of a weighted average on this average price of natural gas that we do pay. When we're paying so much more for natural gas in the winter months, the colder months, and when we are using so much more, it would only seem fair to me to use a weighted average to determine what sort of price would trigger a rebate system, but it doesn't seem to be going to happen in that particular fashion.

[Mr. Klapstein in the chair]

I have other constituents who have phoned my office, Mr. Chairman, and they're also concerned. They're concerned about these other charges that they see on their bill, and one of their favourite questions they seem to ask and a very popular question is: how many times do I have to pay for the cost of bringing energy from the alley to my home? It seems that, you know, when people have lived in their homes for 30 and 40 years, they've certainly paid for that distribution system, and now they're paying again. So they do have questions of this nature.

Now, then, as well, in looking at Bill 19, one of the groups that we did have contact with and did provide us with information was the Federation of Alberta Gas Co-ops, and this is a group that certainly has a long and proud history and also a long record of providing the people in the federation with very affordable, very reliable energy over many, many years. One of the things with the federation and the Gas Alberta Inc. group was that they were also quite concerned with the changes that were going to be brought about by Bill 19. These are elected boards, and they do have governing executives to ensure that any initiative that is promoted by government meets a test of prudence and satisfies a cost-benefit analysis.

As I mentioned earlier on in the debate and in my comments this evening, where do we see the benefit to the consumer? The major concern that all consumers have is: what am I going to pay? All I've seen is more and more and higher and higher prices for natural gas, and certainly this comes out of their pockets and leaves them in a position where they have less disposable income. I think that another perhaps measure of this can be the sharp decline that we have seen in the amount of business that our fast-food industry is experiencing right now. Higher energy costs have driven up their prices. The higher energy prices have taken away from the disposable income that families have, and I think in all fairness we have to look at – you know, I think people generally are starting to eat healthier and starting to eat foods with less fat content. There's a whole gamut of issues as to why they have experienced a decrease of business, and I can't help but think, Mr. Chairman, that one of the reasons is that this has not benefited the consumer.

10:20

So I think that the position of the federation and the GAI certainly is a very strong position, that there should have been some sort of a cost-benefit analysis to see how all of this deregulation and the changes that we have made in this industry have benefited the consumer. It has to be more than just a choice of who you purchase that through.

Now, then, as well, Mr. Chairman, "if such an analysis has been undertaken," then these groups request that "the Province of Alberta . . . produce it for the benefit of consumers and further understanding of the marketplace." Again, I hearken back to the wise words of the Member for Edmonton-Gold Bar when he indicated that this certainly is a very complex industry and many, many different types of regulations govern it and many different instances by which the companies arrive at a bill for us. Certainly, for the average person out there they don't have the time nor the resources to look in and try to sort this out. The one thing they do know is that this has not benefited them. They are paying more, and the service has not changed any from the way it previously was. So they don't see the benefit here, and quite frankly neither do I.

The federation and the GAI did ask for an analysis, and they go on to say:

Without this analysis the Federation and GAI suggest this initiative is premature and should be suspended until it is determined that tangible benefits will flow to consumers. Any other action would be irresponsible. The Federation and GAI submit that it is time for the Province of Alberta to take a fall back position, as has been done in many other jurisdictions, and ensure this review is taken before we move forward with any more initiatives promoting or intending to promote a competitive retail market and customer choice.

Certainly, with a more competitive retail market we do know that in that instance where we truly do have competitive marketing, prices as a whole go down. But it is very hard to have a competitive market when we have reserves that – at this particular time we are looking at remaining ultimate potential of 94 trillion cubic feet, yet production is 5 trillion cubic feet. So using these figures – and these figures do come from the government of Alberta – in looking at this, if we do have 94 trillion cubic feet of remaining ultimate potential in this province and at this particular time production is 5 trillion cubic feet per year, that's less than 20 years of ultimate potential of natural gas in this province. When you do have a dwindling supply, it is very, very difficult for us to have a marketplace where we are going to have adequate production to warrant a competitive market and to see prices decrease.

Now, then, as well, the federation and the GAI, Mr. Chairman, only want what is best for their consumers, and as I mentioned earlier, they have a long and proud history in this province of providing excellent service for their consumers. They are certainly interested if there are any tangible benefits to be realized with our new legislation, Bill 19, and one of their other goals is to have their membership properly informed and properly aware of how to take advantage of any benefits that will exist as a result of Bill 19. This is an elementary request on behalf of the federation and the GAI. They just want to see those benefits, and they want to be allowed to educate their consumers on the rationale and objectives of customer choice that will result in a competitive advantage for their members.

They have provided, I think, an excellent report on their position in regard to customer choice. They have also gone on in this report, Mr. Chairman, to provide recommendations that they "request the government to review and implement at their discretion." The federation and the GAI conclude the summary by repeating the question that has been repeatedly put to them by their customers and

which they have been asking the government to provide for some time: "Who is asking for these changes?" I think that's a simple question when all things are considered in that it wasn't the consumers in this province who had asked for these changes, and certainly when we consider that it wasn't the consumer that had requested these changes, then it's quite easy to understand why they feel that they are not getting any benefit from these changes. Or if they are getting a benefit, the only benefit would be choice, and choice is no benefit if it isn't accompanied with a decrease in the rates they pay for gas.

So with those comments, Mr. Chairman, I will cede the floor to another hon. member to continue with debate on Bill 19. Thank you.

The Acting Chair: The hon. Member for Edmonton-Mill Woods.

10:30

Dr. Massey: Thank you, Mr. Chairman. I, too, would like to speak in opposition to Bill 19, the Gas Utilities Statutes Amendment Act, 2003. Like other members of the Assembly, I have gas to one of our residences supplied by a small gas co-op. The co-op has been delivering gas to our cottage for a number of years now at very, very reasonable rates. The delivery has been reliable.

Mr. MacDonald: What gas co-op is that?

Dr. Massey: That's the Lac Ste. Anne gas co-op. They've been doing a good job, and it's been quite a change to have the utility handled by that co-op. Like others we were on propane for a number of years and all the inconvenience that accompanied being on propane. The gas co-op has provided good service, I think, for our neighbours and for ourselves over a long period of time.

So when we were given a copy of the submission that they had made to the government on this topic, I was particularly interested in what they might have to say. What they have done, I think, is taken what can be a complex topic and set of discussions and put it into everyday language and made the case in language that most Albertans can understand. They make a number of statements and come up with a number of recommendations that I think are certainly worthy of consideration by the government. I think it's unfortunate that their recommendations thus far haven't been reflected in the kind of legislation or the kinds of provisions we see in Bill 19.

One of the tests that they insist the changes have to meet is a prudence test, and they make the claim that customer choice for electricity and for natural gas at the retail level has not really been fully examined, nor are they satisfied that it meets the prudence test. They take issue, as we have, with the fundamental principles of competition or providing customer choice for these particular utilities, and they state quite boldly that

deregulation of natural gas has worked well at the wholesale level, but cost-benefit analyses and reference to actual experience in other jurisdictions demonstrates it does not work at the retail or smaller consumer level –

and they underline "does not work" – and that when you do introduce customer choice at the retail or smaller consumer level, you end up putting on additional layers of overhead and you introduce a whole set of additional costs and open up a whole new line of work for regulators. I think it's from that premise that customer choice does not work with natural gas and electricity.

They also take issue with the claims that lower prices will prevail, that the competition will drive the price down. They claim that that's simply not true. They don't believe that the changes that we have before us will result in natural gas being delivered to their customers at lower rates.

I think they remind us that small consumers – and we've had

examples of that earlier today in the Legislature – have little protection from the marketing community. Most customers, most of us living our ordinary lives really don't understand the complexities of buying commodities such as electricity and natural gas. All you have to do is pick up copies of the government's legislation with respect to electricity and natural gas, and you can understand why most consumers don't understand what's going on and in most cases don't want to wade through the complexities of trying to figure out which direction they should take in terms of buying commodities, which are really very, very important in our province and are complex in terms of trying to understand what is actually happening in the market. We had the example earlier today from the Member for Edmonton-Gold Bar of a senior in his constituency being high-pressured by salespeople. That aside, just anyone who is interested but not so interested as to want to get into the legislation will have a difficult time understanding the complexities of trying to act as a responsible consumer in the retail market for electricity and natural gas.

[Mr. Tannas in the chair]

I think one of the things that this legislation reflects is the government's overriding enthusiasm for customer choice in the free market economy. It's an enthusiasm that often – and this case, I think, is a good example – is not tempered with good sense. Again, I think, as the gas co-op people point out, most customers don't want the burden of trying to figure out which retailer will provide them with the best and most economical service. They expect, as has been the history in this province, to have gas and electricity supplied at reasonable rates reliably, and I think that that's what the previously regulated market gave them. Many of us are finding it difficult to understand why the government has made the moves that they've made other than this great enthusiasm for the free market economy and believing, almost a religious type of belief, that everything must be operated with the use of the free market as the underlying principle.

Part of the problem with this bill as well as with the previous bill is that the people most affected have been left out of the drafting of the legislation. The consumers really haven't had any say in what's going to happen to them. They don't appear to have had any input in the drafting of the legislation, and they're being asked to be part of an unproven model and in fact a model that in other parts of the world has not been a success, particularly for small consumers. Other places where such a model has been a success, I think, the gas co-ops point out that there's been significant government intervention and some horrendous implementation problems.

That's exactly what's happening here. If you look at electricity deregulation and the number of regulations there were prior to deregulation and you look at the massive regulations now that accompany the supposedly deregulated market, it's quite astounding. This is anything but progress in terms of clarity, and it certainly doesn't follow the simplistic notions of a free market economy that are spouted in defence of what's being done.

10:40

The gas co-op people go on to point out that the regulations and the drafting of the law seem to have been undertaken almost exclusively by nonconsumer groups and that nonconsumer groups have dominated discussions and that that's been at the expense of consumers, that they've been left out of the loop. They flatly reject what the government is doing and claim that the changes that we see before us in Bill 3 are unwarranted and will add additional complexity and actually will increase utility and commodity costs.

The gas co-ops speak for a large number of Albertans, 250,000 rural Albertans, and they're finding it very difficult to understand why we're rushing in to change something that has worked very well. They report on surveys that indicate that what customers really want is commodities delivered safely and efficiently at reasonable prices, and the notions and the kind of complexity that's been introduced into their lives by deregulation are not complexities that they wanted.

They go on to raise a number of questions, and I think my colleague from Edmonton-Glengarry outlined a bit of what they had asked. The major question they have asked is: "Who is asking for these changes?" It's a question that I think the government is obligated to ask. Who is asking for these changes? Why are we into this mess? Why are we struggling to deliver commodity, natural gas and electricity, to homes and fouling it with all the complexities of a number of retailers going door to door trying to convince us that the way they are going to do it is best? Why are we going through all of this? Who has asked for it? Who wanted it to happen?

They concluded their submission, Mr. Chairman, with a number of recommendations, and my colleague from Edmonton-Glengarry referenced one or two of them. One of the things that they wanted was that there be a freeze on legislation and altering the rules and the regulations and amendments to statutes, that there be a freeze on everything until the government has had an opportunity to examine the issues and to clearly demonstrate that small-volume customers can receive tangible benefits that outweigh the costs and the risks. So it's, I think, a very important recommendation. Let's stop this madness until we actually can figure out what's going on.

A second recommendation they make is that things not proceed until there has been significant customer input. Let's hear from Albertans. Let's hear from those people that are going to be affected by the changes, what they want and whether they agree with the directions in which the government is moving.

They also asked – and I think this one has been mentioned before – if the government can conduct studies to "objectively analyze the costs and the benefits which can be realistically delivered." Part of their submission – and it's not their position alone, Mr. Chairman – is that the people have little faith in what's happening. They don't believe that there are going to be benefits. They believe that they're going to be burdened with complexity and forced to deal with issues that many feel incapable of dealing with and many just don't want to be bothered dealing with. So they asked the government for some studies that would at least include the voices of stakeholders.

A further and I guess their final recommendation in their submission was that there be "a 5 year moratorium on any further initiatives on unbundling or restructuring for electrical and natural gas utilities." I'm not sure how realistic that is at this point, Mr. Chairman. We seem to be down the road so far that turning back becomes difficult. Maybe putting a moratorium on it is possible, but there doesn't seem to be much willingness on the part of the government at this point to listen to those kinds of pleas, which is unfortunate.

The association I think raises the question about what happens if all of this fails? Even with the best of intentions, if this doesn't turn out the way that the government is assuring us it will, what's going

to happen to consumers and to customers in this province? Where are we going down the road if all of the regulations and all of the laws and all of the changes and all the ideology end up creating a situation that doesn't deliver gas and electricity at a reasonable price to homes and in a reliable fashion? It's a question that should have been raised much earlier. What is the price of failure should this not work?

I started out indicating that I was impressed with the submission of the Federation of Alberta Gas Co-ops and Gas Alberta Inc., who made the submission, and they raise some excellent points and in language that is certainly welcome after what we're used to in wading through the legislation, Mr. Chairman.

I think that with that, I'll conclude for the moment. Thank you.

The Chair: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that we adjourn debate.

[Motion to adjourn debate carried]

The Chair: Shall the progress of Bill 19 be reported when the committee rises? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? Carried.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Chairman. I would move that the committee now rise and report progress on bills 27 and 19.

[Motion carried]

10:50

[The Deputy Speaker in the chair]

Mr. Klapstein: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports progress on Bill 27 and Bill 19.

The Deputy Speaker: Does the Assembly concur in this report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I'd move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 10:51 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

