

Legislative Assembly of Alberta

Title: **Tuesday, November 25, 2003**

1:30 p.m.

Date: 03/11/25

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. Though we as legislators of this great province and its people are taken from among the people and selected by You to be architects of our history, give us wisdom and understanding to do Your will in all that we do. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of the Assembly 23 grade 6 students and their teacher, Margo Cahn, along with parents Jayne Hope and Nadine Kern from Earl Buxton elementary school in my constituency of Edmonton-Whitemud. They're here today on a short visit to observe and learn about government. They're seated in the members' gallery. I'd ask that they please rise and receive the traditional warm welcome of the Assembly.

The Speaker: The hon. Minister of Government Services.

Mr. Coutts: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to members of the Assembly a very dedicated group of employees of Alberta Government Services. This is the business and financial planning team within our department, and they're here today in the Legislature to take a look at some of the activities and to tour the Legislature Building, which I think is a really good opportunity for our public service. I'm going to ask them to stand as I repeat their names. We have Laura Cameron, Scott Beeby, Ken White, Robin Anderson, Myrna Weingardt, and Helena Lee. I would ask the Assembly to please give them the traditional warm welcome.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I, too, have some of my department staff here. These are the people from zone 5. So for those of you who are in Calgary, Strathmore, Rocky View, all of these, these are the people that look after the school boards and school districts in those areas. I would ask them to rise as their names are read: Merla Bolender, Millicent Bain, John Blevins, Elinor Burwash, Bryna Clarke, Dorothy Haines, James Hamilton, Aimee Kovacs, Cheryl Lewis, Sylvia Mutch, Nahid Mulji, Wendy Narang, Mike Reikie, Bruce Stonell, Ronald St. Jean, Robert St. Onge, Sylvia Veillette, Pamela Wolfe, and Kathryn Young. These people do yeoman's service to the Department of Learning in zone 5. I'd ask them all to rise and receive the warm welcome of the Legislative Assembly.

The Speaker: The hon. Member for Grande Prairie-Wapiti.

Mr. Graydon: Thank you, Mr. Speaker. I don't have the pleasure of too many visitors, but certainly today I'm delighted to have a hardworking Alberta family from Wembley visiting me. Dick and Joanne Barendregt are very, very good at home schooling their

children, and part of the studies that they undertake is to come in and see how we operate here in the Legislative Assembly, so they're making that visit today. With Dick and Joanne are five of their children. They also have two children who are overseas in Japan at the moment and another son that's at home, I believe. I would ask Dick and Joanne Barendregt and their children Morgan, Caleb, Jessica, Josiah, and Jeremy to rise and receive the welcome of this Assembly, please.

The Speaker: The hon. Member for Edmonton-Meadowlark.

Mr. Maskell: Thank you, Mr. Speaker. On behalf of the hon. Member for Edmonton-McClung I am pleased to introduce to you and through you 50 super grade 6 students from Ormsby elementary school. Accompanying the students are their teachers, Mr. Thomas Lock and Mrs. Alana Eaton; their teacher assistant, Mrs. Branco; and parent Mrs. Olsen. By the way, the students will be decorating Christmas trees in the Legislature pedway. Our guests are seated in the members' gallery, and I'd ask them all to rise and receive the traditional warm welcome of the Legislature, please.

The Speaker: The hon. Member for St. Albert.

Mrs. O'Neill: Thank you, Mr. Speaker. It's my honour today to introduce to you and through you to members of this Assembly 12 students from St. Albert high school. They are residents in the constituency of Spruce Grove-Sturgeon-St. Albert and the constituency of St. Albert. They are members of Mlle Tamie Froment's class. They are grade 10 études sociales students, and I'd ask them to please rise – they are in the gallery – and receive the warm welcome of this Assembly.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm just delighted today to introduce to you and through you to all members of the Assembly 11 students accompanied by their teacher. These are students from the Alberta College campus, Grant MacEwan College, in the English for academic purposes class, and Edeana Malcolm is their instructor. They are seated in the public gallery, and I'd ask them to please rise and receive the warm welcome of the Assembly.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. It's always a pleasure to introduce one of Alberta's emerging artistic talents. Today I'm introducing Geoff Moore, who is seated in the public gallery. Geoff is a Calgaryian whose first novel, *Murder Incorporated*, has just been released by Falcon Press, which is a Calgary publisher. This is a story with an authentic Canadian voice telling about a week in the life of a Calgary advertising man. Although it's a dark rumination on life, death, nostalgia, and the advertising world, it's a story that makes the reader laugh out loud. Geoff will be at Audreys tonight at 7:30 for a book launch. He's accompanied by Ann Murray and Deb Bennett. I'd ask them to rise and receive the warm welcome of the House.

The Speaker: The hon. Member for Redwater.

Mr. Broda: Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to members of the Assembly 35 visitors; however, they're not here just yet. They will be arriving

at 2 o'clock. There are 31 students and four adults from Thorhild school, and it's certainly my pleasure to be able to recognize them as being here this afternoon visiting our Assembly.

Thank you, Mr. Speaker.

head:

Oral Question Period

Budget Surplus

Dr. Nicol: Mr. Speaker, yet again the Alberta government is set to announce a bigger surplus in the budget all the while shortchanging Albertans by sacrificing spending on education and infrastructure. Even after emergency spending on agriculture, forest fires, and natural gas rebates, the surplus reportedly could top \$2 billion. Current legislation requires that all surpluses go to debt payment. My questions are to the Minister of Finance. Will you recognize that infrastructure deficit is part of the debt and use some of the surplus to catch up on the backlog of required construction for our schools, hospitals, and roads?

Mrs. Nelson: Mr. Speaker, the second-quarter report will be released in the fullness of time.

Dr. Nicol: Again to the minister: will you make sure that Alberta's students share in the needed surplus and commit to funding the infrastructure needed to meet the Learning Commission's recommendations for classroom size?

Mrs. Nelson: Mr. Speaker, in the budget that we filed in April and that has gone through a first-quarter update, we've clearly made a commitment to capital by putting in place a capital plan that says that dollars that are allocated to that capital plan have to stay in the capital account, can't go back out into operating funds. We've made that commitment; in fact, we've legislated it. So our commitment to infrastructure is clearly there. In fact, we had \$5.5 billion of capital put aside in the budget process already for the next three years, so I hope that when the hon. Leader of the Opposition talks about a commitment, he realizes that we're the only government in Canada that does this.

Dr. Nicol: Mr. Speaker, to the minister again. We're asking: will you make an additional commitment given the pending surpluses of this province to spend some of that surplus on catching up further on some of the capital deficit that we've created in the last 10 years?

1:40

Mrs. Nelson: Well, Mr. Speaker, again, the second-quarter report has not been filed or released as yet, but what I can tell the hon. Leader of the Opposition is that our government is committed to capital projects. In fact, yesterday I attended a P3 conference in Toronto, representing Alberta, encouraging investors to come to Alberta and to work with us as part of the capital plan for alternative financing, and they were very pleased that we were there. We had officials from the Department of Infrastructure and the Department of Transportation in attendance at the conference, and the reception was most favourable for the province of Alberta.

Electricity Exports

Dr. Nicol: Mr. Speaker, last week the Minister of Energy attended an energy conference in Oregon. Plans were discussed at the conference to export Alberta electricity to the Pacific Northwest. This would require \$1.5 billion in new transmission lines, an increased export capacity of electricity from 600 to 2,000 megawatts.

This year when Alberta needed new transmission lines, this government saw to it that consumers picked up the tab with \$2 billion in additional charges on their bills. My questions are to the Minister of Energy. How can Albertans be sure they won't get stuck with the costs of transmission for exporting this power to the U.S.? [interjections]

Mr. Smith: Well, it is a good question, Mr. Speaker. It's good to see the Leader of the Opposition back from missing last Thursday. I was here.

The Speaker: Please. We're not doing that. We're above all that.

Mr. Smith: No, we're not.

The Speaker: Don't argue with me, Minister. We are above that. Civility and courtesy will always prevail in this Assembly.

Hon. minister, do you want to supplement your answer?

Mr. Smith: No. Thank you.

Dr. Nicol: That's one way to get around answering.

Again to the minister: why is Alberta planning to boost its electricity exports when deregulation at home hasn't provided us with stable and low prices?

Mr. Smith: Well, Mr. Speaker, the export policies are very clear, very open. They're open for all Albertans. They've been in place for over 18 months, and the price of electricity today is very clear as to what will be starting the 1st of January. We're over the worst of it in the Aquila/EPCOR network. We've seen consistent pricing in the ATCO network, and I think that we can safely say that nobody's blacked out. We've had a province where we've had unprecedented prosperity. We've been able to deliver the electricity necessary to provide the fuel for that economic growth.

Dr. Nicol: Mr. Speaker, back to my first question. Will the minister guarantee that Albertans will not pay for the transmission costs of that power that's going to be exported to the United States?

Mr. Smith: Again, Mr. Speaker, all he has to do is refer to the export policy principles that are now at least 18 months old, and he will see very clearly in there that anybody who exports power shall pay. The people who benefit shall pay for those transmission costs. It's very clear, it's very open, and I'm surprised that it merits a question in this House today.

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

Natural Gas Marketing

Mr. MacDonald: Thank you very much, Mr. Speaker. Everyone in this Assembly certainly knows that cars cost less in Wetaskiwin, but electricity costs are as high there as they are anywhere in the province. My first question is to the Minister of Energy. Given that a legal document commissioned by several consumer groups, including rural utilities in Alberta, calculates that Direct Energy, if the sale through the EUB goes ahead, will hold an 89 percent share of the natural gas retail market, why is this government promising Albertans more competition in the marketplace when Direct Energy will hold such a huge monopoly on the natural gas in the marketplace?

Mr. Smith: Well, Mr. Speaker, everybody knows that yesterday at the chamber of commerce meeting I had two or three people comment to me that we had four to five times the number of people attend than showed up for the Liberal Unplugged open house. So it was great to be able to talk through and past the opposition and deliver real facts to the people of Wetaskiwin.

In that 45-minute discussion on deregulation, on utilities, on natural gas prices, there were five questions, Mr. Speaker, from the floor, and they were dealt with. It's very clear that the current sitting Member for Wetaskiwin-Camrose has done an excellent job of putting forward the government's position in that jurisdiction.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the same minister: given that the sale of Direct Energy is reported to cost consumers an additional \$7 per month on their bill, how will Direct Energy's huge monopoly encourage the company to offer competitive prices?

The Speaker: A lot of speculation there, hon. member.

Mr. Smith: Given that there's a lot of speculation there, Mr. Speaker, I think we will just allow the speculation to continue until the EUB has ruled on that.

Mr. MacDonald: To the same minister, Mr. Speaker: given that two out of three major gas utility companies will be charging under \$5.50 per gigajoule for gas in December, how will the government explain to customers of ATCO south that they will not be receiving a rebate even though they will possibly be paying \$6.22 per gigajoule for gas in December, well above the famous trigger price of \$5.50 per gigajoule?

Mr. Smith: Given, Mr. Speaker, that the final decision has not been ruled on and put forth by the EUB, at that time the government will come forward and comment on the decision of the EUB.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Banff-Cochrane.

Assistance to Cattle Industry

Mr. Mason: Thank you very much, Mr. Speaker. In the past six months a staggering \$400 million of federal and \$300 million of provincial money has been poured into compensation programs for finished cattle since the discovery of a single BSE case last spring. Thousands of small-scale cow/calf operators have yet to get a dime, and they're wondering who did. My question is to the minister of agriculture. Given that a handful of large feedlots apparently got the lion's share of the massive BSE program for finished cattle, when can Albertans expect to receive a full accounting of who got how much?

Mrs. McClellan: Mr. Speaker, to say that a handful of large feedlots got the majority of compensation might be somewhat accurate if those feedlots handled the majority of the cattle, because the compensation that was provided was on a per head basis, whether you were a small feedlot holder or a large one.

I explained yesterday to the hon. member that this industry operates in a chain and that it was important to start at the top of the chain, which was the full feedlot that had an animal to move in order to provide a place for this fall calf crop. Now, if in the last four

weeks the hon. member had wanted to go over to Edmonton Stock Yards, not a long trip, and sit in that market, he would have seen calf prices that equaled or exceeded last year's prices, in a year when we have had BSE. That's where our cow/calf operators really got the full effect.

The second thing is the announcement that we made yesterday that will assist those cow/calf operators in making a choice of how to handle the animals that are extra to their breeding herds, whether they offer them for market, which will not give them the same return as they had last year but a better return, or they choose to keep them for another year.

So, Mr. Speaker, to say that thousands of cow/calf producers have not benefited is wrong. The chairman of the Alberta Beef Producers sat at my side yesterday in the news conference and certainly didn't suggest in any way that the programs that this government has supported were wrong.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Well, given that the Deputy Premier and Minister of Agriculture, Food and Rural Development has failed to answer the basic question, will she, then, commit to authorizing a special investigation by the Auditor General to ensure that the program was put to good use – \$300 million of provincial taxpayers' money – and that no one got money they weren't entitled to?

Mrs. McClellan: Mr. Speaker, we have indicated clearly all along that there would be audits of this program, and in fact there have been field audits to date to ensure that the funds are passing appropriately. Also, the Auditor General will be auditing overall the whole program that we have.

Mr. Speaker, to call for a special investigation makes the suggestion that something has been done that was wrong. If that hon. member has any evidence to support that, he has a responsibility to bring that forward. If he does not, he should apologize for casting those aspersions.

1:50

Mr. Mason: Mr. Speaker, in the absence of a full, independent investigation by the Auditor General, how can Albertans be sure that moneys expended went to cattle producers and did not leak out to cattle brokers, speculators, and appear on the bottom line of packing plants?

Mrs. McClellan: Mr. Speaker, there is no question that the dollars that have been expended in these programs went to the owner of the animal. It is the only way it could be paid.

Were there benefits to other parts of the industry? Well, I sincerely hope so because this program was intended to assist people who are in the cattle dealing industry, who are in the auction market industry, who are in the trucking industry, who do sell hardware at the hardware store, who operate the corner cafés. This was intended to flow the dollars, at least a portion of them, back into that overall system, that employs thousands and thousands and thousands of Albertans every day, many of them, I'm sure, in the member's constituency. If he realizes that 167 companies in the greater Edmonton region process agriculture, food, and beverage products and a large majority of those are meat products, he would understand the importance of this industry and the support to it.

Evan-Thomas Provincial Recreation Area

Mrs. Tarchuk: Mr. Speaker, with over 2 million visitors a year Kananaskis Country is a major contributor to the beauty and the

prosperity of our province. This year the crown jewel of Alberta's parks and protected areas celebrated its 25th anniversary. Many constituents and Albertans are very interested in the future management plans for this natural asset and, in particular, the Evan-Thomas provincial recreation area. Could the Minister of Community Development please tell us what is happening with the planning process for the Evan-Thomas area?

The Speaker: The hon. minister.

Mr. Zwozdesky: Thank you, Mr. Speaker. Indeed, a very solid and timely question. The short answer is that there's a lot that is happening with the Evan-Thomas management plan, and a lot has been happening over the three years since the local advisory committee there undertook this project. Given, however, that we've had somewhere in the neighbourhood of 2,000 responses to the draft management plan from the public and probably another couple of thousand more from outside the country, it has taken a little longer than expected to work this entire process through.

In the end, Mr. Speaker, what will happen is that we will strive to attain the goal in the management plan of ensuring that the area remains protected and appreciated with appropriate recreation and tourism opportunities considered as well as the local needs and desires of the community living there, what they want done, and also putting into place some formal public consultation or future review process should that become necessary.

So in short order I anticipate being able to bring forward a final management plan for the important area of Evan-Thomas and K Country, and that will come up through the government process as soon as it's ready.

The Speaker: The hon. member.

Mrs. Tarchuk: Thank you, Mr. Speaker. To the same minister: what assurances can the minister give us that the final Evan-Thomas management plan will respond to both environmental concerns as well as the request from potential business and tourism operators?

Mr. Zwozdesky: Well, Mr. Speaker, I can give her and all members of the House and all Albertans for that matter every assurance that we will abide by the policies that were laid down in the Kananaskis Country recreation policy of the late 1990s wherein it was clearly depicted that things such as proposals for potentially large-scale developments would be directed outside not only the Evan-Thomas area but, indeed, outside Kananaskis Country itself.

I think it also has to be remembered that prior to the special places program, we had about 15 percent of K Country designated for one form of protection or another, and today I'm happy to tell everyone that we have over 60 percent of K Country designated. Our intention is to ensure that that fine balance between natural and environmental concerns in tandem with business, tourism, and recreational concerns remains focused and balanced.

To that end, Mr. Speaker, I have met with environmental groups, I've met with business communities and with the local Kananaskis Improvement District Council to hear their views, and I will ensure that those views are reflected when the final plan comes forward shortly.

The Speaker: The hon. Member for Edmonton-Ellerslie, followed by the hon. Member for Clover Bar-Fort Saskatchewan.

Chinchaga Wildland Park

Ms Carlson: Thank you, Mr. Speaker. A report released by

Greenpeace and ForestEthics entitled Chinchaga Wilderness documents the ecological values of the Chinchaga region and demonstrates that it is an endangered forest area requiring immediate protection. With less than 2 percent of the boreal eastern foothills ecoregion currently protected, the Chinchaga is a conservation priority. The existing protected area is simply too small to be ecologically viable. To the Minister of Community Development: given that the minister has just in his last answer acknowledged the changes needed in the Evan-Thomas area, will he also recognize the ecological importance of this area and protect the endangered region?

Mr. Zwozdesky: Well, Mr. Speaker, the Chinchaga area does have a fair amount of land already designated. It came forward through the special places program, and it has wildland provincial park status, which is reasonably high in terms of protection.

I do acknowledge and recognize that that particular area in the northwest quadrant of our province is a very special and unique area, and that's why it was given some protected status. I'm not aware of anything else that will violate that status, but at this point the special places program has been concluded. That doesn't mean that people aren't continually asking me to look at protecting more areas, but that is not happening at this time.

Ms Carlson: Mr. Speaker, given that only 2 percent of that area is currently protected, will the minister implement a science-based land use plan that identifies an appropriate protected area as well as a surrounding special management zone, as recommended by the Chinchaga report?

Mr. Zwozdesky: Well, Mr. Speaker, that particular management plan is one of more than a dozen plans we have under way right now. Considering the area of Chinchaga very seriously, it's before a public advisory review committee as we speak, and since it also integrates somewhat with the Sustainable Resource Development ministry, I would ask if the Minister of SRD wishes to supplement.

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. I promise that I didn't give the member opposite the question, but I'd like to definitely answer, because I just did a press release today that ties into that specific area to announce a forest management unit, P8, just northwest of the Chinchaga area. It's about 350,000 hectares. We will not be allocating any forestry in that area, although the area continues to have some multi-use in the oil and gas industry, which we will be co-ordinating. In fact, we are going to be setting up a committee as of January 1 of this coming year, and the committee will involve the public in relation to how we develop the resources in that area in a balanced way.

The Speaker: The hon. member.

Ms Carlson: Thank you, Mr. Speaker. Will the Minister of Community Development follow the lead of the Minister of Sustainable Resource Development and insist that a moratorium on new industrial development is put in place in this area and then commit to protecting the area's boundaries and having a full discussion on that, as the Chinchaga report recommends?

Mr. Zwozdesky: Well, Mr. Speaker, in fact, under the classification of wildland provincial park no new oil and gas activities are permitted to occur. So I hope that alleviates any concerns in that respect.

The final thing is that we'll wait for the local advisory management committee's final comment to come forward before we take any further steps.

The Speaker: The hon. minister.

Mr. Smith: Thank you very much, Mr. Speaker. I would only supplement the answer insofar as the opposition continually asks for reinvestment in learning, continually asks for reinvestment in infrastructure, continually asks for reinvestment in many areas. I would just want to remind them that oil and gas revenues in the last three years have equaled the last seven years combined, and it is the great good fortune of this province that those oil and gas revenues, through environmentally responsible drilling, have been allowed to deliver the revenues that we've been able to reinvest in Alberta.

The Speaker: The hon. Member for Clover Bar-Fort Saskatchewan, followed by the hon. Member for Edmonton-Riverview.

Gas Well Drilling in Hastings Lake Area

Mr. Lougheed: Thank you, Mr. Speaker. The Alberta Energy and Utilities Board has issued licences for two gas wells to be drilled in the Hastings Lake area of Strathcona county. With that approval the EUB has dismissed 87 objections filed by residents of the Hastings Lake area. Could the minister responsible for the EUB, the Minister of Energy, explain why the objections were dismissed by the EUB?

2:00

The Speaker: The hon. minister.

Mr. Smith: Well, thank you, Mr. Speaker. Thank you for the question. The EUB has worked responsibly throughout its history in conservation of the resource as well as in ensuring the safety of all Albertans, so it has in its purview a wide-open mandate to examine every submission and every reason. I can tell you through discussions in my portfolio, which is responsible for the EUB, that the EUB has reported to me that they cannot find any scientific reason why they would preclude or prohibit the orderly development of these two gas wells, which are in a pool, as I understand, that would be producing for a very short period of time in geological history. In fact, they would be drilled in a very short period of time, produced in a very short period of time, and then abandoned and reclaimed in such a way as not to disturb the residents and, again, to ensure that there's good environmental stewardship around the process and around the orderly drilling and development of these important resources for all Albertans.

Mr. Lougheed: Mr. Speaker, to the same minister: what has the EUB done to ensure the protection of water wells and to address the concerns of residents over flaring and also their concerns about the possibility of sour gas emissions?

Mr. Smith: Well, Mr. Speaker, I'm pleased to answer those three questions. On the one with respect to the drilling of water, there are clear and definable EUB standards as to casing, putting a cement bond between the drill hole and the outside formation, so that there is absolutely no chance, zero chance, of invasion into the aquifer.

Secondly, with respect to flaring, in fact the Alberta Energy and Utilities Board has been considered a world leader in the reduction of flaring. In many circumstances, Mr. Speaker, we have been asked to respond to the World Bank, to international situations reducing flaring, because we in fact reduced flaring by over 54 percent in a

very short period of time. That is, in fact, thank you to a joint group, including Martha's and Henry's comments from throughout Alberta, so there's been good environmental stewardship in that area. The other thing is that the company, in its environmentally responsible manner, has agreed to closed chamber testing and the fact that there will be no flaring during the period of testing planned.

Mr. Speaker, another thing is that the EUB has said very clearly that the wells to be drilled are sweet. That means that not only will they have the liquids that are so necessary to the great prosperity that the member represents in the county of Strathcona through the drilling of these gas wells but also will deliver royalties to the province of Alberta to the benefit of all Albertans.

Mr. Lougheed: Mr. Speaker, could the Minister of Energy also identify if there is any way for this decision of the EUB to either be appealed or reviewed?

Mr. Smith: Well, Mr. Speaker, there are always the two elements that parties have. One is to challenge the EUB, the Alberta Energy and Utilities Board, on what is called a review in variance. The second thing is to take it to the Court of Appeal for Alberta.

Charles Camsell Hospital

Dr. Taft: Mr. Speaker, after a deal last week to sell the Charles Camsell hospital fell through for the second time in as many years, the Camsell is back on the auction block at a price one-third lower than it was listed at last week. My questions are to the Minister of Infrastructure. Will the minister confirm whether the government is entertaining all possible bids for the Charles Camsell site, or is it only looking at bids from developers considering a health care function at the facility?

Mr. Lund: Mr. Speaker, when we put facilities like the Charles Camsell hospital up for open and public bids, we don't even ask the question: what is this facility going to be used for? That doesn't enter into the equation at all. Whatever a proponent feels that the facility can be used for in the marketplace, what they're prepared to pay for it is all we're interested in.

The Speaker: The hon. member.

Dr. Taft: Thanks, Mr. Speaker. Given that acute care hospitals in Edmonton are being used at a whopping 107 percent of capacity, would the minister consider selling the facility to the Capital health region?

Mr. Lund: Mr. Speaker, the Capital health region are the people that would make the decision whether they were even interested in purchasing the facility. At this time I haven't heard anything from them relative to that facility, but certainly if they were interested in having a look at it, we are only too happy to open the doors.

Mr. Mar: Mr. Speaker, if I may supplement, sir. Last week on November 20, 2003, in *Alberta Hansard* at page 1774 the hon. Member for Edmonton-Riverview sought my assurance that this facility would not even be used for long-term care. He was feeling and intimating that this was not even sufficient for long-term care, and now by reason of his press release dated today, less than a week later, he suggests that this should be an acute care hospital. What a difference a week makes.

The Speaker: The hon. member.

Dr. Taft: Thank you, Mr. Speaker.

Mr. Bonner: In Calgary they blow them up.

Dr. Taft: Yeah. We don't want to see it blown up.

It would only be fair for me to ask this to the Minister of Infrastructure: is the minister aware of any problems preventing the sale such as asbestos or toxic molds?

Mr. Lund: Mr. Speaker, to my knowledge we haven't done any air quality monitoring in that building. Anytime that you have a building that has been vacant for a number of years, the air quality probably is a component that, depending on its use, you would want to assess, but we have not done that.

Mr. Mar: Mr. Speaker, if I may supplement. I mean, not only does this press release comment on this being suggested to be used for a hospital; he suggests that the cost of doing so would be \$4.1 million. He has completely ignored the fact that this facility has been empty for a number of years. He has ignored the fact that there would be operating costs associated. He's ignored the fact that there would be enormous costs of retrofit associated with it. So, again, this suggestion that it's merely \$4.1 million: you could look it up on their web site, www.albertaliberaloppositionfairytale.com.

The Speaker: The hon. Member for Cardston-Taber-Wamer, followed by the hon. Member for Edmonton-Centre.

Gun Registration Prosecutions

Mr. Jacobs: Thank you, Mr. Speaker. I was mortified this morning when I again had to read about the escalating costs of the federal gun registry. Many of my constituents remain concerned not only about this colossal waste of taxpayers' dollars but about the fact that gun owners, including a former Sergeant-at-Arms of this Legislature, may face charges in our courtrooms when their only offence has been their refusal to register their guns. My questions today are to the Minister of Justice and Attorney General. Can the minister advise what role provincial Crown prosecutors will play when charges for unregistered firearms are laid?

The Speaker: The hon. minister.

Mr. Hancock: Well, thank you, Mr. Speaker. Alberta has been a leader in this country in fighting the gun registry law and for good reason. We've been fighting the gun registry law because it's a colossal waste of money, money which could have been used to effectively be tough on crime in this province and across this country. We have made it perfectly clear and other jurisdictions in this country, particularly Manitoba and Nova Scotia, have followed our lead to say: we will not prosecute under the federal firearms registry act.

We believe that when people use guns illegally in the commission of a crime or where they do not follow the laws with respect to being licensed or with respect to storing firearms properly, then we obviously will continue to do what we always have done and prosecute for the purpose of ensuring that our communities remain safe. But we will not prosecute under the federal gun registry act, and where it's clear that a charge relates solely to registration or the intention is with respect to registration, we've asked the RCMP and we've sent a direction out to police forces in this province to send the file to the federal government and have them pursue it.

2:10

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. To the same minister: given the province's opposition to the registry, can the minister explain why Alberta Crown prosecutors would ever be involved in conducting prosecutions for registration charges?

Mr. Hancock: Mr. Speaker, Crown prosecutors, I'll re-emphasize, will not be involved when the charge is under the federal registration act or where it's exclusively relative to registration. We will, however, continue to follow our constitutional obligation to prosecute under the Criminal Code when firearms are used illegally in other senses, which is, for example, unsafe use; unlicensed use, where you haven't properly obtained a licence, which involves screening, training, the requirement of mandatory courses; where you're storing inappropriately; where you take a gun to a public meeting. Those sorts of Criminal Code offences that we've always prosecuted we will continue to prosecute. But where it is simply a question of registration and the massive boondoggle, the waste of money that the federal government is engaged in, we will not be part of that and provincial prosecutors will not be part of that.

The Speaker: The hon. member.

Mr. Jacobs: Thank you, Mr. Speaker. My final question, again to the same minister: is there anything the province can do to prevent Albertans from being prosecuted for registration offences?

Mr. Hancock: No, Mr. Speaker. Simply put, we have an obligation. We have a Criminal Code in the country. The federal government passed both a federal gun registry law and amendments to the Criminal Code to put registration in the Criminal Code as an offence. We have a constitutional obligation provincially to administer the Criminal Code and to lay charges under the Criminal Code. We have indicated that we will not lay those charges where it simply relates to registration or where the intent of the charge is relative to registration, but we do have to authorize the federal government in those circumstances to administer the Criminal Code. So provincial Crown prosecutors will not be involved in those types of prosecutions. We will not prosecute those offences. We will not waste Alberta taxpayers' money prosecuting offences that simply relate to registry. We will continue to put Alberta taxpayers' money to good use in combating crime where crime exists in this province, but we will not be involved in that area.

The Speaker: The hon. Member for Edmonton-Centre, followed by the hon. Member for Edmonton-Strathcona.

Provincewide Policing Standards

Ms Blakeman: Thank you, Mr. Speaker. The Auditor General reiterated the concern from last year that a manual for provincewide policing standards and a plan to implement it is lacking from this government. The Auditor General stated: "Until the plan is implemented, the Ministry does not know whether police services meet . . . minimum policing standards. Public safety could be at risk." My questions are to the Solicitor General. When are we going to see the publication of this manual and the implementation of a plan for policing standards?

The Speaker: The hon. minister.

Mrs. Forsyth: Thank you, Mr. Speaker. The policing standards that the hon. member is referring to are in the works as we speak. We have put together a working group, we have got their approval in regard to the standards, and it's something that I hope to have by the end of the year.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Given that the Auditor General has stated that public safety could be at risk, could the minister explain the delay in both the publishing and in the response?

Mrs. Forsyth: Mr. Speaker, I'd like to clarify something first, if I may. I believe all police in this province do a wonderful job, and at no time do they put the public at risk.

I will say, though, in regard to the standards that we've had a working group put together, which is the Alberta Association of Chiefs of Police and other members of the stakeholders that are involved in this. They have finalized the standards and are pleased with what we're moving forward on and will be implementing by the end of the year.

The Speaker: The hon. member.

Ms Blakeman: Thank you. Again, since the Auditor General notes that the minister has tied implementation of the standards to the province's response to the MLA review on policing, when are we going to see the province's response?

The Speaker: The hon. minister.

Mrs. Forsyth: Well, Mr. Speaker, it's no different than how I answered yesterday on the corrections review. We put together a working group, which was the MLA for Lacombe-Stettler, the MLA for Calgary-Buffalo, and – I'm sorry; I'm missing the other name. These MLAs went out and they worked very hard in regard to reviewing policing in our province. We have put a considerable amount of work together on this particular review. We have finally got, for the first time in 31 years, recommendations that have been agreed on between the AUMA and the AAMD and C, and that will be a recommendation that was an agreement with both groups and will benefit not only the people in this Legislature but 3 million Albertans.

The Speaker: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-West.

Calgary Regional Health Authority

Dr. Pannu: Thank you, Mr. Speaker. Last March the Tory government fired the elected health authority boards after less than 18 months in office and replaced them with handpicked government appointees. With news that the Calgary health region deficit has ballooned beyond \$25 million, it is pretty clear that these Tory-friendly appointees don't know the first thing about spending money where it's really needed. Instead, they give their CEO a \$523,000 pay package and dole money out on lucrative consulting contracts. My questions are to the Minister of Health and Wellness. Will the minister ask his handpicked appointees on the Calgary health board to fire their high-priced CEO because of his failure to balance the books, and if not, why not?

Mr. Mar: Mr. Speaker, I presume that if he asked such a thing of

the CEO in Calgary, he would ask the same thing of the CEO in the city of Edmonton, the Capital health region, which is also running a deficit.

It's not because there's mismanagement on the part of these boards. It is because they are providing the very best service anywhere in this country. Don't take my word for it; listen to Mr. Romanow. Don't take my word for it; listen to Senator Kirby. Don't take my word for it; look at *Maclean's* magazine. Look at the CIHI data. Look at what Mr. Romanow has to say about our health care system. Look at what Senator Kirby has to say about our health care system. We have nothing to be ashamed of in our health care system. It's the best in the country.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. I am listening to the Auditor General's words. Given that the Auditor General again this year criticized the Calgary health region for its sloppy contracting out, when is the minister going to put a stop to the continuing draining away of public health care dollars into the pockets of private, for-profit sector interests?

Mr. Mar: Mr. Speaker, I wish the hon. member would be a little more specific about this, but the fact of the matter is that he knows that under our legislation we allow for the provision of insured services under contract by regional health authorities. It is perfectly transparent. If the individual wishes to look at any of the contracts provided between the regional health authority and private providers through private surgical facilities in Calgary or in Edmonton or anywhere else in the province of Alberta, he's certainly welcome to look at them. These are providing important services.

Let me say this, Mr. Speaker. The individual here, the hon. Member for Edmonton-Strathcona, is caught up in his ideology. The government is concerned with access to high-quality, publicly affordable, accessible services. It's not about ideology. This man, however, is locked up in ideology.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My final question to the minister talking about ideology: how can Albertans have any assurance that there won't be mismanagement of dollars on the new P3 hospital in Calgary when the handpicked board and senior management of the Calgary health region can't seem to properly manage their finances?

Mr. Mar: All I can say, Mr. Speaker: better that we handpick them than him.

The Speaker: The hon. Member for Calgary-West, followed by the hon. Member for Edmonton-Mill Woods.

2:20

Long-term Care Facilities

Ms Kryczka: Thank you, Mr. Speaker. Just yesterday I spoke at length to a constituent in Calgary-West about her concerns around her aging parents, who were separated when her father was admitted to long-term care in Lethbridge, leaving her mother in an assisted-living setting. Her father, though, is receiving excellent care, looks better than he has in 10 years. The staff really care by their actions who he is and was as a person in the community. A nurse even kisses him good night. My constituent is concerned over their separation as it appears to be no solution. My main question is to

the minister of health. What recognition is there within the health system in Alberta for this kind of situation?

Mr. Mar: Mr. Speaker, these are difficult situations. There are very many complex needs in the area of long-term care. Our first and most immediate concern is ensuring that the individual's complex health needs are being met, and I'm pleased that the individual here, the father, is getting the care that he needs.

As continuing care reform moves forward, Mr. Speaker, we are working with operators to develop new housing operations that will recognize these types of situations that will allow families not to be split but to be able to be closer together. There are a number of examples of this throughout the province. For example, in Calgary Wentworth Court and Colonel Belcher offer long-term care and assisted living within the same facility. In the Capital health region Kensington provides the same service. Also here in the city of Edmonton, in Mill Woods, Shepherd's Care offers assisted living that's located physically next door to a long-term care facility.

Operators throughout the province are moving towards this type of concept, recognizing, again, the importance of keeping families together. So in the future, Mr. Speaker, I do see more such facilities being built to accommodate those types of needs.

The Speaker: The hon. member.

Ms Kryczka: Thank you. My first supplemental question is also to the same minister. Given that the mother has been recently assessed as very depressed, are there things that can be done in order to help her?

Mr. Mar: Well, Mr. Speaker, I'm hesitant to comment on the mental condition of the mother in this particular case not knowing all of the details nor being qualified to do so, but I would suggest that if she has seen a physician and has been diagnosed with depression, she does through her family physician seek appropriate access to mental health care.

Also, Mr. Speaker, if the depression is related to her concern, with her anxiety associated with being separated from her husband, family members are always welcome in long-term care centres to participate in the day-to-day care planning for their loved ones. They can even participate in the care activities themselves, which of course allows them to spend more time together. Long-term care centres don't have visiting hours, so at any time certainly this family member can come and visit the resident of the facility.

Finally, spouses and family members are always welcome to participate in resident family councils, Mr. Speaker, and these councils operate informally with long-term care operators to allow families to work as a group with the operators in improving the quality of care for their loved ones.

The Speaker: The hon. member.

Ms Kryczka: Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Peace River.

Postsecondary Education Funding

Dr. Massey: Thank you, Mr. Speaker. The Southern Alberta Institute of Technology is considering a 27.6 percent tuition hike over three years. This hike is being blamed in part on inadequate provincial funding. My questions are to the Minister of Learning.

Does the minister consider that the government's tuition policy is working successfully when students face increases of this magnitude?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Under the existing tuition fee policy that includes a tuition fee cap, the jurisdictions, the postsecondary institutions, do have the ability to raise it by \$276 this year, \$284 next year, which is the hard cap on the tuition increases. SAIT has put forward a possibility for the next three years of increasing it by the maximum amount allowable. That is what has come out in the newspaper. Obviously, this is something that has to go before the students' associations. It has to go before the board of governors themselves. A key thing to remember here is that the average tuition at SAIT is still considerably less than the average tuition at a college or university.

The Speaker: The hon. member.

Dr. Massey: Thank you. To the same minister: when will the province take the pressure off tuition by creating a long-term funding plan for our postsecondary schools that will provide adequate, stable, and appropriate funding? We need a plan.

Dr. Oberg: Well, Mr. Speaker, tonight in the debate on Bill 43 you'll see part of that plan. On our three-year business plan that will be coming forward with the budget you'll see another very integral part of that plan.

But I will just bring to the attention of the Assembly something that came out, actually, today that's called the Education Indicators in Canada. What this shows is the percent change in public expenditures in education, which included both K to 12 and postsecondary education, between '97 and '98 and 2001 and 2002. In Alberta it went up 19 percent in public funding. That's from all sources. Nineteen percent, Mr. Speaker.

I was asked a question yesterday by the same member about Newfoundland. Well, Mr. Speaker, during the same time frame, where ours went up 19 percent, Newfoundland's has dropped 17 percent.

The Speaker: The hon. member.

Dr. Massey: Thank you. I'll remind him: they cut postsecondary schools by 20 percent.

Again to the Minister of Learning: will the government at least undertake the long-term review of postsecondary schools as recommended in the Learning Commission?

Dr. Oberg: Mr. Speaker, we are currently looking at the recommendations of the Learning Commission. We have had extensive debate and extensive collaboration amongst the postsecondary learning system on Bill 43. We've had it on the Renner report on postsecondary funding, which was out about a year ago, so there's been a lot of consultation that has occurred.

Mr. Speaker, there is one other point that I really want to throw in here as well, and that's something that always seems to be brought up in the Legislative Assembly also, which is the level of debt. Interestingly enough, in the same document that I was talking about, the second lowest level of debt after five years of graduation is in Alberta, with the average amount of about \$6,200. So five years after graduation our people are out there getting jobs, paying off their student loans, and the average debt is \$6,200.

The Speaker: The hon. Member for Peace River, followed by the hon. Member for Lac La Biche-St. Paul.

Timber Allocation in Northern Alberta

Mr. Friedel: Thank you, Mr. Speaker. My questions are to the Minister of Sustainable Resource Development. For quite some time now the issue of timber allocation in northern Alberta has been put on hold pending the outcome of negotiations on the softwood lumber dispute. A number of mills in my area as well as others elsewhere are struggling with their timber supply, particularly in light of wood loss through recent forest fires. I understand that some decisions have finally been made, and I wonder if the minister could tell us what these are.

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. As I've said before in this House, forestry continues to play a very important role in our overall economic diversification plan in Alberta. It's over an \$8 billion industry, and over 50,000 people are employed in that industry.

Most recently we are facing some challenges in the industry, and one is, of course, the softwood lumber negotiations and the lack of an agreement. We've been waiting close to two years now for an agreement to be in place in order to allocate some resources that we have. We have now decided that we can't wait any longer. We have come to a solution that balances the need of Alberta industry and deals with the softwood concerns at the same time. We've done this by selling wood based on market prices, and the department has decided to allocate over 400,000 cubic metres of timber in the Grande Prairie area, Peace River area, Fort McMurray, Athabasca, Lac La Biche, Slave Lake, and High Prairie also through public auction and direct sales.

The Speaker: The hon. member.

2:30

Mr. Friedel: Thank you, Mr. Speaker. The new agreement involves management goals that likely will affect the oil and gas industry as well, and I wonder if the minister could tell us what those implications might be.

Mr. Cardinal: Of course, with most of the harvesting that takes place through the forest management agreements, commercial timber permits, and also the quota system, there is a multi-use area in relation to development of resources, and that will continue. I mentioned earlier in the House, Mr. Speaker, that we are not allocating an area that covers about 350,000 square kilometres north of the Chinchaga area. That will be done in co-operation. We are putting the committee in place, as I mentioned before, and we will work with the stakeholders to ensure that we continue developing resources as required and maintaining the balance between the economy and the environment.

Mr. Friedel: Mr. Speaker, the minister mentioned working with stakeholders. Is this going to mean any new processes in stakeholder feedback?

Mr. Cardinal: Mr. Speaker, we have, of course, a number of examples in relation to developing multi-use areas. The Bighorn backcountry is one example. The Ghost-Waiparous, which we're working on right now, is another example. We may use some of the same processes in order to achieve what we need to achieve.

The Speaker: Hon. members, in 30 seconds from now I'll call upon the first of four to participate in Members' Statements.

Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**
(reversion)

Dr. Nicol: Mr. Speaker, I'd just like to rise today to recognize two individuals that work really hard on behalf of their constituents. First of all is Dan MacLennan. He's the representative from AUPE who comes in and makes sure that the debate in the Legislature reflects the interests of his members. I'd like Dan to rise and receive the warm welcome of the House.

Mr. Speaker, the second person is a young southern Albertan who is now representing the students of the province through CAUS and the work that they do on behalf of university students. I'd ask Melanee Thomas to rise and receive the warm welcome of the House.

head: **Members' Statements**

The Speaker: The hon. Member for Edmonton-Ellerslie.

Chinchaga Wildland Park

Ms Carlson: Thank you, Mr. Speaker. As a link in the ever important boreal forest, the Chinchaga wilderness region represents one of the best and last opportunities for conservation and sustainable development left in the world. The importance of the Chinchaga rests on the fact that it contains a wide diversity of ecosystems including old-growth forests, marshes, lakes, and peatlands as well as diminishing wildlife populations such as the grizzly bear, woodland caribou, wolverine, and a variety of birds that depend on the area to nest and raise their young.

A report released by Greenpeace and ForestEthics entitled Chinchaga Wilderness documents the ecological values of the Chinchaga region and demonstrates that it is an endangered forest area requiring immediate protection. The Chinchaga wilderness is considered an endangered forest because it contains critical forest fragments of remaining old-growth and undisturbed forest in an ecoregion in which less than 2 percent of the total area is protected and less than 30 percent remains functionally intact. It also contains habitat for focal conservation species, being grizzly bear, woodland caribou, wolverine, and migratory birds, all of which are declining in Alberta as a result of industrial activities in the forest. If not protected adequately, the Chinchaga will continue to face a variety of threats that will eventually lead to its degradation and to the loss of this vital ecosystem here in Canada.

Logging presents just one serious threat to almost all of Alberta's northern forests. This practice removes old-growth habitat, organic material and nutrients, and fragments in the forest. Site preparation following logging destroys soil structure, and the use of herbicides alters the natural succession of the forest over time.

The roads necessary for logging are also detrimental to wildlife. Studies of the effects of linear disturbance on caribou in Alberta indicate the serious effects that oil and gas development can have on wildlife, supporting the need for protected areas to prevent further decline of caribou populations.

We urge the government to support the Chinchaga.

Tom Couture

Mrs. Tarchuk: Mr. Speaker, it is my pleasure to rise today and recognize and congratulate an outstanding Albertan and Canadian.

Mr. Tom Couture of Calgary has recently completed a challenging, cross-Canada cycling expedition along the Trans Canada Trail, which spans this great country. He began his journey on May 10 in St. John's, Newfoundland, and concluded his five-month trek at mile zero of the Trans Canada Trail in Victoria on October 12, Thanksgiving weekend.

Tom, who works as a ground logistics/helicopter co-ordinator for Mount Assiniboine Lodge, has previously traveled many other countries by bike. His passion for cycling coupled with his interest in the Trans Canada Trail made this adventure decision an easy one to make. However, the journey would prove to be harder as Tom faced many long, solitary, and sometimes very challenging hours on his bike.

The cycling trip captured the attention of thousands of Canadians. His progress, as well as daily updates of Tom's experiences, was posted on the Trans Canada Trail web site. Canadians from coast to coast logged on to the site to read his lively updates about the countryside, its people, their hospitality, and the culture of our great nation.

In addition to documenting his personal experiences, Tom, who carried some of the latest computer and mapping technology with him on his journey, also documented many of the physical characteristics of the trail. His equipment system included GPS as well as a cycle computer, which tracked position, distance, altitude, gradient of slope, daily temperature, and Tom's power production and heart rate. This information will be added to a database about the Trans Canada Trail and will be used to generate maps and provide other users of the trail with information they can use when planning their respective trips.

Tom met many Canadians while on his trip and considers these interactions as one of the highlights of his adventure. He believes he is very fortunate to have been able to explore our awe-inspiring country.

Please join me in congratulating Tom on his endeavour and thanking him for his contributions towards the Trans Canada Trail. Thank you.

The Speaker: The hon. Member for Red Deer-North.

Michener Centre Administration Building

Mrs. Jablonski: Thank you, Mr. Speaker. She is a grand old lady loved by thousands of people in Alberta. She started her career in 1913 providing a good education for young women. After 1919 she provided a loving home for shell-shocked veterans of World War I, and after that she embraced mentally handicapped children who needed a provincial home. This grand old lady has now been seriously injured, and she's depending on the people and the government of Alberta to restore her to her original elegance.

This is the story of the distinguished Michener services south administration building, that was damaged on June 18 after being struck by lightning and having her fourth floor and part of her third floor burn down. The Michener services building is cherished by many who support the repair and restoration of this heritage resource that is recognized for outstanding architecture and provincially significant history. It is one of the last of the historical public buildings in Red Deer.

Last week I tabled a petition with 5,255 signatures and over 151 letters asking the provincial government to rebuild and restore this building. If preservation of our heritage is important to us as Albertans, then it is important for us to restore this building.

The Alberta Department of Infrastructure is waiting for a final engineering report on the strength of the steel structure to determine

if it is structurally sound and a final report on the cost of building and restoring. Local businesses, contractors, institutions, and Red Deer city council have agreed to come together to discuss the future of this heritage site with the Department of Infrastructure and the Department of Community Development.

When all the reports are in place, if the building is structurally sound and if the costs can be met, a decision will be made to restore the building, named in honour of Governor General Roland Michener and one of the first buildings in Alberta to be designated a municipal historical resource under the Historical Resources Act.

Firefighters fought courageously to save this landmark. It is now up to the people of the community and the government to fight courageously to rebuild and restore this grand old lady to her former grandeur.

Thank you.

The Speaker: The hon. Member for Calgary-Currie.

Drug Addiction

Mr. Lord: Thank you, Mr. Speaker. One of Alberta's biggest issues is crime and punishment, most of it directly or indirectly associated with drugs and drug addictions. It is clear that when we add up the costs of dealing with drug problems in our society – the cost of police, jails, our justice system, judges, lawyers, prison guards, social workers, a society in fear, extra money for insurance, security, safety, locks on our doors, the homeless situation that is created, and most importantly the human toll, lost people who might otherwise have been good, talented contributors to society – well, the cost of dealing with drug problems in our society is practically criminal, you might say.

2:40

Extrapolating from U.S. figures, losses associated with drug addiction in Alberta may be as high as \$1.5 billion per year. That's \$15 billion per decade alone in Alberta, money diverted away from economic development, education, and so on, and diverted into population control and the big stick of enforcement. I wonder why we as a society haven't decided to just tackle and solve the underlying disease of drug addiction instead of just spending so much money treating the symptoms, beating down the so-called bad people, trying to control the uncontrollable. Would a little more carrot and a little less stick be a better direction? How about a medical cure, a pill a day to keep the cravings away?

Recently, Mr. Speaker, I tabled documents on reward deficiency syndrome, the best explanation I have heard about why people get addicted to drugs in the first place – it's a medical problem – as well as news on a controversial new drug called HC 18, which is derived from a controversial old drug called Ibogaine, which is reported to be able to cure most forms of drug addiction in one single dose. Since then, I have heard of a few other possible drug addiction cures, but the most striking thing in common for any of these potential solutions is the almost complete lack of interest in funding they seem to be receiving from the medical research community worldwide.

Alberta is in a unique position, unlike almost anywhere in the world. In the same manner that President Kennedy decided to do the impossible and put a man on the moon, why couldn't we in Alberta decide to find a cure for drug addiction? It's a cure that the whole world desperately needs.

Thank you, Mr. Speaker.

head: **Presenting Petitions**

The Speaker: The hon. Member for Banff-Cochrane.

Mrs. Tarchuk: Thank you very much, Mr. Speaker. I am pleased to present with your permission 1,264 Albertans who petition the Legislative Assembly to urge the government of Alberta to “introduce and pass a Resident’s Bill of Rights for persons living in nursing homes in the province of Alberta.” I’m not looking to revert to Introduction of Guests but would like to mention three people supportive of this petition in the gallery: Carol Wodak, Linda Fillmore, and Murray Carson.

Thank you very much.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you. Mr. Speaker, I rise to table a petition signed by 196 Albertans from various communities spread across this province who are petitioning this Assembly to urge the government of Alberta to

recognize and value the contributions and sacrifices the seniors have made in building the Province of Alberta, and treat them with due respect and dignity by reversing those policies that cause unnecessary financial hardship for them and undermine their quality of life.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. Today I am presenting a petition signed by exactly 1,000 Albertans petitioning the Legislative Assembly of Alberta to urge the government of Alberta to “introduce legislation declaring a moratorium on any future expansion of Confined Feeding Operations, with a view to phasing out existing operations within the next three years.”

head: **Tabling Returns and Reports**

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I actually have 18 tablings today. The first one is from the Library Association of Alberta, and I’m tabling 105 postcards from parents who are concerned about the decline or elimination of school libraries in Alberta and lack of qualified staff.

Mr. Speaker, I’m also tabling a letter from the Banff Centre to confirm support for Bill 43, the Post-secondary Learning Act, sent by Phil Ponting, chairman, board of governors.

From the Northern Alberta Institute of Technology, Mr. Speaker: “On behalf of [NAIT], I would like to confirm my support for Bill 43, the Post-secondary Learning Act,” from Sam Shaw, president.

From the University of Lethbridge: “This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act and amendments,” from Bill Cade, president and vice-chancellor.

From the University of Calgary: “On the whole, we support the tone and direction of the legislation, which makes for a more collaborative post-secondary education system, with Campus Alberta as the key cornerstone,” from Harvey Weingarten, University of Calgary.

From the University of Alberta: “This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act . . . by the University of Alberta,” signed by Rod Fraser, president.

The next one is from the Alberta Association of Colleges and Technical Institutes. “In conclusion, AACTI supports the passage of Bill 43 as we feel the legislation enhances our ability to meet the needs of Alberta’s college and technical institute learners,” from Pam MacGillivray, chair of the Alberta Association of Colleges and Technical Institutes.

From the Alberta College of Art and Design: “This letter is to

confirm the support of Bill 43, the Post-Secondary Learning Act,” by D’Arcy Levesque, chairman, board of governors.

From the Southern Alberta Institute of Technology: “This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act, by [SAIT],” signed by Irene Lewis, president and CEO.

From NorQuest College: “This letter confirms NorQuest College’s agreement with and support for the comments put forward by AACTI,” by Dr. Wayne Shillington, president.

From Lakeland College: “This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act . . . by the Lakeland . . . Board of Governors,” signed by Dr. Mark Lee, president and CEO, Lakeland College.

From Medicine Hat College: “This letter is to confirm the strong support of Bill 43, the Post-Secondary Learning Act and amendments, by the Medicine Hat College,” signed by Terry Brekko, chair, board of governors.

Lethbridge Community College: “This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act and amendments, by Lethbridge Community College,” signed by Donna Allan, president and CEO.

Fairview College: “This letter is to confirm the support of Bill 43, the Post-Secondary Learning Act and amendments, by the Fairview College,” signed by Frank Lovsin, board chair of Fairview College.

From Bow Valley College: “I believe that the board, staff, and students of Bow Valley College will be well served by Bill 43, now and into the foreseeable future,” by Sharon Carry, president and CEO of Bow Valley College.

Grande Prairie Regional College: “Grande Prairie Regional College is pleased to express its support for Bill 43,” signed by James Henderson, president and CEO, Grande Prairie Regional College.

Mount Royal College: “Second, I would like to congratulate you on Bill 43 itself,” signed by Dave Marshall, PhD, Mount Royal College president.

Lastly, Mr. Speaker, Northern Lakes College: “This letter is to confirm the support of Bill 43,” signed by Dan Vandermeulen, president and CEO of Northern Lakes College.

I have the requisite number of copies of all this to be tabled. Thank you.

The Speaker: The hon. Minister of Justice and Attorney General.

Mr. Hancock: Thank you, Mr. Speaker. I’m pleased today to table the 30th annual report, 2003, for the Alberta Law Foundation pursuant to section 124(2) of the Alberta Legal Profession Act. The Law Foundation is an important stakeholder for Alberta Justice through its commitment to conducting research and making recommendations on law reform and the administration of justice. The foundation is an important supporter of the public legal education programs, of Alberta aboriginal law programs, and of the legal aid program.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Norwood.

Mr. Masyk: Thank you, Mr. Speaker. I rise today with five copies of a letter sent to me by a constituent, Donna Shannon, at her request. Her letter shows support for several areas of the Learning Commission’s report, which she feels benefits both students and teachers; however, she does have three specific concerns with the report.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you, Mr. Speaker. I have a number of tablings today. The first is a letter from Martin Linlove, the senior sales manager for the Shaw Conference Centre, outlining his concerns that "should Alberta's Commission on Learning Report – Recommendation 72 be ratified, all teachers' conventions will be eliminated." He feels these "provide significant economic impact for the downtown core" and asks for support to retain this institution.

My final selection of letters on Bill 43, written by people attending the November 8 Get Political party that I hosted. The first is from Duncan Taylor, who has concerns about unpredictability of tuition, comparing it to electrical deregulation.

From Samantha Power a powerful letter on the need for higher education to achieve a diversified economy and supporting the need for arts and fine arts as well as engineering.

From Chris Wudarck concerns over tuition increases up to 5 percent after the 30 percent cap is lifted.

From Morgan Smith making the point: "If debt is so bad for the Alberta Government, why is it so good for me?"

From Laurie Savard, who talks about working full-time while going to school full-time.

Finally, from Amy Binder, who asked the government to recognize "the long-term implications of preventing access to education."

Thank you very much, Mr. Speaker.

2:50

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

Mr. Bonner: Thank you, Mr. Speaker. With your permission I'd like to table a letter addressed to the Member for Calgary-Shaw and CCed to the Member for Edmonton-Riverview. It's from a Sandi Johnson, registered nurse and bachelor of nursing, and in it she expresses her

overwhelming disbelief and fury that our Government would allow and actually encourage the Employer's . . . bargaining group . . . to promote and stand fast on a proposal package that would take nursing and health care back more than 30 years.

Thank you.

Speaker's Ruling

Tabling Documents

The Speaker: Hon. members, I'm going to ask the House leaders to get together one of these days and have a good discussion about what the purpose of tablings is all about, but when we start tabling copies of letters that were sent to one member and then another member tables them, I think we've gone way beyond what was intended to be tabled. So I make the plea to the three House leaders over the winter to get together and have a discussion on this. This is way beyond it.

Hon. Member for Edmonton-Gold Bar, did you have tablings?

head: **Tabling Returns and Reports**

(continued)

Mr. MacDonald: Yes, I do. Thank you very much, Mr. Speaker. I have two tablings this afternoon. These are letters from Cheryl Androschuk and Nicole Bownes, and they are from the constituency of Edmonton-Strathcona. They are copied to my colleague from Edmonton-Riverview. They are expressing their concern with the current negotiations between the United Nurses of Alberta and the Provincial Health Authorities of Alberta.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I have two sets of tablings. The first set contains two letters which I have selected from hundreds of letters that I've received through my constituency office from registered nurses across this province. These two letters are from two registered nurses: Cynthia Perkins and Beryl Scott. They are asking the government to show due respect to nurses as professionals.

The second tabling is a letter from the president of the Alberta Graduate Council indicating that the amendments to Bill 43 partially address the concerns of graduate students and that further revisions are required to fully address them.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter from the Coalition of Seniors Advocates Association dated November 20, 2003, and addressed to all members of the Legislature. COSAA is deeply concerned with the continuing reduction of seniors' benefits, and they're being subjected to discriminatory double means tests.

The second tabling is a government of Alberta news release dated August 22, 2003, titled Market Adjustment Program Supports Alberta's Cattle Industry.

Thank you very much.

The Speaker: Part of the addendum to House leaders is: why would an hon. member want to stand up in the House and table a press release already issued by the government? It's part of the public record. This has got to be sorted out.

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Two letters I am tabling today. The first is written to me, tabled with permission, and it's urging me to work to "immediately protect the Bighorn as a Wildland Park."

The second is a copy of a letter to the Minister of Seniors which I was copied expressing concern over the increase in long-term care rates.

Thank you.

The Speaker: Others?

head:

Orders of the Day

head:

Government Bills and Orders Second Reading

Bill 50

Wildlife Amendment Act, 2003

The Speaker: The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. I'd like to move second reading of the Wildlife Amendment Act, 2003.

It's a great pleasure today to rise and speak on Bill 50, Mr. Speaker. The intent of the proposed bill is to make the Wildlife Act more effective in a number of areas, including enforcement and administration. In terms of enforcement Alberta will have more effective ways to deter and respond to wildlife poaching and to better protect and manage wildlife.

A substantial increase in penalties will help deter this illegal activity. With the amendments Alberta will have among the highest poaching fines in Canada. All wildlife offences will fall into one of two penalty ranges: up to \$50,000 and/or 12 months in prison or up

to \$100,000 and/or 24 months in prison. More offences, such as those involving grizzly bears, will be included in the highest penalty range of \$100,000 or two years in prison. Increasing the fines for wildlife violations sends a clear message to the public and to the courts that Alberta takes such violations very seriously. I believe that once people know that poaching violations can lead to significant penalties in Alberta, this will act as an effective deterrent.

Further to the enforcement side of the act, Alberta will have the authorization to seize and retain equipment used by poachers. All the provinces will have reciprocal agreements with other jurisdictions to see that those convicted of serious wildlife violations elsewhere would not be able to get hunting licences in Alberta or vice versa. People who have not paid fines for angling violations will not be able to obtain a hunting licence until the angling fines have been paid and taken care of.

A final amendment relates to enforcement and improving the effectiveness of the act, which comes to illegal selling of wildlife. For example, advertising wildlife for sale would be considered an act of trafficking in wildlife.

Another key amendment of the proposed act involves the reduction in wildlife/human encounters. The act gives Alberta the authority to issue cleanup orders for situations where people leave out food or garbage that might attract wildlife. For example, food and garbage are the source of most bear/human problems. Cleanup orders will help protect bears as well as elk, deer, and other species that come into conflict with humans because of the food sources that lure wildlife to settlement areas.

Mr. Speaker, there are a few other options, administrative amendments to this act regarding traps and certain licences and permits. However, I've highlighted the key amendments for you. Alberta is a very big province, and it is impossible to monitor everyone in the wilderness areas. Therefore, the Wildlife Amendment Act will introduce additional, practical tools so the province can better protect and manage Alberta wildlife.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thank you very much, Mr. Speaker. I'm having to compete hard here to get on the floor against my colleague from Edmonton-Gold Bar, so I'm sure he'll be speaking later.

I appreciate the opportunity to speak in second reading to Bill 50, the Wildlife Amendment Act, 2003. In fact, this is an amending act that is supported by many of us in the Official Opposition because it does address a number of problems that have been addressed in the past. The member has gone through some of those on the list. I'll try not to repeat him as I go through what my notes are offering up.

Essentially, we're looking in some sort of general areas around penalties for poaching, wildlife/human conflicts, escape of captive animals, removal of traps, trafficking in wildlife, guide designations, dog training and trialing, exemptions for employees, circumstances where fines are not paid, reciprocal agreements, seized items, and access to warrants and authorizations. So it's covering a fair amount of ground here, and thus far I haven't identified anything that really jumps out at me as being of great concern.

Just a couple of questions. When we look at the escape of captive animals, this is allowing game animal production farmers to attempt to recapture escaped animals. It's also requiring the operator of premises like a zoo or a game farm or something from which an animal escapes to make a reasonable capture. I'm wondering if this is cross-jurisdictional. Does Community Development have jurisdiction over things like zoos? How do those things work together?

3:00

On the removal of traps I'm wondering if there was consultation with aboriginal groups there, because it seems to be indicating that where a trapper has exclusive rights to trap in an area, the act provides that they may remove the traps found in that area or direct someone else to do it. So what's the conversation that has gone on or what kind of consultations or how much effort was put into holding a consultation with aboriginal groups?

I'm also interested in the dog training and trialing. It's not prohibiting activities in this area. [interjection] I'm sorry; the current legislation doesn't prohibit activities in this area, but it looks like a review of the activity has been completed. There was consultation with the dog trainers and trialers, and regulatory changes happened in 2001. So I'm taking it that these amendments are in fact adopting and incorporating all of these changes into the act and simplifying regulations. If I can just get confirmation on that, please. I wouldn't have thought that this was enough of an activity to have required special attention, but I'm obviously not up on how much dog training and trialing there is.

So I'm willing to support the recommendations that are being made here, particularly the provision of authority to officers to order the cleanup or removal of items that may be attracting bears to an area. To not have had that in legislation prior to this must have been an immense frustration to wildlife officers that are trying to protect both the wildlife and the humans from each other.

I'm sure that those that are trying to work on poaching appreciate the inclusion of advertising of wildlife for sale as an act of trafficking. That should be helpful in the arsenal to deal with illegal poaching and trafficking in wildlife animals.

So those are just a few questions that I wanted to raise. I'm happy to support this at this point, in second reading.

Thank you.

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

Mr. MacDonald: Thank you, Mr. Speaker. It's also a pleasure at this time to participate in the debate on Bill 50, the Wildlife Amendment Act, as proposed by the hon. Member for West Yellowhead. Certainly, in that constituency there are a lot of very responsible hunters and outdoors persons who have a great deal of respect and admiration not only for the outdoors but for the wildlife. When you look at the *Globe and Mail* today, you would almost think from the front page that there would be no need for legislation such as this, whenever a guy is reading about obesity in bears. Who would have known? But here we are.

Certainly, there are requirements in this province for this legislation. I was listening to the hon. Member for West Yellowhead. Two years ago I went to his constituency and paid for a permit, \$5, for a Christmas tree, and we had a very pleasant day selecting a Christmas tree from West Yellowhead. After we cut down our tree and had it trimmed and ready for the trip back to the city, we got talking about the hunting season that had just ended, and I was surprised to be told this story, Mr. Speaker, and it was in regard to a poaching incident.

Poachers had been driving very close to Jasper, the townsite, and they shot an elk. They put it in the back of a pickup, and they went to Edson with this elk. Somehow the wardens had placed a transmitter earlier in the summer on this elk. The hunters missed this. When the animal was butchered for its meat, it was also missed, and to their credit the wildlife officers traced the remains of this animal, the meat, to a freezer, and the story goes that it was in a freezer east of Edson. This individual was rightfully charged. That story is not only an indication of how far people will go to poach, but it also indicates just how effective some of our enforcement agencies can be.

Now, when we look at the amendments, we're looking at improvements. We are looking at a proposal to decrease penalty ranges. With regard to poaching, however, we are increasing penalties for corporate and repeat offenders as well as those convicted of offences involving key species such as a grizzly bear.

Bill 50 is also proposing to provide authority to an officer to order the cleanup of garbage on sites that would reduce the potential conflict between wildlife and humans; for instance, if hikers were to stumble upon some refuse or whatever on a hiking trail.

Now, we're also looking here at proposals that Albertans must obtain a licence prior to using a trap to recapture escaped animals in order to prevent unlawful trapping, and I certainly think that's a very good idea. I'm not going to remind the Assembly or bore the Assembly with the story of the teenager who was trapped in a bear trap. I'm sure the hon. Member for West Yellowhead is quite familiar with that teenager.

We're also looking at better ways to identify advertising of wildlife for sale as an act of trafficking in order to combat illegal trafficking of wildlife. We are looking at changes to treat guides' designations equal to licences and permits so that key provisions of the act are available to deal with illegal behaviour. We are also looking here, as I understand it, at some changes to the rules regarding dog training in certain areas.

We are looking at exemptions to the Wildlife Act to recognize employees performing sanctioned duties that are contrary to the act. If, for the record, the hon. member perhaps at committee could explain this a little further, I would be very grateful.

Also, we're looking at proposals here to take away access to all recreational licences such as hunting that are issued under the Wildlife Act as well as licences issued under the Fisheries (Alberta) Act for people with outstanding fines. There are certain rules here regarding the suspension of serious violators, creating a significant deterrent effect.

3:10

There are certainly expansions here for various authorities. We're going to have the expansion of the use of warrants in investigations of offences under this act.

All in all, upon review of this Bill 50 I think it is quite acceptable, and I, too, am going to recommend, the same as the Member for Edmonton-Centre, that we endorse this Wildlife Amendment Act, 2003. Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available if there are questions to the hon. Member for Edmonton-Gold Bar.

If not, the hon. Member for Edmonton-Highlands. Please proceed.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to rise to speak to Bill 50, the Wildlife Amendment Act. I want to say from the outset that the provisions of this bill as they stand are something that the New Democrat opposition can support. It's clear that increasing fines for poaching is one component of effectively dealing with the threat to our wildlife, and certainly strengthening the authority of the fish and wildlife officers to deal with offences is another laudable goal. Unfortunately, Mr. Speaker, in and of themselves they are not sufficient to deal with the problem facing our wildlife, and I'd like to talk a little bit about that.

The highlights of the act include a substantial increase in penalties to deter poaching. For example, the maximum fine for poaching grizzly bears will be as high as \$100,000. The authority to seize and retain equipment used by poachers is good. The capacity to cooperate with other jurisdictions so that those convicted of serious

wildlife violations elsewhere won't be able to get a hunting licence in Alberta and vice versa is good, and the authority to issue cleanup orders for situations where people leave out food or garbage that might attract wildlife to help reduce wildlife and human conflicts is good.

The question is, Mr. Speaker: if you raise a penalty and no one is in the forest to enforce the penalty, is there a sound? Is there, in fact, enforcement? This is the real fly in the ointment as far as this bill is concerned, and that is that the resources are not there to properly enforce it. Just jacking up fines doesn't help you catch perpetrators. I think it's really the fear of being caught that is the main deterrent, and there's a really serious problem.

I'd like to quote a news release issued by the Alberta Union of Provincial Employees. The president, Mr. MacLennan, says that while it is a positive idea to introduce a law raising fines for poachers, the department has cut operating funds to front-line Fish and Wildlife enforcement officers to the point that they are unable to enforce the law as the public deserves.

He indicates that "operating budgets for fish and wildlife enforcement districts across Alberta have been slashed" between 20 and 50 percent. "Obviously, a commitment to enforcement means we have to pay for enforcement," says Mr. MacLennan.

You know, it goes on. It talks about the government's promises to improve enforcement.

This laudable goal cannot be achieved when Fish and Wildlife Officers are only allowed to respond to specific complaints and are no longer allowed to conduct the routine patrols that have nabbed most poachers.

MacLennan goes on and says that the department's own statistics tell the story.

In the 2000/2001 fiscal year, Fish and Wildlife Officers made 230,000 contacts with the public. In 2001/2002 [the following year] that was down to 116,000, and in the 2002/2003 fiscal year it has fallen to 70,000.

So I think that that's a serious problem.

The Alberta Game Warden Association also has serious concerns, and it indicates that there are a number of impacts being felt by fish and wildlife officers due almost exclusively to the lack of available funding. One, the reduction or elimination of proactive or preventative enforcement compliance efforts. Two, district equipment being inoperable and needing repair or replacement. Equipment being unsafe or unreliable to conduct patrols and compliance checks. No funding for specialized patrols, operations, or programs such as helicopter or horse patrols, surrogate operations, night flights, or identified priority fish or wildlife enforcement programs. Reduced ability to meet personal and public expectations for an adequate level of service due to vacancies in fish and wildlife officer, district administration, wildlife and fisheries biologist positions, office closures, district budgetary restrictions. Unable to replace an older vehicle fleet thus placing a larger financial burden on district budgets for maintenance and, in turn, on costs. Reduction in funding for surveys of fish and wildlife population, and they are thus unable to accurately allocate resources. Inadequate funding to provide producers with fencing needs to mitigate ungulate damage due to stacked feed. No funding for officer transfers or development.

They're unable to meet expectations outlined in the performance management agreement and learning plans. No resources or support services to provide education initiatives. Less monitoring of commercial fisheries. Unable to gather intelligence to be utilized in targeting serious resource abusers. Loss of credibility to the public, other agency stakeholder groups, and even other divisions within the department. The abandonment of the MDMRS radio system, thus jeopardizing officer safety and increased communications expenses.

It goes on to say that the officers feel demoralized and worthless.

Staff surveys in health and wellness programs do not compensate for the officers' dedication and commitment to the protection of Alberta's natural resources. They can't meet the obligations of occupational health and safety and so on. There are no injections of funds for specialized programs such as chronic wasting disease collection and West Nile virus testing thus placing the burden of cost on the divisional and district budgets. There is no dedicated budget to support the delivery of programs such as bear response teams and surveillance operations that by default are charged to already taxed district budgets.

Mr. Speaker, this general problem was related in an article in one of the newspapers. There's quite a good article that dealt with the shortfalls in the department.

So, Mr. Speaker, while the New Democrat opposition is prepared to support this bill, we believe that it is incumbent on the minister and the government to follow through on the commitments that they have made to increase funding to adequate levels in this department so that enforcement can actually take place. You know, there are some places where you can cut and you'll get an immediate response. If you cut in health care, if you cut in education, there's generally a lot of reaction, and the public is aware of it. There are other places in the government where you can cut and there won't be an immediate outcry, and this might be one of them. The fact remains that the damage that is done is sometimes very long term and very difficult to correct.

3:20

It's not a question necessarily that if there's no immediate outcry, everything is okay, because I think that there are lots of examples which indicate that compliance on general patrols has been curtailed. There is just a long list of evidence, Mr. Speaker, that the department is unable to do its job because of funding constraints, and this is probably the most crucial thing. I would rather have an adequate budget for this branch of the department than have all the penalties in the world that you want to stack up here, because if you can't catch the people, you can't enforce a higher penalty, and people can operate with impunity irrespective of the penalty. You could put people in jail for life, and if they know that they're not going to be caught, it's not going to affect their behaviour.

So something, I think, needs to be done here. I will be looking forward to the minister's comments with respect to how he is in practice going to adequately fund his department, and I hope that other members of the government, in particular the Treasury Board, will support the minister when he does come forward because these resources are an indispensable part of Albertans' birthright and they deserve to be protected.

Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) is available for five minutes if required.

Shall I call on the hon. Member for West Yellowhead to close the debate?

Mr. Strang: Thank you, Mr. Speaker. I'll try to answer a number of the questions that were asked, and if I don't catch them all, I'll catch them in Committee of the Whole.

I guess the first question that was asked by the Member for Edmonton-Centre is on the aspect of escaped animals that were in captivity. I guess the amendment to section 1(2)(c) clearly denies the use of a trap to recapture escaped animals without first obtaining a licence.

On the other aspect, the removal of traps, as you realize, in the Hinton area we have a grizzly bear study. We use a lot of traps there

to catch hair samples and that so we can develop a DNA sample and find out how many bears we've got in the area. But from the aboriginal side the amendment to this act requires that a trapper first have the grounds and the belief that traps were unlawfully set and report such traps to an officer. So if an aboriginal person is trapping for his own food, he's allowed to on his trapline, but if he's trapping for some other reason or if he feels some other person is in there trapping illegally, all he has to do is go to the officer to look at that, and they will look after that.

On the dog training and trailing, amendments to this act provide for the dog training and trailing, as the case may be, to be prohibited in certain areas if such areas are specified in the regulation. So it's just getting more site specific because of the aspect of, specifically, grizzly bears that we're looking at. Of course, a lot of times when we're going out there, we've had certain dogs that are trained to try to find bear scat, and then from that, when they analyze the bear scat, they're able to develop a listing of DNA, so then they know the different areas. That also helps from the aspect, number one, of reinforcing the different populations and the different areas in which we have bears.

So at this time I'd move second reading of Bill 50. Thank you.

[Motion carried; Bill 50 read a second time]

Bill 51 Natural Resources Conservation Board Amendment Act, 2003

[Adjourned debate November 20: Mr. VanderBurg]

The Speaker: The hon. Member for Whitecourt-St. Anne.

Mr. VanderBurg: Thank you. Just to continue with Bill 51, I had made my comments at that time. I'd just like to hear if anyone else in the Assembly has any comments to Bill 51, and we'll continue with the debate.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. Bill 51, the Natural Resources Conservation Board Amendment Act, 2003, at first glance looks like something that is quite acceptable, but when you have a closer look, I think we are going away from being transparent and accountable into a process that I certainly won't describe as secret, the budgeting process, but the deletion or the repealing of section 42 is what I refer directly to. One considers that in section 42:

(1) All salaries, expenses and expenditures incurred by the Board in the performance of its powers and duties shall be charged against money provided in accordance with this section.

And it goes on.

(2) In each fiscal year, funds equivalent to the estimated net expenditures to be incurred in the year by the Board shall be provided from money voted by [this body].

It goes on in (3) and (4).

(4) In preparing its estimate of net expenditures to be incurred, the Board shall have regard to its estimate of any deficit or surplus existing at the end of each fiscal year from funds for such expenditures received from the Government in previous years.

We are going to have a process now where the board's funding will be just part of the ministry's budget. Whenever someone looks at a ministry's budget or if someone is curious and wants to know where tax dollars are being spent in this province, well, they're told to use the freedom of information laws and find out, but there are so many exclusions to that that I don't think this part of Bill 51 is a

good idea. I don't know why the board's funding would be just placed globally in the budget. There's no scrutiny, there's no accountability there, there's no mechanism, and I think that is just, plain and simple, Mr. Speaker, wrong.

The membership of the board. Now, we're having these issues around accountability, and we're expanding the board here from five to six members. I would like to know through the course of this debate: why do we need to expand the board? The board, if this bill were to become law, would not have more than six members, and the board in the past – the current legislation reads that it “shall consist of not more than 5 members.” Why do we need to expand membership of this board? I find it quite a contradiction that on one hand we're expanding the membership of the board – the criteria of how these people are selected is another issue – when there's obviously going to be a cost involved in that, but at the same time we are removing from public scrutiny, in my view, by repealing section 42, an opportunity for scrutiny of the funding.

3:30

So those would be my reasons, Mr. Speaker, for having reservations about this bill, and during the course of the debate I'm sure there will be very valid explanations as to why this is necessary. But those are my concerns, and I appreciate the time to get them on the record.

Thank you.

The Speaker: The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. My concern around Bill 51, Natural Resources Conservation Board Amendment Act, is the section around money and the control of money, and I'm curious as to why section 42 is being repealed completely. That was addressing that salaries and expenses and expenditures incurred by the board in the performance of its duties could be charged against money that was provided; in other words, against a budget that had been approved; that in each fiscal year funds equivalent to the net expenditures were to be provided from money voted by the Legislature for that purpose from the general revenue fund; that the Provincial Treasurer would advance to the board the funds that were provided by the vote and then gives installment dates and things like that; and that

in preparing its estimate of net expenditures to be incurred, the Board shall have regard to its estimate of any deficit or surplus existing at the end of each fiscal year from funds for such expenditures received from the Government in previous years;

in other words, to incorporate the surplus or deficit.

[Mr. Shariff in the chair]

I'm very cautious around changes in structure, especially around changes in control of budgets, where this government is concerned, so I am seeking clarification on why the government would be choosing to do this. Certainly, a budget is how the government can control the operations of a department or an arm's-length agency. That's what we're dealing with here, and it looks to me like they're pulling the operation of the agency closer under the wing of the ministry.

I think that needs to lead us to a larger discussion about whether that's a good idea or not. How independent do we need this board to be? Does it at times have to criticize the government? If it's concerned about whether it's going to have enough budget next time to do something, will it be able to make those criticisms with vigour, or will they be pulling their punches, so to speak, for fear that they might be downsized to smaller and draftier office space or have some of their other expenditures limited?

I know that when I was with the Advisory Council on Women's Issues – and government was much more generous in those days – we were very aware that that was how government ultimately could control us. We had fairly strong enabling legislation, but ultimately if we didn't have enough money in the budget, then we couldn't contract with outside consultants for additional research or publish the reports that we wrote, and we were writing some very good ones. So that's how the activities of the organization get controlled.

I'm cautious and curious as to why that would be abolished, because at this point that would mean that the budget allocation is completely inside of the ministry that this board is attached to. I think that's problematic, but I am interested in hearing a strong defence from the sponsoring member as to why these choices have been made. I think it's about trusting this government, and I haven't had a lot of good examples in my experience with the government about why I should be trusting them.

When I see moves like this made, it's usually a precursor to something else, and certainly when we have a board that's in a position to criticize or make recommendations that government probably should be responding to and when I see changes made that bring it closer underneath the control of the ministry or the minister, that's a way of muzzling the work of the agency. If you're going to change it that much, well, fess up and come right out and say: “We don't want it to do this anymore,” or “We don't like it,” or “It's criticizing us too much,” or “It's going too much in a certain direction. Let's abolish the whole thing and start over.” I just don't like things being done in a behind-the-scenes sort of way, and that's what I'm seeing here.

Additionally, I'm wondering whether, when the bill was opened up, instituting and incorporating into the legislation, into this amending act, there was consideration of incorporating a section that would do something like a health impact assessment. Certainly, that's something that my colleague from Edmonton-Riverview has been a proponent of, and I would like to see that sort of filter, a screen, incorporated into all legislation. This seems to be an excellent place to start.

Aside from the recommendation coming from my colleague from Edmonton-Riverview, knowing the government isn't probably going to view that with too much of a friendly eye, did it occur to anybody else? Was it brought up by anybody else? Was it considered at all when you looked to open up this act? You don't open up acts without a good reason, and you want to accomplish certain things. We're not doing very much here. We're clarifying the board's administrative role in that it can be dictated additional responsibilities. It's changing the board membership to add one more person to the board, and that's interesting too. It puts me in mind of previous Prime Minister Mulroney adding Senators in order to get what he wanted out of a piece of legislation, having a piece of legislation pass. Is that what's anticipated here?

The third piece, of course, is closer control of the budget and moving it under the ministry.

I'd like to know why these things are happening or at least a defence from the sponsoring member raised to my concerns, because I'm going to have trouble supporting this without some good reasoning here.

Thanks for the opportunity to speak in second reading.

The Acting Speaker: Standing Order 29 kicks in.

Anybody else who wishes to speak on the bill?

The hon. Member for Whitecourt-St. Anne to close debate.

Mr. VanderBurg: Thank you, Mr. Speaker, and thank you for those comments. Some of the comments raised in the point on member-

ship. I think that it was very clear when I introduced this that added duties were being brought forward to the NRCB and that expanded full-time membership was needed to meet the workload. Just one thing that comes to mind is precious mines and minerals in the province of Alberta. There's really no organization that we have to fully deal with applications. These may be things that come in the future to the NRCB.

On section 42 comments were brought by both members opposite. It was clear, again in my previous comments, that to make the administrative role match that of the administrative procedures, financial procedures of the ministry were needed, but I'll get further information and comment in Committee of the Whole on that.

With regard to the health impact statement I'll comment on that as well in Committee of the Whole.

So at this time, Mr. Speaker, I'd call for the question.

[Motion carried; Bill 51 read a second time]

3:40

Bill 44 Personal Information Protection Act

[Adjourned debate November 19: Mr. Stevens]

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

Dr. Massey: Thank you, Mr. Speaker. I appreciate the opportunity to make a few comments about the principles that Bill 44, the Personal Information Protection Act, is based upon. The importance and the growing concern about personal information make this a most appropriate bill for us to be dealing with at this time. I was listening to a radio report that indicated that one of the most popular Christmas purchases this year was a shredder, that people concerned about their personal information being discovered through the trash and garbage collection services were buying and giving shredders for Christmas.

Ms Blakeman: Does it come in designer colours?

Dr. Massey: I'm not sure whether it comes in designer colours.

I also heard in another report that even the shredders were being criticized for not doing an adequate job of destroying the data that was fed into them. So there's a lot of concern out there about our personal information, and we also read the horror stories in the press about identities that have been stolen and the difficulties that that provides. The opportunities for people with motives that are not the best to do damage to our reputations – and people have suffered financial difficulties as a result of their identity being stolen – are many.

I had a bit of personal experience, Mr. Speaker, where an inmate in Grande Cache was able to access my Visa number and charge thousands of dollars' worth of flowers to my account by telephoning orders in from the Grande Cache jail and then selling those orders to his friends at a 50 percent discount. It was rather creative, but it did cause a little consternation for a while in my household.

The bill has been commented upon by the federal Privacy Commissioner, and the Standards Association has a set of principles that they put forward as being appropriate principles for privacy legislation to follow. I'll just briefly look at some of those principles, Mr. Speaker, and then I'll contrast what we find in Bill 44.

The first principle that they put forward is accountability, and that is that organizations have to be accountable for the personal information under their control and have to designate an individual or individuals who have that as a task to account for the organization's information with respect to individuals, and that is a provision of Bill 44.

A second principle is that the purposes for which the information is being collected has to be identified by the organization before or when that information is being collected.

A third and really very important principle and one where there is some concern with respect to Bill 44 is consent. The knowledge and consent of the individuals must be acquired before the information is collected or any of it is disclosed.

There is a principle that's concerned with limiting collection. That is that only the information necessary for the purposes identified by the organization shall be collected, and it has to be done by fair, of course, and lawful means. So the principle that sits underneath any piece of legislation should be to respect this notion of limiting what is collected.

The fifth principle that the association puts forward is limiting use, disclosure, and retention, and that is that the personal information shall not be used or disclosed for purposes other than that for which it is being collected except with the consent of the individual or the law. This is a concern. We all are aware of the practice of selling lists in the commercial world, where lists will be sold and, in fact, a number of businesses will have a disclaimer when they ask for your information assuring you that that information will be used for the purposes for which they've gathered it and that it won't be sold or passed on to any other organization. So the provisions that limit the use and the disclosure and the retention of information are important.

The accuracy of the information, of course, is a must. It's up to the organization that's gathering the information to make sure that that information is accurate, and there are provisions in Bill 44 that allow individuals to check on the accuracy of that information, although there are some reservations about it.

The seventh principle is with respect to safeguards, that there is a security system in place that will safeguard the information. We saw what happens when medical information can be left on a computer hard disk and then discarded. We have also seen what's happened with wireless communications now with respect to someone being able to drive down the street and pick up information from a computer with the appropriate technology and receiver system. Making sure that the information that businesses have, that individuals are in charge of, is safeguarded is really important.

The eighth principle that the association puts forward is openness: "An organization shall make readily available to individuals specific information about its policies and practices relating to the management of personal information." So there has to be a statement that has to be public, and it has to be clear how they are going to protect what they'll be doing with the information that they collect.

The ninth principle – and this is for individuals that have run into difficulty in the past – is that there has to be individual access. You have to be able to get your hands on information that an organization has about you, and you have a right as an individual to challenge the accuracy and the completeness of the information. You also should have – it should be a general principle – the power as an individual to have that information amended and made accurate.

The 10th principle that they outline is that you should be able to challenge the compliance. You should be able to challenge an organization with respect to the principles that have been listed, and that organization should have to respond to such a challenge.

3:50

So those are the 10 principles as based on the Canadian Standards Association model code for the protection of personal information, and I think it's a very comprehensive and useful set of principles to have in mind as we look at Bill 44 and pass it through the House.

Now, as I indicated, the bill has been criticized in a number of aspects. One of them is the broad authority in the bill to make

regulations, and the making of regulations is a problem not only of this bill but of a great deal of the legislation that we deal with in the Assembly. I think we have . . . [Dr. Massey's speaking time expired]

The Acting Speaker: Hon. members, Standing Order 29 kicks in. Anybody else wish to speak on the bill? The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I think that, in general, I would like to indicate that the Personal Information Protection Act, Bill 44, looks like it will fulfill a positive role in respect to information that might be held by organizations other than the government. I would just like to indicate that I concur with many of the comments made by the hon. Member for Edmonton-Mill Woods with respect to some of the general principles applied in this act.

I want to raise one question, Mr. Speaker, which I'm going to come back to in committee stage. Much of the language in Bill 44 mirrors that in the FOIP Act. There is a change, however, and it deals with a clause under section 20 in division 5, and it deals with the issue of disclosure with respect to people providing information without the consent of the individuals. The wording in this act is considerably more restrictive than that in the FOIP Act. The disclosure in 20(c) is quite a bit different. In the FOIP Act it has language that allows disclosure. This is in the FOIP Act, section 40(1)(e), which allows for disclosure "for the purpose of complying with an enactment of Alberta or Canada or with a treaty, arrangement or agreement made under an enactment of Alberta or Canada."

In PIPA there is no mention of an agreement, which is the critical phrase as far as union organizing is concerned, Mr. Speaker. If a union wishes to organize a workplace, it must necessarily have access to the list of employees that are eligible to join that union. This is also the case when the union is seeking its first contract. It must be able to communicate with its members with respect to the negotiations that are going on.

After that, Mr. Speaker, it's usually the norm that the contract provides language that allows the disclosure of the names of the employees of that business to the union, so it ceases to be a problem at that point. The problem arises in the case where a union is trying to organize an employer or when it is trying to reach its first contract.

So the change in the language in this act, Mr. Speaker, removes some certainty as to the rights of a union when it is organizing or negotiating its first contract, and that language in the FOIP Act has been relied upon by the labour board in some of its decisions. So it's potentially a critical piece of language and, I think, will create some uncertainty for the labour board and for labour relations generally with respect to this.

Mr. Speaker, I just want to indicate that that is a considerable concern and believe that it may infringe on the ability of unions to canvass potential members and, indeed, on the rights of individual employees of a firm to be able to make a choice as to whether they wish to join a union or not.

So having said that, Mr. Speaker, I will come back to that in committee stage and just indicate that I think that this is a good extension of the rights of freedom of information and the protection of information, which has long been established in the public sector, into the private sector, and we'd be pleased to support the bill.

Thank you.

The Acting Speaker: Standing Order 29.

Anybody else wish to speak on the bill? The hon. Member for Spruce Grove-Sturgeon-St. Albert on behalf of the Minister of Government Services to close debate.

Mr. Horner: I call the question, Mr. Speaker.

[Motion carried; Bill 44 read a second time]

Bill 53

Insurance Amendment Act, 2003 (No. 2)

The Acting Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Well, thank you very much, Mr. Speaker. It's, indeed, my pleasure to stand in my place this afternoon and move second reading of Bill 53, the Insurance Amendment Act, 2003, (No. 2).

Mr. Speaker, the amendments that we'll be dealing with in the next little while with respect to Bill 33 will accomplish a number of initiatives, but in rough terms the intent is to bring about the legislative authority so that government can proceed with extensive insurance reforms, that have been the discussion of much public debate of late, and as well implement as an interim measure a premium freeze so that there is stability in the marketplace as the new system is developed.

The impetus of this new system, Mr. Speaker, is that we will have a process where premiums become much more dependent upon individual driving behaviour. The amount that an individual pays for his automobile insurance will have a direct relationship to whether or not the individual has demonstrated himself to be a safe driver, in which case he or she will earn discounts. On the contrary, if an individual has demonstrated a proclivity for unsafe driving through being the at-fault driver in traffic collisions or being the recipient of a number of speeding tickets and other traffic violations or in more serious instances being convicted under the Criminal Code, such as impaired driving, considerable surcharges will accrue to the driver.

Proposals have taken age, gender, and marital status from the equation. No longer will Albertans be judged based upon their demographic profile; rather their experience behind the wheel will be the overriding determinant for the price that they will pay for their automobile insurance.

4:00

Essentially, the legislation proposes changes to two parts of the auto insurance system: the premium side, which is what we've been talking about, the reduction of premiums and ensuring that all Albertans have access to affordable, accessible insurance, and at the same time reflecting that we're dealing with a balance. If we're going to make significant reductions on the premium side, we'll also have to find appropriate savings on the benefit side. Mr. Speaker, this afternoon I would like to discuss both aspects of the bill in some detail as we begin the discussion at second reading.

So let's look at premiums. The focus is to bring down premiums to a level that is fair and affordable to the average Albertan and comparable to other western provinces. Basic coverage will continue to be mandated by the government, but there will be a new entry-level benchmark premium for mandatory coverage, and insurance companies will not be able to charge more than that to their customers. I think it's absolutely essential, Mr. Speaker, that I emphasize that the benchmark premiums will establish maximum prices. We fully expect the competitive marketplace to continue in place and that certainly for groups of drivers who have demonstrated their long-term safe driving, the competitive marketplace that exists today will continue to exist, and prices that will be charged in the marketplace will in many cases be significantly below the benchmarks.

The drivers that are currently benefiting from the fierce competition in the marketplace, Mr. Speaker, frankly are not the focus of the

proposed reforms. They will continue to pay low premiums under the new system. The drivers that we are targeting with these reforms are those who may have high premiums for reasons that are totally unrelated to their driving record. Such examples include being too young or too old or involved in accidents that aren't their fault. Perhaps they have worked out of province for a while and their insurance has lapsed. Many of these drivers are being asked to pay premiums that are far too high or, in fact, in some cases are even being refused coverage in the regular market and are being forced to purchase their insurance through the Facility Association.

Under the new system that we propose to put in place through this bill, there will be an all-comers rule that will require insurers to sell insurance to anyone provided that they are legally licensed in the province of Alberta, and the insurance will be sold at no more than the prescribed rates. Instead of having the Automobile Insurance Board approve premiums proposed by individual insurance companies, as they do today, the maximum base premiums for mandatory coverage will now be set by government. Eventually that rate-setting function will be handed over to the new public body that this bill creates, the rate-setting board.

Mr. Speaker, it's no secret that a lot of Albertans have been frustrated by the lack of clarity in the way insurance companies determine premiums. There are a myriad of factors that are used under the current system, and most people don't see any rhyme or reason or in some cases even fairness in the way their premiums are set. In the proposals that we outline in this legislation, drivers will no longer be penalized simply because they are young or old or for accidents that are not their fault. They will receive credit for a clean driving record.

So let's look at what some of the proposed rating factors are. There are three rating factors that I want to spend a little bit of time talking about. The first is the geographic territory. Rates vary by geographic territory because of the density of traffic in most cases. Weather conditions could contribute to it, but at the end of the day they are a reflection of the actual costs on an average basis within that particular territory. In the current system that we operate under, there are four territories; namely, Alberta north, south, Calgary, and Edmonton. The new system proposes to reduce four territories to three. We'll still have north and we'll still have south, and Calgary and Edmonton will be combined into a metropolitan area.

There is also in the existing system a rating factor that is for vehicle use. Frankly, it makes sense, Mr. Speaker. Some vehicles are used very little. For example, someone may have a truck that they use only to pull their RV, and they infrequently use their RV. Well, that truck is simply not exposed to the same level of risk. It's not exposed to traffic at the same degree as someone who uses their vehicle to commute back and forth to work everyday. So it simply makes sense to have some rating based upon the use of the vehicle, but what we have done is simplified the rating structure for classes, and we have reduced the number of classes from 14 under the existing system to six. These classes will include two for pleasure, two for work or school use, and a class for business users.

The business class, I need to point out, does not include taxis, tow trucks, courier, or cargo vehicles. These commercial kinds of vehicles will be dealt with as we move further in our reform initiative but will not be dealt with at this point in time in the first round of regulations that will be developed.

There's also a new class, Mr. Speaker, for farm users. This will continue to ensure that farmers enjoy discounts already in place for them. I talked about the example of someone who uses a light-duty truck to pull a trailer for RV use. In many cases our farm community has a number of vehicles that are used in the same way. They might own a truck that's only used twice a year: once to haul grain at

seeding time and again to haul grain at harvest time. That's why traditionally they have enjoyed significant discounts when it comes to determining their insurance rates. Rather than continuing with a system of deep discounts, it was determined that the best way to deal with it would be to create a new class that will apply to farm use only.

The third level that has to be considered when we talk about third-party liability is the amount of coverage that is required. Under the legislation that is before us, the minimum will continue to be \$200,000, but drivers can purchase and make decisions to purchase liability insurance up to \$2 million. It is a fact, Mr. Speaker, that in Alberta the vast majority of drivers carry more than the minimum \$200,000. So recognizing the market realities that most drivers carry either a million or \$2 million, the legislation provides for the benchmark rates to be set not only at the minimum \$200,000 but also at \$500,000, \$1 million, and \$2 million.

Using the three factors of territory, level of liability, and vehicle class, we established then an entry-level benchmark premium for each vehicle class in each geographic location. The final rates will be determined after the regulations in new territory and minor injuries are finalized.

Once the entry-level benchmark is established, insurers will factor in an individual's personal driving history. Drivers will be credited for the number of years of safe driving and penalized for at-fault claims and traffic violations. The benchmark rates, surcharges, and discounts will be contained in regulations. Again, there has been a great deal of discussion on this issue, but it's pretty straightforward. Individuals will earn discounts by having a clean driving record without at-fault claims, and they will earn surcharges when they have claims and also when they are convicted of traffic offences. The amount of surcharges and claims, again, will be finally determined in regulation.

4:10

I'd like to make one very vital point regarding the proposed hard line that we intend to take on drivers who fail to act responsibly behind the wheel. A Criminal Code conviction, like impaired driving or criminal negligence, will automatically mean a substantial increase in premiums for each conviction. We deliberately set these surcharges at a substantial level to ensure that the new system does not give a break to anyone with traffic-related Criminal Code convictions.

So, Mr. Speaker, when we talk about Albertans paying less for insurance under the new regime, we recognize that there are Albertans who will not pay less under the new regime, and those are the Albertans who do not deserve to pay less under the new regime. There are other, less serious convictions that will also result in increases, although not as much. Under our current laws none of these offences result in demerit points on your licence.

So putting it all together, your benchmark premium will be determined by where you live and how you use your vehicle. You'll then move to an at-fault claims grid to determine surcharges for claims or for discounts based upon the years of clean driving. The maximum discount on the grid will be 65 percent after six years of clean driving. While discounts don't increase beyond six years, you actually will be able to accumulate clean driving records for up to 10 years.

The effect, Mr. Speaker, of doing that is that if someone with 10 years of clean driving should find themselves as an at-fault driver in a collision, they would effectively be reduced by four levels on the grid, moving from 10 years to six years, and that would mean that they would continue to have the 65 percent discount. In essence, what we put in place is a system where after 10 years of claim-free

driving, an individual has earned the right to one claim without it affecting their rates. Unfortunately, the same thing doesn't apply on the issues that we talked about earlier, convictions, unfortunately for that individual, fortunately for everyone else on the road.

Finally, if you qualify for any company discounts offered such as a multi-vehicle discount, it would be applied at the end of the process. Company discounts are not part of the proposed system, and they're at the discretion of the insurance company, but as I mentioned earlier, there is a fairly competitive marketplace, particularly when we're dealing with drivers with longtime clean driving records, and we fully expect that the companies will continue to offer discounts above and beyond the discounts that are contemplated in the legislation.

The bottom line to all this is that our actuaries have calculated that approximately 80 percent of Albertans will pay less for their automobile insurance under the new system than they pay under the existing system. Also based on our actuarial assessment, there is the potential that some drivers could see their rates increase under the new system but only if insurance companies chose to charge at the maximum level. I've already explained that we don't expect that to be the case, Mr. Speaker, as most of the drivers affected in this way would be those who have earned very low rates based upon their driving experience, but for those drivers we would freeze their rates at current levels. I can say with conviction that no Albertan will pay more for their insurance under the new regime than they would have paid under the existing one.

Now, in order to achieve these savings, we need to address the cost side of the equation because, as I mentioned earlier, there are two sides to the equation: one is the way that we collect revenue through premiums to put into a pool. The other side is how we distribute that pool as people benefit from insurance through either being compensated for injury or property damage. So the majority of our savings will be achieved as a result of changes to the benefit side. Before we get into the cost savings on the benefit side, I want to talk about something that is critical, and that is an enhancement on the benefit side. We see a significant enhancement in that we plan to increase section B accident benefits for medical and rehab costs from the current \$10,000 maximum to \$50,000 maximum.

I know that there's been a lot of speculation and confusion about what a proposed cap in compensation for injured workers is all about, and I want to spend a little bit of time talking about the proposed \$4,000 cap on compensation for pain and suffering. I want to emphasize that it applies only to minor injuries, and the definition of minor injuries is well along, Mr. Speaker.

Dr. Larry Ohlhauser has been working with a number of significant stakeholders: the health professions that are involved with treating injury victims. He's also had consultation with the insurers as well as the legal community and is working towards a consensus, not necessarily unanimous but a consensus position, on exactly how we intend to define minor injury. I understand that he has advised that he's making significant progress in that task and should be back shortly with his final consensus recommendations that the government will then move forward through regulation.

I want to emphasize that the proposed changes do not in any way restrict an individual's ability to sue an at-fault party for injuries that they sustained in an automobile accident, but if the injury is determined to be minor, there will be a \$4,000 cap.

I see that my time has expired, Mr. Speaker. I look forward to getting into more detail at committee stage, and in the meantime I encourage all members to support this bill at second reading.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I've been anxious to participate in the discussion around insurance reform in this province for some time in a public forum. Other than public meetings that have been hosted by this hon. member and others, it is the first opportunity I have had to do so.

Now, before I get into my remarks on Bill 53, at this time I think it's important to note the diligence and the enthusiasm that the hon. Member for Medicine Hat has put forward in his study. There are many people, this member included, that think it was a very limited study, but you can't deny the guy his work habits. They are a reflection on the values of the citizens of Medicine Hat. I would also at this time like to express my appreciation for the time that the hon. member has spent in reviewing this proposed legislation with this side of the House. I appreciate that as well.

But I think that the hon. member has been put in a very difficult position because the regulation of the automobile insurance industry in this province has been allowed to slip and slide until we have now this crisis with skyrocketing premiums. Many people, through no fault of their own, have been in my view denied insurance on a mandatory financial product. Certainly, the hon. Member for Medicine Hat has been in my view called in to do a massive repair job on a system that has been allowed to slip by a government that has not been listening to the citizens.

Certainly, members on this side of the House were aware well over a year ago that there were problems with premiums, and at that time we had suggested that there should be an all-party committee, and it was rejected. The hon. minister did tell me in correspondence that this would be dealt with swiftly and decisively. Well, this bill is the second attempt at dealing with a crisis for many Albertans.

4:20

Mr. Mason: Not too swift.

Mr. MacDonald: No. I wouldn't consider it to be swift, nor would I consider it to be decisive.

As far as the hon. Member for Medicine Hat being given a very, very hard, difficult job: well, we had extensive reforms, suggestions, to the automobile insurance regulatory process in this province in 1990. There are two volumes in the Legislature Library. If you were to put one on top of the other, they would be at least four inches in height, and there were some really good ideas in those recommendations, but they sat there for 12 years. Premiums were stable, but then we had this massive increase in premiums.

Regardless of who you talk to, whether it is the individuals from Stats Canada, who say that there are 59 or 57 percent increases in this province from February 2002 to February 2003, or you look at the Insurance Bureau of Canada statistics – and of course they are significantly less – what the motoring public knows to be true is that insurance costs for automobiles are getting to be unaffordable. So Alberta drivers are fed up with skyrocketing auto insurance premiums. The alternative is public automobile insurance, but unfortunately it was not even discussed in this bill.

Mr. Speaker, when we're discussing reforms to insurance, we should be looking at public delivery of a mandatory product. This province has no trouble owning its own bank. In my experience – and that could change – this province has no trouble allowing rural Albertans to have gas and electricity delivered to their homes on a cost recovery basis, so why can we not have insurance for everyone on a cost recovery basis? That is essentially what the public model in British Columbia, if we were to adopt it here, would provide for citizens of this province who are driving a passenger car: they could have insurance on a cost recovery basis. So if it's good enough for rural utilities, if it's good enough that we own our own bank, why can we not have a public insurance system?

Now, Bill 53, Mr. Speaker, deals with a premium freeze, and a

freeze was an idea that we advocated. The hon. Member for Lethbridge-East was advocating back late in the summer that there should be a freeze of premiums and there should be a rollback, a rollback of the mandatory portion, the third-party liability portion, of the insurance premiums of 15 percent. That would make for significant savings for Alberta consumers. The freeze is fine, but it has to be with a rollback.

When you have a consultation process, that the hon. Member for Medicine Hat was encouraged to initiate, and the hon. member certainly did and deserves credit, you can't just talk to the insurance industry or you can't just talk to one group. You have to have a balance. With this process and the development of this bill that's going to penalize, in my view, victims, we are not taking everyone's view into consideration.

Who's going to benefit from Bill 53? Hopefully, it would be consumers. But I believe who is going to benefit here are the insurance companies. There are about 90, as I understand it, Mr. Speaker, selling insurance in this province. They are going to benefit. They got some of their wishes in this bill; there's no doubt about that. The lobbying that goes on by the insurance industry is quite extensive. Will this be a Christmas present for the insurance industry and a lump of coal for drivers? I think so. I think so because, again, there is no rollback with this proposal.

We have not discussed many, many things that affect insurance premiums for automobiles with the insurance industry in this debate that has occurred across the province. There's the whole issue of what effect the privatization of our health care system has made on skyrocketing rehabilitation costs for accident victims. This has never been publicly debated. We haven't entertained how we're going to allocate resources for a public education campaign to try to make our roads safer and reduce accidents that way.

Many of the citizens don't know that accident claims have actually gone down. If we were to take a snapshot for the last decade of claims in this province, we would find a significant reduction, Mr. Speaker. That is happening at the same time as the number of vehicles on the road has increased. The speed limit has increased on the roads. So we essentially have more cars and more drivers and fewer claims. But claims costs are increasing.

There are a number of reasons that claims costs are increasing that have not been discussed. We simply can't just blame it on the victims, point fingers. Or we can blame it on the lawyers. Or we can simply open the yellow pages and say: wow, look at all the injury lawyers; it's their fault. I don't think that's right. [some applause] The Member for Wainwright is obviously clapping and believes that, you know, it may be their fault, but I for one think there are a number of circumstances.

If you look at the asset base of the insurance industry, for one thing, Mr. Speaker, you will see that there has been a significant increase in the asset base between 1998 and 2002, according to Stats Canada again, by the insurance industry. They're pleading poverty. They're not making a dollar. But if they're not making a dollar, I have to ask this question of all hon. members: why are the banks so anxious to get a cut of this action? If there's not a buck to be made selling automobile insurance, then what is the interest of the banks? The asset base of the insurance industry in this country has increased significantly in the last four to five years.

So money is going somewhere in the insurance industry. You talk to the panel beaters. There have actually been a number of autobody shops in this province close. It's a highly competitive business, and they're not making any extra money.

4:30

An Hon. Member: So who's making money?

Mr. MacDonald: Who is making the money in all of this? Perhaps the industry is putting money aside in case McNaughton versus the Cooperators turns into one of the biggest class-action suits in the history of this country. Hopefully we'll get into the potential effect the McNaughton versus the Cooperators case in Ontario would have on auto insurance premiums.

In regard specifically to Bill 53, Mr. Speaker, we have to be very, very careful with this legislation. You open Bill 53, and the first thing you see is reference to base capital and having an adequate base capital for companies that are licensed to operate in this province. What problems do we have now in regard to base capital? I certainly hope we have none. What measures are being used to ensure that consumers know if there are any problems?

Now, when we talk about the Auto Insurance Board, we're going to have a lot to say about this, I can assure you, Mr. Speaker, in committee, because in the summer we had made some recommendations to improve how the Auto Insurance Board works, and again they were ignored. I was pleased to learn that there is at least going to be an attempt made to strengthen the Auto Insurance Board.

But at this time, Mr. Speaker, I have a reasoned amendment to Bill 53. [interjection] Yes, I do. I would like to have it circulated to all hon. members, please.

Mr. Speaker, shall I continue, or shall we wait until the amendment is circulated?

The Acting Speaker: Just wait for a minute, please.

Mr. MacDonald: Thank you.

The Acting Speaker: Hon. Member for Edmonton-Gold Bar, you may proceed.

Mr. MacDonald: Thank you, Mr. Speaker. For the record the amendment that I am presenting to the Legislative Assembly this afternoon in regard to Bill 53 is that

Bill 53, the Insurance Amendment Act, 2003 (No. 2), be not now read a second time because the Assembly is of the view that the bill fails to address overpayment of automobile insurance premiums by Albertans over the past year.

As I said earlier, Mr. Speaker, Albertans are fed up with skyrocketing auto insurance premiums. If you look at the time period from February of 2002 to February of 2003, according to Stats Canada, I believe it is, premiums increased by 59 percent. The insurance industry is getting rich at the expense of insurance consumers, and the Alberta government, in my view, has done very little. This is an industry that needs to be regulated. There has been no regulation by this government. There's been no attempt to regulate by this government. In fact, in the second quarter of 2003 the insurance industry reported \$644 million in profits, up from \$110 million the same time last year.

Now, the insurance government's watchdog, the Automobile Insurance Board, has been, in my view, toothless. For instance, in that board we rubber-stamped 155 of 157 proposals for rate increases. Drivers are paying higher premiums, the insurance industry is profiting, and how much more can consumers in this province bear?

We can't just allow the rates to skyrocket or to escalate one year to the next to the next and then, after the rates have gone through the roof, have a freeze. There has to be a rollback, a rollback of rates, and you have to roll back the third-party liability, or the mandatory portion of the insurance product. That's what we would like to see. Unfortunately, it's not in this legislation, and that's why I think this amendment in second reading is very appropriate. I would encourage the hon. members to support this amendment.

Now, Mr. Speaker, there certainly has been a great deal of

controversy over these proposed insurance reforms. There have been expressions of concern from the legal community. There have been expressions of concern from consumers, no doubt. There have been expressions of concern from opposition members. Even some government members have expressed concern. There has been a great deal of concern by government members about the direction of this, and some of that concern I believe has changed how the new format is going to work in Bill 53, but that, again, is not enough.

We look, Mr. Speaker, at the auto insurance rate comparison study from the Consumers' Association of Canada. I got this from the Legislature Library, and I would encourage all members to read it. This is a snapshot of 17 cities in four western provinces, and three of those four western provinces have public insurance of one form or another.

Why do we need to reject this bill without rollbacks? Well, the average annual auto insurance rate by province is in here. This was just released, Mr. Speaker, in August of 2003, so it is essentially the last information that has been available. In Alberta we're paying \$1,853 on average for annual auto insurance rates, in British Columbia it's \$1,105, in Saskatchewan it's \$904, and in Manitoba it is \$787. Now, when we're talking here about Saskatchewan and Manitoba – and we have to be very careful about this – these are no-fault insurance.

Mr. Speaker, when we look at, for instance, a young driver for insurance, a principal driver under 25 years of age, and the rates for Alberta and the public auto insurance provinces, Alberta is the highest.

The Acting Speaker: The hon. Member for Medicine Hat.

Mr. Renner: Thank you very much, Mr. Speaker. I want to thank the member for bringing forward this reasoned amendment not so much because I intend to support it – I don't – but it does give me an opportunity to address some of the issues that I wasn't able to address in my opening remarks.

I want to advise you that members should not support this reasoned amendment because if they support this reasoned amendment, there are a number of other things that this bill will do that this reasoned amendment would exclude. One of those things, Mr. Speaker, has to do with the case of a freeze.

In my opening comments I made reference to a freeze, and I want to spend a little bit of time explaining what this reasoned amendment would exclude from the benefit that Albertans would have from this bill. The freeze that's contemplated is a freeze retroactive to October 30 of this year. That means that for every premium that is renewed after October 30, that policy would come under the purview of this freeze.

4:40

We recognize that it is going to require some work on the part of the insurers to implement the freeze, and the fact that we haven't passed the legislation – and if we were to pass this reasoned amendment, we wouldn't be passing legislation and the freeze would never be implemented. In the meantime, what we're asking Albertans to do is to continue to pay their renewals and then we will work out, through a process of regulations that are authorized by this bill, the process by which Albertans would have adjustments made for any that paid premiums that are in excess of what would be allowed under the freeze.

So the freeze covers all insurance premiums, Mr. Speaker, even those that are not included in this bill. For example, it includes the mandatory coverage, section B coverage, all optional coverage including collision, comprehensive, and all perils. The only area that

the freeze will not affect is discounts for good drivers, scheduled discounts, or rate increases for bad drivers. Again, we're not going to protect individuals from increases that they deserve. Also, if a person's vehicle or driving status changes, there could be changes made to the premium, but as long as an individual is driving the same vehicle and maintaining the same status, the freeze will apply.

I also would like to point out that the freeze applies to all mandatory optional coverage for all classes of vehicles including passenger, commercial, recreational, and motorcycles, but the freeze does not include commercial fleets.

I want to talk just a little bit about something else that's in this bill that this motion would preclude Albertans from benefiting from. I was just talking earlier about how we're going to be dealing with issues related to the cost side of the equation. We talked about savings that will accrue as a result of putting a limit on the amount of compensation an individual can receive for pain and suffering for a minor injury, but I'm not sure that I had time to make it abundantly clear that that does not affect compensation an individual would receive for out-of-pocket expenses, for medical expenses, for lost income.

[The Speaker in the chair]

So all of that right to sue is totally unaffected by this bill. The only restriction that comes into play would be where an individual has what is deemed to be a minor injury. There would be a maximum of \$4,000 available to that individual for the pain and suffering component only of their suit. Nothing would prohibit the individual from going to court to pursue action, and in fact nothing would prohibit that individual from arguing in court that the definition of minor injury should not apply to them if they have evidence indicating otherwise.

The other thing that this reasoned amendment would preclude is our proceeding with the aspects of this bill that refer to the previous discussion on a bill that's on the Order Paper, Bill 33. The provisions of Bill 33 and the cost saving that was involved in Bill 33 are built into this bill, but there's a significant difference, Mr. Speaker, a very, very significant difference between Bill 53 and the Bill 33 provisions contained within Bill 53, and that is that Bill 53 doesn't rely on the goodwill of the insurance industry to pass savings on to the consumer. Bill 53 very clearly is intended to base premiums and cost savings that would be passed on to the consumer upon the grid structure that I talked about earlier. So any savings that would accrue to the cost side as a result of the section of this bill that previously was Bill 33 will be incorporated into the grid structure and will be truly reflected in savings that would pass on to the consumer.

Mr. Speaker, I can only say that there are tremendous benefits to all Albertans as a result of this bill, and I must emphasize to all members of the House that to concur in and pass the motion that's currently on the floor, the reasoned amendment suggesting that this bill not be dealt with now, would preclude significant benefits to the consumers and individuals in Alberta, who stand to have significant benefit through government action and intervention in the automobile insurance industry. I urge all members to resoundingly defeat this motion.

The Speaker: The hon. Member for Edmonton-Highlands on the amendment.

Mr. Mason: Thank you very much, Mr. Speaker. I'm pleased to speak to the amendment. The amendment indicates that Bill 53, the Insurance Amendment Act, 2003 (No. 2), not be read at this time

because “the Assembly is of the view that the bill fails to address overpayment of automobile insurance premiums by Albertans over the past year.” Now, I can think of many reasons why we ought not to pass this bill, but certainly the failure to address the dramatic increase in insurance rates in the past year, or in the year 2002 in particular, is probably one of the pre-eminent reasons why we ought not to give this bill the second reading.

Mr. Hancock: Point of order.

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

Point of Order

Amendments at Second Reading

Mr. Hancock: Thank you, Mr. Speaker. I do hesitate to interrupt the Member for Edmonton-Highlands in debate on the amendment, but I would draw your attention to page 640 of *House of Commons Procedure and Practice* and the second bullet on that page, which indicates that “it must not relate to particulars of the bill, if what is sought may be accomplished by amendments in committee.” It would seem to me, on the face of the amendment that’s being put forward, that that is something which could be accomplished by an amendment to the bill in committee by adding a provision which would be entirely consistent with the concept of the freeze that’s provided for in the bill. You could also propose an amendment to that provision to provide for a rollback. So I would suggest that the amendment is out of order.

The Speaker: A little difficulty, Government House Leader. The amendment has been accepted to this point in time. Three people have already participated on it, and that would relegate back into ancient history, I guess, those aspects of the debate. But it’s very, very clear, as well, in *Beauchesne* 667 what the restrictions are with respect to debate with respect to this aspect of the bill. So we’ll continue on the narrowness of what’s outlined in *Beauchesne*.

Debate Continued

Mr. Mason: Thank you very much, Mr. Speaker. I appreciate that.

As I was saying, one of the primary reasons if not the premier reason for not now considering this bill at second reading is the very fact that it fails to address the overpayment of automobile insurance premiums over the past year particularly, the year 2002. The Consumers’ Association of Canada produced an excellent report, which I urge all members to read, that showed that, in fact, rates in this province rose a shocking 57 percent in the year 2002. So the bill and the freeze that is part and parcel of the bill locks in that increase, and the government expects drivers to be grateful. I suppose they should be because of course the rates could go up considerably more than that.

4:50

If you look at the amendment, clearly the lion’s share of increases in insurance in this province have already taken place. I think that we need to take a look at that because the insurance companies have been lobbying the government very intensively in order to protect their interests in whatever the government may do. If the government had been concerned about this increase, it would have acted long before now. It’s not generally known, Mr. Speaker, but every rate increase that has taken place in this province for car insurance has been approved by the government through its agency the insurance review board. This little private committee, this little known committee that doesn’t publish its proceedings, that doesn’t

have a web site, which just rubber-stamps increase after increase as the rates go up, has resulted in some very, very high insurance rates in this province that need to be addressed, and this bill doesn’t address them.

It’s important that Albertans know . . .

Mr. McClelland: Point of order.

The Speaker: On a point of order, the hon. Member for Edmonton-Rutherford.

Point of Order Relevance

Mr. McClelland: The point of order is on relevance, Mr. Speaker. The amendment says that the bill fails to address overpayment of automobile insurance premiums by Albertans, so it would be overpayment of premiums. For instance, if my premium was \$100 and I paid \$110, that would be an overpayment by an Albertan. So I understand it’s difficult, but this is a very narrow amendment.

Thank you, Mr. Speaker.

The Speaker: Hon. Member for Edmonton-Highlands, please continue.

Mr. Mason: Thanks very much, Mr. Speaker. I interpret and I confirmed with the hon. Member for Edmonton-Gold Bar that, in fact, he does mean dramatic increases in rates when he talks about overpayments. So I think that I have a correct understanding of the amendment.

Debate Continued

Mr. Mason: So, Mr. Speaker, it’s a fact little known to Albertans that this government has approved every automobile insurance rate increase that they have received, and it has been done in secret without any knowledge, without any ability of individuals, citizens, or organizations to challenge the rate increases. In fact, a very large number of rate increases were approved and only three in the end were rejected. So the government has a very, very broad responsibility for the mess that we’re in in this province.

Now, it’s also interesting, Mr. Speaker, that the government knew that this was going on, because presumably their little insurance committee board reports to them regularly, and I’m sure that at least the Minister of Finance reads their reports. So the government has known that insurance rates were shooting up in this province and did nothing about it until they had an epiphany. They were struck by a blinding light on the road to Damascus, and that was the New Brunswick election. The Lord came to them – that is, Premier Lord – and Premier Lord said that in fact there was a serious problem, that they almost lost the election because of high car insurance in the province of New Brunswick. Other provinces had similar problems.

All of a sudden we had the government’s attention. They never acted; they never did a thing. They never cared about the increase in auto insurance rates affecting their constituents until another Tory government almost lost an election over it. Then all of a sudden all the lights came on, and they began to realize that this could be a problem for them. So they started to work overtime and they started to deal with the high rates, but they never, never had any intention of doing anything but managing it as a political issue so that it didn’t affect their chances for re-election in the next election. They certainly had no intention of doing anything that would fundamentally harm the interests of the insurance industry; maybe the injury lawyers but certainly not the insurance industry, Mr. Speaker.

So they set about finding a way to deal with this problem from their narrow political perspective, and this has resulted in a bill which may or may not fulfill their objectives. I happen to believe that this does not solve the political problems for the Conservative Party amongst its voters in the next election and will not solve the problem because they are simply rearranging who pays. It's simply a shell game. It's three walnuts laid out on the table, and they're twirling them around and trying to figure out who's going to end up paying. So it's no longer going to be young male drivers, and it's no longer going to be senior citizens. They have taken a laudable step, Mr. Speaker, in eliminating discrimination against those categories of individuals.

However, they continue to have the same blind spot that they've always had, and that is Edmonton. They have a blind spot when it comes to Edmonton, and while they won't allow discrimination based on gender or age – and so they shouldn't – they will allow it on the basis of living in Edmonton. I don't know who is on this MLA committee and whether or not there was a proper representation from the Edmonton caucus, but surely to goodness if the Edmonton caucus was doing its job, it would not have allowed specific discrimination based on living in Edmonton. But that is where the government is going. That's what they're going to do.

The Speaker: The hon. Member for Drayton Valley-Calmar.

**Point of Order
Imputing Motives**

Rev. Abbott: Thank you, Mr. Speaker. Under Standing Order 23(h), (i), and (j), imputing motives. He is imputing motives there with the Edmonton caucus, which is completely out of order.

The Speaker: Imputing motives with respect to another member would be entirely out of order, yes.

Debate Continued

Mr. Mason: Thank you very much, Mr. Speaker. This is perhaps going to go down in history as the most interrupted speech in the entire session. I don't know.

Mr. Speaker, I just want to indicate that we have a situation where people are getting gouged. Different people are going to get gouged because they haven't done the right thing, and that is to eliminate the high profits of the insurance industry, which is the real thing that drives the rates up. The insurance industry has made the claim that increased insurance claims are, in fact, responsible. But in the same year that insurance premiums went up 57 percent, guess how much claims went up? Three percent, according to the Insurance Bureau's own figures. So it's not that that's driven up rates.

What happens in this industry, Mr. Speaker, is that all of the insurance companies work together. They all work together and they take all of their premium revenue, all of the money that they get from that, and they invest it in the stock market. And guess what? The last couple of years, particularly since we've had the Bush administration in Washington, the stock market has gone way down. It's gone way down, and lots of people who have RRSPs and so on realize this. They've taken losses. I've taken losses myself on my RRSPs, as have probably most of the people in this Chamber, and so have the insurance companies. When I lose money on my RRSP, I can't go to the insurance company and say: you have to lower my premiums to compensate. But if you turn it the other way around, that's exactly what the insurance companies have been doing. They've been jacking up people's rates for no particular reason in order to compensate for their losses by investing in the stock market.

This is what the government bill is trying to protect. Instead of saying, "This is completely unacceptable, and we're going to protect the individuals from this kind of gouging," they say, "Oh, hey, we're going to freeze." It's a little bit, Mr. Speaker, like closing the barn door after the horses have all gotten out. All 57 horses have escaped from the barn. There might be a few left in there, Mr. Speaker, but most of the herd is already out grazing on the range.

5:00

I don't think this bill is going to cut it. By eliminating discrimination against young male drivers and against seniors, the government is probably going to have to reallocate higher premiums. They've been very clear about it. They're going to punish people who have bad driving records. They seem to think that this is a laudable goal. Well, maybe it is; maybe it's not. But when we started down this road of insurance reform, the objective was never to punish bad drivers. That's not quite the same thing as promoting safe driving. They're just redistributing who's being victimized by the insurance companies. So if somebody has a family vehicle and has a couple of minor fender benders, they're going to be paying a lot of money, paying a lot more than they are now. That doesn't necessarily make them bad drivers, and it doesn't necessarily mean that they're going to be any safer just because their insurance rates go up. I know that Tory thinking is that if you punish someone enough, they'll eventually stop doing something, but it doesn't always work that way, Mr. Speaker.

So I just want to indicate that the minister – and I attended her news availability when she talked about the savings along with the Member for Medicine Hat – indicated that there would be savings of about \$250 million as a result of these government proposals out of a total of \$2 billion. If you do the math, that's about one-eighth of the total insurance industry that's going to be saved. That's about 12 percent, as I do the math, Mr. Speaker. So at the very most the government's proposals will bring down rates, when they're fully implemented, by 12 percent overall. The Liberal plan is to reduce it by 15 percent, which is a slight improvement.

We're saying that we have to go back to square one. We have to eliminate that 57 percent increase in premiums that took place in the year 2002 before we can do it. We can go further, Mr. Speaker, because public auto insurance is the only means proven in this country of delivering regular, stable, low premiums for auto insurance. That's the proposal that has been put forward by our party, and it has only been implemented in three provinces by three New Democrat governments; that is, Manitoba, Saskatchewan, and British Columbia. Even when Conservative governments get elected in this country – for example, the conservative Liberal government in British Columbia – they won't touch it because it is so superior and so popular that there is no way that even the most right-wing government has ever been willing to touch public auto insurance once it's been implemented.

Now, the hon. Member for Drayton Valley-Calmar was quoted in a refreshing moment of absolute blunt honesty as saying that the one thing that wasn't on the table as far as this committee was concerned was public auto insurance because it wasn't the Conservative thing to do. What is that, "It's not the Conservative thing to do"? Is it ideology? I think it probably is. The Liberals to their credit are far less concerned with ideology than members over there. They'll gladly steal our idea, and they have.

The Speaker: The hon. Member for Edmonton-Centre on the amendment.

Ms Blakeman: Absolutely, Mr. Speaker. I'm delighted to be able

to stand and speak in support of the reasoned amendment put forward by my hon. colleague from Edmonton-Gold Bar. That reasoned amendment is asking that this Bill 53 “be not now read a second time because the Assembly is of the view that the bill fails to address overpayment of automobile insurance premiums by Albertans over the past year.” I think we could argue that it was even more than the past year, but the specificity of the amendment is “the past year.”

In fact, auto insurance premiums have definitely gone up. We’ve got all kinds of documentation about that. Even the Insurance Bureau of Canada’s site and annual reports are happy to supply people with the statistics on that, depending on exactly what month to what month you’re going to look at. The hon. Member for Edmonton-Highlands talked about a 57 percent increase from February of 2002 to February of 2003. We were looking at a 59 percent increase. No question in my mind of the accuracy of the amendment, that there has been significant overpayment of premiums by Albertans.

The bill does not rectify this situation. It offers a number of smaller and shorter term fixes for the problems that are being seen in the insurance industry and with insuring private automobiles, but it is by no means looking at what Albertans are asking for, and that is an immediate reduction of the premiums that they are paying. Certainly, when I look at some of the letters and e-mails that I’ve had from my constituents – and I apologize, Mr. Speaker. I will have to table these tomorrow when I have the complete document. I’m looking at excerpts, and I’ll bring the rest, the full document, tomorrow to table. I think these four or five letters are a good illustration of what’s been happening to people in Alberta.

We have Mr. ’93 Mazda, who was willing to pay his \$2,200 per year, perfectly willing to do that, even though this person is a full-time university student. His concern around this was that he was in a car accident. The damage to his car was minimal, but he has missed a significant amount of work, some 10 weeks, plus had physiotherapy appointments, massage therapy appointments, lost hours of sleep, and had emotional pain, and under the system that’s being proposed here he would be eligible for a grand \$4,000. Now he is also having to set aside his application to go into the police service since as a part of this same accident he tore a ligament and seems to have also injured his neck. So this certainly affected him. He doesn’t feel that a cap is going to help him, and certainly for the money that he’s paying, he’s overpaying at this point. So he didn’t object to what he was paying before. He’s certainly objecting to what he’s paying now.

The Speaker: The hon. Government House Leader.

Point of Order Relevance

Mr. Hancock: Thank you, Mr. Speaker. I rise on a point of order subject to rule 459 of *Beauchesne’s*. I think I heard you in your earlier ruling indicate that because this was a reasoned amendment, we must stick strictly to the issues of the amendment. The amendment deals specifically with overpayment of automobile insurance premiums. I’m not sure, but I think I heard the member opposite talking about a restriction on damage payments, which is clearly not part of the overpayment provisions in the amendment. So I would suggest that she’s not speaking in a relevant manner to the amendment.

Ms Blakeman: If the minister had listened further, he would have heard me completing the points that had been raised by the constitu-

ent, that he felt he was now paying too much and overpaying as a result of that, which feeds exactly into the overpayment that is outlined in the reasoned amendment that’s brought forward. So I was very much on point, raising the constituent’s concerns.

The Speaker: Proceed.

Debate Continued

Ms Blakeman: Thank you. Mr. Small Cheap Car, who has also written to me, was in the situation of usually driving a company car. He’s made comparisons with being insured in both the United States and the U.K. Here he is back in Alberta, looking to purchase a small, cheap car for his wife and son, and after 25 years of driving with zero claims, he was put in a high-risk category and is looking at a \$4,500 car and \$2,800 a year insurance. He most definitely feels that he is being overcharged, considering a perfect driving record and this isn’t even a very expensive car. So he is most concerned with a lack of a solution that’s being offered in this legislation.

5:10

Now we’re looking at Mr. Plymouth Laser, who has also written in. [interjection] I can’t tell if that’s fanfare for Plymouth Lasers; perhaps it is. In this case he was concerned that the rate freeze is not being addressed to him. So not only did he feel that he was overpaying to begin with, but with the rate freeze he expected that overpayment to at least stay at the same level, and that, in fact, is not what’s happened to him. He’s been with his present insurance company for five years, and he made one claim a number of years ago, a very small claim. It turns out that the particular program that he was on has mysteriously been canceled. The last time he checked, back in August, the program was still in existence, and now it’s disappeared. So now he’s no longer even going to be subjected to a so-called rate freeze and is being put in a category where he’s just paying an unbelievable amount of money. So there’s another person who feels very much that there’s an overpayment of automobile insurance premiums and that this legislation is not addressing it. So those are just samples of what I’ve heard from my constituents.

You know, who’s reaping the profit of this overpayment? What we can see is that the government has certainly been responsible and has allowed through their insurance review council for the premiums to be raised repeatedly. I heard someone else quote how many times. There it is: 155 proposals for rate increases were in fact approved. All those were for rate increases; they weren’t for rate decreases. So over that period of time that we’re looking at, 155 different kinds of rate increases, obviously not all of them applicable to every individual but together they certainly result in Albertans paying significantly more in automobile insurance premiums. We have an auto insurance industry that reported \$644 million in profits, which is up an additional \$110 million in profits from the same time last year.

So the arguments that we’re hearing about why we would need to have higher insurance premiums don’t seem to be playing out or they’re not substantiated by statistical backup. The statistical backup that we can look at tells us that the insurance industry decided to go ahead – and I think I’ve heard them describe it in their words as rate shock – and repeatedly raise the rates. The government approved those rate increases. They were applied to Albertans, who are now paying substantially more than they were a year ago, 18 months ago, or two years ago.

The initial claims about why this needed to be increased had to do with the payouts – and I think the Member for Edmonton-Highlands has already gone over that, so I won’t belabour the point – but that was not a reasonable argument for the insurance industry to be using

about why these rates were going up so much. The payouts, in fact, I think had gone up by 2.8 percent, which certainly didn't equal the enormous amount that the insurance industry had been able to raise the rest of the rates by.

So here we have a bill that's coming forward. It's dealing with a number of small band-aids, including incorporating what was in a completely different piece of legislation before plus adding in a number of things that have now been researched by the Member for Medicine Hat over the summer, and they don't appear to be resulting in substantial reductions or a correction of this overpayment for Albertans.

Particularly peeving me is the insistence on the continued discrimination based on geography, and that, again, is directly related to an overpayment, and this is an overpayment or a higher premium paid specifically by Edmontonians. The government has been unable or unwilling to give any kind of clear answer as to why they would support removing the discrimination based on gender or age but insist on keeping in place discrimination based on geographic location, that is Edmonton, and I think it also applies to northern Alberta.

As an Edmonton MLA that's of great concern to me: that my constituents are going to have to pay more money than someone somewhere else, but other reasons that are often quoted by the insurance companies for a rate differentiation that they can prove statistically, that being gender and age, have both been removed as a reason for discrimination and, therefore, for a higher rate by the government. We have not had a clear answer from the government why they feel that it's okay to overcharge on these based on geographic location.

Some of the other issues around higher automobile premiums that are not addressed in this bill are around that a person can't collect twice for the same accident. Now, that's something that I had raised as a concern before. It's a situation that people get caught in where they need to keep insurance because they're in a contract position or they're not able to get it subsidized through their work, and this legislation is going to put them in a position where they're paying for insurance that they won't even be allowed to collect on. But for most self-employed people or contract workers they have to keep that insurance up because some day that insurance may not be covered by their employer and they would be subject to extraordinarily high rates to go into an insurance plan at that point at an older age with different life circumstances. The whole idea is that you get in younger and you keep paying those rates with the same company and you're supposed to be getting some sort of a better deal or a recognition of your long term with them.

So this continues to be a great concern for me. Not only is it not addressed, but it's in fact being reinforced in the legislation, and it's certainly not going to reduce a higher payment or an overpayment by Albertans.

Thanks very much for the opportunity to speak, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: On the amendment, Mr. Speaker. Thank you. The amendment focuses on overpayment and really strikes at fairness: how fairly have Alberta drivers been treated, and have they in fact suffered because they have been overcharged, made overpayment on their insurance policies?

5:20

It's been mentioned before, but the review of the automobile

insurance rates by the Consumers' Association of Canada provides some very useful information. One of the comparisons – and they indicated that it's the most fascinating comparison that they made – is the one between rates in Alberta and rates in Saskatchewan in the city of Lloydminster. I think that by looking at those rates, it could be put forward as one piece of evidence that Alberta drivers, in fact, have been overpaying with respect to automobile insurance premiums.

They have 34 rating profiles, but three of them really are quite stark in the comparison that they make. If you take an individual in the ninth rating profile driving a 1990 Dodge Spirit, a female 22 years of age with no claims or convictions, in the Saskatchewan part of Lloydminster that driver would be paying a little less than a thousand dollars. Well, if you lived in Alberta, the same driver would be paying \$3,000, almost three times as much for automobile insurance, Mr. Speaker.

Another example: someone in the 18th rating profile driving a 1990 Jeep Cherokee, a male 40 years of age with claims or convictions. In Lloydminster, Saskatchewan, that individual would be paying roughly \$1,500 a year in premiums. In Alberta that same individual driving the same vehicle with the same kind of driving record would be paying an outstanding \$6,500 a year in premiums.

So, Mr. Speaker, there are a number of examples, and as I said, the study indicates that this is probably the most stark in terms of examples. I think it does provide ample proof that Alberta's drivers have been making overpayments with respect to automobile insurance premiums and that there is good reason for the reasoned amendment to be before the House and for the Assembly to support it.

There are a number of other comparisons that are made in the study, Mr. Speaker. There's the average annual insurance cost city by city. We find that a number of Ontario cities, as one might expect, are at the highest cost with respect to rates, but right behind them, very close, are the major cities in our province, and they are considerably higher than those that we find in other parts of the country, particularly Saskatchewan and British Columbia.

So with respect to the reasoned amendment, Mr. Speaker, I think there is ample evidence that Alberta drivers have been overpaying, and it's unfortunate that the bill before us doesn't deal with that overpayment.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 5:25 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Blakeman	Mason	Massey
MacDonald		

Against the motion:

Cao	Hancock	McFarland
Cardinal	Horner	Nelson
Cenaiko	Jablonski	O'Neill
Coutts	Jacobs	Ouellette
Danyluk	Jonson	Renner
DeLong	Kryczka	Snelgrove
Dunford	Lougheed	Stelmach
Evans	Lukaszuk	Strang
Forsyth	Lund	Tannas

Friedel
Gordon
Griffiths
Haley

Magnus
Marz
McClelland

Tarchuk
VanderBurg
Vandermeer

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. I move that we adjourn until 8 p.m., at which time we reconvene in Committee of the Whole.

Totals:

For – 4

Against – 37

[Motion carried; the Assembly adjourned at 5:37 p.m.]

[Motion on amendment to second reading of Bill 53 lost]

