

Legislative Assembly of Alberta

Title: **Wednesday, November 26, 2003** **1:30 p.m.**
 Date: 2003/11/26
 [The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. O Lord, we give thanks for the bounty of our province: our land, our resources, and our people. We pledge ourselves to act as good stewards on behalf of all Albertans. Amen.
 Please be seated.

head: **Introduction of Visitors**

Mr. Jonson: Mr. Speaker, I am pleased to introduce to you and through you to members of the Assembly Dr. George Joseph, consul general for the Republic of India. Dr. Joseph is on his first official visit to Alberta since taking up his new diplomatic post in Vancouver.

Alberta and India have a long and close relationship, a friendship that continues to grow stronger. Alberta has a vibrant Indo-Canadian community; 61,000 people of Indian origin now call our province home, and these citizens greatly contribute to making Alberta one of the best places in the world to live. Also, businesses from our two areas continually co-operate, most recently in the oil and natural gas sector. With India's population expected to exceed China's by the middle of this century, India holds huge potential as a growing market for goods from Alberta.

Mr. Speaker, I'm also proud to note the role our province plays in improving the quality of life for many citizens of India through health, education, and other social initiatives funded by the Alberta Wild Rose Foundation.

We are grateful Dr. Joseph has chosen to visit us, and we hope that he has an opportunity to return again soon. I would ask that our honoured guest please rise and receive the traditional warm welcome of the Assembly.

head: **Introduction of Guests**

The Speaker: The hon. Deputy Speaker.

Mr. Tannas: Thank you. I have the great pleasure of introducing to you and through you to all members of the Assembly Alberta's Ombudsman, Mr. Gordon Button, and his assistant, Ms Dixie Watson. They are seated in your gallery, Mr. Speaker. Mr. Button was sworn in as Alberta's seventh Ombudsman on October 20, 2003. I would ask both of them to rise and receive the warm welcome of this Assembly.

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

Mr. Vandermeer: Thank you, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you seven fine members from the Association of Professional Engineers, Geologists and Geophysicists of Alberta, otherwise known as APEGGA. APEGGA is a self-governing association responsible to the people of Alberta for licensing of professional engineers, geologists, and geophysicists; the maintaining of professional standards; and upholding the code of ethics. Over the past several months I have been working with APEGGA on a variety of issues, and I have really enjoyed the time that I have spent with them.

APEGGA reached 30,000 members in March of 1988, and the

reason they are with us today is they are celebrating the registration of their 40,000th member, quite an achievement. That member is Sebsibe Asfaw, a professional geologist. Mr. Asfaw was born in Ethiopia in 1962 and came to Canada in 1997. I would ask that they rise as I call out their names: Sebsibe Asfaw; Mike Smyth, professional engineer, president of APEGGA; Neil Windsor, professional engineer and executive director and registrar of APEGGA – I would also just make a note that Neil is a past member of the Legislature in Newfoundland – Linda Van Gastel, professional engineer and president-elect of APEGGA; Andy Gilliland, professional engineer and vice-president of APEGGA; Philip Mulder, manager of communications; and Mike Koziol, professional engineer and member of the council of APEGGA. Congratulations and thank you for introducing your 40,000th member. Please receive the traditional warm welcome of this Assembly.

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

Ms Carlson: Thank you, Mr. Speaker. It's my great pleasure to introduce to you and through you to all Members of the Legislative Assembly special guests who are joining us from Sakaw elementary school today. Mrs. Phyllis Morhaliek is the grade 6 teacher of 29 of the students, and Mr. John McQuay is the grades 5 and 6 teacher of 25 of the students. One of the young gentlemen in their classes, after the last election, asked me if he could use a couple of my signs for his tree fort, so that was a very good recycling use. Today they are accompanied by parent helpers Mr. Glen Keats, Mrs. Tracy Ballantyne, Mrs. Rose-Mary Hall, Mr. Mark Sanders, Ms Holly Dyck, Mr. Bill and Mrs. Bev Ross, Mrs. Sheri Rau, and Mrs. Tessa Strachan. I'd ask them all to please stand now and receive the traditional warm welcome of this Assembly.

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

Dr. Taft: Thank you, Mr. Speaker. It's a pleasure today to introduce students, staff, and parents from one of the finest schools in Alberta, a consistently very high-achieving school, and that's the school of Windsor Park. I'd ask the students to rise. There are 24 of them, and as well they are accompanied by three parents – Mrs. Val West, Dr. Sheri Samuels, and Mrs. Margaret Rolf – and by their teacher, who I've worked with a couple of times during Read-in Week, Mrs. Jennifer Health. So please give them all a warm welcome, and I hope they enjoy their tour.

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

Dr. Pannu: Thank you very much, Mr. Speaker. I'm pleased to introduce to you and through you to the House a prominent health care professional and leader, very busily involved in the negotiations between the United Nurses of Alberta and the Provincial Health Authorities. She is Ms Bev Dick, first vice-president of United Nurses of Alberta, known as UNA. She's seated in the public gallery. I'm so pleased that she was able to join us for a brief while today and observe the proceedings of the House. I would ask her now to please rise and receive the traditional warm welcome of the Assembly.

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

Mr. Mason: Thank you very much, Mr. Speaker. I have two sets of introductions today. The first is a group of 13 students and their teacher from Concordia high school in the constituency of Edmonton-Highlands, and I would ask that the students and their

teacher, Mr. Mark Rothfos, please rise and receive the warm welcome of the Assembly.

Mr. Speaker, we will be joined a bit later today by students from Mount Royal elementary school, which is also in the constituency. There are 28 students accompanied by their teacher, Mr. Woelfle, and I would ask that when they arrive, maybe people can just give them a bit of a wave.

Thank you.

The Speaker: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Mr. Horner: Thank you, Mr. Speaker. I don't believe my guests have arrived as yet, but it is my pleasure to rise on behalf of Spruce Grove-Sturgeon-St. Albert and for the Member for St. Albert and introduce to you and through you to members of the Assembly a group of men who are the 2003 60-plus Canadian slow-pitch champions. With us today are the St. Albert White Sox slow-pitch team, who I will be recognizing later this afternoon. The 15 members, led by their captain, Vern Holland, will be seated in the members' gallery. As I can't see if they're there, I'd ask them to rise, but I do believe they'll be coming in a little bit later, and at that point perhaps we could give them a warm welcome.

Thank you, Mr. Speaker.

The Speaker: The hon. Minister of Sustainable Resource Development.

Mr. Cardinal: Thank you very much, Mr. Speaker. I'd like to introduce to you and through you to members of the Assembly two new staff members that just started in my office recently: Jeanna Woodward and Tennille Auch. I'd like them to rise and receive the traditional warm welcome of the Assembly.

1:40

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

Mr. Bonner: Thank you, Mr. Speaker. Earlier today the hon. Member for Edmonton-Ellerslie introduced Bill and Bev Ross. Bill also has a distinction that many people in the Assembly don't know about, and that is that for over 40 years he's been a valued volunteer in the Edmonton Minor Hockey Association. Each January during Minor Hockey Week he co-ordinates a group of volunteers in the tournament headquarters, where they keep in line 500 teams and over 7,500 participants in the 20 arenas in the city of Edmonton. Mr. Ross is also better known as Mr. Central. So to Bill and Bev, please stand and enjoy the traditional warm welcome we give to volunteers here in the Assembly.

Thank you.

The Speaker: Are there young people from the School of Hope in Vermilion and Tulliby Lake school in either of the galleries? Would you rise, please. On behalf of your Member of the Legislative Assembly might I extend a warm greeting to all of you for attending the Legislative Assembly.

Thank you.

head: **Oral Question Period**

Provincial Fiscal Policies

Dr. Nicol: Mr. Speaker, despite the Alberta government's surplus this government still isn't financially prepared for salary increases for provincial employees and still hasn't planned adequately for

paying off Alberta's \$7 billion infrastructure debt. To the Minister of Finance: why has the government yet again failed to plan for wage increases by not having an adequate contingency fund in the budget?

Mrs. Nelson: Well, Mr. Speaker, today I released the second-quarter report, that clearly indicated that Alberta's fiscal structure is in fact working, that the business planning process does work, and that we have a sound basis for growth within the province. Clearly, a number of the issues that maybe the hon. member may think are not addressed, in fact, do become addressed through our process of business planning.

Might I remind him that we are, I believe, the only government in Canada that goes through a quarterly update, and this is our second-quarter update and reflects a really positive trend for the province. I would hope that he will read the reports. Clearly, I'm going to be tabling some reports a little bit later, Mr. Speaker, insofar as the supplementary supply, and there's a lot of detail in those documents.

Dr. Nicol: Again to the Minister of Finance: will your government outline tight controls over the capital fund to prevent it from becoming a pre-election spending fund?

Mrs. Nelson: Well, Mr. Speaker, in our new structure we put in place two key components, one of them being a sustainability fund and the other being a capital fund. The sustainability fund, of course, is there to protect Albertans from the volatility from the oil and gas revenues, to make sure that core programs are always kept in place and financially maintained.

The other element that was key in the new structure – it was recommended by the Financial Management Commission – was, in fact, the capital plan. In the past it was easy to announce projects and then not follow through on them. The discipline with the capital plan that we have today is that once the funds are in the capital plan, the funds, in fact, stay there, and even if the projects aren't completed in the current fiscal year, the money is allowed to proceed on to the next fiscal year. So the capital announcements that have been made actually get built.

Dr. Nicol: To the Minister of Finance: will you commit your government to review the budgeting process to account for the sequence of surpluses in the past few years?

Mrs. Nelson: Well, Mr. Speaker, I think that Albertans are quite pleased with the economic performance of this province. Once again we will lead the nation on economic growth. We will lead the nation on investment per capita. We will have the lowest unemployment rate in the country. The net migration to the province again will be roughly 55,000 people.

I think people in the province of Alberta have a lot of confidence in the fiscal management and the fiscal responsibility that this government has demonstrated. The review is done every quarter and through the budget process.

Budget Surplus

Dr. Nicol: Mr. Speaker, even with budget surpluses the Alberta government won't adequately fund major infrastructure projects. Instead, the government wants private companies to build our courthouses, roads, and hospitals through public/private partnerships, or P3s. In the short term the government may save money. In the long term Alberta taxpayers will pay more because of the private companies' higher borrowing costs. To the Minister of Finance: why won't this government use some of the surplus to build

a southeast hospital in Calgary instead of burdening Albertans with the cost of a P3?

Mrs. Nelson: Well, Mr. Speaker, again, I believe we're probably the only government in Canada that actually has put in place a solid capital plan. Prior to today the capital plan over the next three years was worth \$5.5 billion. Today we added another \$428 million to that plan to bring us up to close to \$6 billion. That's a commitment of capital that will, in fact, go into much-needed projects. Whether they're roads or schools or hospitals or different types of postsecondary education facilities, those will be determined and put forward in a plan that people can count on. The one benefit of this structure is that when we go through our budget process, we identify where those dollars are being spent, and they actually get spent in those areas.

Dr. Nicol: Again to the Minister of Finance: why won't the government commit some of this surplus to building the Calgary courthouse instead of burdening Alberta taxpayers with a P3?

Mrs. Nelson: Well, Mr. Speaker, we have a capital plan in place that we are in fact following. Clearly, we have laid out the priorities of our government, we have enhanced that program, and we're moving forward.

I'll ask the Minister of Infrastructure to supplement though.

Mr. Lund: Mr. Speaker, the process that we have in place relative to assessing P3s is one that is the envy of many jurisdictions. The hon. member being an economist, I'm very surprised that he's suggesting that this is going to burden future Albertans with additional costs. The fact is that through the P3 process, it has to be shown that there's an economic benefit to the province of Alberta before it would proceed.

When the final documents come out, I'm sure the hon. member will be able to assess them and will probably be only too happy to stand up and congratulate the government for having gone down this road.

Dr. Nicol: Mr. Speaker, if they can ever show to my satisfaction that they saved money in the long run for Albertans, I will stand in this House and congratulate them, but I don't think I'll ever have to do it.

My final question is to the Minister of Finance. How will you meet the Learning Commission's class size standards if you don't invest now in building more classrooms?

Mrs. Nelson: Well, Mr. Speaker, we just announced today that we've added \$428 million in capital dollars to our already \$5.5 billion capital plan over the next three years. I'm sure that the Minister of Learning and the Minister of Infrastructure will be working together to come up with a plan to address the pressure points in the Learning Commission and in the postsecondary education field.

I'll ask the Minister of Learning to supplement the answer.

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. As the Assembly well knows, there was money just put into the Learning Commission report. About \$90 million was announced just a week or so ago. Quite frankly, the school authorities, the school boards, will have the ability to use that to address class size.

From an infrastructure point of view, we are looking at all the

different possibilities, all the different combinations and permutations of how we can build up the capital to actually have more classrooms. That's what we're doing right now, Mr. Speaker. As the Minister of Finance just stated, there's a lot of money in the capital account, and we'll see how that money is spent.

1:50

Water Management

Ms Carlson: Mr. Speaker, the issue of water scarcity has become a huge concern here in Alberta, particularly as the rapidly growing southern region dries up and industrial use intensifies and multiplies. My questions today are to the Minister of Environment. Given that industry uses approximately 46 billion litres of potable water annually for injection and this water is permanently removed from the cycle, when is he going to prohibit this practice?

Dr. Taylor: Well, the member does raise an important and good point. At the present time we recognize that the industrial use of potable water – that is, industrial use that takes water out of the water cycle, and as this member has correctly identified, it never goes back into the water cycle – is a large issue. People have typically just looked at the oil patch, but it's broader than the oil patch. It's other industries as well.

So what we've done to deal with that, Mr. Speaker, is we've put together a group of people to come back to us by March with some recommendations. That group of people consists of CAPP; it consists of NGOs, nongovernmental organizations, and environmental groups. It consists of all the stakeholders around this whole issue of water and injection of potable water, which then, of course, becomes nonpotable. So we are there. Remember that there are the nongovernmental organizations and the environmental groups there as well. I expect to have a report back from them in March.

Ms Carlson: Mr. Speaker, how does this minister propose to regulate and conserve water in this province when there are currently no means available to track total water usage?

Dr. Taylor: I'm not sure if she's referring to her original question or not. One of the issues that we had to define is: how much is actually being used by the various groups that take it from the potable cycle and then it becomes nonpotable? We actually have those numbers available, and I believe they're on our web site. So if that's the question, then the answer, the amount of water that is being used like that, is on the web site. But I'm not sure that that's what she was asking me.

The Speaker: The hon. member.

Ms Carlson: Thank you, Mr. Speaker. I was specifically referring to total usage throughout the province.

My final question is: given that agriculture and irrigation account for almost half the water usage in this province, how does the minister propose to implement a plan that would require local farms and ranches, already on the brink of bankruptcy, to pay for water usage?

Dr. Taylor: Mr. Speaker, we have never said that we're going to charge for water. What we are saying is that we have to understand the economic value of water to our society. Quite frankly, we don't understand that yet. What is the economic value of water to you, the consumer? What is the economic value of water to industry?

The other thing we don't understand is: what is true cost accounting around water infrastructure? We really don't know what the true

cost is to get water from the city treatment plant to your house or to my house. We don't really know what the true cost is of getting water from the irrigation dam, the Bassano dam, to the irrigators. So what we're talking about there is, one, understanding true cost accounting, knowing what stuff costs us, and, two, understanding the economic value of water to our society.

So we're not talking about charging people for water; we're talking about understanding the economics around water.

The Speaker: The hon. Member for Edmonton-Highlands, followed by the hon. Member for Calgary-Fort.

Budget Surplus (continued)

Mr. Mason: Thank you very much, Mr. Speaker. Year after year the government posts massive, supposedly unanticipated surpluses. Today the second-quarter financial update shows a projected \$3.4 billion surplus. Yet despite the misplaced enthusiasm of the Tory backbenchers, first school boards and now health authorities are forced to run deficits. To the Minister of Finance: is this a deliberate strategy on the part of the government to post huge surpluses while school boards and health authorities run multimillion dollar deficits, or is it financial incompetence?

Mrs. Nelson: Well, Mr. Speaker, what would be financial incompetence would be to run huge deficits, and that's against the law in this province.

We budget based on the best information we have. This year we went with a structure that would take out the volatility of oil and gas prices so that we could in fact count on revenues coming through to support our core programs. The hon. member opposite knows perfectly well that to have uncertainty in revenues can have a negative impact on health authorities, school boards, municipalities, et cetera. So our budget process takes that volatility out of the mix. In fact, we looked at our core revenues of oil and gas and said: what is a reasonable number that we can count on to support those programs? That was \$3.5 billion. We said that if, in fact, it's more than that, we'll still spend \$3.5 billion because that's a reasonable amount of money to support the core programs of the province.

This is a new structure. Because we have additional operating cash flow that came in this year, we were able to do some other things, because anything over \$3.5 billion goes to our sustainability fund. Mr. Speaker, we were able to take the money from this year and the additional cash that came from last year and fulfill our obligation to the sustainability fund plus put \$428 million into a capital fund to enhance that plus allocate \$428 million to our debt retirement. That's fiscally responsible.

Mr. Mason: Mr. Speaker, to the same minister: why didn't the government act to prevent deficits at both the Capital region and Calgary health authority when it knew it had billions of, quote, unanticipated dollars in its pocket?

Mrs. Nelson: Well, you know, Mr. Speaker, here's a message that particularly the Official Opposition could send. We had an announcement last year from the federal government that said: we will allocate \$2 billion in additional moneys for health care. We haven't seen a penny of that yet. The last word we heard: those dollars may not come until next October or November. I'm reluctant to book that commitment until I see the cheque, quite frankly. So if there's a message that can come from the members opposite, get on the phone to your kissing cousins in Ottawa and tell them to write the cheque.

The Speaker: The hon. member.

Mr. Mason: Thank you, Mr. Speaker. Other than once again blaming it all on the feds, why is it that with all the riches any government this side of the Persian Gulf could desire, this government cannot meet the basic needs of Alberta in a stable, debt-free manner?

Mrs. Nelson: Well, Mr. Speaker, at the end of question period, I will be bringing forward a tabling of supplementary estimates, and I believe that the hon. member should have a good look at those because they will in fact show the allocation that has gone to support operating and disasters that have occurred this year in this province.

We are very fortunate in Alberta to have been able to deal with some very, very difficult times, and anybody in rural Alberta knows very well that this government has been there for them this year. Our Minister of Agriculture, Food and Rural Development has led the nation in bringing forward a program that helps our agricultural community. Also, Mr. Speaker – and I have to say this – we had some difficulty in our forest fire fighting, and we had to supplement extra dollars into that program. We were in a position to be able to do that. We had \$210 million of operating contingency. We have allocated through this second quarter \$174 million of that to meet pressure points on programs from Seniors to Learning, all the way through, where they were needed. We've done a good job.

The Speaker: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Gold Bar.

Calgary Regional Health Authority

Mr. Cao: Thank you, Mr. Speaker. Given that the population of Calgary, the city itself, has reached the 1 million mark and with the growth of a hundred thousand during the past five years, the Calgary health region experienced a population increase of 2.9 percent this year. The pressure of this tremendous population growth combined with rising costs, lower than expected revenues, and growing demands for services are making it difficult for the region to balance its budget. My first question is to the Minister of Health and Wellness. Can the minister explain why these factors were not taken into consideration when the region's budget was set?

Mr. Mar: Well, Mr. Speaker, the short answer to that question is that we do. Our population funding formula does take into account growth. It also takes into account factors such as the age of the population, demographics such as the gender and the socioeconomic status of the population. So the short answer is that we do.

2:00

Now, just recently, yesterday in fact, I sat down with the chief executive officers from both the Capital health region and the Calgary health region, and the good news is that in Calgary the chief executive officer of the regional health authority tells me: we're 97 percent of the way there; we get 97 percent of the funding that we need, but we need to sharpen our pencils as a regional health authority to find more efficiencies and ways that we can save money. We also need to look at ways that we can raise money that are within the parameters of the Canada Health Act. We do not want regional health authorities doing things to raise revenues that are inconsistent with the Canada Health Act, but the province also has a responsibility to ensure that we try and close that 3 percent gap.

I want to assure all Albertans though, Mr. Speaker, that people are aware that the \$4.1 billion that goes into the province's regional

health authorities is allocated on a fair basis. There is recognition, as I said, not only for the growth of the population but for demographic factors as well.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My second question is to the same minister. Given that the population of the city of Calgary is the highest in the province and it has the highest growth rate, my constituents are concerned that the budget allocation does not reflect this. Can the minister explain why Calgary's budget increase per capita was less than other areas such as the Capital region?

Mr. Mar: Well, Mr. Speaker, in comparing the two largest health regions in the province of Alberta for the current budget year, Calgary received an increase of 7.6 percent and the Capital region received an increase of 6.6 percent. So the actual percentage increase was larger in Calgary than it was in Capital, but it is correct to say that on a per capita basis the Capital health region receives more funding than the per capita funding for the city of Calgary. The reason is because of the demographic factors that I described. The population served by the Capital health region tends to be older. They tend to come from a lower socioeconomic status. These people tend to be sicker, and it does serve a much larger area.

As an example, Mr. Speaker, transfers of moneys that go into the regional health authority in the Capital region for services that they provide to northern Albertans totaled approximately \$120 million. While Calgary also serves a large area outside of the Calgary health region's boundaries, its transfers from other regional health authorities only totaled \$44 million. So the Capital health authority does serve a larger population in terms of transfers from other regional health authorities than does the city of Calgary.

The Speaker: The hon. member.

Mr. Cao: Thank you, Mr. Speaker. My last supplemental question is to the same minister. I would like to ask the minister to explain why he has not moved forward more quickly with health reform initiatives that would give Calgary more options to balance their budget?

Mr. Mar: Well, Mr. Speaker, we have moved aggressively on overall health care reform. That, of course, is not an excuse not to be fiscally responsible, and in examining the operations of regional health authorities throughout this province, I can tell you that I am satisfied that regional health authorities are doing a pretty good job of staying within their fiscal parameters. They're not doing a perfect job, but they're doing a very good job.

Now, with respect to reforms on increasing options for how regional health authorities can raise money, again, Mr. Speaker, while we encourage that, the parameter has to be that any efforts to raise moneys on the part of regional health authorities have to conform with the principles of the Canada Health Act, which principles have been enshrined in our own provincial legislation.

The Speaker: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Highwood.

Electricity Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. My first question is to the Minister of Finance. How many tax dollars are invested through the Department of Finance in electricity deregulation in this province at this moment?

Mrs. Nelson: I think that that question, Mr. Speaker, would probably fit on the Order Paper under Written Questions.

Mr. MacDonald: Again, Mr. Speaker, to the same minister: given that Enmax has listed in its last annual report long-term debt of \$183 million owed to the taxpayers through the Alberta Municipal Financing Corporation, how can this government continue to say that we have no public debt as a result of electricity deregulation?

Mrs. Nelson: Again, Mr. Speaker, I would think that that question is better suited to the Order Paper under Written Questions for returns.

Mr. MacDonald: Again, then, Mr. Speaker, to the same minister. The minister is in charge of the Alberta Capital Finance Authority, as it's now called. How much money did Alberta Finance loan through Alberta Municipal Financing Corporation in the year 2000, and was any of that money loaned to Enmax to participate in the power purchase arrangement auction?

Mrs. Nelson: Well, Mr. Speaker, I believe he asked for the year 2000. I'd have to take that question under advisement.

The Speaker: The hon. Minister of Municipal Affairs to supplement.

Mr. Boutilier: Mr. Speaker, I would like to say that we're very proud of the Alberta finance corporation because it assists municipalities in many ways. In fact, for the hon. member's benefit, a hundred million dollars of Alberta finance corporation funding has been going directly back to municipalities to help them on the whole issue of energy retrofits, which is a good example of the Alberta finance corporation's work.

The Speaker: The hon. Member for Highwood, followed by the hon. Member for Edmonton-Riverview.

Turner Valley Gas Plant Historic Site

Mr. Tannas: Thank you, Mr. Speaker. Exploration for oil and gas in the Turner Valley area started some 90 years ago, when the first well successfully struck a petroleum production zone in 1914. It changed the industrial face of Alberta and, indeed, the rest of Canada. The economic impact of the oil and gas industry is enormous to our province, and preserving the Turner Valley Gas Plant as a provincial and a national historic site is important to all of us. Equally important to the residents of the area and downstream is the reclamation of the important historic site of Hell's Half Acre. To the Minister of Community Development: can the minister tell the Assembly when the cleanup work at the Turner Valley Gas Plant historic site will finally be completed?

Mr. Zwodzesky: Mr. Speaker, the site cleanup, reclamation, and restoration of the historic Turner Valley site has been progressing quite quickly, of late especially. Going back several years ago, an historical resources impact assessment was done for that area, followed by a risk management plan. I'm happy to tell the House that virtually all of the hazardous materials have now been removed: the asbestos, mercury, hydrocarbons, sulphur, and so on. There is still some work that obviously remains to be done. For example, when the Sheep River flooded a few years ago, it eroded the banks and exposed some of the vessels in that area. So we're just waiting for approvals now from the federal government, specifically the

Fisheries and Oceans department, before we can proceed with that spring cleanup of those few final steps, which I hope will be before the spring runoff.

We do have to do this carefully, Mr. Speaker, because it is a national and a provincial historic site. So reclamation and cleanup is one part, but maintaining the integrity of the site is equally important.

The Speaker: The hon. member.

Mr. Tannas: Thank you, Mr. Speaker. To the same minister: given that, then are any of the local residents or the visitors to this site at any risk whatsoever to their health or to their well-being?

Mr. Zwozdesky: Mr. Speaker, no, I don't believe that anyone visiting the site or living in that immediate area is in any imminent danger or risk. We have conducted or Environment or Alberta Infrastructure has conducted – together we've all had different parts of different tests conducted there. Based on the information that we've seen, we don't believe there are any measurable levels of contaminants in the water, for example, which anyone should be alarmed over, but on the side of safety we do provide fact sheets informing people of any potential risks that might still be there. For example, we've removed all the mercury that we possibly could from the soil, and where it occurred in some of the facilities, the physical buildings and structures, those have been sealed off and contained.

The Speaker: The hon. member.

Mr. Tannas: Thank you. My final supplemental is again to the same minister. Mr. Minister, what further action, then, is the government of Alberta and your department going to undertake to alleviate the concerns of the people who live in the Turner Valley area as well as those who are downstream of Sheep River?

2:10

Mr. Zwozdesky: Mr. Speaker, we spent a good deal of time consulting with the community there. In fact, just last week we held an open house. There were two of them. I believe they took place on Thursday. They were information sharing sessions, questions and answers, if you will, which involved individuals with expertise in this area from my department, from Alberta Environment, and, I believe, from Alberta Infrastructure as well.

We've also stepped up the funding or restored it in the one case. We've already spent as the Ministry of Community Development over half a million dollars on the site, and I think Alberta Infrastructure also spent about three-quarters of a million. This year we've added another \$1.5 million to complete the important cleanliness of that site just to ensure its integrity and at the same time provide a safe visitation for people coming to the site.

Southeast Calgary Hospital

Dr. Taft: Mr. Speaker, on a day when this government is lighting cigars and patting itself on the back for again running a huge surplus, it refuses to fund a badly needed hospital in southeast Calgary. Instead, the health region is moving ahead with a P3 proposal despite a recent report by four prominent economists, including a former chief economist with the TD Bank, who found that P3 hospitals are more costly, less accountable, and will lead to a deterioration in health services. My first question is to the Minister of Health and Wellness. What assurances can the minister give Albertans that he will not give approval to providing services in a P3

hospital in southeast Calgary given that a P3 hospital will lead to – and I quote the report – “a deterioration of hospital services, diminished accountability, an increase in two-tier care, and needless cost”?

Mr. Mar: Well, like the hon. member, I do a lot of reading. The fact is, Mr. Speaker, I've gone to albertaliberalairytales.com, and I've looked at some interesting material from that web site. The opposition has a health care policy paper that's put on their web site. In fact, I look at the reading list that is prepared for the Alberta Liberal opposition, a recommended reading list which includes a reference to the hon. member's own book. Talk about the use of public dollars, the use of public dollars to shill his own writings. That is shameful.

Mr. Speaker, look; the whole point of this is that the Alberta government is focused on two things as it relates to health care. Those are improving access and maintaining or improving the quality of health services that are enjoyed and appreciated by the people of the province of Alberta. We are not ideologues. The Leader of the Opposition and his band of Liberals are ideologues, and that's the reason why we focus on being open minded and looking at different ways of delivering services. We're open minded to a public service that we support in this province, the best public health care system in Canada, I would argue.

We are open minded to the idea of using P3s as a way of funding capital, not making a privatized, for-profit health care system but a P3 system that allows us to look at different ways of using money to create capital that improves access in the delivery of services. We are open minded to the idea that there are other ways of delivering service, like private surgical facilities. We are open minded to the idea of private facilities providing publicly paid-for services for the benefit of the public and not charging user fees for such services. We are open minded to all these things because we are focused on health care, access, and delivery. Mr. Speaker, these people are focused on ideology.

The Speaker: Hon. Official Opposition House Leader, you rose on a point of order that we will deal with at the conclusion of the question period.

Ms Carlson: Thank you.

The Speaker: Government House Leader, be prepared for the debate. Okay?

The hon. member.

Dr. Taft: Thanks, Mr. Speaker. We'll give a different minister a platform to play at being Premier. To the Minister of Infrastructure. What assurances can he give Albertans that he will not give his approval to a P3 hospital in southeast Calgary given that, and I quote the report I referred to: it is reasonable to expect P3 hospitals to be at least 10 percent more costly than their public-sector equivalents?

Mr. Lund: Mr. Speaker, we've got in place a very good process for assessing any P3 that might come forward, whether it be a hospital, a courthouse, a school, or a postsecondary institution. That process involves, first of all, having a committee look at the proposal. They look at it to see if there's any possibility of it being the type of proposal that would reap the benefits that we insist that must be there for Albertans. If that looks like it has that potential, the proponent must then come forward with a business case, must bring the whole operating costs and the capital back to present-day value.

If, in fact, that is accomplished, then it goes to an outside commit-

tee, a committee completely outside, made up of the private sector. Now, I know that they don't like to hear that, that the private sector would be assessing a project, but the fact is that they, then, will delve into it and make sure that there is a value for dollars for Albertans.

As far as it costing 10 percent extra, Mr. Speaker, it's interesting if he relates that to the courthouse, because we already know that in the case of the courthouse we put out, as far as the construction and the capital costs, a proposal for a dummy bid, and guess what? The dummy bid came in quite a bit above what we thought it would cost us to build it, and the proponent is even below the numbers that we thought it would cost us to build. So it's considerably lower. I think you've got the plus and minus mixed up.

Dr. Taft: Well, to the same minister: given that the Calgary hospital P3 process is so far advanced, what evidence can this government produce to show that P3 hospitals won't cost Alberta taxpayers more and lead to a deterioration in health services?

Mr. Lund: Mr. Speaker, so far advanced? The Calgary regional health authority hasn't even put out a request for interest at this point, and that's the first entry point. Then there would have to be a request for qualifications, then an RFP. That's before we even get heavily involved in it. This is a concept at this point, and we haven't even seen anything from the regional health authority.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Mill Woods.

Load Securement Standards

Mr. Marz: Thank you, Mr. Speaker. Recently a group of farmers in the Carstairs area organized a hay drive to donate and haul hay from Alberta to drought-stricken and burned-out areas of British Columbia. They advised me that they received verbal assurance from the British Columbia government that B.C. would forgo permit taxes and other fees and that load security requirements, which were the same as Alberta's with the addition of bulkheads, would be accepted as requested. On October 29, 12 loads left Carstairs only to be stopped at Golden, where more conditions were applied before they could carry on, even though many other trucks were hauling hay past them secured the same way without incident. Could the Minister of Transportation explain what happened at the Golden inspection station, and what involvement, if any, did Alberta Transportation have in resolving this issue under the terms of the memorandum of understanding?

The Speaker: The hon. minister.

Mr. Stelmach: Well, thank you, Mr. Speaker. First of all, let me commend all those individuals that quickly responded to the need of British Columbians with respect to drought and also the huge burnt-out areas of feed.

Prior to the movement of hay from Alberta to British Columbia, both provinces had met and discussed the issues of fuel taxes, permitting, and some load securement issues. Organizers at that time, according to the information I have, were told of the higher degree of load securement on the B.C. side. That was one component of the discussions that we agreed to: that on the B.C. side there would be more of a load securement issue.

When department staff were told of the detainment at Golden, we, of course, made contact with B.C. to clarify the issue. Of course, it's outside our jurisdiction. We have no authority in terms of their

particular regulations. I will say that after the vehicles were seized, local residents came together, helped the truckers there put on the additional load securement that was deemed necessary by the B.C. Department of Transportation, and then the loads moved on from there.

2:20

The Speaker: The hon. member.

Mr. Marz: Thank you, Mr. Speaker. To the same minister: can the minister explain why the memorandum of understanding between the western provinces did not work in this particular instance?

Mr. Stelmach: Mr. Speaker, the hon. member is referring to the memorandum of understanding that was signed between Alberta and British Columbia, Saskatchewan, Manitoba in the year when we had a serious drought. It allowed for larger dimensions of bales to travel from those three provinces to Alberta. It served us extremely well, except this is a different situation where Alberta feed was traveling into the province of B.C., and they have deemed it necessary to keep the current load securement rules in place. We have to, as Alberta, honour that.

The Speaker: The hon. member.

Mr. Marz: Yes, Mr. Speaker. Again to the same minister: is Alberta going to renegotiate this agreement and amend the load security requirements in the future?

Mr. Stelmach: Good point. There is something called the North American load securement standard, and there are negotiations under way with all the provinces to try and harmonize all of our regulations with respect to this particular issue so that we don't run into these issues again in the future, which increase the costs not only to the trucking industry but certainly to the farmers that are awaiting their badly needed feed at the other end. So we hope to have some positive movement on this to report to the House in the very near future.

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

Grade 12 Diploma Exams

Dr. Massey: Thank you, Mr. Speaker. Parents and teachers are baffled by Alberta Learning's decision to split the grade 12 diploma exams and advance the administration of part A by a week. They believe that shortening the instructional time is not in the best interests of students and places them at a disadvantage. My questions are to the Minister of Learning. Given that research concludes that the time spent on learning makes a difference in achievement, why has the instructional year been shortened?

The Speaker: The hon. minister.

Dr. Oberg: Thank you, Mr. Speaker. The diploma exams have been split into two for a couple of reasons. First of all, we split the exams in the first year of the strike, in 1982, and we noticed something very interesting in social studies. What we found is that the students actually did considerably better, statistically better, on the exams when the two exams were split, being a written component and multiple-choice component, a machine-scorable component. So that was one thing. Then when you combine that with the fact that we are now able to have the exam fully marked by the end of June,

that's a plus. The third plus is that we can guarantee that the teachers will be there to mark the exams because they will not have to go into July, into their time off, to mark the exams.

So when you put all of that together, what we have come up with is an exam time frame that has about a week – I believe the most is eight days – between a part A and a part B. The hon. member has asked a question about instructional time, and the people who do curriculum say that the written component of the exams in all the science issues that are there will be complete by that time. There is time after that written component to have more instruction time to be able to prepare for the multiple-choice exam.

So, Mr. Speaker, that's the rationale. We fully anticipate that our students will do some 4 or 5 percent better on their exams by splitting them than what they would have before.

The Speaker: The hon. member.

Dr. Massey: Thank you. Then again to the same minister: will the minister just admit that the move is a strike proofing tactic and has really nothing at all to do with student learning? That's all it is.

Dr. Oberg: Oh, Mr. Speaker, first of all, it is not solely a strike proofing technique. It is, though, because at this particular point in time we have no agreement that the exams will be marked in July. It is my job as Minister of Learning to ensure that the students have their exam marks so that their marks can go on to university, so that their marks can be utilized and read. We had a very nasty situation when the strike was on, and quite literally we have not received any assurances in the form of legislation or anything else as to the reason why.

Mr. Speaker, the other important thing – and I'll reiterate it – is that quite literally the students are doing better. We think it is important that our students have the ability and the opportunity to do as well as possible on the achievement tests, and we have been quite surprised at this. It's been a very positive element.

Dr. Massey: Again to the same minister: why are our students being placed at a disadvantage in the competition for scholarships and entry to programs outside this province by reducing their instructional time?

Dr. Oberg: Mr. Speaker, that is absolutely wrong for a couple of reasons. First of all, as I've said for the third time, the students are doing better. Their scores are higher. Also, when it comes to scholarships, when it comes to awards outside of the province, we also will have the exams marked quicker. So, quite simply, by the end of June we will guarantee that the marks are in the students' hands, that they're in the parents' hands, and they will be able to take that to the universities and get in there faster, quicker, better.

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

Health Care Labour Relations

Dr. Pannu: Thank you, Mr. Speaker. Yesterday the province's two largest health regions announced that they were wallowing in \$120 million of red ink. At the same time Alberta's health authorities association has been engaged in a million-dollar advertising campaign to discredit Alberta's nurses in the current round of negotiations. The health authorities association has been bargaining in such bad faith that they had to be ordered back to the bargaining table by the Labour Relations Board. My questions are to the

Minister of Health and Wellness. Why does the government allow health authorities to waste millions on public misinformation campaigns when RHAs are wallowing in a sea of red ink?

Mr. Mar: Well, Mr. Speaker, as I indicated earlier in a response to another hon. member, the fact is that our regional health authorities are doing a good job. They're doing a good job with respect to the delivery of care. They're doing a good job with respect to the quality of the health service that they provide. They're doing a good job on the financial side of things. There are some legitimate issues that Albertans raise from time to time with respect to access. Regional health authorities are being responsive to that.

Mr. Speaker, regional health authorities throughout this province have a \$4.1 billion budget. So, again, the good news is that in Calgary, as an example, 97 percent of what they require to do the very good job that they do is being met. They have indicated that they're willing to again continue to sharpen their pencils.

As well, the provincial government and, of course, as reminded by my learned friend the Minister of Finance, Ottawa also have a responsibility here to come through with some money that was previously promised. Now, I can assure you, Mr. Speaker, that when the federal government makes good on that commitment of \$2 billion to the provinces and territories, Alberta's share will be approximately \$200 million. One of our top priorities – in fact, I would suggest, the top priority among members of this caucus – is to ensure that regional health authorities get the lion's share of that money to deal with the circumstances they face.

Mr. Speaker, there are many reasons why health care costs continue to rise. We're working on providing the increased supply of services that people are looking for. We're also working at trying to reduce the demand on these services. People would be aware, for example, of our Healthy U campaign. They would be aware of the fact that we've reduced the number of smokers in this province by 44,000. People would be aware of efforts that we're making in schools for daily mandatory physical education. So these are all aspects that we're moving forward on. It's part of our reform package.

But, Mr. Speaker, in answer to the narrow point of the spending of the Provincial Health Authorities association moneys on advertising, as the nurses often do, it's only appropriate that the Provincial Health Authorities association also be able to get their position out to the public. It is no different. We have no prohibition on the nurses doing such activities. We ought not to have such a prohibition on regional health authorities either.

2:30

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister. Then let me ask the minister: why has the government chosen the path of confrontation with the province's registered nurses by trying to impose a settlement that rolls back nurses' working conditions and endangers patient safety?

Mr. Mar: Well, Mr. Speaker, every time we go to the bargaining table between the regional health authorities and the nurses, the nurses characterize everything as being a rollback. I'd say: look at the last contract. Some rollback, hon. member. A 22 percent increase in salary. When you include benefits and such, it's closer to 40 percent.

Mr. Speaker, it's entirely appropriate that this process be left in the situation that it's in, which is to say that the parties are at the bargaining table now. We hope that nurses, who are a very, very

important part of our health care system, will bargain in good faith. We instruct the regional health authorities to do the same thing. If, as nurses suggest, they're interested in patients being placed first, as is the case with the government and the regional health authorities, then we have some sense of encouragement that, in fact, a contract will be struck.

Now, Mr. Speaker, should bargaining fail, there is still a process that has been set out by legislation for a compulsory arbitration process. That is another process by which we can also resolve this impasse between employers and their nurses.

The Speaker: The hon. leader.

Dr. Pannu: Thank you, Mr. Speaker. My final question to the same minister: when is the minister going to take charge and order his handpicked PHAA negotiating teams committee to bring a fair contract offer to the table that values nurses as health care professionals and helps resolve the impasse that he's talking about?

Mr. Mar: Well, Mr. Speaker, I don't handpick any negotiators. That's the responsibility of the employers, in this case the Provincial Health Authorities association. They are instructed, of course, by their regional health authorities to bargain in good faith. I trust that nurses will do the same.

Again, we do value nurses. We recognize that they are a very important part of our health care system.

head: **Recognitions**

The Speaker: Hon. members, in about 30 seconds from now we'll call on the first of seven members to participate. Prior to that, let me just do some recognitions on behalf of all of you.

Today is the 38th wedding anniversary of the hon. Member for Grande Prairie-Smoky and his long-serving and long-suffering wife, so awards and recognitions should be provided to her.

Yesterday was the birthday of the Minister of Innovation and Science.

Sunday was the 16th anniversary of the first election of the hon. Deputy Premier to this Assembly.

The hon. Member for Spruce Grove-Sturgeon-St. Albert.

St. Albert White Sox

Mr. Horner: Thank you, Mr. Speaker. I would like to acknowledge a group of men who have proven age has little to do with athletic ability. The St. Albert White Sox are the 2003 60-plus Canadian slow-pitch champions. These gentlemen are not strangers to this House as past recognitions of have been done for the national championship wins of 1994-95 as a plus-50 team and in 1998 and 2000 as a plus-55 squad.

Al Brown, Norm Carruthers, Ron Crosby, Peter Eskiw, Gavin Davidson, Rod Gauf, Lloyd Haddon, Vern Holland, Clarence McDonald, Archie Miskiw, Gil Oko, Jack Rudd, Don Stewart, Bernie Tymko, and Jim Walsh made up the White Sox squad, which defeated the Calgary Viagra Boys 13-9 on August 4 in the tournament final.

Not only should this group of men be recognized for a feat such as this national championship but also for the example they set for Albertans of all ages. I would like to congratulate the St. Albert White Sox on their national championship and thank them for being a role model for all Albertans.

I understand that they are in the members' gallery. With your permission, Mr. Speaker, I would ask that they rise and receive the recognition of this House.

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

St. Albert Learning Community

Mrs. O'Neill: Thank you, Mr. Speaker. I rise today to recognize the broad learning community in St. Albert and their efforts in support of the work of the Learning Commission.

While recently attending all of our high schools' awards nights, the Member for Spruce Grove-Sturgeon-St. Albert and I have had the privilege of presenting scholarships funded through the Alberta heritage scholarship trust fund, which was established by our government in the 1980s, for a total worth in excess of \$350,000. These numbers tell me that students in our community of 53,000 people know that studying pays off.

I'm equally proud to say that while a very high percentage of St. Albert students complete their high school studies, likewise more than 80 percent of our high school graduates go on to postsecondary education.

The good governance provided by our three school boards – public, separate, and Francophone – coupled with quality central office and school administrators, excellent teachers, and the identification of education as a high priority by our parents, students, and our taxpayers all contribute to a vibrant continuous learning community in St. Albert.

University of Alberta's Global Health Initiative

Dr. Taft: Mr. Speaker, this morning's national news carried disturbing stories of the HIV/AIDS epidemic in Africa, where millions of people have died of AIDS, leaving 11 million children orphaned. These numbers will soar in the next several years.

Earlier this fall these stories became all too real for me. I had the privilege of meeting a courageous, thoughtful, and compassionate man named Winston Zulu. Winston is from Zambia in Africa. Ten years ago he learned that he was infected with HIV, and as commonly happens, he subsequently developed tuberculosis. Fortunately for him he was able to obtain drugs to treat the TB at a total cost of \$40. Five of his brothers and a sister were not so lucky. They all died for lack of the drugs and the \$40 each needed to buy them, leaving many orphaned children behind.

Winston is working hard to raise international awareness about the problems of Africans with HIV/AIDS and to speak about possible solutions. He was in Edmonton this October as part of the efforts of the global health initiative at the University of Alberta. The U of A's global health initiative under the Faculty of Medicine and Dentistry is striving to raise knowledge and awareness about global health disparities. They are to be commended. Work such as theirs lays the foundations for a healthier, more just, and peaceful planet.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Communities in Bloom Alberta Town of Millet

Mr. Johnson: Thank you, Mr. Speaker. It's my pleasure to rise today to recognize the Communities in Bloom organization in Millet for receiving the Friends of Tourism Alberta Tourism award on November 3.

Communities in Bloom Alberta is part of a nonprofit Canadian organization that encourages partnerships between civic groups, individuals, businesses, and local councils and is organized by volunteers from the community. The goal of the program is to not only beautify the community with flowers and boost civic pride, but also its goals are rooted in environmental education and heritage

preservation. Under the guidance of Bernice Knight Millet has become known as one of the prettiest little towns in Alberta.

The town of Millet is extremely proud to play host to this wonderful organization as its volunteers work tirelessly to ensure that this program blooms across Alberta. Communities in Bloom and the residents of the prettiest little town in Alberta are especially excited that Travel Alberta and the ALTO awards recognize this outstanding organization and its contribution to Alberta tourism.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Canadian Finals Rodeo Athletes

Mr. Marz: Thank you, Mr. Speaker. Today I'd like to acknowledge a group of rodeo athletes who have proven that consistency and hard work eventually pays off.

Olds resident Travis Gallais is wearing the belt buckle that accompanies a team-roping national championship. Competing with teammate Rocky Dallyn of Nanton, the two picked up first place at the Canadian Finals Rodeo held earlier this month in Edmonton.

Sundre area resident Linda Burrell added another cattle-penning buckle to her collection as her team secured the reserve championship at the CFR. Burrell along with partners Shaylene and Billy Gladstone placed second in the group of 137 teams.

Bill Boyd of Olds, Cliff Williamson of Madden, Todd Gallais of Olds, and Jeremy Harden of Water Valley were other area cowboys that represented Alberta at this prestigious event.

This group deserves congratulations for their successes and a constant dedication to their craft.

Thank you.

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

2:40

Bernie Zolner

Mr. Maskell: Thank you, Mr. Speaker. In addition to the tributes already given to this weekend's Molson Canadian Heritage Classic, I would like to add one special salute from an arts perspective to Mr. Bernie Zolner, an outstanding Edmontonian and talented producer.

Bernie Zolner co-produced the musical presentations with George Blondheim for the Friday night gala festivities and for the hockey classic itself. The presentations were all live first-class performances for a world-class event, and I would like to thank Mr. Zolner for pulling it all together and ensuring its success.

Mr. Zolner is a shining example of Alberta talent at its finest. From his beginnings as a child prodigy performing at the Spokane World's Fair in the 1970s to his current career as a producer and songwriter, he has been an inspirational role model for many artists.

Mr. Speaker, Bernie Zolner firmly believes in Alberta's artists and has demonstrated his commitment again this past weekend.

On behalf of the Minister of Community Development, myself, and all members here we salute Mr. Bernie Zolner.

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

United Nurses of Alberta

Dr. Pannu: Thank you, Mr. Speaker. I rise today to recognize the United Nurses of Alberta. Since 1977 UNA has worked to improve working conditions for registered nurses as well as to improve frontline health care delivery focusing on patient care. UNA's mandate includes the safe and professional care of patients. Through UNA's advocacy registered nurses have led the fight to strengthen

and sustain the quality and universality of medicare and our public health care system.

The United Nurses of Alberta are currently engaged in contract negotiations with Alberta's health regions. The New Democrat opposition supports the efforts of nurses to secure a fair contract at the bargaining table and opposes imposing a settlement on nurses through binding arbitration or legislation. It's time for the government to reverse course and recognize nurses as the valued health professionals they are. Let us recruit and retain more nurses, not drive them out of the profession and out of the province.

Thank you, Mr. Speaker.

head: Presenting Petitions

The Speaker: The hon. Member for Lac La Biche-St. Paul.

Mr. Danyluk: Thank you very much, Mr. Speaker. I wish to present a petition with over 470 signatures from residents of the Lac La Biche-St. Paul constituency and area requesting the extension of pavement on the north portion of highway 867 to highway 55.

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

Mr. Lord: Thank you, Mr. Speaker. I rise to ask leave to introduce a petition signed by 178 Albertans from many different constituencies across Alberta. It's regarding their great concern with the issue of grandparents' rights and the difficulties they're having gaining access to their own grandchildren. It calls for this Legislative Assembly to "make the necessary changes to legislation and enable the grandparents to maintain ongoing contact with their [own] grandchildren."

Thank you, Mr. Speaker.

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

Rev. Abbott: Thank you, Mr. Speaker. I'd like to present a petition signed not only by my constituents but also some from Fort Saskatchewan, Edmonton, St. Albert, Spruce Grove, and Leduc requesting that the Legislative Assembly urge the government to "remove abortion from the list of insured services that will be paid for through Alberta Health."

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have a petition to present to the Legislative Assembly this afternoon, and it is from Albertans that live in Didsbury and some from Olds, Cremona, and also from Calgary. Now, this petition reads: "We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government to implement the income recommendations of the 2001 MLA Committee Low Income Programs Review."

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I'm presenting a petition on long-term care signed by 560 Albertans petitioning the Legislative 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: Are there others?

head: **Tabling Returns and Reports**

Mrs. McClellan: Mr. Speaker, I have two tablings. First, I would table the annual report of the Livestock Identification Services Ltd., which incorporates the Brand Act, the Livestock Identification Brand Inspection Act, the Livestock and Livestock Products Act, and the Stray Animals Act, and their associated audited financial statements for the year ended March 31, 2003.

Additionally, I'm pleased to table the eighth annual report of the Agriculture Financial Services Corporation for the fiscal year ended March 31, 2003, which contains a summary of the transactions and affairs of the corporation, its revenues, and the application of its expenditures. Additional copies would be available through my office on request.

The Speaker: The hon. Minister of Finance.

Mrs. Nelson: Thank you very much, Mr. Speaker. I wish to table various documents relating to the government's financial affairs and those of the Ministry of Finance. Most of these documents have been made public since we last sat in the House.

Pursuant to section 10 of the Government Accountability Act I am tabling the annual report of the government of Alberta for the year 2002-2003. This report showed net results for fiscal policy purposes of \$1.989 billion. It was made public on June 24.

Mr. Speaker, on behalf of all ministers I am tabling the annual report for each ministry, including each ministry's department and agencies, pursuant to both section 45 of the Legislative Assembly Act and section 14 of the Government Accountability Act. The reports for these ministries were made public on September 30. They are Aboriginal Affairs and Northern Development, Agriculture, Food and Rural Development, Children's Services, Community Development, Economic Development, Energy, Environment, Executive Council, Finance, Gaming, Government Services, Health and Wellness, Human Resources and Employment, Infrastructure, Innovation and Science, International and Intergovernmental Relations, Justice, Learning, Municipal Affairs, Revenue, Seniors, Solicitor General, Sustainable Resource Development, and Transportation.

Mr. Speaker, pursuant to section 9 of the Government Accountability Act I am tabling the first-quarter fiscal update for 2003-2004. This shows increased nonrenewable resource revenues as well as increased spending on agriculture disaster. The report was made public on August 27.

I am also tabling the first-quarter activity report for 2003-2004, which describes the major achievements of our government during that period. This was also made public on August 27.

Pursuant to section 30 of the Alberta Capital Finance Authority Act, which used to be called the Alberta Municipal Financing Corporation Act, I am tabling the Alberta Municipal Financing Corporation 2002 annual report, which was released on April 10.

Also being tabled is the Credit Union Deposit Guarantee Corporation 2002 annual report, which was released on March 31.

Five copies of each of these 29 reports have been delivered in advance to the Clerk's office as they are too numerous and heavy to bring into the Assembly.

Thank you.

The Speaker: The hon. Minister of Learning.

Dr. Oberg: Thank you very much, Mr. Speaker. I rise today to table

a letter from Athabasca University confirming the support of Bill 43, from Dr. Dominique Abrioux, who, I will say, just received an honorary doctorate from the British Open University.

I will also table a letter from Olds College. This letter confirms the support of Bill 43 from Tom Thompson of Olds College.

From Keyano College Jim Foote writes: "It is the position of Keyano College that Bill 43 . . . and amendments is a positive change."

From Red Deer College Ron Woodward, president, says: "This letter is to confirm the support of Bill 43."

From Portage College Bill Persley, president, says: "This letter is to confirm the support of Bill 43."

I also have a letter from the Alberta Graduate Council, who gives their concerns and issues about Bill 43, as well as from CAUS and ACTISEC.

I've tabled the requisite copies of all these tablings.

2:50

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

Mr. Lord: Thank you, Mr. Speaker. I rise today to table the requisite number of copies of a presentation report from and with response comments by the Alberta Grandparents Association pertaining to the grandchild/grandparent access provisions of Bill 45. It's dated September 30, 2003.

I'm also tabling the requisite number of copies of five other very compelling and in-depth reports – I won't go into them – all of which are strongly supportive of the great benefits of having grandparents involved with youth in our society, especially at-risk youth, including one authored by Dr. Barbara Thomlison, one of our own Alberta professors at the University of Calgary.

Thank you, Mr. Speaker.

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

Dr. Taft: Thank you, Mr. Speaker. I have two tablings today. The first is the appropriate number of copies of a report I referred to in question period, entitled Funding Hospital Infrastructure: Why P3s Don't Work, and What Will. It's authored by several prominent people, including a former staff with the federal Auditor General and a former economist with the TD Bank.

The other tabling is information relating to my recognition today. It provides information on the Centre for Global Health and Development being developed at the University of Alberta.

Thank you.

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

Mr. MacDonald: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter from a Mr. Claude Gould of 43rd Avenue in Stony Plain, and Mr. Gould is writing to the hon. Premier and 19 other MLAs in regard to auto insurance.

The second tabling I have is the tabling of 625 signatures from Albertans from all over the province who are still expressing concern over the high cost of natural gas.

Thank you.

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

Dr. Pannu: Thank you, Mr. Speaker. I'm tabling the appropriate number of copies of eight handwritten letters from registered nurses Frances Galambos, Sharon Goodman-Popowich, Tim Grahn, Diane Lantz, Heidi Lawton, Katrina Plamondon, and D. Woodward. These

letters are addressed to the Premier and the Minister of Health and Wellness. These letters are expressing their concern about the nursing shortage and the recruitment and retention of nurses and also are asking for respect and the negotiation of a fair contract for nurses.

Thank you, Mr. Speaker.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'm tabling today copies of seven separate letters from registered nurses regarding their concerns with negotiations and the need for a fair contract. The nurses are Ana Bebe, Alan Besecker, Larry Connell, Darlene Graumann, Tracey Huizer, Betty Patterson, and Mecana Tsang.

The Speaker: Hon. members, I'd like to table the appropriate copies of a memorandum from the hon. Member for Lac La Biche-St. Paul requesting that should Bill 208, the Occupiers' Liability (Recreational Users) Amendment Act, 2003, pass Committee of the Whole on Monday, December 1, 2003, it be given early consideration for third reading.

Pursuant to section 28(1) of the Ombudsman Act I'm pleased to table with the Assembly the 36th annual report of the office of the Ombudsman for the period April 1, 2002, to March 31, 2003, and the financial statements of the office of the Ombudsman for the period ended March 31, 2003.

Point of Order Parliamentary Language

The Speaker: Now, hon. members, the hon. Official Opposition House Leader on a point of order.

Ms Carlson: Yes, Mr. Speaker, on a point of order. I refer to an exchange in question period between the Member for Edmonton-Riverview and the minister of health. The minister of health made several comments that we found particularly inappropriate in this Assembly. I refer members to Standing Orders 23(j), "uses abusive or insulting language of a nature likely to create disorder," and (l), "introduces any matter in debate which offends the practices and precedents of the Assembly."

I also refer to *Beauchesne* 487(1), "Threatening language is unparliamentary," and (2), "Words may not be used hypothetically or conditionally, if they are plainly intended to convey a direct imputation," and *Beauchesne* 64, "The House has occasionally taken notice of attacks on individual Members."

Finally, *Marleau and Montpetit* talk about unparliamentary language. "The use of offensive, provocative or threatening language . . . is strictly forbidden."

I don't have the Blues in front of me, Mr. Speaker, but there was a general context in the response from the minister of health that included name-calling, which is really not appropriate. It included also some insinuations of intent, which is particularly offensive and definitely unnecessary in this Assembly. We had young children here in the Assembly. We have a wide audience now because of our Internet access. The way the minister was conducting himself, he seemed to be particularly attacking the Member for Edmonton-Riverview.

When he spoke specifically about the use of including a suggested reading list on the web site he visited where the Member for Edmonton-Riverview had a published book, he said that he was using that to shill his wares or something to that effect. It is completely inappropriate. Reading lists and bibliographies are suggestions for reading, not for purchasing, and definitely that is

something that we should keep in mind when we're taking a look at what he talked about here. I couldn't find the use of the term "shill" on any particular unparliamentary list, but I think that's a word that should be added to that list. Certainly, in the context that it was spoken in the House this afternoon, it was intended to be a very unparliamentary usage and intended to be a direct insinuation about how the Member for Edmonton-Riverview conducts his work.

There were other words used there that I think also added to his intention. We have been particularly easygoing in this session in terms of points of order to try and facilitate the use of this House, but it has been escalating in terms of the use of words that I find to be unparliamentary and unbecoming of all members of this House and a reflection on all the members of this House.

I would ask that the minister of health apologize and withdraw those comments.

The Speaker: Hon. member, I can find for you a copy of the Blues on this section because I think we have to be a little more specific than to simply say: well, I believe or I think. So as a courtesy to you, I want to give you an opportunity to read that so that if you have some specific thing that you want to raise, I think you should raise it.

Ms Carlson: Yes. Mr. Speaker, when I look at this now that this has just arrived in front of me, I specifically am concerned about the use of albertaliberalfairytale.com, which is not an existing site. Also, "Talk about the use of public dollars, the use of public dollars to shill his own writings," and he says, "That is shameful." I take particular offence with "the use of public dollars to shill his own writings." I think that's what we need to be paying attention to this afternoon.

Thank you.

The Speaker: So that's the point of the point of order?

Ms Carlson: "To shill his own writings," yes. Definitely there's an imputation of false motives with this, Mr. Speaker, in addition to the other citations I brought forward.

The Speaker: Okay. Well, the Minister of Health and Wellness is not here, so I presume that the hon. Minister of Justice and Attorney General as the Government House Leader is prepared to make a comment.

Mr. Hancock: Well, yes, Mr. Speaker. I was prepared to respond, but now I'm perplexed because I didn't actually hear anything that I would have considered to be a point of order. The give-and-take of question period is sometimes rambunctious, and today was tamer than most.

The minister of health – and I don't have the benefit of the Blues – as I heard him, was giving as good as he got, to put it in the parlance and, in fact, a little bit better perhaps. There was nothing in the language that he used that in any way was inappropriate. In fact, it might have been entirely appropriate to point out that a member of the opposition was touting himself as an authority on a particular thing by including his own works in a bibliography published on a web site.

To complain that the web site is referred to as albertaliberalfairytale.com, no one misapprehends exactly what web site was being referred to. In fact, with the addition of "fairytale" there was probably a better indication of what web site was being referred to.

3:00

So, Mr. Speaker, we do have to have decorum in the House, and question period is a place for decorum, but every day in question period we have preambles to questions which raise insinuations and attack and are aggressive in nature and, I would suggest, way more aggressive than anything that was included in the response.

Now, if in fact public dollars are used and a document is published on that web site and the member that published it or the people that published it have included a work as a purported authority to be referred to, then I presume that one can make the assumption that one should go and look at that authority, whether they go to a public library or go and buy it. If, in fact, the intention is that they go and buy it, then it fits entirely, Mr. Speaker, within the definition of shill and shilling.

So I see nothing in what was suggested that would suggest anything other than the normal give-and-take of the Assembly.

The Speaker: The hon. third party House leader.

Mr. Mason: Thank you very much, Mr. Speaker. I would like to restrict my comments on this matter to just one point, and that is section 23(h) of our Standing Orders: "Makes allegations against another member." I'm not going to comment on the minister's comments with respect to albertaliberalfairytale.com, but I do want to refer to this point here.

I look at the reading list that is prepared for the Alberta Liberal opposition, a recommended reading list, which includes a reference to the hon. member's own book. Talk about the use of public dollars, the use of public dollars to shill his own writings. That is shameful.

I believe that very clearly this violates section 23(h). It is an allegation against the Member for Edmonton-Riverview, and I think it is unacceptable in the House. I have read the hon. member's book. I note that he wrote it before he became a Liberal MLA, and it is in no way diminished by the fact that he's now a Liberal MLA. It's a good book, we have made use of it, and it deserves a place on any reading list that anyone who cares about health care in this province would like to see.

So, Mr. Speaker, I can support the Official Opposition's contention that the minister ought to withdraw the remarks and apologize.

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

Dr. Taft: Yes. Thank you, Mr. Speaker. I rise also under 23(h) and (i), "makes allegations against another member" and "imputes false or unavowed motives to another member," specifically about the sentences that were just alluded to: "Talk about the use of public dollars, the use of public dollars to shill his own writings. That is shameful."

Clearly, the Government House Leader is right: this question period is a rambunctious time. But there is a line which is crossed when we begin accusing each other of somehow personally profiting from our actions. I can tell you that that is indeed imputing a false motive. The book in question, *Clear Answers*, was in fact a national bestseller, and it's a standard reference book in health economics courses across the country. It's one of many, many references covered there.

So the imputation from the minister of health that somehow that was included as a means of shilling copies of the book is, in fact, absolutely an allegation against me and an imputing of a false motive.

The Speaker: The hon. Member for Edmonton-Castle Downs on this point of order?

Mr. Lukaszuk: That's correct, Mr. Speaker.

The Speaker: A citation?

Mr. Lukaszuk: Standing Order 23(h) and (i). The same point, Mr. Speaker.

With the benefit of having a laptop before me, I have actually taken the time to log on to the Liberal opposition's official web page, which then has links to individual members. When one logs on to the hon. Member for Edmonton-Riverview's web site entitled – and I'm using this in the context of a title – MLA Kevin Taft web site, then you find a review of those two books in question. Mr. Speaker, they are not just citations for purposes of bibliography but four paragraphs advising the reader of what the content of the book is, what magazines the book has been reviewed by, and who has been the publisher of this particular book. So perhaps it should be understood by this Chamber that these are not just bibliography listings but are book reviews that are appearing on this web page.

Dr. Taft: Can I respond?

The Speaker: Well, sir, I've recognized you once. This is not a debate here. Thank you.

Well, okay. Citations have been provided with respect to this whole matter. We've heard from a number of speakers with respect to this. I appreciate the citations provided by the hon. Opposition House Leader with respect to this matter, and I'm going to go back to the Blues, to what I understand is the section that prompted the intervention.

Well, Mr. Speaker, like the hon. member I do a lot of reading as well. The fact is I've gone to albertaliberalfairytale.com, and I've looked at some interesting material from that web site. The opposition has a health care policy paper that's put on their web site. In fact, I look at the reading list that is prepared for the Alberta Liberal opposition, a recommended reading list, which includes a reference to the hon. member's own book.

Okay. The next section then:

Talk about the use of public dollars, the use of public dollars to shill his own writings. That is shameful.

Then it goes on. When I heard this this afternoon – and I listened to it very attentively – my response basically dealt with the question of public dollars. That is the concern that prompted me to anticipate that there would be a point of order with respect to this, but nobody has talked about this.

Now, the question here is: what does public dollars mean in the context of the Legislative Assembly of Alberta? If this web site is funded by the Alberta Liberal Party, then in the connotation I would use, this is not public dollars. If, on the other hand, the public dollars they're referring to are funded by the Alberta Legislative Assembly, then there is a very serious problem. I'm just assuming that that doesn't seem to be the issue here in terms of what has been addressed in the last few minutes. I'm going to assume that, in fact, it's the Alberta Liberal Party that pays for this web site, not the Legislative Assembly, because if it is the Legislative Assembly of the province of Alberta, that's a clear violation of everything dealing with the Legislative Assembly and the use of public dollars in the context that we know it.

So the next section, then, is: "The use of public dollars to shill his own writings." I'll quote again from the text: "That is shameful." The word "shill" from the *Oxford* dictionary basically refers to the origin as North American informal. As a noun it's "an accomplice of a hawker, gambler, or swindler who acts as an enthusiastic customer to entice others." As a verb it's to "act as a shill." Well, now, that is not helpful for anybody's interjection with respect to this.

There's absolutely no doubt at all about the fact that certain members in this Assembly, I do believe, study the dictionary on a daily basis and in the past have come here with the word of the day that they would try and work into their answers. Now, we're aware of this going back for a number of years. This is a form, I guess, of their attempt at humour or the irony that I said was a great way to deal with things: use irony and use humour, not name-calling or anything else.

There's no doubt at all in my mind, in terms of looking at the questions, that the response usually comes from some degree of liberty taken with respect to the question to turn the question into an argumentative statement, a statement with innuendo, a statement with things that may necessarily be just on the edge. As an example, the chair heard today very, very clearly one member stand up and say: well, what are you prepared to do to deal with this, member, when it's so far advanced? Then the minister got up and said: well, it hasn't been advanced at all; we haven't even started. But by the use of the phrase in the question, it basically leaves an innuendo that isn't correct, which requires some debate then to be enticed.

This is a question period. This is a parliament. We're going to have these kinds of situations develop. I would not, as a minister of the Crown, use the word "shill" in this case, if I had been a minister of the Crown. Probably a bit exciting, too excitable for this situation, and probably on the edge.

3:10

If the hon. Government House Leader can assure me that the intent of his colleague the Minister of Health and Wellness was not to violate any of the Standing Orders that we have with respect to allegations against another member, then I'll say that we've dealt with this matter. I'm just asking the hon. Government House Leader to assure me that there was no intent at casting aspersions on another member by his colleague.

Mr. Hancock: Mr. Speaker, I did have a very brief conversation with the minister as he left the House, in order to ascertain the limits of what I might be able to assure the House, and I think that falls within the discussion that I had and that I can assure the House that there was no intent to malign the character of the member.

head: **Orders of the Day**

Transmittal of Estimates

Mrs. Nelson: Mr. Speaker, I have received a certain message from Her Honour the Honourable the Lieutenant Governor, which I now transmit to you.

The Sergeant-at-Arms: Order!

The Speaker: Hon. members, the Lieutenant Governor transmits supplementary estimates of certain sums required for the service of the province for the fiscal year ending March 31, 2004, and recommends the same to the Legislative Assembly.

Please be seated.

Mrs. Nelson: Mr. Speaker, prior to moving a number of motions relevant to the supplementary estimates, I wish to advise that this morning I provided the government's 2003-2004 quarterly budget report for the second quarter to all MLAs. We have also made this report public, as required by section 9 of the Government Accountability Act.

I am now tabling this quarterly budget report as the amended consolidated fiscal plan. This revised plan is required by section 8

of the same act whenever a subsequent set of estimates is tabled during the fiscal year.

I am also tabling the second-quarter activity report for 2003-2004. This document describes the major achievements of our government during the recent period.

I now wish to table the 2003-2004 supplementary estimates. These supplementary estimates will provide additional spending authority to the office of the Information and Privacy Commissioner and 15 departments of the government. When passed, these estimates will authorize an increase of \$1,228,295,000 in voted operating expense and equipment and inventory purchases of \$21,040,000 in voted capital investment.

Mr. Speaker, section 8 of the Government Accountability Act requires that the government table a new and amended consolidated fiscal plan when there is another set of estimates. I have just tabled the new fiscal plan, the 2003-2004 quarterly budget report for the second quarter in the Legislative Assembly.

head: **Government Motions**

25. Mrs. Nelson moved:

Be it resolved that the message of Her Honour the Honourable the Lieutenant Governor, the 2003-04 supplementary estimates for the general revenue fund, and all matters connected therewith be referred to Committee of Supply.

The Speaker: The hon. Minister of Finance to close the debate?

[Government Motion 25 carried]

26. Mrs. Nelson moved:

Be it resolved that pursuant to Standing Order 58(9) the number of days that the Committee of Supply will be called to consider the 2003-04 supplementary estimates for the general revenue fund shall be one day.

The Speaker: As Motion 26 is not debatable, I'll now call the question.

[Government Motion 26 carried]

head: **Government Bills and Orders**

head: **Second Reading**

Bill 48

Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003

The Speaker: The hon. Minister of Innovation and Science.

Mr. Doerksen: Thank you, Mr. Speaker. I rise today to move second reading of Bill 48, the Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003.

The Alberta Heritage Foundation for Science and Engineering Research was established by this government three years ago with an endowment of \$500 million. The objective is to ensure stable payments from the endowment to support a balanced, long-term program of science and engineering research based in Alberta. The fund benefits Albertans by nurturing the discovery of new knowledge and supporting world-class science and engineering research. As we know, strategic investments in research are an investment in our future.

The fund is more commonly known as the Alberta ingenuity fund. The trustees of the fund work in partnership with a number of community organizations that support the mandate to promote

science and engineering research in the province. World-class researchers are coming to our province's institutions to get first-class training, and these researchers are helping to establish Alberta as a recognized centre for energy and agricultural innovations, wireless communications, and nanotechnology.

Recently Alberta Ingenuity established the Alberta Ingenuity Centre for Water Research. This world-class research centre is focusing on studies and applications related to the health of freshwater systems. It's building upon a group of leading water research scientists and engineers at three of Alberta's research universities: the University of Alberta, the University of Calgary, and the University of Lethbridge. This centre is expected to attract some of the world's leading water research specialists to work in our province.

The talented researchers receiving Alberta ingenuity funding are leading science and engineering into new frontiers. The government of Alberta is committed to working in partnership with our universities, businesses, and industry as well as other governments to support research activities in our priority areas of energy research, life sciences, and information and communications technology. That is why it is important to ensure the long-term stability of this fund for future generations.

The amendments proposed today are administrative in nature but ensure that this fund's value is maintained over the long term, and they satisfy the concerns that have been raised by the Auditor General. The Auditor General has asked the ministry to clarify the meaning of the term "real value of the Endowment Fund over the long term." Officials from Innovation and Science did some research and worked closely with officials from Alberta Revenue. They looked at the way other endowment funds are managed in North America. What they found was that most endowment funds set a limit for disbursements at a percentage of between 4 and 5 percent based on the market value of the fund. Market value refers to what an asset is worth at a moment in time according to the ups and downs of the marketplace.

So this bill chooses the average at 4 and a half percent. These amendments mean that the disbursement or spending from the fund will be established at 4 and a half percent of the market value of the fund. The Minister of Revenue, who is charged with the responsibility of managing the fund, will manage the spending within this amount. Any amount earned over 4 and a half percent is reinvested in the fund.

This change in the way the funds are disbursed ensures short-term growth and long-term stability of the fund. It allows for growth of the fund, and it guarantees the future of the fund. This course of action clarifies our expectations for the fund in future years. This amendment also provides for more stable disbursements in a volatile market, which is important for the trustees in their support for important initiatives.

Mr. Speaker, I've talked about the importance of the amendments for the Alberta Heritage Foundation for Science and Engineering Research Act. When passed, these amendments ensure that funding will continue to be available for important scientific research that benefits Albertans.

I encourage members of this Assembly to provide their support for Bill 48. Thank you.

3:20

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

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to support Bill 48, the Alberta Heritage Foundation for Science and Engineering Research Amendment Act, 2003. I'd like

to preface my remarks with thanks to the minister. We had some discussions about a possible amendment to miscellaneous statutes that didn't go in the direction we both would have wished, and the result is Bill 48, and I'm happy it's here.

I've been an enthusiastic supporter of the Heritage Foundation for Science and Engineering Research. I think that it is a significant move with respect to research in our province, and the projects that the minister has just cited I think are proof of that.

In reviewing my notes for today, I looked back at the Heritage Foundation for Medical Research. It started off with \$300 million over 20 years ago, and the great work that that foundation has been able to do is just quite marvelous, and the benefits not just to Albertans but to the entire world have been truly remarkable.

I think we all have similar hopes for this foundation, and we look with great anticipation to the next foundation which we're sure is going to be established, one that will make similar amounts of money available for the arts and the social sciences.

It's with those comments that I'd like to support the bill and hope it can pass with some speed. Thank you, Mr. Speaker.

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

Dr. Taft: Thank you, Mr. Speaker. Yes. Bill 48 poses some interesting questions for us. In principle, of course, it's a terrific idea to establish a heritage foundation for science and engineering and to further its development. This particular act addresses how the endowment fund is to be managed and how funds from the endowment fund are to be transferred to actual researchers.

I guess there are two ways to approach how to draw the money out of the fund to support research. One is to place fundamental priority on preserving the size of the endowment, and instinctively that feels like, perhaps, the right thing to do. You would never draw enough funds out of the core capital of the endowment fund that you would threaten the value of that fund. In other words, you would never want to draw so much out of it that you were lowering its value. In fact, you would want to not only leave the initial capital untouched; you would want to leave enough in place to inflation-proof the endowment. That way, the fund is there forever.

The drawback of that approach is that the very thing that is being funded, the research, then becomes entirely subject to the rate of return that the fund earns through its investments. So you might for a couple of years have a good rate of return. You're funding research. You're attracting researchers to Alberta. They're establishing labs and research centres, bringing in staff. And in the third year the bottom falls out of the market, the fund loses money, and you're no longer able to support that research. Then what do you do? Do you disband the lab, send the people back to whatever corners of the planet they came from? Do you completely wipe out the research program to protect the value of the endowment?

Or, on the other hand, do you risk some of the value of the endowment to maintain stability for the research program? The risk there is that you would continue to support the research programs even if it meant lowering the value of the endowment in bad years. The risk there, then, is that while the research goes on steadily, it is gradually in the very long term threatened by diminishing value of the endowment fund.

This particular bill tries to bridge that dilemma, and the amendment proposed here I think, perhaps, does a reasonable job of striking a middle ground by limiting the amount that can be drawn out of the endowment fund to 4 and a half percent of the market value of the endowment fund a year. Yet if I'm reading the bill correctly, it doesn't actually say that in losing years the fund must stop paying out.

So I'll be interested in other comments of people who are following this particular bill. I can see many attentive faces here, and I'd be curious to know how people have weighed this out in their own minds, because I would take their thoughts into serious consideration.

As the bill stands at the moment, I'm just barely leaning toward supporting it, but I'm, as I say, waiting to hear other people's comments. Thank you.

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

Mr. Cao: Thank you, Mr. Speaker. I just want to take this opportunity to commend the ministry and the minister for running this foundation and the endowment fund for research in science and engineering.

Just to illustrate a point, let's say you pick up a cup of water here, and you take a sip. There's a lot of engineering behind it. You can think about the connection between the drop of water that you taste to maybe a hundred thousand miles of pipelines and engineering, water treatment, and all those things. So engineering is very important to our daily life. Sometimes we take it for granted.

This foundation and the establishment of the endowment fund and now the amendment on how to spend that money are very good for Alberta. It'll keep Alberta in the forefront. So I would just want to commend the government for setting it up to start, and the minister will now administer it and make Alberta a better, greater place.

Thank you.

The Speaker: The hon. minister to close debate.

Mr. Doerksen: Thank you. Question.

[Motion carried; Bill 48 read a second time]

Bill 53 Insurance Amendment Act, 2003 (No. 2)

[Debate adjourned November 25]

The Speaker: Just to remind everybody, this is now the third speaker at second reading. We've dealt with the first amendment, so that's out of the way.

Hon. Member for Drayton Valley-Calmar, please proceed.

Rev. Abbott: Thank you very much, Mr. Speaker. It is a pleasure for me to rise today and join the debate on Bill 53, the Insurance Amendment Act, 2003 (No. 2). As the Assembly well knows, I was the sponsor of the Insurance Amendment Act, 2003 (No. 1), which is Bill 33. Therefore, I felt it incumbent upon myself to stand up and join the debate and lend my support to this new bill, which actually encompasses basically all of the parts of Bill 33.

Bill 33 was a bill that would eliminate the potential for double-dipping or recovering compensation for the same expenses from more than one insurer. The other purpose was to ensure that income replacement awards were based on an individual's net versus gross pay.

These amendments have been incorporated into Bill 53, and again I have to commend the hon. Member for Medicine Hat for all of the hard work that he has done. He has gone above and beyond what Bill 33 could ever hope to do and has brought in some tremendous reforms which will help the insurance industry greatly in the province of Alberta and, more importantly, will help the consumers, which is the majority of Albertans who have auto insurance.

3:30

I support the freeze. I know that some of the opposition parties have said that they do not support the freeze, but I support that. I support the all-comers rule. I support the maximum premiums that will be set by the government, including the discounts and the surcharges. I also believe that by doing this, it will allow competition amongst our over 75 different insurance companies that we have in the province now. I would not like to see this go to public insurance, as some of the opposition have stated. I feel that it would be a real hindrance to keeping the rates low and keeping them manageable, so this is definitely the right direction.

[The Deputy Speaker in the chair]

Another big thing that Bill 53 incorporates is my own private member's bill, Bill 204, which talked about changing section B benefits. My proposal was to go from \$10,000 to \$25,000. Again, this bill goes even further to protect the individual consumer by going from \$10,000 to \$50,000. So this bill is, again, very generous as far as helping people on the rehabilitation side and in recovering.

As you look at the cap side on pain and suffering, this is an issue that I did talk to my constituents about, and I have to say that some of my constituents were against it. Once we explained it further and started to talk about how we're going to define minor injury, that it will in fact be minor, that it will be very easy to determine if an injury is minor or not, then my constituents started to realize that this is a good thing, and they did actually ask me to support the bill on their behalf.

Again, the bill is an excellent one. It seems to incorporate all of the different areas that needed to be incorporated. I know that one of the problems, I guess, if you could call it that, with Bill 33 was that there was no way of ensuring that the savings would be passed on to the consumer, and now with the base rate set by this proposal, there will be an assurance that the rate savings will be passed on to the consumer. So that's very important.

I want to share a little story with the Assembly, kind of going back to where this whole thing began, at least for me anyway. It was about six months after I became the MLA for Drayton Valley-Calmar that I had a school principal call me into the school one day. I'd been called into the principal's office many times previously but never as an MLA, so this was quite interesting to see what he was going to have to say. This fellow was not only a principal; he was also a coach of a midget hockey team and had been hearing a lot of the concerns about some of the teenagers and how they had been facing very, very, very high insurance rates.

He was talking about how some of them were contemplating going on to university, but they were thinking of maybe going to university in B.C. or Saskatchewan or somewhere where they could afford to drive and go to university at the same time. He was telling me about premiums at that time in the range of \$3,000 and \$4,000 for these teenagers, and of course since then they went up a little bit, even this past year. You know, we've heard of premiums in the range of \$5,000 and \$6,000, and really it was a very bad situation for the young people of our province.

Again, being in an oil patch constituency, Mr. Speaker, I had a lot of young people who were in the patch who were saying: "You know, I can't even afford to drive a car. I spend all this time driving a company vehicle, and then when I try to go and insure my own vehicle, none of that driving record counts." So I think this is going to be a really, really good way to start to reduce the rates for some of these young people.

I know that by bringing in Bill 204 and Bill 33, really it was only scratching the surface of what needed to be done. The comprehen-

sive review that the ministry and the hon. Member for Medicine Hat went through really dug down and found out where the issues needed to be corrected, and like I said, they went ahead and corrected those in this bill. So I think this is really, really good.

Looking at the driving record, looking at the geography: those are the things that should matter when you're setting rates for insurance premiums. It should not just be looking at age or gender or marital status.

Again on a personal level, I got married at a young age, and I was able to capitalize on a fairly low insurance rate. Some of my buddies that didn't get married so young were paying a lot higher insurance than I was, and the fact of the matter is that we had the exact same – I had other benefits as well – driving record, yet we were paying different rates. We had the same driving history, we had the same years of driving, same driving record, yet we were paying different rates.

So, really, Mr. Speaker, there were some flaws in the old system, and I know that it was exactly that. It was an old system that needed to be updated, and through this bill it has been updated.

I don't want to spend a long time talking. I just want to lend my support. As the sponsor of Bill 204 and Bill 33 I want to lend my support to this Bill 53 as a bill that does incorporate all of the changes and more to make this a better system for everybody.

Mr. Speaker pursuant to Standing Order 47 I move that this question be now put.

The Deputy Speaker: I don't think that's quite the phraseology. The question now be put? The previous question?

Rev. Abbott: It is the previous question Standing Order, but that's how you say it.

The Deputy Speaker: Hon. Government House Leader, what I understand you're trying to say or what you are saying is that there be no further amendments until the debate has run out.

Mr. Hancock: That's right, Mr. Speaker. Standing Order 47 provides that "the previous question, until it is decided, shall preclude all amendment of the main question. The previous question shall be in the following words: 'That this question be now put.'" It doesn't stop debate. It allows for a full rotation of every member in the House who wishes to speak to speak, but it does not provide for further amendment.

The Deputy Speaker: Right.

Ms Carlson: Well, this is a very nice way for the government to get around any extensive debate on this bill without having to bring in closure, Mr. Speaker. We speak completely against that particular point of view. Who are you afraid of? There are seven opposition members and two NDs. We only get to talk once each at second reading. [interjections]

The Deputy Speaker: We've got a number of people who are endeavouring to speak on a variety of topics, one of which is the legitimacy of the question, which is part of our Standing Orders, so I don't think there's any point in debating that. But we do have in front of us Bill 53. That we can debate.

The hon. member.

Ms Carlson: Thank you, Mr. Speaker, for that clarification, but I think a little rant is in order in terms of who this Goliath government is completely worried about in terms of this bill. How bad is it to

have a full public debate on the principle of the issue? I think it's not bad at all, and in fact if you look at the parliamentary precedents, how many other options do we have? We could bring in perhaps one more amendment, and then we could hoist it, but hoist it to what? It's in second reading. We certainly didn't have any plans to do that.

So what the government is trying to do is stifle debate on a particular bill that could cost them the election, Mr. Speaker. That's what's happening here. They know this. They know that this is one more bag of trouble that they're not going to be able to manage their way out of, as has happened in other provinces.

Insurance rates are a highly contentious issue. They are a pocketbook issue. People care about how much money they're paying for their car insurance. They care about whether or not they can put their kids in vehicles, in safe vehicles that they can drive, and they care that they can't afford to do that and/or make a vehicle payment and/or contribute to the rest of the living expenses that they have. So that is why this government has tried to fast-track an answer to what is truly a large problem, and it has been unable to successfully do so, as this bill so clearly points out.

3:40

So I think that for them to move that the question now be put when we have hardly anybody left to speak – we have the Leader of the Official Opposition to speak. We have the Member for Edmonton-Riverview, and I believe that we have the Member for Edmonton-Centre yet, and that's it on our side of the House. What does that constitute? Forty-five minutes of debate? [interjections] Well, that's a good point, Member for Edmonton-Mill Woods. That Calgary member certainly hasn't stood up and defended his particular position on this bill.

This is an appalling situation that we see ourselves in here, Mr. Speaker, with this particular piece of legislation. This is a government that isn't able to be long-term thinking in terms of their strategic planning. In fact, to link strategic planning and this government in the same sentence is something that many people would question in the first place because on the issues that matter to people, which are pocketbook issues like electricity prices and like the cost of insurance for their home and like the gas prices to heat their homes, this government has not been able to find a viable solution. This government that talks all the time about getting out of the business of business, in fact ends up putting in more regulations to try and fix the problems that they've created in the first place, like deregulation.

Who here has got a lower power bill now that this government has brought in deregulation? Nobody. How many of us are hearing from constituents who are low-income earners, who are seniors, who are small business owners, who are large business owners who are absolutely at the end of their tether because they cannot afford to pay their bills? Why? Because this government brought in a poorly managed and poorly thought-out deregulation plan. What shows us in this particular bill that Bill 53, the Insurance Amendment Act, 2003 (No. 2), is going to be anything different? Well, I'll tell you. Absolutely nothing. They can't even agree amongst themselves how to solve this problem.

We put forward a very good idea for this particular government to follow, and that is a public insurance program, because it is time to do that in this province, Mr. Speaker. It isn't like this government has never got into business before. They own a bank, for heaven's sake. If they own a bank, they can put together an insurance program and perhaps can run that well.

I know that this government talks all the time about free enterprise being able to provide lower operating costs and better service to

people, but in fact when you look at the numbers, it isn't always true. Things like public health care are cheaper to provide. It's direct service to the direct person. There's no middleman. There are no administration costs, and there are no big companies sitting on the sidelines. [interjection] Well, comparatively speaking. I'm sorry; I heard a guffaw from a Calgary MLA.

An Hon. Member: No. You heard someone who's having a heart attack.

Ms Carlson: Well, if he is, the doctor's in the House, so we're okay.

So when you talk about administrative costs, comparatively speaking, a public system to a private system has substantially reduced costs, and that's what we're looking at here with the Insurance Amendment Act. If you keep this kind of a private system in place, what you're going to see is an industry that's continually driven by the very large companies who are only motivated by profit. In a public system the profit is watched, is monitored, is reported, is controlled, and the administrative costs are significantly different.

Those mom-and-pop operations that are selling insurance to local people now can still be in existence. They can still run their small business, but the administration of the system is much better and much more effective. It results in lower prices, and at the end of the day that's what consumers want: lower prices. If we can provide that through leadership and through a strong administration provided in a public system, then why in the world wouldn't we go there? Why? Maybe because this government thinks they can't do it.

Well, maybe they can't, Mr. Speaker, but we can. We have an excellent plan. We've seen it modeled in a number of other provinces, and it's a plan that could be put forward, one that isn't going to be impossible to implement, as we see this particular insurance plan rolling out.

The parallels between this and their deregulation problems are blatant and jump off the page at you. We can see that down the road this particular plan that they're putting in place is going to be costly in the extreme and it's not going to solve the problems. We're doing them a favour by giving them another great idea that they can steal. [interjection] Well, it's true. You've done it many times before, and good on you for doing it. It makes government better.

Dr. Massey: Look at the stability fund.

Ms Carlson: Well, the stability fund is a really good example. The Minister of Environment recently took a great idea I had and is implementing it and is doing a great job. You know, good for Albertans and good for you guys. Just once in a while we'd like to get the credit for some of those really good ideas that we put forward.

We've had big ideas they've taken over and small ideas they've taken over, and they've been very positive and very effective. Just take this one over too. When you wouldn't do it on deregulation, you made a great big huge mess and look what's happened, so take this one. Save yourselves the next election, ladies and gentlemen, and accept our great idea about public insurance and turf this particular bill, which, quite frankly, doesn't look like it's going to work and, therefore, makes it not worth the paper it's written on.

I see that I have another colleague who would like to speak to this bill. I'll sit and take my place at this time.

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

Dr. Nicol: Thank you, Mr. Speaker. I was trying to clarify whether

we were still on that motion or whether we were now back on the bill again, but it's on the bill now.

Ms Carlson: It's a nondebatable motion.

Dr. Nicol: Yeah. That's right.

The whole issue of Bill 53 that looks at the idea of dealing with what is, in effect, fair and reasonable insurance in Alberta is, I guess, one of the questions that we have to look at in terms of dealing with the expectations of Albertans. I happened to be at a meeting the other day, and we were talking about this, and somebody asked: well, you know, what's going on here? In some ways, you know, we look at this, and the change in insurance that's gone on over the last few years in all areas, not only auto insurance, has resulted from a whole series of different factors. One of the things that happened this year is that there were a number of provinces that went into elections, and all of a sudden auto insurance became a political issue rather than what-is-right-and-wrong issue.

In order to deal with this, then, the public started to question why rates were changing, and what we didn't see at that time, Mr. Speaker, was a good explanation that reflected why rates had actually changed. We saw all kinds of differences in reported rates of change in insurance premiums, all the way from the numbers that we see regularly quoted out of Statistics Canada that say rates in Alberta went up 59 percent to the other side of the equation where the auto insurance companies are saying that they only went up 13 percent. So what you end up with is a whole range there. What's the truth? What is the real rate change for Albertans?

When this debate really got started, we in effect said, "Okay; let's clarify the issue; let's truly understand what's happening," and in August we asked for a freeze right then. We asked for disclosure by the insurance companies, by anybody who had information and data that would reflect what was the true revenue intake and payment outflow in the insurance industry so that Albertans could understand what truly was happening to their auto insurance industry. That didn't materialize, so we still ended up with all of these different discussions and different debates going on about what's really happening in our insurance industry.

Coincidental to this, the committee chaired by the Member for Medicine Hat was meeting to try and figure out what to do in Alberta, and this is the issue that comes up, then, about: what was the intent of the committee? In effect, we have to go back and ask the question – or I guess it would be good if we knew the true question that was put to the committee. What happened was that we ended up within that discussion with a whole series: what should be the objective of auto insurance; what should be the direction we take with auto insurance; what should be the structure of an auto insurance program?

Mr. Speaker, historically our auto insurance premiums in Alberta have been based on the expectation of an accident in the future. On that basis, they broke down classes of insurance categories based on what your likelihood was of having an accident in the future. Young males were historically a high risk, so in the future they were expected to be a high risk.

We ended up, then, with all of these categories that were divided up and would give you different rates based on your characteristics, your geography, your age, your sex, your marital status, on and on. What we ended up with then was, in effect, those groups that had the expectation of the highest rate of accident or the highest likelihood of an outflow of cash from the insurance industry having to pay the highest premiums. I guess we go back and say: well, what is the purpose of insurance? Are we kind of jointly trying to cover the risk associated with a large outflow of cash? You know, that's basically what insurance is all about.

3:50

As you go ahead and start segmenting the market and the people who are being covered by insurance, the end result of that, if you segmented it enough, would be back to no insurance at all because we would each be paying the insurance premium that reflected our own individual likelihood of having an accident. That, in effect, is the extreme. You know, I'm not suggesting that we would ever get there, but that's the end result of it. The more we divided that up, the more closely we approach the idea that we, in effect, were self-insuring by putting our money into an insurance company so that we could get it back out when we had our accident.

The philosophy that came out of the government committee, in effect, said: no, let's not deal with the expectation of an accident; let's make the insurance premium reflect our driving characteristics, our driving habits. So if we've had accidents or if we've had tickets that likely lead to accidents, then we should be paying more. So the philosophy of what was the basis of insurance, in effect, is being changed by the directions that have been suggested by the committee.

We end up, then, saying: what impact does that have? If we've taken out some of those subdivisions and tried to have those subdivisions collapsed back into a driving record factor instead of an expectation of accident, then why is it that we still leave some of them in? I refer here to the fact that we took out age, we took out sex, we took out marital status, et cetera, but we left in geography.

You know, that in itself is also a factor when instead of geography what we should have had was the intensity of use of your vehicle. What's wrong with somebody in a rural area that doesn't drive very much as compared to a person in an urban area that doesn't drive very much, a person in a rural area that has a bad driving record, a person in an urban area that has a bad driving record? What we should be doing is basing the factors on the likelihood of or contributing factors to an accident: the number of kilometres you drive in a year or the intensity of driving that you do, the number of tickets you get, the frequency of past accidents. Those are the kinds of things, you know, if we're dealing with expectation of accidents as opposed to trying to keep in place the demographic factors. So, you know, the rural part versus Edmonton/Calgary: there is some question as to why that was left in.

The other aspect that I think has been brought out in this whole debate was the focus on the mandatory requirement of PL/PD and medical as opposed to the voluntary part that's associated with collision. I see that, in effect, being an issue of legislated mandate. Yes, we require by legislation levels of public liability and medical. We don't require collision, but we do require collision in the sense of our mortgages or our loans to buy a car, our leases to undertake to drive a car: all of these different factors require collision. So, in effect, that is also in some ways compulsory, but the level to which you do that is voluntary. You don't have to buy a \$30,000 or \$50,000 car; you can buy a \$5,000 car. So in that way it is a voluntary component.

I guess that the debate that comes out of this is: how do you go about making sure that we're truly changing the cost structure of the industry? I've had a number of insurance people call and say: you know, Ken, we can't get the government's balance out of this in the sense that what they're saying they are going to implement in terms of cost savings doesn't flow through to what they're saying in terms of reductions in revenues. So when they're talking about 80 percent of all drivers will get a reduced premium and the other 20 percent will either have a constant premium or, if it would have gone up, it'll be frozen until some time in the future – this is how it was described at the news conference – how does that fit with the fact that the cost reductions on the outflow side don't seem to match the dollars that

are lost on the revenue side for the insurance companies in trying to balance their books and make sure that they do have a cash flow, that they can service their requirements.

Just on that. An interesting message that was on my desk when I got back after question period was from an Albertan who said that they had just been notified by their insurance company that because of the problems of cash flow relative to the expected changes in insurance they were no longer going to offer auto insurance in Alberta. That's the first case that has come to my attention of that happening, and, I guess, what is the end result going to be if other insurers come to the same conclusion?

I guess, Mr. Speaker, I think that part of that right now is the uncertainty that surrounds what is actually going to be the implementation model. You know, we've talked about a lot of things. Bill 53, as such, gives a framework, but it doesn't give the regulations that will in effect operationalize that framework. So we don't have a structure there that an insurance company can look at and say, "Yes, this will work within our mandate," or, "No, it won't."

So you've got uncertainty there that can be, in my mind, the only reason that this particular company that was referenced in this message chose to leave, because until they actually know what the regulations are, how can they make a judgment on whether or not they're going to be able to sustain cash flow? So the uncertainty must have been the reason that they chose not to write policies any longer in Alberta. It would be interesting to pursue it and see what's happening, or is it just that this was another way that they can cut off an individual person from insurance through their company, by saying: we're leaving the province.

This is something that we need to act quickly on and clarify for both the users of insurance in Alberta, like the Alberta drivers, and for the insurers in Alberta, the companies that are going to underwrite for those drivers. They need to know what's happening and need to know how they're going to be able to function as a company. The most important thing is that as we go through trying to make this adjustment, we have to recognize that in a private-sector world the industry puts its money where it can get a return.

If we constrain the opportunities for insurance underwriters in Alberta to in effect offer car insurance because there's no cash flow that will give them a return equivalent to what they can do by investing their money somewhere else, a competitive market says: let's go take the money somewhere else and invest it. We have to make sure as we go through this adjustment and bring in regulations that we're not in effect creating a structure that would take the necessary capital out of the Alberta auto insurance industry.

The other issues that have come up in terms of looking at the structure of changes that are going to be put into place here surround a lot of the debate that's gone on between the government and the public as much in terms of possibilities for change as actual end positions on this change. There needs to be a lot of activity go on to inform Albertans about what is going to be the new structure of an insurance policy in this province.

4:00

There have been a couple of people raise questions about whether or not some of the new structure issues of the new regulations are going to be really fair. If you look at it from the point of view of the suggestion that, in effect, individuals will only collect from one source, yes, that needs to be clarified for Albertans if it's a concept of do you collect from WCB versus do you collect from your auto insurance if you're getting paid for that same injury.

But there are cases, Mr. Speaker, where individuals actually carry double insurance policies, and they're actually paying in with their own cash to those policies. Why do we legislate someone who pays

twice not to get covered from both sources if they're willing to make that payment? In the insurance industry the idea is that you're going to pay in more than you're ever going to get back out. Well, if somebody truly believes that they can pay in twice and they're willing to take that risk, why do we legislate saying that they can't get paid by both companies? Like I said, I've got no problem with restrictions on a payment from a publicly funded source versus the auto insurance, like WCB or Canada pension disability or these kinds of things.

But when you end up with somebody paying in to two policies – Mr. Speaker, I can give you an example not in the auto insurance industry but in my farming activities. Insurance companies put a limit on the amount they're willing to insure, so on an annual basis I insure the same crop on the same acre with more than one company so that if I get a hailstorm and I lose that crop, I can get out of the collection of more than one insurance company enough to cover the costs I've put into that acre for that crop. Why can't we do that in auto insurance?

In effect, I respect fully the rights of an insurance company to say: this is the limit we're going to put on a payment based on the ability that we have to take a risk. So they put a limit on how much I can insure my crop for with that insurance company. But I can go and get it from another insurance company, and what happens is that if I get a 50 percent hailstorm, each one of them pays me 50 percent of their insured value. If I get a 100 percent hailstorm, each one of them pays 100 percent. So, you know, this is the kind of thing that gives the opportunity for individuals to take a risk or insure against that risk. We say that we're not going to allow them to collect twice, yet they've paid twice for insurance.

Another example of this was when I was in a storm in Manitoba about three years ago and a deer jumped out of the snowstorm and landed right on the car we were driving. It was a rental car.

An Hon. Member: Is this a joke?

Dr. Nicol: No, this is not. It's not a joke.

It was a rental car, and the credit card that I had charged this car to paid for the damage because I had an auto rental waiver for the liability on it. But with my auto insurance company in Lethbridge I also carried other-vehicle insurance, so if I'm driving somebody else's vehicle and it gets damaged, they'll pay for it. So, in effect, here were both of these companies saying: yes, you can get it paid for. In order to make sure that the rental company didn't get paid twice, we worked with those two companies and each one of them paid a part of it. But, you know, the idea is that I paid twice because I pay for my credit card and I pay for my insurance. In effect, I had the option to get paid from both of those companies had I not told each one of them about the other one. So big deal. I paid for that. I paid twice for it, so I should have got paid twice. I should have had the right to collect twice on it.

The other real concern that comes in about how we reduce the cost structure of the industry and the one that I think has really caused a lot of concern and debate with the people who have called my office and who have talked to me at different meetings is the cap of \$4,000 or whatever on soft tissue injury. Mr. Speaker, you know, we have to deal with that. There are all kinds of reasons out there for limits, but in the context of how do we define it and how do we make it operational, it really starts to raise some concerns.

I think the nightmare that we may want to compare to what we're talking about here in auto insurance is what we see in the WCB, where you end up with the WCB doctors saying, "No; you're able to go back to work," yet the victim's doctors are saying, "Don't go back to work." So when you end up, in effect, through public policy

trying to define in words what constitutes pain and suffering and injury, this is the kind of thing that we should be leaving to the medical community rather than trying to put into words.

We should also be leaving to the process how we compensate for that injury. Historically we've done that through either negotiation, arbitration, or litigation, and, you know, in a sense it's worked. For us to go in there now and say that someone, in effect, cannot get compensation for an injury when we don't really know what the consequences of that injury are – you know, the approach that we take to that is, I think, raising the spectrum of another series of the conflicts that we see now in WCB. I think that almost every one of us in this Chamber spends a significant amount of our time dealing with constituents, Albertans who have an issue with how they were treated under this debate, the debate that we have with WCB, about what is an injury: are you able to go back to work or not? I think it would be really unfortunate if we ended up with that same debate in our auto insurance injury process.

The thing that we have to look at, then, is kind of: where do we go from here? I think the process that we went through as the Official Opposition, Mr. Speaker, was to say: well, what can really be done to reduce the cost of insurance without reducing the coverage and the ability for compensation that Albertans have? The approach that we've wanted to take to this was to, in effect, reduce the reserve requirements of insurance by having a public insurance system that underwrites the base level, the legally required level of insurance. In other words, the \$250,000 public liability and the \$50,000 medical would be underwritten by a public reserve. So the cash flow in and out in the years that it didn't match would be covered by the stability fund. Then the premiums would be adjusted the subsequent year to pay back. It's not a transfer from the stability fund in the long run. The stability fund truly would be that: it would be a stabilization component to our insurance cash flow.

4:10

This would reduce the return on capital and the equity requirements for the insurance industry and truly bring a cost reduction. We don't want to create a bureaucracy that would have to administer this, so it would be done through the agents of the private insurance industry. Your local agent that sells you your insurance now would write the one policy to the base level, and then after that you could expand it either through the continuation of the public or you could go to a private-sector offering for your top-up and your collision. This is the kind of thing that we would see as a true reduction in the cost side of the insurance industry. You wouldn't end up with, in effect, trying to guess at how much the costs had to be reduced. You could actually calculate the reductions and say that by enacting this, you'll get a premium reduction of the specified amount.

So this is the kind of thing that we think is a true solution to reduce the costs associated with providing insurance, thereby reducing the need for revenues, thereby reducing premiums for Albertans. That's the kind of approach that we think should be taken to make sure that we do, in a sense, achieve the reduction, the equity, the fairness that Albertans are looking for.

You know, it's unfortunate that when we start to try and make comparisons across Canada about what insurance rates are, it's now a political debate as opposed to a comparison of what the true cost of insurance is. Very seldom for the next I don't know how many years are we going to be able to say how our insurance in Alberta compares to somebody else's because they've got a freeze, they've got a rollback, or they've got a no-fault. You can't make those comparisons anymore. So we have to look at what's fair and what's structurally right for Albertans, and we truly believe that using this public component for the reserve fund for the base level, the

required legalized level of insurance, would be a way to truly reduce the cost of insurance to Albertans.

As we go through and look at some of the other things that are suggested in terms of Bill 53, I think it's appropriate that the government establish the auto insurance rate board, which I think is the title they're giving it in the bill. But what we've got to do is make sure that that board has a true ability to deal with transparency in evaluating what are fair insurance rates, what are appropriate offerings, levels of coverage. What we need to do is to encourage, I think, more diversity in offerings rather than basically going to every company and getting the same grid. They say: now, pick your spot on the grid and that's what we'll charge you. So we've got to really make sure that the automobile insurance rate board, as they're calling this new entity, has the ability to delve into and look at the cost structures on behalf of Albertans.

You know, when the whole situation comes up and we start talking about what the cost structure is, with the big insurance companies now, the cross-Canada and even multinational insurance companies, where's their headquarters, and how much of the money goes to the headquarters? It's really hard to get that, but if we had this kind of an insurance board with audit provisions, then it would really provide the ability for a balance between premium intake and payments for the insurance program. Then you can track from year to year kind of the administrative costs or the overhead costs. You can't really track that if it stays in the province or moves out, but you know the payments in the province and you know the premiums in the province.

In that way, we could track it and see whether or not the margin is going up or down, and that, in effect, would give a fairly reasonable approach to determining whether or not rates were accelerating too fast relative to the industry requirements or whether or not there was a problem with fair premium rates relative to the industry needs. So I think it's important that we make sure that that board gets full powers to investigate and to review and doesn't in effect become just: "Yeah. Okay. You've asked for a rate increase. You can have it." That doesn't provide for the kind of competition and the kind of direct trade-off that we need to make sure that there is a watchdog on insurance in the province.

Mr. Speaker, that's kind of the overview that I wanted to lay in place today for insurance. It's important that the debate go on, that the public be kept involved in the discussions about the regulations, that they be implemented quickly. I know that the government is progressing in this way, but it would be really appropriate, I think, if in a very public way they would debate the issue of a public insurance system with Albertans.

The polls that are out there, the responses that come through, information collection are indicating that Albertans are open to the idea. We truly need to look at it, not from the idea of creating a big bureaucracy that has to be managed at added costs. We can create a publicly backed insurance offering that is still offered through those private-sector, small businesspeople that are the basis of our communities. We need to give them a signal that this is not a program that's going to destroy their livelihood.

It's a program that will give stability to the industry and make sure that Albertans feel that they're being treated fairly and that their insurance costs are truly reflective of what they're insuring and that we don't have limits on what they can collect if they are injured. That's important. That's why we have insurance. So if and when there is an opportunity to get compensation, we don't want to destroy that for Albertans.

I guess, as I close, I would encourage the government to make sure that this process of dealing with the regulations is open, it's broad, it's consultative, and as they go through it, not to forget that

a publicly backed base level system is an option that a lot of Albertans would like to see discussed and either compared or justified as to why it's not used or given serious consideration.

Thank you, Mr. Speaker.

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

Mr. Mason: Thank you, Mr. Speaker. I would like to speak to the previous question, the motion put by the hon. Member for Drayton Valley-Calmar. I would cite section 522 of *Beauchesne's*, which says that "Members who have spoken to the main motion or amendments" – and I have spoken to the amendment but not to the main motion – "may speak again to the previous question." It also says, "The debate on the previous question is subject to closure."

So I want to ask one clarification from the chair, Mr. Speaker, before I begin. I see nothing here that would prevent my speaking to the previous question and coming back to speak to second reading of the bill as well. Is there any such rule that exists that would prevent me from speaking to the second reading if I speak to the previous question?

The Deputy Speaker: No. They tend to be one and the same. As the chair would understand, it's a bit of a formality, a procedure, but once the question has been put, all members then may proceed to debate the main question, which in this case is second reading. So you're free to go ahead.

Mr. Mason: So if I speak to the previous question as a separate item, then . . .

The Deputy Speaker: You speak twice; you mean?

Mr. Mason: Yes.

The Deputy Speaker: No.

Mr. Mason: No?

The Deputy Speaker: But you may now speak on the bill. I mean, that's what it does; it limits additional amendments. So you may speak on the bill. It doesn't preclude you from doing that. But if you just want to talk about the previous question for 15 minutes and then take your questions and then come back and speak again . . .

Mr. Mason: Yes.

The Deputy Speaker: No. You get one 15-minute shot.

Mr. Mason: That's very unfortunate, Mr. Speaker. In that case, I'll cede the floor to my colleague from Edmonton-Strathcona.

4:20

The Deputy Speaker: Hon. member, the purpose of this part of the debate was only a clarification?

Mr. Mason: Yeah, it was only a clarification, Mr. Speaker.

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

Dr. Pannu: Thank you, Mr. Speaker. I share the disappointment of my hon. colleague for Edmonton-Highlands. I know that the government benches are in some sort of inexplicable hurry to push

this bill through. It's Bill 53, Insurance Amendment Act, 2003 (No. 2), and I want to look at the bill carefully.

It's going to mean a great deal in terms of the impact that it will have.

The Deputy Speaker: We have a point of order. The hon. Government House Leader.

**Point of Order
Imputing Motives**

Mr. Hancock: Thank you, Mr. Speaker. I rise on a point of order under 23(i), "imputes false or unavowed motives." A number of members, including this member, have alleged that the intention of the Member for Drayton Valley-Calmar was to limit people's participation or that we were somewhat rushed to put the bill through. There is a clear misunderstanding of the purport of the Standing Order which allows the previous question, which clearly allows every member of the House one more opportunity to debate at second reading. So it's imputing a false motive to suggest that it's limiting debate.

What it does do is to preclude reasoned amendments. The hon. member might understand that in the previous evening the Member for Edmonton-Gold Bar moved a reasoned amendment. There was a full debate on the reasoned amendment and the vote taken on the reasoned amendment. Having done that, every member of the House has the opportunity to speak at second reading. No one is forestalled from speaking to the bill at second reading, which is exactly the opportunity they have under our rules to speak at second reading.

So to suggest that the hon. Member for Drayton Valley-Calmar or any member of the government is trying to rush this through is absolutely wrong. However, when a member of the opposition or any other member rises to move a reasoned amendment as the first speaker of the opposition, one has to assume that there may be other amendments and that there may be an opportunity on the opposition side to be extending debate.

So as a House leader it's incumbent upon me to make sure that we don't have the type of operation in the House that we use reasoned amendments inappropriately. As I wasn't able to have the reasoned amendment ruled out of order, because I raised my objection too late, although it clearly was out of order, I had to come back in this forum to encourage the Member for Drayton Valley-Calmar to use the rules of the House in an appropriate manner to ensure that every member of the House has an opportunity to address this bill in an important way in second reading and to do it again if they wish, of course, in committee and third reading.

So, clearly, the member is imputing a false motive to the Member of Drayton Valley-Calmar.

The Deputy Speaker: On the purported point of order, which seems to be as much as anything a point of clarification, the hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you, Mr. Speaker. I know that the hon. House leader has made it as a point of order, and I would like to take this opportunity to respond to his point of order as thoroughly as may be necessary.

Section 23(i) says, "imputes false or unavowed motives to another member." Now, Mr. Speaker, it's true what the hon. Government House Leader says, and that is that everyone would still have a chance to speak to second reading. However, it is part of the normal course of debate that is provided for in these rules to have the opportunity to propose reasoned amendments.

It so happens that our caucus had a reasoned amendment. This is a legitimate form of parliamentary discourse, and the government has moved, as the Government House Leader has now admitted, to cut off that opportunity which is provided for us in the rules. What other reason would they possibly have than that they wish to constrain the opposition, as small as it is, from making use of the tools that are put at its disposal by the rules of this Assembly to debate issues that it believes are important?

So the government, notwithstanding its massive majority, is indeed working to try and limit the ability of the opposition to make legitimate parliamentary discourse on their bill. Therefore, I would say that the Member for Edmonton-Strathcona's comments are entirely justified and are not imputing false or unavowed motives in any way.

Thank you, Mr. Speaker.

The Deputy Speaker: The chair would observe that it seemed that the hon. Government House Leader was putting forth a clarification of what the procedure was, but he also did defend the hon. Member for Drayton Valley-Calmar as having not avowed any of the motives that were cast to him.

Now, in the hon. Member for Edmonton-Highlands talking about the reasoned amendment and that they had one, one only has to think about what would happen if Assemblies in Canada allowed that. There are some Assemblies in the country that don't allow a reasoned amendment at second reading. We were unable to find out, if I'm correct, looking at the Clerk, that there were no Assemblies that allowed more than one. Is that not so? [interjection] Well, thank you. There is an exception to what I've just said, in the House of Commons and in Ontario, but B.C. and others were not, so we found some. But the tradition in this House has been one reasoned amendment at second reading.

Now on to the debate, hon. member.

Debate Continued

Dr. Pannu: Thank you, Mr. Speaker. I'm very happy to resume my comments. Now that the matter has been put to rest with respect to my intentions, I want to zero right in on the bill itself in its second reading.

The bill, as I was in the middle of saying, is a much-awaited piece of legislation. Lots of media attention has been sought in the process of the preparation of this bill, lots of promises have been made, and lots of expectations have been raised. In my remarks I want to see to what extent this bill measures up to the promises made and the expectations raised and to what extent this bill does nothing more than sort of engage in a shell game. So those are the sorts of questions that I want to address as I speak on this in second reading, Mr. Speaker.

Mr. Speaker, let me begin where one needs to begin. Why this bill in the first place? Why has the government, after a long period of doing nothing and, in effect, allowing the crisis around the skyrocketing of auto insurance rates in this province, failed to do anything until its hand was forced by developments that took place on the eastern end of our great country, in New Brunswick, then in Nova Scotia? The Ontario election, of course, had this as an important issue as well. So the government's hand was forced. It had to overcome its own complicity in what has happened in this province and reluctance to do anything about it because there was a huge political risk in continuing to allow Alberta drivers to be gouged in a fashion that's unprecedented across the provincial jurisdictions in this great country of ours.

4:30

The Alberta government under Alberta legislation has had in place

the Alberta Automobile Insurance Board, appointed by the Minister of Finance, reporting to the Minister of Finance, and the members of this board, the directors of the board, are the appointees of the Minister of Finance. This Alberta Automobile Insurance Board has an incredibly low profile. I didn't know about it until we started talking about the crisis in auto insurance in this province. It doesn't even have a web site. It does publish an annual report, but this is not even posted on the government web site, nor are the directors of the AIB. That says volumes about what this board is about, what the government intends it to do, and how this board and the government account for what both of these agencies do to the drivers of this province.

This board reviews behind closed doors, Mr. Speaker, rate application increases for compulsory coverage, mostly third-party liability. There's no opportunity whatsoever for policy holders or consumer advocates to challenge rate increases. Locations and dates of board meetings are not advertised or even made public. Minutes of board meetings are not published or made public. I ask the question: why? In relation to the discussion of this bill we've got to ask these questions. What is there to hide in the decision-making activities of this board that nothing is made public: the meetings, the dates, the places, no web site saying how to access this board?

The AIB appears largely to act as a rubber stamp for the insurance industry. It's the government's board. It's there because it's mandated by the Insurance Act of this province, which is going to be amended by way of this Bill 53. So the AIB appears largely to act as a rubber stamp. Only two out of 157 rate applications in 2002, which is less than 2 percent.

Mr. Mason: How many?

Dr. Pannu: Two out of 157. Less than 2 percent, 1.5 per cent perhaps, of the applications were rejected by the AIB. Another 14 were approved with modifications. The balance were accepted as applied for. And it was the year 2002, the banner year for the insurance industry in this province, Mr. Speaker, a banner year because it was during that year that according to Stats Canada the average auto insurance premium in this province increased by a whopping 57 percent. Fifty-seven percent. Not my figures, Stats Canada figures.

Someone gave the approval for those increases, Mr. Speaker. Albertans are asking, Albertans have a right to know who okayed that. Was it the Finance minister, was it the board, or was it some other agency in the government? It cannot be anyone other than the board and the Finance minister. There are questions that must be answered as to why that 57 percent increase in 2002 was mandated, was authorized, was approved. So when you ask this question, that raises the question of what the government's bill, Bill 53, is going to do about that 57 percent increase.

I want to make sure that we know what the average increase in the payouts was for the insurance industry for claims during the same period, Mr. Speaker. There was a 3 percent increase in auto insurance related claim payouts, a 3 percent increase in what insurance companies had to pay to settle the claims made to them, but they were granted a 57 percent increase at the same time. The difference between the two is 54 percent. Someone granted that increase. Bill 53 now promises Albertans a maximum of 12 percent relief after the bill, if passed, becomes law and is implemented.

In the meantime, this bill promises that the insurance companies will enjoy that most unreasonable, inexplicably unjustifiable 57 percent increase and promises that the companies will continue to enjoy the benefits of this windfall granted to them by this government. When the drivers of this province get any relief – and it all is

quite hypothetical at this moment who will get that relief and how much it, in fact, will be – they will have to continue to pay that 57 percent increase granted by the government of Alberta to insurance companies during the year 2002.

So the freezing of rates that's promised in this bill is simply a deception. It's a shell game. Freezing the rates at a level which is the highest in the history of this province, freezing the rates while having granted a 57 percent increase in one year alone is no freeze at all. It's simply an attempt to mislead Albertans into believing that the government is serious about providing them with real – real – relief from the gouging that they've been subjected to by the insurance companies in this province and the rights to gouge that have been granted by the very government which now is promising a relief of sorts. There is no relief, Mr. Speaker.

Even if you take 12 percent from 57 percent, the 2002 increase still, according to my calculations, remains at about a 45 percent level of increase. Keeping it at a 45 percent level of increase is certainly not going to be seen by any drivers in this province as a relief. So the promise made by this bill with respect to providing relief and fairness is an empty promise and nothing more.

Another aspect of this bill, Mr. Speaker, will guarantee that Edmontonians will continue to pay higher rates because they live in Edmonton. There's exception made here by this bill to punish Edmontonians for the fact that they live in this city. Whether it's intentional, whether it's an oversight, the effect is the same. They will pay more. They will be discriminated against based on the place of their residence, the region or the area of their residence. Talk about fairness, that this bill delivers on fairness; it does not. It does not.

4:40

The third thing that the bill doesn't do, Mr. Speaker, is allow even any real competition. Bill 53 does not repeal section 22 of the old bill which will be amended by way of this, the Insurance Act, which prohibits public insurers from the other three provinces – B.C., Saskatchewan, and Manitoba – from competing for business in Alberta. Talk about choices; talk about this government's rhetoric about providing Albertans with choice. This bill, that has taken close to eight months for this government to come up with, denies Albertans the choice, the choice between private insurance companies that charge exceedingly high rates, rates that are most unreasonable – that's why this bill is here; otherwise it would not have been here had the point not been conceded even by the government that private insurance companies have been charging exorbitant rates in this province relative to other western provinces.

The Deputy Speaker: Thank you. Your time is up. Any comments or questions?

Mr. McClelland: Thank you, Mr. Speaker. On questions and comments. The hon. Member for Edmonton-Strathcona made the point that he felt that the rates in Edmonton were going to go up. I'd like to ask the Member for Edmonton-Strathcona if he was aware of the fact that there had been a 20 percent premium for drivers in Edmonton historically? I certainly didn't know that we were paying a premium. Most of the people that I've asked didn't know.

So my question to the Member for Edmonton-Strathcona is this: did the member know that he had historically been paying a 20 percent premium over Calgary, and is he aware that over a three-year period that premium is going to be equalized? How could that in anyone's estimation, if the premium is going to be equalized, which means that that 20 percent disparity is going to be removed, possibly equate to an increase in premiums?

Dr. Pannu: Mr. Speaker, I didn't know that AIB, Alberta Auto Insurance Board, operated the way it did either, but is that a reason for not speaking out against AIB and the way it's been operating? I respectfully submit not. Just because I didn't know about how AIB has been operating, that's no reason to remain silent. It is my duty to my constituents, to Albertans to speak on these matters as I become aware of them.

Similarly, I think the question of whether or not I knew that Edmontonians paid 20 percent more is irrelevant. The question concedes the fact that Edmonton drivers have been levied an additional 20 percent premium because they live where they do. If we acknowledge this, the question then is: is this legitimate? Is it right? Should it be continued for yet another three years? If it has been unjust for it to have happened over the past 10 years, should that injustice be continued for the next three? That's what Bill 53 does. My answer is no, Mr. Speaker.

Mr. Lukaszuk: My question to the Member for Edmonton-Strathcona would be: in all his years in this Chamber why would he not have done due diligence to find out that Edmontonians were paying higher rates and do something about it then instead of wait for this government and MLAs from this city to find that out and make sure that that doesn't happen in the future?

Dr. Pannu: Mr. Speaker, I laugh at the question. What due diligence is he talking about? The Minister of Finance, the backbenchers on the government side brought this matter forward. They are the ones who have the inside knowledge of these things. We have to struggle hard to get there, and we have gotten there.

The New Democrat opposition's position paper, *A Better Deal for Drivers*, which was released in October, certainly reflects that we have carefully studied every aspect related to fairness, reasonableness of premiums, and the kinds of discrimination that have been allowed to be practised whether they were based on age, marital status, region, geography. Those were allowed to go on unchallenged up to this point, and we have done due diligence in drawing attention to them and presenting a clear alternative, which, in our view, is one of public auto insurance, which, we argue, is a far better deal than anything that the Tories have presented, including this Bill 53.

Thank you.

The Deputy Speaker: Sorry, hon. members for Edmonton-Rutherford and Edmonton-Castle Downs and others that wanted to ask further questions, we're now ready to continue debate.

The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I haven't had a chance yet to speak to this bill, but it is a bill of real concern to my constituents. I've been surprised at the amount of correspondence I've had on this bill, the number of phone calls, the number of letters on this particular issue of auto insurance, so I do feel compelled to address some of the questions the constituents have raised. I'll do some of that in the opportunity I have here at second reading, and hopefully I'll have other opportunities during committee and third reading, should the bill get that far. I expect it will.

The concerns that my constituents and, indeed, people from across Alberta have brought to me are pretty consistent in terms of the substance, but they come from a very broad range of people. I've been struck with that. The substance of the concerns, the obvious one, is people upset about big increases in their rates; secondly, people upset about becoming ineligible for insurance; and people finding that their treatment is, in their view, very unjust.

For example, I've had a number of letters from people who have had insurance with a company for years and years and years and in some cases decades and decades, and then they make one claim and find that they're no longer eligible. They're cut off from the insurance company. Of course, that can be a devastating blow, especially for an older person. It can in fact drive them to have to completely change their way of life. So those are the kinds of concerns: eligibility concerns and cost concerns.

What has surprised me is the range of people that these concerns have come from. The assumption in the public – and it's an assumption I held – is that the people most affected by insurance problems were young males. I've found that, in fact, the problem goes way, way, way beyond that, and that's been a good lesson for me to learn. I'm always open to learning new lessons.

I've had calls, for example, from various nonprofit groups. I think of a call I had from a church group who runs a couple of minibuses for youth and underprivileged youth. The service is to help underprivileged youth get to places like summer camps or to other services around the city. Their insurance rates went up something like 10 times for their vehicles, and because it is a nonprofit group run out of a church, they can't afford that kind of an increase. They're looking at having to end that service. I've had calls from seniors who are no longer eligible or no longer able to afford their insurance, and that has a devastating effect on their lives because suddenly they can't get around. They're socially isolated. They can't easily go out for groceries or to visit friends or to get to the doctor or anything like that. So that's a serious problem. Service clubs that run vehicles have also brought concerns to me.

It goes beyond that. Businesses. I had a call, for example, from a trucking company that runs a fleet of trucks between B.C. and Ontario and is urging us to advocate for public insurance because the cost of insurance for the trucking fleet in Alberta is so high that they, in fact, operate now most of their trucks out of other provinces. Construction companies that might have a fleet of pickup trucks or smaller vehicles, often driven by younger males, suddenly find their costs are going through the roof as well.

So this is a very broadly based problem, and it's one that I think merits the full debate that we're giving it here and the full attention that the government has given it and then some, I would argue. So those are the kinds of things I'm hearing from my constituents.

4:50

I then turn to the evidence, and I look at interprovincial comparisons. The first example I had of that was at least two years ago, when relatives of mine in Saskatchewan were commenting on how inexpensive their insurance was. I came back and checked it out, and they were right. I'm not saying that we want to go to the Saskatchewan system, but it led me to raise the issue with caucus and with the Member for Edmonton-Gold Bar, and he began investigations. He already had his own concerns about the issue. So we were beginning to work on this a couple of years ago.

When you look at interprovincial comparisons across western Canada, there are real problems to be addressed here because it looks like in the last few years, at least, Alberta's auto insurance rates have climbed far more dramatically than any others in western Canada, and that does become a long-term economic drag. When we have, as I mentioned earlier, big trucking companies deliberately moving their fleets out of Alberta so they can get less expensive insurance, that's a problem for us.

Generally, if it adds to the cost of doing business with people in Alberta, that's a problem for us. If it adds to the cost of living here, that's a problem for us. So when we look at the western half of the country, at least, we'd better pay attention here, or we will have an

Alberta disadvantage rather than an Alberta advantage.

The other point I'd like to make is that this becomes a particular obstacle for the less privileged in our society. If you're in a lower income household and you're trying to pull yourself out of that lower income by, say, seeking a job that might require a vehicle or by going back to school, or maybe you have to have a vehicle to run your young kids around to soccer or to school or whatever, and you're faced with an additional charge of \$2,000 or \$3,000 or \$4,000 for auto insurance even on an older automobile, that's a real obstacle that, frankly, people at higher income levels can afford. So for lower income people or people just getting started, younger couples, younger families, we are putting yet one more obstacle in their way, and I think we're doing that unnecessarily.

So those are some of the motivations that drive me to speak to this issue and are certainly driving my constituents to speak to me.

When I look at this issue from an economic perspective, it's interesting. Do we turn to the market? Do we turn to regulation? Do we turn to a full private system? You know, when conditions are well suited to a market, I think markets can be terrific. They are creative. They can be dynamic. They can serve customers well. They can drive costs down. But when circumstances aren't right for a market, then they can be the worst possible way to try to deliver a service. So what do we have here? Do we have a product that lends itself to free market forces or not?

One of the fundamental differences here is that by law people have to carry auto insurance. As a result, if they want to drive in our society, then they have to have, by law, auto insurance. So we are requiring people to buy this product. Now, you might say that the choice is: don't drive; don't own a car. For some people that's a reasonable option, but the way we've organized our cities, the way we've organized our countryside, it's darn tough for an awful lot of people not to own a car. So right away one of the basic principles of a free market is gone, and that basic principle is the opportunity of the customer simply to walk away from the product. They can't. They have to, by law, buy auto insurance. So that right there says: warning; this may not be suited to an open market. In fact, as I look at auto insurance more and more, I'm struck with the parallels to both electricity and to health care from an economic perspective. [interjections] No, I'm not going there.

I'm struck with the parallels to both electricity as a public service and to health care and the need that we face as a society to provide this in the most effective way. There are reasons that we ended up in a public health care system, and they weren't just social justice reasons, although those were, I think, the pre-eminent reasons, the original motivating forces, and frankly the most important reasons. But they were also economic. We learned through experience that we could actually deliver more health care at less cost more efficiently through a public system, and that's a lesson that's been proven over and over.

The same kind of forces led us into a regulated electricity market, which served this province so well for so many decades. We learned the hard way early in the last century that electricity is not a product that lends itself to a free market. In fact, there were all kinds of issues, if you go back in the early history of the electricity industry, around safety, around costs, around standards of service and access, and on and on, that led to a publicly regulated and in many parts of this country and indeed in many part of the United States, a publicly owned electricity system.

Well, I've come to the conclusion that auto insurance is probably the same kind of product, and we're in the same kind of economic situation with auto insurance that we face in health care and electricity. The appropriate response, then, is to substantially increase the public-sector role in the auto insurance industry. Lo and

behold, when you look at the evidence – despite comments earlier today from the government, this is not a matter of ideology; it's a matter of evidence – the evidence that I've seen suggests to me that in our neighbouring provinces to both the west and the east there are lessons to be learned of functioning auto insurance markets handled and managed through a public system.

So when I weigh all of that out – the comments I'm hearing from constituents, looking at the economics of it, and looking at the evidence – it seems hard to come to a conclusion other than that we need to provide auto insurance through a public auto plan.

5:00

Frankly, we are a province that owns its own bank, and that's a remarkable sign of commitment to public ownership. Since we own our own bank – and, frankly, I think it's a bank that functions well: it turns a profit virtually every year and it serves rural Alberta very well; it's very popular; it's popular with many urban Albertans – why can't we also, then, own our own insurance company? If you look at the other provinces, like B.C., you'll find that those insurance companies year after year after year provide excellent coverage at a low cost and at a profit for their taxpayers.

So when I look at Bill 53 and I look at the underlying premises of that bill, I find myself ultimately thinking that this isn't going to work, that these are like the same steps that led us into the electricity deregulation mess. We're probably meddling in the marketplace in such a way that this government is just going to get drawn in further and further and further. We're not likely to see the benefits that are being claimed. We're going to make a whole bunch of people upset or disappointed, and we won't achieve what we want to achieve, which is lower rates, greater efficiency, and better access.

If we aren't going to go there – and apparently we aren't going to go into a public system – then we have to ask some other questions. Why aren't we opening the market to the Insurance Corporation of British Columbia and to the Saskatchewan and Manitoba auto insurance plans so that at least they can compete with the private insurers in this province?

The Deputy Speaker: Questions? Comments? The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you. Mr. Speaker, I listened very intently when the Official Opposition House Leader spoke and again when the Leader of the Opposition spoke and now with the Member for Edmonton-Riverview. In two cases I heard people calling for a public system, yet when I listened to the hon. leader's speech, I didn't hear him call for that at all. So I'm confused as to what the Liberal position really is because in two cases we hear that we should be doing a public system and then when the leader speaks, he doesn't mention it. So I'd like to ask whether or not this is the view of the Liberal Party or just the individual members.

Dr. Taft: Yeah. There's a very clear answer to that. The view of the Liberal Party, the view of the Liberal caucus, and it's broadcast all over the province in print, on television, and on radio, and you can go to our web site as well. Yes, we are supporting a public auto insurance plan, based essentially on the B.C. model, which provides a combination of stable rates, a core of public service that's accessible for everybody at reasonable levels and yet allows a functioning court system so that people can take their concerns over their injuries to court if need be, so there's a fully functioning judicial aspect to it as well.

I should also reinforce that the B.C. model does allow, for example – it's sold through private local brokers. So there's a pretty

interesting model at work in B.C., and we unequivocally advocate for that.

It's a good question. I'm happy to give the answer.

The Deputy Speaker: Comments or questions? Edmonton-Highlands.

Mr. Mason: Yes, Mr. Speaker, I do, for the hon. Member for Edmonton-Riverview. You know, I would like to compliment the Liberal caucus on their position on public auto insurance. We couldn't have written it better ourselves, so it's very good.

I'd like to ask the hon. member a question that he was just trying to get to when he ran out of time. That has to do with the government's provision in the legislation which prevents Sask Insurance, which is the export arm, I guess, if you will, of the Saskatchewan auto insurance corporation, from operating in the province of Alberta and whether or not he feels that this is a restriction by the government on the right of Albertans to free choice in insurance.

The Deputy Speaker: Interesting when you ask a question and offer its own answer.

Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. Well, obviously, it's a restriction on Albertans' services, but I think we have to ask: who does that restriction serve, and why is it there? I suspect it's there because of very effective lobbying from the for-profit insurance industry, who wants to keep the competition from other provinces out of Alberta. I'm just speculating there, but that would seem to me to explain it.

If we want to open it up to a free market, then I think it would be a really interesting step to take, to in fact go the other way from this government and say: "Let's just open this up. Let's let ICBC in here. Let's let Sask Insurance in here." They are, after all, companies that do make a profit year after year. Let's make the market open and see how they stand up, and let's try to drive insurance rates down that way.

That would have been a pretty interesting suggestion to come from the government. Unfortunately, we didn't see it.

Ms Carlson: I have a question for the member, Mr. Speaker. My question is this. I didn't hear if the Member for Edmonton-Riverview in his overview of what was happening spoke directly to the key concerns that his constituents are talking about in terms of insurance rates and their concerns with the government's policies, so if he could share that with us.

The Deputy Speaker: The time is up.

The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to join in debate of Bill 53, the Insurance Amendment Act, 2003 (No. 2). I'd like to address my remarks this afternoon to the principles of the bill. I think that the underlying principles with respect to this particular piece of legislation are extremely important. The government web site provided some information with respect to the intention of the government with respect to principles, the principles that they wanted in the legislation, and there are a number of them.

The very first principle, of course, and the one that has caused the greatest debate – well, almost the greatest debate – is the whole question of fairness. The debate in the press, the debate between the insurance industry and the personal injury lawyers, has really focused a lot of their arguments on fairness. It's certainly a concern of Albertans.

A second principle that the government has indicated as a principle that they wanted as part of the proposed legislation is that insurance be affordable for Albertans. Again, that I think is really what has prompted the legislation before us, that for many Albertans insurance was becoming unaffordable. The comparison with other jurisdictions, other provinces, was extremely irritating to a number of citizens who felt that not only was it unaffordable but it was unnecessarily so.

A third principle that the government has outlined as important is that insurance be accessible to drivers. I think the concern was that accessible premiums be available. Again, the issues raised here primarily with respect to young Albertans and to young males in terms of their accessibility to premiums – and we've all heard from young constituents who have in some cases had to give up driving because the premiums for their insurance just were too much for them. So for them the premiums weren't accessible.

5:10

A further principle of the government, if we believe what the web site indicates, is that there would be incentives, that there should be incentives built into the system for motorists to drive safely. The legislation before us has, in fact, some incentives for individuals who have a safe driving record, and there are provisions for rewarding safe driving.

Another principle was that there had to be penalties and that the legislation should outline penalties for those drivers who cause accidents and violate the Traffic Safety Act and commit Criminal Code offences.

There was a further one, and that's the principle of personal responsibility: that as drivers all of us have to accept some personal responsibility behind the wheel and that, in effect, will have some bearing on the kinds of premiums that we pay.

So those principles that focus on fairness, affordability, accessibility, incentives, penalties, and personal responsibilities were the principles that were put forward by the government on their web site as preparation or prelude to Bill 53. Now that we actually have the bill, it's possible for us to look at those principles as stated and to look at the provisions of the bill and to make some assessment in terms of how well the legislation reflects those particular principles.

The business of fairness seems to permeate a number of the provisions of the bill. The setting of a benchmark entry-level premium, how that is to be determined. According to the bill it's going to be determined on geographic territory and third-party liability coverage. Age, sex, and marital status will no longer be factors in setting those premiums. We've already heard that the bill provides provisions for differences in geography, and that is a basic concern of fairness, particularly for Edmonton drivers, who are going to be penalized for living in the capital city compared to their fellow citizens in Calgary. That unfairness will continue for three years according to the bill. So the principle of fairness and whether it's being applied with respect to premiums I think is questionable, Mr. Speaker.

I think there's a further question of fairness when the bill attempts to assess and set premiums that are going to be similar to the coverage in other western provinces. That for many Alberta has been a thorn in the side, and there's been great concern that it was unfair for Albertans to be paying premiums that were much higher than our neighbours to the east and our neighbours to the west.

There was the striking difference that the Consumers' Association of Canada pointed out in their comparisons of Lloydminster, where the premiums for those on the Alberta side of the border were dramatically higher than those on the Saskatchewan side of the border. So the whole notion of fairness was one, and there's an

attempt in the bill to introduce fairness with respect to the premiums paid by Albertans in comparison to their provincial neighbours.

The second principle, the principle of affordability, has been addressed in a number of ways, and I think the benchmark entry-level premium is going to be of great interest to Albertans. There's a fairly good description or elaboration of the system, the benchmark entry-level premium, how it's going to operate, again on the government web site that does expand on what we see in the bill, and that is that you will enter a maximum benchmark premium determined by the vehicle use and third-party liability coverage. So you enter the scale, and then for each year without an at-fault claim the drivers would move one level down the grid, and after six claim-free years the premiums reach a maximum discount of 65 percent. So the notion is that they're trying to make it more affordable, and you can make your insurance premiums even more affordable by driving safely and not being involved in accidents that you're responsible for.

If you are in accidents, then just the opposite. Each at-fault claim moves the premium four levels up the grid, so as you are involved in more accidents that you're responsible for, then you're going to move up the grid.

After 10 years without an at-fault claim vehicle owners that do submit a claim would move up four levels on the grid but would retain their 65 percent discount. So an attempt in trying to make the premiums affordable to factor in the driving record and to give drivers at least some control over the premiums they pay and to make it affordable.

I think the affordability has been addressed in that that maximum benchmark premium would initially be set by the government. So, again, they've tried to address that principle of affordability in the bill by setting the initial benchmark premium.

An additional provision is the provision that would have insurance companies file their rates for optional coverage with the government, and the purpose for filing those rates is to have the rates monitored. Again, the motive behind this has to be, I suspect, the desire to keep the premiums affordable.

Affordability has been addressed in the bill in a number of ways. Now, whether it is actually going to operate that way I guess is still a matter of speculation. Again, it's an attempt in the bill to address the principle of affordability.

5:20

The notion of incentives has been addressed in a number of provisions. I've already mentioned that you move up and down. You move up the grid and you receive a discount for claims-free driving. You'll also have a surcharge added to your premium should you be involved in chargeable claims.

So, again, the system of incentives, which seems to be a principle that the bill is built upon, is built into the bill. Each claim-free year lowers the premium by moving the insured down the grid to a maximum 65 percent discount after six years. I guess the percentages sound good, but what you really need to do is see the actual numbers with respect to your own insurance to see how significant that is. Whether those are adequate incentives I guess is a question that we have to determine, and we'll be able to go back and visit that again when the bill moves into committee.

The principle that there have to be penalties. There are a couple of provisions in the bill. [Dr. Massey's speaking time expired]

The Deputy Speaker: Comments? Questions? The hon. Member for Calgary-Egmont.

Mr. Herard: Thank you, Mr. Speaker. I was going to first of all thank the hon. member for talking about accountability in insurance because the previous speaker talked about the B.C. model. So I'd like to ask the member if he thinks the B.C. model is, in fact, the appropriate model.

When we read articles like there was in *The Globe and Mail* on October 22, I think it was, a person by the name of Lawrence Solomon talks about public and private insurance. I'm going to paraphrase what's in there to formulate my question. He says that in a recent study of British Columbia the Insurance Bureau of Canada found that B.C. suffers 16,000 more injuries and 1,800 more deaths because of its unaccountable premium setting. Now, the hon. Member for Edmonton-Riverview would want us to base our system on that. He goes on to say that had the government not gone down that road, B.C. residents would be saving about \$2.5 billion per year. So I'm wondering if the hon. member believes that we should model the insurance in Alberta on B.C.'s.

Dr. Massey: Thank you very much for the question. I appreciate it, Mr. Speaker. I think a couple of comments. One, I give as much credibility to information from the Insurance Bureau of Canada as I do to the Fraser Institute, and I'm reluctant to use their information.

I have more confidence in the report that was put out by the Consumers' Association of Canada where they compare the rates across the country for major cities and for provinces. I think that if you look at the information in the Consumers' Association's publications – they put out an Auto Insurance Rate Comparison Study, Release No. 3, 17 Cities in Four Western Provinces – you can see fairly conclusively that the public systems have delivered more affordable insurance rates for most of the citizens than have the private ones.

I'm not sure I have it here, but they have a second study. Yes, I do, Mr. Speaker, and it's the Consumers' Association of Canada's review of automobile insurance rates in 40 Canadian cities in 10 provinces. Again, if you examine the data from those two studies, I think you'll find that the support for publicly administered systems is justified.

Mr. Herard: Just following from that, I'm a little confused now because the hon. member did say that, you know, insurance should be accountable, and now he's talking about lower rates in certain types of insurance companies. I'm talking lives. I'm not talking rates. I'm talking about the type of rate structure that makes people totally unaccountable and therefore creates more carnage on our roads. That's what we're talking about.

Dr. Massey: I guess I have a little difficulty with the question if I'm understanding it correctly. I don't understand how someone can believe that a person would drive to endanger their life based on a premium. I really do find difficulty with that, and I think that's the assumption underneath your question.

The Deputy Speaker: Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I wish to make a point of order with respect to the question which was previously asked by the Member for Calgary-Egmont. [interjection] Well, this is a point of order, Mr. Speaker.

The Deputy Speaker: Let's have a citation then, hon. member.

Mr. Mason: I'm trying to find the citation right now, Mr. Speaker.

I know that it's there, and it is quoting from newspaper articles in the House. Perhaps you could assist me with that, but I believe that there is a section in *Beauchesne* that specifically exempts this from being used.

The Deputy Speaker: Hon. member, if you don't have the citation, we don't really have a point of order, and in all honesty I don't know to which you refer.

Mr. Mason: Mr. Speaker . . .

The Deputy Speaker: We're going to persist?

Mr. Mason: I have found something.

The Deputy Speaker: The time is up for the questions and comments.

Now, you want a point of order, but you don't have a citation.

Point of Order Quotations

Mr. Mason: Well, I do, Mr. Speaker. I've been trying to find it, and it says that "to be cited, a document must be quoted or specifically used to influence debate." This is under 495, documents cited.

496. A Member may read extracts from documents, books or other printed publications as part of a speech provided that . . . no rule is infringed. A speech should not, however, consist . . . of a single long quotation, or a series of quotations joined together with a few [statements].

So I think the hon. member has violated this in his quotation from the computer.

The Deputy Speaker: We're at 5:30. The chair is supposed to leave, and the House naturally adjourns, so the chair proposes to do that.

[The Assembly adjourned at 5:30 p.m.]