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The 28th Legislature
First Session

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The Honourable Gene Zwozdesky, Speaker

Legislative Assembly of Alberta
The 28th Legislature

First Session

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Wildrose: 17

Alberta Liberal: 5

New Democrat: 4

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Goudreau	Starke
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McDonald	Vacant
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Legislative Assembly of Alberta

7:30 p.m.

Wednesday, October 31, 2012

[Mr. Cao in the chair]

The Acting Speaker: Please be seated.

Government Bills and Orders Second Reading

Bill 2 Responsible Energy Development Act

[Debate adjourned October 31]

The Acting Speaker: The hon. Member for Little Bow.

Mr. Donovan: Thank you, Mr. Speaker. It's a privilege tonight to come in here and talk on Bill 2, the Responsible Energy Development Act. I think this bill has some great ideas and concepts. I believe industry welcomes this bill. I also agree with our leader. I want to support this; we all would like to support it, but I'm afraid there're a couple of problems with the current wording. One thing that worries me is the fact that the explanatory notes in this bill are a little more than the actual bill is. It's just over half, which usually means there are a lot of things that we're taking out. Some of the things that are being taken out of that are a lot of the wording changes with that.

In saying that, I'm concerned that we cannot support this bill until it changes in part 3, section 65(1), the part that overrides any terms and conditions of a registered private surface agreement that conflicts with this part.

Also, the language in the new legislation is far weaker and does not guarantee a right of appeal under section 31 through section 35, again.

Section 68(1) I also feel takes away from property rights, which I'm a strong advocate for.

Also, our leader brought up section 21 and working with our First Nations in this province to make it better for them as well as everyone involved in it.

[Mrs. Jablonski in the chair]

Hearing commissioners are appointed and not elected. Something I've always fought for during the election process is to make sure that everybody on boards is elected and not appointed.

Also pointed out, just like on Bill 36, is a way that the government and ministers can overturn anything and veto vote with just the stroke of a pen. To me, that is not democracy.

I believe that we should learn from what we've been talking about here in the last couple of nights with Bill 8 and the fact that we're trying to fix Bill 50, which had some obvious issues to it. I think we're showing that that's how we can get some things done, by working on those, but let's identify it now instead of making this something that we have to deal with two years from now. In saying that, I believe, as a strong property rights advocate, that we need to get property rights onto the front of this bill and not onto the back burner of it. I stand here today before you as someone who believes in property rights and will hold this government accountable for that as I believe that is probably one of the prime things that got me involved in politics in the Little Bow riding and also made people vote for me. They knew we'd be strong advocates for property rights.

Another thing that I have noticed with this new bill is that it concerns me that the references to public interest are completely

gone out of this bill. This concerns me as everyone, I believe on both sides of the floor, is here for the best of public interests for this province.

Again, I can echo my leader's concerns. Please try to slow this down, Mr. Minister, and give us time to walk through this with some of our stakeholders and get this correct the first time, which I think is probably the best way to try to pass any bills.

If we could move some of the wording forward on this bill, I personally would be able to support it, but until that time I cannot go against my belief in property rights for landowners.

I can tie this together. When I worked in oil and gas myself, moonlighting from my farming job in the wintertime, the company I worked for was having some problems with landowners. Most of the time when a landman would come in to talk with you, you didn't trust them because you didn't know them and they didn't know your concerns. With this bill – and I guess that's where I can tie into it a bit – you've got to have the buy-in of the landowners. With the landowners tied in with it, you can work with the industry, oil and gas, a lot better.

I was told a long time ago, when I started on county council, that it's a lot easier if you ask somebody instead of tell them. Nobody likes being told. Nobody in this House that I'm aware of likes to be told to do something. They like to be asked for their input. This also worked well when I was a reeve in the county any time we'd be working with landowners on doing any new roadwork or general work within the county.

Section 16 gives the minister the power to request any information from the new regulator, including personal information. Again, I'd rather put in there "excluding" rather "including" if we're going to change some of the wording to this. I'm always a little leery of all the personal information that gets given to any agency, whether they're arm's length or apart. It's private information for generally good reasons.

Part 2 of the bill, dealing with the hearings and reviewing, is very problematic. It's an entire section that reduces landowners' rights. Again, not to harp over things that didn't work out well, but I think we've identified before in this province that landowners take their rights very seriously and have fought for them. I guess, to me that is key and crucial to how I'd like to deal with this bill, to identify that we need to take care of the landowners before we start worrying about everybody else. I think we can work collaboratively on that with industry. The people in the oil and gas sector are well aware of how to work with everybody on that. I don't want to have this just at the stroke of a minister's pen.

The current legislation also removes landowners' rights to appeal to the Environmental Appeals Board and gives the regulator the power to review this on its own decision. That's very scary to me, any time when you're not allowed to appeal anything to a board that's at least arm's length from the board that made the original decision. I mean, being on council before, you could say, "Well, you could come and appeal to the county or somebody," but if it's the same people that are around the table that made the original decision, unless there's some very new evidence that comes up, the odds of them changing their mind is almost certain to be unlikely. In saying that, we're going to see that with the regulator that's appointed by the government. They're going to be inclined to go with their own decisions rather than – nobody usually likes to hear that they're wrong, so if they came up with a decision, they're not going to go back on themselves within a short period of time.

I believe section 36 removes another important opportunity to appeal for landowners. As a farmer and a landowner, I think that probably one of the key things in our campaign that I could talk with people about was property rights and rights of individuals. I

think that's key, and whether you're urban or rural, depending where you live, you want respect for your rights. If you're an urban person, you put up your fence and your neighbour doesn't get to park their vehicle on your front lawn for something to do and vice versa. You own your property. Everybody works hard to be able to make their mortgage payments and have the property that they do. As a farmer and a landowner, that's key and crucial to me for how things work.

I'm more than willing to work with any oil company and gas company usually, but when they dig their heels in and they don't want to work with you and they start telling you how to do things, it never goes over well. The track record always shows that those are the ones that always end up in front of an appeal board. There are different companies that do that. Back in the old days, in the early '80s, there were a couple of companies out in our neighbourhood that were doing that. They'd fight you because they knew the farmer didn't have the money to go fight it and go through the process. Then when people started banding together and we had strong property rights advocates start working with everybody, there was the push-back a little bit.

7:40

As I say, most times when we're talking about a bill in this House, if you can have the respect amongst everybody around it and listen to the ideas, you can bounce back some ideas, whether it's a good idea or a bad idea. Oil companies always fell into that, Madam Speaker. They'd sit there, and they didn't want to listen to the landowner all the time.

Sometimes it's the little things that people go along with to be able to negotiate. It doesn't have to be huge changes in what they're doing. For instance, I had a gas well at my place that we put about 300 feet farther south from my yard than where they originally wanted to drill it, just for noise concerns alone. It wasn't the end of the world. With the technology that they have in this day and age, I mean, they can directional drill. They can put it on a bit of tilt and get the gas zone they're shooting for. Again, this hits different spots for different people.

I'm lucky, I guess, in my area. It's all sweet gas that we have; there's no sour in that area right where I farm, particularly. Now, there are people that have sour gas wells in their area and there are studies to show where cows, you know, have birth defects with their calves and everything from the sour levels. When you can see that with an animal, you probably don't want to be breathing that in yourself. I'm not saying that there isn't technology to deal with it all. It's the fact of sitting down and actually talking to the people, making sure that we're working with all the stakeholders in it. That's the one of the things that concerns me all the time.

Point of Order Decorum

Mr. Donovan: Madam Speaker, a point of order, I guess. I don't know all my stuff, but are you supposed to be sitting in the normal seats you're at all the time, or are you allowed to sit around? During Committee of the Whole you're allowed to.

The Acting Speaker: Thank you, hon. member. This is the formal part of our proceedings, and you should be in your regular seats. I believe that everyone is. Thank you.

Debate Continued

Mr. Donovan: Thank you. As I was saying, when you get the buy-in from people, it goes a lot better because you're willing to work with the people. It's the process and the common respect

you have for working with the people. We saw this, you know, when we had a bit of a crisis here this fall with beef producers. Instead of fighting with everybody, everybody sat around the table and worked together on that to resolve the problem. I think that's the key to it. I think the key to making good, common-sense decisions is sitting down and appreciating that we might not all agree with what is being done all the time or where it's going, but at some point you have to figure out how to work there together.

I think it's come a long way over the years with oil and gas and working with landowners, but at any point where you start telling them that the minister at the stroke of a pen can change something, that's always very worrisome to landowners and property right owners. I have all the respect in the world for our current Minister of Energy because of his track record and history of working in government. I'll say that I got to see him in my younger years when he was the MP for the area where I reside.

I think the problem isn't the current people that we always have in. Something you always have to worry about when you pass a bill is who could be in charge of that later on. That's, I guess, the concern when you have that, and that goes back to why I believe we need an elected board with any of these regulators, if there's any regulator, to make sure it's an elected person in that position. Then there's always a way to recall that person if there are set times for the election dates or not, however you want to go about it. But you can always bring people to a board, any kind of a board, from a recreation board to a regulator board, everything we do in society. As long as you have the right to democratically elect somebody, that's key and crucial. I think it's the foundation of how this country was built and how this province was built.

In saying that, I think we've got to make sure that landowners' rights are always enshrined in this act. I think most of the colleagues on this side of the floor and I'd assume most of the colleagues on the other side of the floor respect everybody's property rights. In saying that, if we could make some changes, if we could have some good dialogue with the minister on this, there's probably a good possibility that – I know if I had the right wording change on that, enshrining property rights into this act, I wouldn't have any problems at all supporting it. I think it streamlines it. I think industry would appreciate it. We've seen the letter from CAPP saying that they're more than happy to be part of this bill as it's presented.

I think we've got to always make sure we have a proper balance of both sides between landowners and also the oil industry. I mean, we've shown that it can work well together. The problem is: if you get a regulator or that one inspector that doesn't like you or a landman that doesn't go well or whatever goes on, you can push yourself into quite a corner. I don't think anybody wants that.

With that, Madam Speaker, I'd be more than happy to put this out there for everyone else in the House and my colleagues that have been here and definitely all have their own history and their background, but I'd caution everybody to please try to think about adding property rights to this and try to get that back into the act, which I think everybody appreciates.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. Member for Little Bow.

We have Standing Order 29(2)(a) that's kicked in. The hon. Member for Strathmore-Brooks.

Mr. Hale: Thank you, Madam Speaker. You mentioned that you have lived in your riding your whole life, been involved in the oil patch, been involved in the agriculture industry. What do you think your neighbours, that you've known for most of your life, would feel about this bill if it passed as it is?

The Acting Speaker: Hon. member, you shouldn't speak for your constituents as far as their opinions are concerned, but if you'd like to comment on his question, you can go ahead.

Mr. Donovan: Yes. Well, thank you to my colleague for Strathmore-Brooks. I talk with people in my area, and I know my own thoughts on it. There's no way I could sell this to my constituents and say that this is a good bill as it sits right now because of the lack of landowners' rights and privileges in it. I think property rights – I mean, we can't kid ourselves – were a major driver in the last election, and I think that's something that we've all identified.

I give the government credit on bills that we've talked of already in the House so far this fall, stuff that we've identified. I mean, nobody's perfect. They come up with a bill with all good intentions, but that's why we have amendments to bills. We can identify because a different set of eyes always finds something different to look at and can see something in that.

I know that in my riding property rights are key and crucial, whether it be a power line, an oil well, a gas well, a pipeline, an overpass, anything like that. People know what's good for a general area and everything else, but as soon as you put something – it goes back to what I'd stated earlier. It's always better to ask somebody than tell them. I know I personally do a lot better if I'm asked to do something, but if I'm told to do it, sometimes I put my heels in a little bit, and I might not be the funnest person to deal with in those situations.

Again, I think, as it sits now, it's not something that my constituents of Little Bow would be happy to have as a bill. I believe it takes away from property rights. In saying that to the hon. member who asked me the question, I don't think the people in my constituency would be happy as it sits, but I think they'd be more than happy if we enshrined some property rights into this piece of legislation.

The Acting Speaker: Thank you, hon. member.

We still have a few minutes left on 29(2)(a). Are there any other members? The Member for Lac La Biche-St. Paul-Two Hills.

Mr. Saskiw: Thank you, Madam Speaker. You mentioned your experiences as a reeve and a municipal leader in your area. When a decision is made, is it a real appeal right if it goes back to the same decision-maker? In your experience have you had that decision go to another body that's somewhat independent from the decision-making process so that they could look at the facts anew and come to potentially a different conclusion?

The Acting Speaker: The hon. member.

Mr. Donovan: Thank you, Madam Speaker, and thank you to my colleague. Yes, I have seen that. When I was a reeve, you always had the chance to appeal your taxes, for instance. Lots of people do that in a municipality all the time. We have a couple of lakes and a couple of developments around those lakes. The conversation would always come up as to whether they should be paying the amount of taxes on it because they're only living in that house, say, for 90 days over the summer. The first argument is always, "Well, I shouldn't have to be paying taxes for a full year" when they're doing that. So they'd always appeal their taxes.

Now, of course, our assessor is a great guy, has been there his whole life, but his job is to assess. When you're arguing an assessment municipally through the Municipal Government Act, basically you could only argue about whether the house was complete or not complete, the actual resale value of it because that's what the tax was based on, and how many bathrooms were

in the facility. They've got a whole code and a book of regulations they go off when they do the taxes.

7:50

In saying that, people would bring complaints to the county, and there was a tax assessment review board committee. From sitting on that and also chairing it a couple of times, you'd have people come in, and they'd explain why they felt that their taxes were higher than they should have been. Now, if we deemed that they were fine as they were, then they had the choice of either paying them or appealing them provincially. I know that three times while I was on it, the appeal actually went to Red Deer, which was the provincial tax review for the province – I don't know the exact wording of it – and we got overruled. The beauty of that was that it was a different set of eyes that weren't part of our municipality. I'm not saying that we were doing anything wrong or trying to do anything wrong, but there were some different things to look at.

Thank you.

The Acting Speaker: Thank you, hon. member.

The Member for Medicine Hat.

Mr. Pedersen: Thank you, Madam Speaker. I rise today to speak on Bill 2, the Responsible Energy Development Act. As it currently stands, I'm not sure it's the right way to describe it, but we can work on it. It is very important for members of this Assembly to engage in debate in order to ensure that the intent of a piece of legislation actually becomes the legality of the same piece of legislation.

Madam Speaker, the intent of the bill can be honourable and well-meaning, but if the legislation is flawed, good intentions mean nothing. I fear that this may be the case with Bill 2. However, I am most definitely able and willing to be convinced otherwise through some important amendments and the actions of the government. There are some major and serious concerns that need to be addressed to ensure that its application does not negatively impact landowners and that government is not simply making these changes to consolidate their own powers.

We have heard in this House how important property rights are, and I sure hope that the government does not forget this. They are paramount, and they must be respected. Alberta's current regulatory system for oil and gas projects in our province is cumbersome and difficult in part because a company must apply to a multitude of government entities and boards when seeking approval for a single project. And, Madam Speaker, I would not be surprised if a company is often required to submit the same information to various government entities. This needless bureaucratic duplication does not serve any purpose, and it would explain the frustrations that many in our industry face.

As someone who has worked in our oil and gas industry for almost my entire working life, I know that all too often there are bureaucratic nightmares that are faced by hard-working Albertans. We recently saw the federal government implement a streamlined approach for resource development projects where they reduced the number of federal government departments and agencies that deal with the regulatory process from over 40 down to three. They did not reduce the standards of information companies need to provide but simply made the system more efficient by cutting out unnecessary duplication. This is important because I think we know that all Albertans are committed to sustainable and responsible development and to environmental protection.

Having one point of contact within government for a company to deal with when submitting applications as proposed in this legislation makes sense. Madam Speaker, it is something that Albertans in the oil and gas industry have been asking for.

However, I caution this government that simply creating a regulatory superagency does not automatically eliminate deficiencies in our current regulatory system. The government must specifically address the deficiencies within the system before responsibilities are reorganized, or else these deficiencies will simply transfer over from the old system to the new system.

Madam Speaker, I know that in my constituency of Medicine Hat I am constantly told to accept the need for regulations. However, they must be well thought out, and they must serve a purpose, and they must not be detrimental. Outside of the oil sands region most of the oil and gas exploration and development in our province takes place on privately owned land. Alberta currently has strong legislation in place dictating how oil and gas companies must deal with private landowners. Can the government assure Alberta's landowners that if they have concerns regarding a proposed development, the new regulatory body will provide an avenue for those concerns to be addressed in a meaningful way?

Madam Speaker, as we debate this piece of legislation, members of this Assembly and, indeed, all Albertans will be looking to the government to provide concrete evidence that they can in fact bring together several government entities under one single-window regulator without causing more red tape for industry and more cost to taxpayers. A single-window regulator for oil and gas, as proposed in this bill, will only be successful in encouraging further investment in our province if it truly makes the system more efficient. And we need to be respectful of property rights. Until I am assured by the government with amendments that this will be the case and property rights will be respected, I will find it rather difficult to vote in favour of this bill.

Madam Speaker, I wish to reiterate some key points because natural resources and their development are critical to our prosperous future. We must balance the rights of industry with those of landowners, the environment, and, most importantly, all Albertans as taxpayers as they receive the services from the government.

As I said before, the Wildrose believes that there is a place for regulation within this industry definitely, but it's the inefficiency of regulation that causes the heartburn to the industry and landowners and the service and supply industry, which I have some experience with. If they're not set out correctly, all that these regulations do is cause more red tape. They cause issues in trying to get your business of the day done, add cost, add expenses, slow projects down. If we're going to do any kind of new legislation, let's make sure that the regulations are streamlined so that we hit the important points but we don't hamstring anybody in any one of those different groups in working with the new bill.

Balance is so important, like I mentioned before, balance between industry, landowners, the environment, the taxpayer. I mean, we all have to answer at the end of the day to our taxpayers, who are our constituents. They're our customers, and we're tasked with making sure that our customer service is the best customer service we can deliver. That's key, and I think a lot of times we forget about that.

My prior experience was in customer service, and it's important, I think, to know that what you do today is great, but the customer comes to you again tomorrow. "Thank you very much for yesterday, but we want to know how you are going to improve your services to us today." We have to continually go to our customer and find out: "What are your needs? What are your wants?" Then we have to make sure that we understand what they're asking for. We can sit down, figure out a solution, bring it back to them, and ask them: "Is this what you were asking for? Is this going to meet your needs? Is this going to satisfy you?" If it does, we've succeeded. If we haven't, the customer has an oppor-

tunity to come back and say: "No. You got that. You got that. You missed me on that."

That's an opportunity, as we've been talking about, with the ability to appeal to an arm's-length board. I think that's very, very crucial. If you didn't have that communication going back and forth, you'd be delivering a service or delivering a product that the customer didn't ask for, didn't want, didn't need, and now is burdened by your solution. So that's key. I think that's awesome.

8:00

The environment, of course, in the whole equation: I think that's very important as well. A lot of times we get caught up with, you know, the value of industry versus a landowner. The environment's in the middle there somewhere, and we have to make sure that it's not trampled on by either side. Again, it comes into this idea of balance.

The issue of centralized power with this bill is extremely worrying. It, essentially, gives ultimate authority to the minister and his department. I don't know if that was intentional or an oversight, but I think it's something that we really need to look to, to make sure, going back again to our customer, to our constituents, that their voice is heard and that the people that they take their concerns to aren't the judge and jury as well. It's fine that you have decision-making processes within this, but you have to have that ability to appeal should you feel that you are not being treated fairly, not getting the decision that you think is correct or fair or right. Having that ultimate authority with the ministry and the minister is not good. Again, if there was an amendment to correct that, I think that would be a real benefit.

To allow the regulator to control its rights and to remake its own rules after the fact is very, very concerning and a little bit disturbing, as was mentioned before by some of the other members. Industry and landowners and even the environmentalists just want a nice, solid, consistent set of rules that they can work with. I think if we lay out a strong, solid foundation with clear rules, clear expectations, and clear requirements, that's how everybody can best work together because then you take away that grey area. That grey area is where a lot of times things go sideways, things get missed. People think this and say that. I think, again, make sure that the rules are in place. They're in place for a reason, and we don't allow the regulator to go in and make new rules as they go along. I think that the rules need to be that if there are going to be changes, bring it back to the House, you know, bring it back to the voters. Let them decide if it works or if it didn't work.

One of the things that is good is to allow landowners to register the agreements they make with companies with the regulator so that the onus is upon the regulator to enforce the provisions of those agreements. I think what's happened in the past is that there were regulations in place and agreements in place with all good intent. Most industry stakeholders and most landowners usually work together to make those agreements work. Unfortunately, you have to have these rules in place for addressing the individuals where that doesn't happen, and that can be quite onerous on the landowner or even the environmental group, depending on what is being discussed.

Sometimes the only recourse left is going into the legal system. I know how important lawyers are, but their importance is measured usually monetarily in most cases, and that can be burdensome on . . .

Mr. Anderson: Very important.

Mr. Pedersen: Very important, yeah. Very important, but again also sometimes it's a little daunting if you're an individual land-

owner or you're a small-business owner. A lot of times you're dealing with corporations that don't report in the order of five or six figures. They report into the areas of eight, 10, 12 figures. I mean, you're talking about big money, and it can be quite scary for those individuals.

The fact that that is in there I think is a really good step in the right direction. That takes the onus off the landowner or the individual who feels that they have been wronged and puts it in the hands of the regulator, who can actually go chase the other side to make sure that these agreements are truly rolled out in the spirit of the original agreement and that they aren't being taken advantage of.

Again, kind of to wrap it up, this bill deals with my history, my livelihood. The oil and gas industry has been very important to me. It's given me the opportunity to get to this position, and I'm very thankful for that. I found it to be a very responsible industry in the past, what I've had to deal with, and I commend them for that. It always seems that rules and regulations and acts are brought out to deal with the less than adequately professionally acting individuals. For the most part I've seen good things happen. I just want to make sure that going forward we all work together as a group to make this bill better and have everybody work for a good outcome.

Thank you.

The Acting Speaker: Thank you, hon. Member for Medicine Hat. Under Standing Order 29(2)(a) the hon. Member for Little Bow.

Mr. Donovan: Thank you, Madam Speaker. To the member that was just speaking. In your speech you talked about your experience in oil and gas, and you also talked about customers. Do you compare the province as probably, say, the business and the taxpayers as the customers? If so, do you see what would work better in this bill from your past years in public relations and sales, how to change this bill so it would be more usable that way?

The Acting Speaker: The hon. member.

Mr. Pedersen: Thank you, Madam Speaker, and thank you to the Member for Little Bow for that question. I think that one of the strengths I've developed over the years is the customer service side. If you're in that service industry, you don't exist without customers. In this situation, we're a little bit different. You know, if they're not happy with the decision that the Alberta government makes, the voter can't just go to Saskatchewan and say: hey, I like your ideas better; I'm going to side with you. It's not quite that easy and quite that aligned.

There are a few things that you can draw parallels to. Again, I like to think of the constituents in the constituency as customers because we are there to serve them, and I think that's very clear as to why we're here. We are here to serve them and to represent them. You know, they come to us with wants and needs, and they come to us for a reason. Sometimes it's just simply to maybe express small issues; maybe it's to express big issues. But at the end of the day we were put here to be very, very good listeners, right? The most important thing, as the member from our side here was talking about earlier, is having two ears and one mouth, and I think that's key.

I think that the best results are delivered by the best listeners who are also willing to reconfirm the message back to the person they were speaking to, the requester, making sure that the request is fully understood. If we do that and we treat all the people as customers, there's a really, really good chance that we're going to revise the way we think, revise the way we're looking at issues,

give us a different slant, a different viewpoint, come up with maybe a different and better solution, maybe an improvement.

I think that's what we're talking about here, taking something that – as was mentioned earlier, it's hard to find something that's bang on first time out. Fresh sets of eyes and people looking at it and offering suggestions can make something that's good great. I think we have an opportunity here. But at the same time we have to be very good listeners on both sides of the House, and we have to hash this out back and forth. We have to make sure that we're hearing what each other is saying. We have to make sure that we're meeting the needs and the wants of many different customers, different parties: landowners, industry, environment, taxpayers.

8:10

If we get that all right, this could be a great, great bill. It could be a huge improvement, again, because we're treading down that path where we're talking about streamlining. Any time you get the idea of streamlining – reducing bureaucracy, reducing costs, reducing regulations, reducing paperwork, just reducing, making things simpler, easier for business – I think you get people's attention that way, and I think that's a positive statement, a positive step. It's a great opportunity, and I'm glad the minister has brought it forward. I think there is a really good chance this could go through with the right amendments.

Thank you very much.

The Acting Speaker: Thank you, hon. member.

We still have a little bit of time on 29(2)(a). Are there any other members that would like to comment or question? The Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Madam Speaker. I'd like to ask our Member for Medicine Hat if anybody in the oil and gas industry in Medicine Hat specifically talked about the drag that the regulatory burden is causing right now and some positive suggestions to make it better in the oil and gas industry.

Mr. Pedersen: Thank you, Member for Cypress-Medicine Hat, for that question. That's a broad issue. I mean, I think most industries are burdened by regulation, overregulation, red tape, paperwork. The opportunity we have as members of the Legislature is the ability to look at these bills and make sure that there's not too much regulation.

The Acting Speaker: Thank you, hon. Member for Medicine Hat.

I would now recognize the Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Madam Speaker. Now for something completely different. I want to rise to express very great concern with the direction set out by Bill 2, the Responsible Energy Development Act. The bill establishes a single organization to regulate energy resources, and that'll be the Alberta energy regulator. In doing so, it folds in responsibility for environmental monitoring under the Department of Energy, a regulator that is set up and operates under the purview of the Department of Energy.

Madam Speaker, it's our view and has been our view for many years as a party that the policy with respect to development of oil and gas resources in this province has been one-sided, has been lopsided, and has been weighted far too heavily in favour of the rapid development and exploitation of oil and gas resources in our province at the expense of other things that are important.

I'll mention two of them because I think they're linked. One is the question of the environment and how we protect the environment, and the other one is property rights. I note that a number of my colleagues from the Wildrose caucus have been talking about how we could improve this bill by putting in some language around property rights. Let's be clear. There has been an ongoing conflict between property owners and the oil and gas industry in this province going back many, many years. Property owners have not all gone the way of some more extreme elements that we're all aware of but have felt that they have had their rights trampled on by a policy of a government that leans very heavily to the oil and gas industry.

I connect that with environmental protection. Because we will not have independent environmental protection, because all decisions will be in the hands of one regulator in the interests of efficiency and making things simple and better for business, as one of my colleagues said just a moment ago, it means that the other factors will ultimately be sacrificed, in my view. I think that it's important that we rebalance the relationship between the oil and gas industry and property owners and that we rebalance the relationship between the oil and gas industry and environmental protection. In this province, in our view, the Energy Resources Conservation Board has not really effectively been about conservation in the past at all. It's been about facilitating the rapid exploitation of our resources.

I'm quite frankly amazed that after so many decades of oil and gas development in this province and the tremendous wealth that that's created and the tremendous contribution to the economy, people are now saying that things are too difficult and too complicated for the oil and gas industry and we need to streamline things further. Let's be clear. If you combine the responsibility for energy policy and facilitating oil and gas development in the same body with the responsibility for protecting the environment, the environment will lose almost every time. There is an inherent conflict of interest that exists when you subsume one responsibility under the other, and there is no question in my mind which is going to be the predominant interest if this bill is passed and if this one-stop regulator is created.

Madam Speaker, a few years ago the Auditor General reported that the unmet environmental liability for cleaning up after just conventional oil and gas in this province was \$2 billion. I think that it is indicative of the lack of balance that we've already had.

The bill also makes a regulator responsible for not only the environment but the management of public lands and the conservation and management of water resources. I met just this week with the Alberta Association of Municipal Districts and Counties. One of the great concerns that they raised with me is the use of surface water by the oil and gas industry. There are other alternatives, of course, but they are more expensive. Do people honestly believe that this one-stop-shop regulator is going to protect the groundwater of our province, which belongs to all of us, not just to the oil and gas industry? This bill permits the regulator to proceed without any regulatory hearing. I think it's just another example of the inadequacy of this approach.

I think one positive aspect is the increase in fines to half a million dollars for a corporation for noncompliance. We think that should be substantially higher. In the case of megaprojects, that is completely insufficient, and I think that that's a weakness, but it is also a strength because it's certainly better than what exists now.

Madam Speaker, we're fundamentally opposed to the concept of this bill, of eliminating a separate regulator for the environment. I think that it is going to be a very sad day if we proceed with this. I would challenge people here to make a case that the environmental aspects of oil and gas development are going to be properly defended by the regulator that's created under this act. I

would love to hear it if you can make a good case that the environment is going to be treated on the same basis as the development of oil and gas resources.

Again, I think that landowners' rights are going to be trampled as well. I want to challenge my colleagues in the Wildrose because I know that you stand up for property rights as did we with Bill 50 and Bill 19 and Bill 23. Before there even was the Wildrose, it was the NDP that was standing up on those issues. I think that the passing of this bill will mean fewer rights for property owners, will mean that the oil and gas companies can run roughshod over property owners. In the next election the NDP will be there to remind your constituents that we stood in this House and said so. [some applause]

Madam Speaker, with that brief and fleeting applause from my colleagues on the right and the other right of the House I will conclude my remarks and sit down. Thank you.

8:20

The Acting Speaker: Thank you, hon. Member for Edmonton-Highlands-Norwood.

Standing Order 29(2)(a) is now available, and I see that the Member for Lac La Biche-St. Paul-Two Hills would like to comment or question.

Mr. Saskiw: Thank you, Madam Speaker. I find myself in a really awkward position on property rights. I think our party is consistent with the socialists.

I guess the one question that I have is that prior to this bill there was an appeal right to the Environmental Appeals Board. If you as a landowner had, for example, a leak on a pipeline and it went into your soil, you would then go to Environment Alberta, and they would come up with a decision, but you could always appeal that to the Environmental Appeals Board. They would say: oh no; you have to do something with that contaminated soil or whatnot. That appeal right is eliminated. Now it's called a reconsideration under the new regulator. I'd like your thoughts on that.

Mr. Mason: Thank you very much for that question, hon. member. Well, I agree with you that the bill does eliminate that right and replaces it with something that I think is far less adequate, a process far less likely to overturn a decision already made.

You know, I think there's a lot to be said for having some checks and balances with respect to decision-making in the bill. It may be seen by some as bureaucratic excess: too many bodies poking around, and it's too difficult, and so on, just a little extra bureaucracy that you don't need. But I think that there is real value in having one body that can oversee or stop something instead of having just a single decision-making point. I'm not a big fan of the Senate, but I know some of you are, the idea that you don't have just one body that can make all the decisions, that there are some checks and balances. I think that where you get into a problem is if you don't have that kind of thing.

I believe quite strongly that you shouldn't try to combine responsibilities that may be at odds. I'm not saying that it's wrong that the environment is sometimes at odds with oil and gas exploration. It's just the way it is, and it should be reflected in our institutions. A healthy tension is not always a bad thing.

The Acting Speaker: Thank you, hon. Member for Edmonton-Highlands-Norwood.

The hon. Member for Little Bow. [interjections]

Mr. Donovan: It's all right. It's like Whac-A-Mole over here.

Thank you, Madam Speaker. I find it intriguing listening to the previous member here talk about property rights, which I firmly

agree with. I'll give the province and the Environment minister credit for this, that they've always had very strong guidelines to follow. Being in oil and gas a little on the side, I mean, there are always guidelines laid out. I think the province has gone a long ways to that. I think there are guidelines in place. I think we want to be a place that does business. I think it's a matter of, as you say, the balance of putting that back and forth. I guess my question is: do you ever think you could see yourself at that point where you'd agree that the province does a good job with environment and tracking pipelines and stuff like that?

Mr. Mason: I think they do a terrible job.

The Acting Speaker: Hon. Member for Cypress-Medicine Hat under 29(2)(a)?

Mr. Barnes: Yes, please. I would like to ask the hon. member what he thinks of the component under sections 63 and 64 where landowners voluntarily can register agreements, exploratory and production licences of the oil and gas companies, and then it can be subject to them fulfilling these elements of the agreement.

Mr. Mason: To be honest, hon. member, I am not as knowledgeable about that section as I should be to answer your question.

The Acting Speaker: There are 15 seconds left. The hon. Member for Drumheller-Stettler.

Mr. Strankman: I just wondered if the hon. member has had any experience in the Saskatchewan experience in relation to the development of oil and gas.

The Acting Speaker: Hon. member, three seconds.

Mr. Mason: No.

The Acting Speaker: Thank you for your comments. I recognize the Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Madam Speaker. I rise today to speak on Bill 2, the Responsible Energy Development Act. It is very important for members of this Assembly to engage in debate in order to dig deeper into this legislation and ensure that what is presented on paper, the intent of this bill, translates into sound policy when it's put into practice.

It is of special interest and special concern and utmost desire for me to be involved because of the makeup of Cypress-Medicine Hat. My constituency up until the royalty review and the change in natural gas pricing – I represent the south part of Medicine Hat, approximately a third, and the town of Redcliff – was huge in the natural gas business. We had exploratory companies, head offices, and service companies providing a lot of jobs, a lot of people in town, a lot of income, a lot of royalties for our citizens, providing services and a lot of jobs for our economy.

Baseball is one of my favourite things, and I coached a baseball team about five or six years ago. I was talking to one of the parents from the baseball team who said that from his small town in northern Saskatchewan his entire graduating class of 16 people lived in the Medicine Hat area and worked in our natural gas industry. That's how important that was to our industry and our job growth.

A lot of these companies are second- and third-generation oil and gas companies. They are companies that have taken pride in our community, taken pride in supporting our charities, taken pride in paying our taxes, taken pride in adding to the quality of our lives. Many, many of these people have told me that the fact that Alberta at times is considered one of the very, very worst

jurisdictions for doing business costs them money, costs them time, costs them enjoyment. They would like to move to a single regulator if it can be done right.

Cypress-Medicine Hat is a constituency about 80 miles by 80 miles. It runs from the Alberta-Saskatchewan-U.S. border north along the Saskatchewan border about 80 miles to where the South Saskatchewan River crosses the Alberta-Saskatchewan border, about 15 or 20 miles north of a little town called Hilda. From the Saskatchewan border through Medicine Hat it will run straight west past Bow Island, past Burdett, and almost to Grassy Lake, somewhere around 80 miles by 80 miles. When we go south to the American border from there, we get into some of our ranches that are sixth-generation ranchers where the people are now raising their children and their grandchildren. Property rights and this way of life are absolutely crucial to them. I know of some instances of families where they provide many, many jobs, lots of opportunities, and a great quality of life.

In the campaign process, in the time leading up to the actual campaign period when the writ was dropped, of course, there were three or four town hall meetings that I went to. It was amazing – amazing – the involvement and the interest that the rural people have in politics. Amazing. They wanted to talk of property rights, all prepared to handle things in a fair manner, but also wanted to be treated fairly themselves, wanted to be given the opportunity to have due process if necessary, access to the Expropriation Act if really necessary, and treated openly and transparently, especially when it came to the resale of grazing leases and those kinds of things.

My background. I sold real estate for 26 years and am very, very much a novice at politics. It was so refreshing to me when I was out in these town halls meeting all these rural people how interested they were and how willing they were and how willing they were to contribute, how willing they were to contribute their time, their ideas, and in some cases their money. And, yes, a lot of times it was property rights. It's very, very important, this property rights, this merger with the oil and gas industry.

8:30

It's also very interesting to Cypress-Medicine Hat now, too, because we're sort of on a collision course with the environment, land-use planning, and Bill 36. Our RAC plan, I think, came out a week or two ago, or our RAC map, I guess. I see that the government is planning some meetings around the south part of the province and around the province to discuss this plan. Cypress-Medicine Hat people are very, very concerned. The urban people are concerned about what the infringement on property rights will do to the economy, what it will do to wealth creation, and what it will do to their freedom of choice. People in the rural parts of Cypress-Medicine Hat feel exactly the same way and with some of the directives, that are fairly subtle at this point, are concerned that if they have an alternate opinion or an alternate idea, they may not be able to find the avenue, they may not be able to find the possibility to sit down and discuss these things in a fair way with all Albertans and with access to due process if necessary. All three of these are coming together at the same time with Bill 2, so I find that particularly interesting.

One thing I've found interesting in my initial days sitting in this House is that it makes me think of one of our implement dealers in Cypress-Medicine Hat who has e-mailed me and called me, very, very concerned about the transition allowance and very, very concerned about doubling the RSP amount. Of course, that's a different story. But why I bring this gentleman up is that he's quite an advertiser on the radio, and his slogan is entrenched in my mind: Buy It Right the First Time. It makes me think of what some of my other colleagues have said earlier to the government

side of the floor. This is your opportunity to get it right the first time. Please listen to what some of us are saying. Please feel free to steal our ideas. Please make Alberta a better place.

In the case of this legislation we are debating tonight, I am hearing from Albertans that the intent of this bill is sound, yet there are some major concerns that need to be addressed to ensure that its application does not negatively impact landowners and that the government is not simply making these changes to consolidate their own power. Apparently we're concerned out there.

The present regulatory system for oil and gas projects in our province is frustrating in part because a company must apply to a variety of government entities and boards when seeking approval for a single project. Madam Speaker, I would not be surprised if a company is often required to submit the same information to various government agencies.

I shared the plane back from Edmonton last Thursday night, and I sat with an executive from an oil company who was making a very generous donation to the Medicine Hat College. He indicated to me that there are sometimes over 200 applications for a single project. Nobody hates paperwork more than me, so I have quite a bit of empathy for the good employees and the good oil and gas entrepreneurs in our area that do that. This needless bureaucratic duplication costs industry millions in lost time and productivity as well as lost wages of workers. In short, the economic growth of Alberta is sacrificed. Having one point of contact within the government for a company to deal with when submitting applications, as proposed in this legislation, Bill 2, makes sense if it's done right and is something Albertans and the oil and gas industry have been asking for. We've heard lots from my colleagues tonight about what "done right" means, and again I would ask you to get it right the first time.

I'm concerned, Madam Speaker, that in a rush to consolidate, we'll skip over the deficiencies in the current system as we've seen with Alberta Health Services and its consolidation from 16 regions to nine to one big one. If you want to change a light bulb or get the parking fixed in Medicine Hat, you have to phone Red Deer, and it takes 10 days. Centralization is no cure-all. Sometimes it's worse than the disease. Alberta Health Services took health service delivery in this province backwards. Even to this day the effects of centralization and rushed consolidation are being felt all across the province.

The single-window regulator the government is proposing must streamline regulations and eliminate needless duplication, not create more red tape, more unnecessary bureaucracy. Madam Speaker, if the goal is to make the process more efficient, then I would also argue that it should make the system more cost efficient and not increase costs. The government needs to provide concrete evidence that they will not be creating more bureaucracy. Instead, they should be addressing deficiencies, eliminating this needless duplication, reducing red tape, and saving taxpayers money by implementing a single-window regulator system. I think this can work if it's done right.

I heard many times and I spoke many times during my campaign about the Canadian Federation of Independent Business and the fact that they had put out that only three provinces, with a failing grade of D or less, have flunked the reduction of government bureaucracy and red tape, I believe, for three years in a row. It might be two. Sharing the dubious distinction with Manitoba and Prince Edward Island, unfortunately, is us, Alberta. I remember reading somewhere that this unnecessary regulation and that red tape costs our economy \$4 billion a year, money that could be used to generate income, wages, taxes, freedoms, quality of life.

Madam Speaker, I am concerned about how this legislation may affect landowners in my constituency and, indeed, all landowners right across this great province. The track record of this government in terms of respecting the rights of landowners does not, I'm afraid, inspire much confidence. Bills 19, 36, 24, and 50. The amendments as opposed to the desire to get it right the first time. We know this government does not typically listen to landowners. Perhaps they simply do not understand landowners' concerns, or perhaps they simply do not care. For years the Wildrose has been standing up and voicing the concerns landowners bring to us. It sounds like the NDP is doing that as well. It seems that we finally got government to move on one aspect.

I like sections 63 and 64 of this legislation. I see sections 63 and 64 of this legislation as a positive development. These sections will allow landowners to voluntarily register with the new regulator any surface agreement they and an oil and gas firm have negotiated. The word "voluntary" is so nice to see in there. I mean, in the time that I was involved in real estate and in my landowning it's a frustration amongst landowners that the information isn't accessible to everybody, that neighbours are treated differently, that this industry seems to happen too fast, too quickly, without their concerns in mind a lot of times. Providing information will go a long, long way to make that much fairer, much easier, and much more satisfying for all of our landowners so that they, too, feel that they're a greater part in sharing in this prosperity of Alberta.

By registering these agreements, the exploratory and production licence of the oil and gas company will be subject to them fulfilling the elements of the agreement, again a way for the landowner to have a little more strength in the agreement, a way for the oil company to have to be a little more accountable. Accountability is normally good, and that should make it a much, much more prosperous way for us.

8:40

These sections also provide the new regulator with the power to enforce the conditions in surface agreements so landowners will no longer have to deal with conflicts through the court system, which my colleague from Medicine Hat touched on briefly.

However, getting one thing right does not excuse this government for getting so many other things wrong when it comes to landowners' rights. I am certainly hearing from many landowners that they do not support this legislation because it actually takes away some avenues of appeal that are available to landowners within the current system.

The Acting Speaker: Thank you, hon. Member for Cypress-Medicine Hat.

Under 29(2)(a) the hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Madam Speaker. I do have a bit of a question for the hon. Member for Cypress-Medicine Hat. You know, he referenced some previous decisions around landowners' rights and so on. I'm going to read him a few pieces of the act and just basically ask him to comment on the proposition that this particular bill has many of the same principles, or features, at work that Bill 50 did when it was first introduced, that it is, in fact, a centralization of power and an elimination of opportunities for citizens to involve themselves in the process and have a say in the process.

Section 56 says:

56 Subject to sections 38, 42 and 45, every decision of the Regulator or a person carrying out the powers, duties and

functions of the Regulator is final and shall not be questioned or reviewed in any court by application for judicial review or otherwise, and no order shall be made or process entered or proceedings taken in any court, by way of injunction, certiorari, mandamus, declaratory judgment, prohibition, quo warranto, application to quash or set aside or otherwise, to question, review, prohibit or restrain the Regulator or any of the Regulator's proceedings.

I had an opportunity to look to some of the sections there that this is subject to. Section 38, for example, says:

38(1) An eligible person may request a review of a reviewable decision by filing a request for regulatory review with the Regulator in accordance with the rules.

(2) The filling of a request for regulatory review does not operate to stay the reviewable decision.

So some things are reviewable, some things are not reviewable, but you've got to go back and ask the same people that made the decision to do the review.

The Acting Speaker: Hon. member, I hesitate to interrupt you, but this is questions and comments. You're supposed to question. He's supposed to comment.

Mr. Mason: I'm just giving some background, but thank you for that direction, Madam Speaker. I'd ask him to comment whether or not he feels that the centralization of power over citizen's rights, whether they're property rights or otherwise, is a common feature between this and the original Bill 50.

The Acting Speaker: Thank you.

Mr. Barnes: Thank you for that question, hon. member. Get it right the first time. Bill 50. Now we're looking at Bill 8. I think everybody on this side was saying that if we're going to review going forward, if we're admitting that we were totally, totally wrong, so we're going to redo it going forward, let's look backwards as well and make sure that Albertans are getting the economic value of those lines and not throwing billions of dollars away, leaving a lot less money to circulate in the economy and costing us all jobs, taxes, the opportunity to do that.

I know that some of my other colleagues, too, had expressed concern that there wasn't the opportunity for appeal, that there wasn't the opportunity for things to be reviewed. It's paramount that citizens in a democracy have the chance to appeal to a higher source.

I spoke of those town halls earlier. Bill 50 brought out a lot of those town halls. Some of our members have talked greatly about how property rights and stable electricity prices are crucial for keeping business and attracting business to this province. We know what Bill 50 and now Bill 8 is going to do to not improve that and, obviously, harm that. If they get this Bill 2 wrong, where it doesn't attract oil and gas and business we need to provide jobs in the right way, Saskatchewan and B.C. will be very pleased that we will be doing more to help them.

Thank you for that question.

The Acting Speaker: Thank you.

Are there any other questions and comments under 29(2)(a)?
The hon. Member for Medicine Hat.

Mr. Pedersen: Thank you, Madam Speaker. I'm just wondering if the hon. Member for Cypress-Medicine Hat, because his riding is a mixture of urban and rural – I think you end up wearing two hats sometimes. How do you anticipate working with your stakeholders to balance industry with landowners and property

rights and the environment to make sure that everybody is treated fairly?

The Acting Speaker: Hon. member, you have three seconds.

Mr. Barnes: Thank you, hon. member, for that question.

The Acting Speaker: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Madam Speaker. A pleasure to rise and speak to Bill 2, the Responsible Energy Development Act. You've got to hand it to this government. They have a way with words. They use all the right words: "enhancement," "efficiency," "responsible." Unfortunately, they do not follow through. The history of this government and its unwillingness to stand up to our most powerful industry, especially in light of many of the stories we've heard lately about massive donations – we're still gathering information on the just massive donations this government has received from the oil and gas industry. It is staggering.

And to see the way they continue to dance around the reality that we have devastated a significant part of this province – we have overtaxed the water system, water quality and water quantity in the south of the province, where we've had a tremendous amount of oil and gas development over the years, including groundwater threats that are increasingly evident and, unfortunately, still aren't characterized accurately as far as what is natural contamination and what is industrial contamination. I'll say more about that later.

The boreal forest, of course, and the First Nations challenges that have been experienced, where this government seems to believe that consultation simply means calling a meeting and sometimes listening to what's said but certainly not accommodating the interests, the values, the long-term well-being of our First Nations people. Not to mention the total disregard for the climate in all of this development in this province that has led us to be the number one carbon emitter per person on the planet. We are number one, and what a distinction for us.

Now they're coming to us today to say they truly want to make things more efficient and effective. Those are the words. They want to enhance assurance. Well, whose assurance? I guess that's the question. We see anything but reassurance in the history of this government in relation to oil and gas and other developments in the province.

In fact, the oil and gas industry has been the major logging impact in the province. It's not the logging industry per se but the oil and gas industry that has cut more lumber in the province than any. Nice to see that they're coming together to co-operate in some ways on roads and linear disturbances, but we have a profound deficit in this province that is accelerating at about 3 and a half per cent per year, higher than almost any other jurisdiction in the world, in terms of linear disruption and impact on agricultural productivity, water quality, and, of course, the air. We are as a resource industry obviously running or at least generating a lot of our wealth. It's a challenge for us.

But when is this government going to step up to the challenge and stop hiding behind more words? When are they going to deliver on a commitment to future generations and say: "We have a plan. We are going to allow certain developments here and not here. We are going to ensure that we replace wetlands that are disrupted by oil and gas activity. There will be no net loss of wetlands in this province. We will be leaders on the planet in carbon-efficient reductions. We are going to take seriously our commitment to future generations. We are going to manage the

pace and the scope of development in this province to ensure that we err on the side of protection as opposed to development. We are going to put money second to well-being, environmental sustainability, and integrity as leaders and decision-makers.”

8:50

The most fundamental threat in Alberta today is not our lack of resources or the pace at which we are developing them, however. The most fundamental threat is the loss of trust between this government and its citizens, the profound disconnection between government and the people, and a profound disconnection between words and actions.

These are not Lougheed Tories, Madam Speaker. We paid tribute to the former Premier Lougheed last month, and there were tremendous accolades given him. One would have hoped that his legacy would live on in terms of actions, but this has clearly not been the case in the last couple of decades and is not evident in the hubris in this bill.

Albertans are not fooled, but they are discouraged. They have become cynical. They have in many cases lost hope in what is possible in this province to influence public policy and to see a better future for themselves and their children.

Lougheed reluctantly spoke out forcefully and persuasively against this lack of leadership, the lack of foresight, the lack of science-based decision-making, the lack of honesty, admitting that it is the market, not the government, reflecting the people's wishes. It is the market that directs every significant decision about our resource development.

Let me quote from this bill: Albertans wish to realize the full benefits of Alberta's oil and gas resources. End of quote. Unfortunately, the government continues to give away this wonderful motherlode to foreign companies and foreign governments. Why they see no value in tapping into this on behalf of the people of Alberta is still a mystery, but that is part of the contradiction between saying one thing and doing another.

The proof is in the pudding. Look at the environmental and economic record of Norway, for example, where in one-half the time they have amassed almost \$600 billion of savings through their oil and gas industry. Where are we? We have \$15 billion in the heritage savings trust fund that is under threat. We have groundwater that is under threat and has significantly deteriorated in quantity and quality, at least where we know about it and have mapped it. We are still grossly behind in mapping our groundwater.

What is abundantly clear, then, is the lack of real planning for future livelihood. What we get is talk, Public Affairs Bureau spin, and a continuation in subverting real, responsible land-use planning. Still in 2012 we have no land-use plan for this province. We are allowing everything to go everywhere any time it's wanted as long as it meets very limited standards.

There's no recognition of environmental goods and services. There is talk of this buzzword “cumulative impact assessment.” Does anybody on the other side know what cumulative impact assessment is? Do you have the skills in the department, Madam Minister of the Environment, to do comprehensive impact assessment, a very complex, expensive, and highly technical review of every impact in a particular zone of any human activity? I find it very difficult to believe that a department that has been cut by millions of dollars over the last decade and is now being cut even more to add them to the resources conservation side of the equation is doing anything like cumulative impact assessment or making any decisions based on that cumulative impact assessment. I'm sorry. These, again, are words without substance.

We have to be ashamed of not spending twice, three times, or four times more on the environment department and leaving this department head to cope with totally inadequate data, totally inadequate resources, lack of technical ability, and simply a spin machine that tells us everything is fine. Not acceptable, Madam Speaker. Albertans have become deeply cynical about how we are developing this province and fear for their future and their children's.

Water is the lifeblood of this province, not oil and gas. In 2006 this caucus managed to push then environment minister Boutilier to begin a groundwater study to see whether there were impacts of resource activity on our groundwater. We began it in 2006. We had no knowledge of impacts on groundwater. He agreed to do this, and we began a six-year boondoggle with thousands and thousands of public dollars and millions of industry dollars that have gone into a pool of data that is now indiscernible, unanalyzable, with variable techniques in sampling, no connection to the resource wells, no ability to connect gas from a resource well to gas in groundwater.

This department, or its spin machine, had the temerity in March of 2011 to have up on its website a one-page summary of this baseline groundwater analysis saying: no evidence that the resource industry has impacted our groundwater. That's gone now. It's no longer on the website because I wrote about it and condemned the department for its false reporting.

The four-member panel of experts at the University of Alberta and the University of Calgary who set up the study were appalled at what's happened to that critical baseline groundwater study associated at the time with coal-bed methane but looking at all kinds of well activity and impacts on groundwater. They made 16 recommendations after a year of watching this fiasco unfold. None of them have been adequately addressed, and there has been no review of groundwater impacts from resource activity in this province.

Who can believe what this government says about the state of our environment, the state of our planning, the state of who runs the province? It's very clear who runs the province. It's not the people. It's not the government. It's the resource industries.

The Energy Resources Conservation Board has a long history of struggling with this conflicting role of developing the industry and regulating the industry at the same time. Seventy per cent funded by industry, it has all the appearance of struggling with what is understandable, conflicts of interest, and it handles them almost universally in favour of the industry. Fewer than 1 per cent of any applications get turned down.

So hastening the review process under whatever guise – efficiency, effectiveness – flies in the face of our experience. We do not believe this government can manage our resources responsibly, and we do not believe they will do anything but continue to promote an industry that is essential to Alberta but not as essential as a longer term vision, meaningful land-use planning, and better water management, a clear commitment to our water as the life blood of all our future endeavours.

9:00

I think it should be clear by now, Madam Speaker, that we cannot begin to say how doubtful we are that this is progress for Alberta. This is another bill that would purport to do things that it will never accomplish. There is only one thing to be done in the circumstances, and that is that Albertans need to pluck up courage, listen to the scientists in our community that continue to be silenced and marginalized, and stand up to a government that's not doing its job.

The Acting Speaker: Thank you, hon. Member for Calgary-Mountain View.

Standing Order 29(2)(a). The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Madam Speaker. My question for the hon. Member for Calgary-Mountain View is to inquire what he was about to say about the silencing of scientists.

Dr. Swann: Well, thank you very much to the member. I think it's been clear over at least the last five years that water has been at the forefront of rhetoric but not reality, with the Athabasca River having been monitored by the regional aquatic management program and it ignoring major contaminants, with major evidence that it had significant deficiencies, no objectivity, no clear guidelines for action on certain items, and no independence from the industry.

It took people like Dr. David Schindler and others to blow the whistle on a government that continued to deny the evidence and didn't want to find evidence and didn't want to do a thorough analysis, that it was too expensive. I'm not sure what their reasons might be. In a multibillion-dollar industry they were spending a pittance on monitoring. This has been an embarrassment to Albertans. It's been an embarrassment to our international market. It's part of the reason why there have been discussions across the globe, especially in Europe, about our oil and the negative impacts it's had on our environment and our sustainability.

This government has never been keen on getting answers to questions that might change their plans, that might change direction, that might slow development. Unfortunately, our children and our grandchildren are going to pay the price for that wilful blindness, I would say, and unwillingness to do the job of government, which is simple: careful, comprehensive, scientific policy analysis and thinking about the long term in the context of the precautionary principle that we take care of future generations as much as we do today and the principle of polluter pays. Those basic principles have been a shambles in this government. The scientists are the very heart of these kinds of decisions and enforcement of standards. It may be true to say that we have high standards, Madam Speaker. The problem is that we don't monitor them, and we don't enforce them.

The Acting Speaker: Thank you, hon. Member for Calgary-Mountain View.

There are two minutes left. Anyone else with a question or comment?

Seeing none, we'll move to our next speaker, the hon. Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Madam Speaker. With a view to the hour and some of the enthusiasm that I see about the Chamber tonight, I hope I don't turn this into a complete bedtime story and that everybody is asleep by the time I'm done. [interjections] Well, or possibly not even a fairytale. We'll see how you respond to that.

Madam Speaker, I've lived 59 years within six miles of the Saskatchewan border. Only recently have they embraced a change in government. The socialistic form of government that they've had for many years previous was a boondoggle for the province. They are only now struggling to get 1 million people. There are 1 million people in the city of Calgary, and this province is approaching four times the population and four times the growth.

It's my humble view that a hundred of years ago, when the provinces were formed at the same time, they had equal opportunity, but that province took a different path than this province

and embraced a completely different form of government and has not been successful. I might like to add, though, as a point in their defence, that they may have saved some of their oil field resources and are now selling them for significantly more than the province of Alberta.

I'd like to go back to another example that began some one hundred years ago in the state of Texas, and it's called the Texas Railroad Commission. This was originally created to regulate railroads and express companies. Today the agency has nothing to do with railroads despite its name. Some years ago the U.S. federal government took over the regulation of railroads, trucking, and buses, but the Texas Railroad Commission, nevertheless, kept its name. It's a viable option. It's been working for over a hundred years. It's a completely functioning agency, and it's a practical, direct method of accountability and transparency.

The members of this Texas Railroad Commission are elected, not appointed political hacks. These people are elected and, therefore, directly accountable to the members of those industries in that state. The Texas Railroad Commission regulates the oil and gas industry, natural gas utilities, pipeline safety, the natural gas and hazardous liquids pipeline industry, and surface coal mining with uranium mining. It should be noted that the regulation of natural gas utilities has not been popular in their state. Since 1894 commissioners of the Texas Railroad Commission have been elected in a staggered six-year term. One commissioner seeks election every two years, and the commissioners decide among themselves who will chair the three-person commission. The Texas Railroad Commission has a budget of nearly \$80 million.

In the neighbouring state of Oklahoma the Oklahoma Corporation Commission is a regulatory counterpart of the Texas Railroad Commission, and its commissioners are elected in the same manner for the same term as in Texas. These members have been elected since 1907. In Alberta elections could be held every four years in conjunction with municipal and county elections, with one commissioner elected during one cycle and two the next. That being said, provision for Lloydminster would have to be made because its municipal election occurs with the Saskatchewan cycle.

The point I'm trying to make here, members of the House, is that this Bill 2 is simply a reiteration of many regulatory bodies that we have in this province, and with the historical development and the opposition that's come forward to property rights, landowners' positions on accountability and transparency, and even the Premier's statements on transparency and accountability, I view that we need to embrace a completely new and completely different body. I'm disgusted in this legislation where it talks about the ministerial direction to a regulator, page 35, under part 4 of the regulation, section 68(2): "A rule made under this section prevails over any rule that is made or amended by the Regulator with which it conflicts or is inconsistent to the extent of the conflict or inconsistency." Some of this is complete doublespeak.

It relates back to the comments by my learned friend the member from Calgary when he talked about Premier Lougheed's funeral. The quote from Premier Lougheed's funeral that struck most with me, Madam Speaker, was that he believed that the people should be above the government, that the government should not be above the people. He led that charge some 40 years ago, and you see the fruits of some of that coming forward with the election of 17 Wildrose members in this province. It was historical to come forward with an opposition like we have, and we're pleased and proud to defend property rights in this province.

The Acting Speaker: Thank you, hon. Member for Drumheller-Stettler.

Standing Order 29(2)(a). Are there any members who would like to question and comment?

Seeing none, we'll move on to our next speaker, and that would be the hon. Member for Olds-Didsbury-Three Hills.

9:10

Mr. Rowe: Madam Speaker, thank you for the opportunity to speak this evening on Bill 2, the Responsible Energy Development Act. After listening to my colleagues' comments as well as to the other opposition members here, perhaps it should be called the Irresponsible Energy Development Act.

Madam Speaker, I too am disappointed with what the government has delivered in this piece of legislation. I agree wholeheartedly with what I thought was the original intent of the bill, to streamline the process for new oil and gas projects, but I do not believe the bill does a good job of doing that. My Wildrose colleagues and I want to see red tape cut in order to foster more economic growth in our oil and gas industry. While we are rich in energy, Alberta is one of the worst jurisdictions for development because of this red tape.

A recent CFIB report indicated that we are losing about \$4 billion every year because of the regressive amount of red tape the provincial government requires from our industries. We applaud the government for working with industry to try and change that embarrassing fact. Bill 2 could be a step forward, but it's not clear that it will do the job. The Wildrose believes that there is a place for government regulation, especially in efficiently maintaining a balance between environment, landowners, and industry. It is not clear that this bill will generate efficiency, and it does not maintain the balance between the various areas. Madam Speaker, we can do a better job than this.

My expertise is not in the oil and gas industry. It is in municipal government, where one thing that I did learn – and I learned that very quickly as mayor of a small village – is that if you want to upset people, infringe on their property rights. It doesn't matter if you're trying to do the right thing or not. If you're telling them their grass is too high or their yard is littered or whatever, they feel it's an infringement on their property rights, and that's how you upset them. That's what's happened in the past.

On this issue of landowner rights the way this bill deals with hearings and reviews is very problematic. The bill reduces landowners' rights, which have already been marginalized enough by this out-of-touch PC government. It is a central Wildrose principle that one of the most fundamental roles of government is the protection and the preservation of property rights. Without such protection our entire economy is in jeopardy. Bill 2 does not take property rights seriously, and it should. Again, Madam Speaker, we could do better, much better.

Property rights in my constituency are largely the reason I am in this Assembly today. I wish it was my good looks and my persuasive nature, but sadly it's not. It was both unneeded power lines and the basic landowner rights that we were being deprived of. During my campaign as I door-knocked, talked to groups in coffee shops, town hall meetings, and so on, I consistently heard that property rights was their biggest issue. This government has damaged that.

The legislation basically makes a proposed regulator into a new position with sweeping powers and who will answer only to the minister, not to Albertans through their elected representatives in this Legislature. Like bills 19, 24, 36, and 50, Bill 2 centralizes power under the minister's hand-picked regulator, with plenty of room for ongoing interference by the minister.

Madam Speaker, the intent of this bill is sound, but the way it reads makes its application very, very concerning. I urge the

government to work with us to improve this bill in a collaborative manner and make it a piece of legislation that will actually help our province, not harm it, and make it one that we can all be proud of and pass on to those who sit here after us.

Thank you, Madam Speaker.

The Acting Speaker: Standing Order 29(2)(a). Are there any members who would like to comment or question?

Seeing none, we'll move on to our next speaker, the hon. Member for Airdrie.

Mr. Anderson: Thank you, Madam Speaker. I'll keep my comments very short. I want to echo the comments of my colleagues tonight. The Wildrose is in full support of the intent of Bill 2 and what it is trying to accomplish, which is a one-window regulator to streamline things, to make our energy industry more efficient, to make it easier for energy companies to get their work done and develop our resources in a way that benefits Albertans with jobs and royalties and all the other great things that come from that economic activity. So we believe this is a very good idea.

The problem, of course, as it is often, is implementation, and some of the issues include respecting the rule of law, respecting property rights, and making sure that we get due process rights, making sure that due process rights are protected unequivocally in this bill and that landowners and their rights are completely protected and respected so that if there is an issue, they have the opportunity to be notified of those issues, to respond to those issues, to appeal those issues in a way that is fair to them.

We think we can have a win-win here, and we think that if we can have some multipartisan support and work on we can make this into a bill that we could all go home and be happy with after it's done in a little while and not talk about, frankly, for four years or more, not make it an election issue, not make it an ongoing issue, not have to be back here in a year or two years to fix up some of the mistakes and all the wasted money and time and resources that might happen if those mistakes aren't corrected, not have to run folks across the province doing town halls and organizing all these things in order to raise awareness and create, you know, frankly, political headaches and time headaches for all of us when we want to be moving forward instead of getting stuck on that like we did with Bill 36, Bill 50, and Bill 19. It took four years to unwind that mess, and we're still not completely unwound from it, specifically the power lines. It took us four years to get so much of that mess straightened out, at least enough to carry on.

This is a new government and a new Premier, essentially a new Premier, and they have an opportunity to do things differently than the previous administration under Premier Stelmach. Premier Stelmach was a very good man, but one of the problems that he had, I think, was shooting first before aiming with regard to the property rights bills. That was the problem with those property rights bills.

We have an opportunity here to do it right. That means putting this on the table and making sure that we carefully comb over it like most parliamentary democracies do. In the federal government bills like this are sent to proper committees. We take a little extra time – three, four, six months, whatever it is – to make sure we get it right, to make sure that all stakeholders are happy with the bill or enough stakeholders are happy with the bill, that we come up with something that every one of us can stand up and support. This is a bill that we want to support, but we can't support it in its present form.

Let's take the time. We have these committees set up. We were going to bring a motion here to refer it to a standing policy

committee. We've been asked not to do that just yet. Let the government have a chance to discuss it at their caucus. We will do so. We respect that request. I think that it would be a great idea and a great show of reaching out across the aisle and reaching out to Albertans, specifically the 450,000 or so that voted for our party as well as many others that voted for other parties, especially in rural Alberta, to say: "You know what? We are listening, and we're going to do it right this time. We've got this great idea. Everyone agrees it's a great idea, and we're going to make sure we implement it perfectly this time."

If it takes an extra six months, you know, the world isn't going to end in six months. Our industry isn't going to shut down in six months. We can survive another six months if it means getting this thing right.

So I hope that the government will take that offer of bipartisanship. We're close, too. There are probably six to eight amendments max that need to be implemented to make this thing hum and be perfect, but we're not there yet. It does not protect landowners, and this is going to be a problem going forward. If the changes are not made, there's going to be constant friction in this House over it, and I guarantee that as implementation goes on, as landowners groups organize and so forth, it's going to turn into a mess.

9:20

Let's do it differently this time. We have representation on both sides here, from rural Albertans across the province, certainly in the south, obviously, with Wildrose and in the north, obviously, with PC with one exception. That means we both represent these folks, and of course this applies also to folks living in urban areas as well but mostly to those in rural areas. Let's do it right. Let's refer it to the committee, and I hope at caucus tomorrow the government will do that and come back on Monday with an agreement to put this into committee.

With that, Madam Speaker, I would like to move that we adjourn debate.

[Motion to adjourn debate carried]

Bill 5 New Home Buyer Protection Act

[Adjourned debate October 30: Mr. Hancock]

The Acting Speaker: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Madam Speaker. It's an honour to rise and speak to Bill 5, the New Home Buyer Protection Act. It's really a sterling piece of legislation. I can't do anything but congratulate the government on this. I think it's progressive. It's addressing many of the issues that Albertans have said they wanted to address.

It makes home warranties mandatory and standardizes minimum coverage for labour and materials, the building envelope, and major structural components. What can you say except that it will ensure that when people buy something, they have a much stronger sense of what they're getting, and they can hold accountable the various elements of the building that are essential to safety and health for many years to come. It provides for a minimum coverage of one year for labour and materials, two years for defects and labour, five years for the building envelope with a requirement for the warranty provided to offer the consumer the option to purchase additional years of coverage, and 10 years for major structural components.

This is a huge, huge step for Alberta. It's been sought for many years, obviously, by homeowners, but it's also been pressed in this Legislature for many years by the opposition. It's well written. It's clear. It's something people know they're getting. I, for one, am proud to stand here and support the work that has gone into this and how it's going to benefit all of us and our children and set a new standard for building in the province.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. Member for Calgary-Mountain View.

Standing Order 29(2) is not in order at this time.

Mr. Rowe: Madam Speaker, as the Municipal Affairs critic for the Wildrose Official Opposition I am pleased to speak today on Bill 5, the New Home Buyer Protection Act. To begin with, I would like to congratulate the Minister of Municipal Affairs on bringing forward a solid piece of consumer legislation. I want to thank him personally for consulting with me over the last couple of days on some issues and some questions that I had. I think that kind of collaboration goes a long way in getting these bills through, so I do appreciate that very much.

I don't think any member would argue against taking steps to enhance consumer protection, and in fact I think bringing forward consumer protection measures for the largest purchase most Albertans will ever make in their lifetimes, their home, was long overdue.

Alberta homeowners and builders have been consulted, and in general they are telling me they are supportive of the measures in this bill. I know there are a few groups who still have some questions about how the measures in this legislation will be implemented, but I trust that the minister is also aware of this and that he will work with them to address their concerns.

Madam Speaker, I fully support the principle of this bill, as do many of my Wildrose colleagues. However, there are a couple of things within the legislation that I am hopeful the government can clarify for us.

First, I remain concerned about how warranties for modular homes will be applied under this act. Modular homes are built in a factory, they're purchased, and then they're transported out of that factory to a location chosen by the new homeowner. But before the modular home can be lived in, a foundation must be poured for it to stand on, and all the wiring and the piping, et cetera, must be hooked up to it. Where does one warranty start, where does another one start, and how is that going to be handled? Those are questions that we can get feedback on, and I'm sure we can come to an agreement on those.

Under this legislation modular homes are treated the same as any other single home. However, the fact remains that most of the building, as I said, is done in a factory, and some of the work is done where the home is installed. I sincerely hope the government has put some thought into this and can explain how, given the unique circumstances under which a modular home is constructed, a modular-home owner can obtain a home warranty that covers all aspects of their home, the entire point of this legislation. How can the modular-home dealer provide a warranty when they do not build a foundation or install the wiring, et cetera? Will the purchaser of a modular home fall into the owner-builder category and purchase a warranty on their own? Clarification is needed, and I look forward to hearing it from the minister.

Madam Speaker, I also have a major concern around warranties for an owner-builder. I am pleased that it will be the choice of the

owner-builder as to whether or not they purchase a home warranty. However, if this act is passed, mandatory home warranties will cover new homes for up to 10 years. Therefore, if an owner-builder builds a new home and there's a possibility they will sell their home within 10 years, they will be required to purchase a warranty for the remaining warranty time prior to the sale.

It is inevitable that the owner-builders will construct a new home without having any intention to move and will not purchase a warranty because they have done the work themselves, but we live in a mobile society, and people often have to make an unforeseeable move due to employment, family obligations, and so on. If this is the case, it seems probable that the owner-builder could have difficulty purchasing a warranty, a warranty that is necessary to be able to complete the sale of their home. I would hate to see Albertans punished if they find themselves in these circumstances by being unable to obtain that home warranty. Has the government thought this through, and do they have a plan to deal with situations such as the one I have outlined?

Madam Speaker, I look forward to hearing from the government on these two points I have raised. As I already stated, the principle of this bill is good, and I believe if we can work together and iron out these few kinks, we will end up with a piece of legislation that will likely benefit all Albertans.

Thank you, Madam Speaker.

The Acting Speaker: The hon. Member for Olds-Didsbury-Three Hills is the third speaker, so now Standing Order 29(2)(a) is available to anyone who would like to question or comment. Are there any members?

Seeing none, we'll move to our next speaker, and that would be the hon. Member for Lacombe-Ponoka.

Mr. Fox: Thank you, Madam Speaker. It's my great privilege tonight to rise once again and speak on behalf of this bill. We're debating the second reading of the New Home Buyer Protection Act. I know that I support the intent of this act, to protect the buyers of new homes.

You know, I remember the feeling that I had when I purchased my first new home. It was one of pride, and it was one of excitement. It was really an amazing feeling that this home was now mine, and I could make it home. Now, these feelings can last for a long time, and I think the intent of this bill is to make sure that these feelings remain there even when there are some defects in the home that need to be fixed, that there is some protection for the homeowner. I think that the intent of this bill before us is to give the buyers of homes a little bit more protection in case of these defects.

I'm happy to stand here and commend everybody on the work that they've done, especially in talking about what the warranties are going to cover. There are a few extensions in this: defects in the materials and labour for one year, extending materials and labour and the delivery and distribution of those systems at least to two years, defects in the building envelope for at least five years, structural defects for 10 years, and then the option for homeowner-builders to purchase additional coverage to extend even further to defects in the building envelope and defects in other prescribed components of the new home. It really is a pleasure to see legislation that comes forward that really does keep the consumer in mind and does look to protect the consumer.

9:30

Oh, boy. I'm trying to shorten this up here since this is really, actually, a good piece of legislation.

With that, I'm going to leave it there and just say, you know, that the work that has been done here in the House on this is commendable, and thank you so much for your time.

The Acting Speaker: Thank you, hon. Member for Lacombe-Ponoka.

Standing Order 29(2)(a). Are there any members who wish to comment or ask questions?

Seeing none, we'll move to our next speaker, the hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Madam Speaker. Thank you for the opportunity to rise and speak to Bill 5, the New Home Buyer Protection Act. I, too, support the intent of this bill, to enhance consumer protection for the largest purchase most Alberta consumers will ever make, their home.

First, I'd like to acknowledge and thank all builders out there. There are many of them, and there are a lot of great builders who are in terms of customer service already providing good product and providing warranties to their customers. In fact, 80 per cent of new homes built in Alberta already have warranty coverage although it is for a shorter time period than the 10 years that this bill proposes. Some are five.

I do know many people in the home-building sector, including my wife, whose small company completes about 10 to 15 new builds a year. Indeed, my colleagues and I have been speaking with home builders across this province to get their thoughts on this legislation, and they are generally in favour. I think there's agreement that it is in everyone's best interest for homeowners to be protected against the many things that may go wrong with their home through no fault of their own such as defects in materials, structure, and, indeed, the entire building envelope.

I was pleased to see in the legislation that the owner-builder will be able to choose for themselves whether or not to purchase a warranty for the home they have built themselves. This makes sense as many Albertans are qualified and choose to build their own home, and they should not be forced to purchase a warranty on their own work. I am also pleased to see that if they do sell it within the 10 years, they will have to get the new-home warranty protection for the new buyer, who of course could be the innocent buyer.

I, too, am concerned about the aspects on modular homes, the affordability impact that may have, and how hard it is to administer and regulate that.

Madam Speaker, in conclusion, this bill contains good measures like the ones I just outlined. However, there is one thing that really jumped out at me when I looked the legislation over, and that was the amount of some of the fines under the New Home Buyer Protection Act. I'm hoping to hear some more about this and the direction of the government on that.

Thank you.

The Acting Speaker: Thank you, hon. member.

Standing Order 29(2)(a). Are there any members who wish to comment or question?

Seeing none, we'll move to the next speaker, the hon. Member for Calgary-Shaw.

Mr. Wilson: Thank you, Madam Speaker. Much appreciated. I, too, rise to speak in favour of this bill. I think it's a strong bill and a good piece of legislation, and I commend the government for putting it forward.

My wife and I recently went through the process of purchasing a new home, and I can assure the House that it is a stressful procedure. Having a strong warranty in place is the reassurance

that Albertans need to ensure that our housing market stays strong, that our new builds and our starts stay high. I think that, you know, for the most part every once in a while a blind squirrel finds a nut, and I would like to congratulate this government for doing just that.

Thank you, Madam Speaker.

The Acting Speaker: Standing Order 29(2)(a). Are there any members that would like to comment or question?

Seeing none, I would ask the hon. Deputy Government House Leader on behalf of the Minister of Municipal Affairs to close debate.

Mr. Campbell: Thank you, Madam Speaker. I would move second reading of Bill 5, the New Home Buyer Protection Act.

[Motion carried; Bill 5 read a second time]

Government Bills and Orders Committee of the Whole

[Mrs. Jablonski in the chair]

The Deputy Chair: I would like to call the committee to order.

Bill 6 Protection and Compliance Statutes Amendment Act, 2012

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

Mr. Jeneroux: Thank you. It's a real honour to rise this evening and offer comments as we begin discussion in Committee of the Whole on Bill 6, Protection and Compliance Statutes Amendment Act, 2012. Madam Chair, Albertans have the right to expect a safe workplace, the right to feel secure in the belief that work done around and for them is in keeping with the safety codes that are in place, and the right to expect to be treated fairly in business transactions.

This act amends the Occupational Health and Safety Act, the Safety Codes Act, and the Fair Trading Act. The intent of this legislation is to ensure willing and active compliance with existing regulations by creating new penalties and bolstering those that already exist for those who ignore the provisions of the three acts being amended.

I want to take this opportunity to make some further notes to address questions I've heard in the House through the past week. There were some questions raised on consultations. I want to be clear. We have consulted with industry and stakeholders about administrative penalties and ticketing. It's been a platonic and productive discussion. We did not hear anything surprising. Neither industry owners and their associations nor workers and labour groups would seek legislation that would see their own members penalized.

Our administrative penalty framework achieves balance in that penalties can be levied against both employers and workers. This is important. Everyone has a responsibility when it comes to workplace safety. Employers, employees, and government have a shared responsibility to keep our workplaces and workers safe. Bill 6 provides the tools to hold people accountable when they put others at risk.

There was also some discussion on how OHS admin penalties will be negotiated and imposed. Again, to be clear, OHS officers will recommend the penalty based on specific criteria. The amount

of the penalty will be a base amount plus adjustments depending on the degree of risk and the seriousness of the contravention. If the same contravention is recorded again within 24 months, Madam Chair, the base amount is doubled.

As this is an omnibus bill, it affects three acts. The appeal mechanism: on that point I'd like to address some of the discussion around there. Bill 6 will amend the OHS act, sections 7, 16, and 17, to provide the OH and S Council the ability to hear appeals of administrative penalties and provide the appropriate tools and procedures to deal with this new category of appeals.

Under the Fair Trading Act their admin penalty appeals will be heard by an appeal board appointed by the minister or by regulation.

9:40

Finally, under the Safety Codes Act this increases the maximum prosecution fines, so the normal court appeals mechanism applies.

Again, Madam Chair, we are proud of and grateful to the majority of Albertans, who respectfully comply with the rules, and we are confident that those who do not will see these measures as a meaningful incentive to improve their practices. Albertans have the right to safe and healthy workplaces, to know that those working around them are respecting safety codes, and to be treated fairly on their end of the business deal. This legislation helps protect those rights. Health and safety is a shared responsibility between both parties and government, and we are moving forward with an equitable solution that will make Alberta workplaces safer and hold people accountable when they put others at risk.

Thank you, Madam Chair.

The Deputy Chair: The hon. Member for Innisfail-Sylvan Lake.

Mrs. Towle: Thank you, Madam Chair. Generally I'm speaking in favour of this bill. The only concern that I have with it is under section 158, which discusses the administrative penalties and how and why an administrative penalty can be levied against someone who has failed to comply with the act. It indicates there initially that the fines could not exceed \$100,000, and then there's an amendment saying that the fines could not exceed \$300,000. That's a substantial amount of money.

That being said, there needs to be a discussion on the inadvisability of having OH and S administrative penalties make their way into government general revenues. It would seem to me that we need to ensure that victims of those that are not in compliance shouldn't be forgotten through this whole process. In a just society we need to ensure that these people are not revictimized by not being compensated if they're affected. An example of this, of course, would be that if a piece of siding falls off a building in a city and strikes a child, injuring her, should that family not be compensated for that? If so, would it not be realistic that that compensation could come from a fund that is provided for by the administrative penalties rather than having those funds going back into general revenue?

Under section 8 of the Victims of Crime Act the administrative penalties are subject to a surcharge, and that surcharge flows back into the victims of crime fund. However, that does not change my mind on the inadvisability of these administrative penalties flowing back into general revenue.

Several parts of the Fair Trading Act and the delegated authorities that are under it already envision protection funds for consumers. For example, the Alberta Motor Vehicle Industry Council, which is the delegated authority that regulates the automotive sales and repair industry under the Fair Trading Act, has a compensation fund that it manages for the protection of

consumers. Ideally, the new administrative penalties under this bill could create a similar fund and have those flow to that fund, which would be managed for the protection of those affected by people who don't comply. Unfortunately, this bill before the House doesn't contemplate this.

You know, we need to make it clear to Albertans that we're not creating deterrent taxes; rather, we're looking for ways to eliminate these problems and to compensate the victims when there is a problem. If these administrative fines were to achieve a meaningful purpose beyond more deterrence, then the money must flow to the victim and grants relating to the programs that benefit victims. Otherwise, these penalties are only a deterrent tax and will only have that type of legitimacy.

I guess I'm asking the government to take a look at how these administrative penalties are applied and where those funds go and ensure that we're looking at those victims affected by anything that might happen under this bill are actually compensated by that rather than having that money just flow as what could be considered a deterrent tax back into the general coffers.

Thank you.

The Deputy Chair: Thank you, hon. member.

The Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Madam Chair. It's a pleasure to rise and speak to Bill 6, Protection and Compliance Statutes Amendment Act, 2012. Again I would have to be quite positive about this government's role in recognizing that we need and have called for new penalties and increased fines as a way of encouraging compliance with the Occupational Health and Safety Act and the Safety Codes Act and that we fully support reasonable measures that will enhance consumer protection, make worksites safer, and reduce worksite fatalities. We believe that having adequate penalties and fines in place will positively affect site practices.

Having said that, I guess, Madam Chair, it raises the question about similar standards on industrial farming operations and the need and the opportunity here to amend this bill and add in protection for paid farm workers on those industrial operations that do not involve family members, that are clearly large, that are clearly involving machinery, electrical hazards, chemical hazards, transportation vehicles that pose a risk and may not be meeting standards, that are killing and injuring paid farm workers every year in this province and are still subject to no investigation because they have no occupational health and safety standards.

There are no fatality investigations in these cases. We don't learn from them because there's no research coming out of them. We don't know the numbers of farm injuries in this province because they're not registered in our hospitals and in our emergency rooms as farm injuries so that we can gather statistics and actually know how much injury and death we have that's specifically related to inadequate, unsafe practices and conditions on these operations.

Judge Barley several years ago, after reviewing the Kevan Chandler fatality in Black Diamond, indicated that education was only part of the solution here. He admonished the government to get busy and legislate occupational health and safety standards in industrial farming operations. I think it's clear Albertans want that. They want to feel proud of the way we are treating our food producers in this province. We want to follow ethical standards, standards that are world-wide except for the poorest developing countries in the world.

As I've commented before and will probably continue to comment on ad nauseam – I hope you've got bags over there –

there's a very serious dimension to this. Some of you may know that this month Lorna Chandler received a settlement from the death of her husband six years ago in the grain elevator in Black Diamond. Because the company had no workers' compensation, she had to go to court. She's been fighting this company in court to get any kind of compensation for the death of her husband, living with two children, a widow. Partly as a result of this lawsuit, that she had to with great difficulty bring to bear, the company went bankrupt and is no longer able to function. They had 40 employees, so it has done damage to not only her and her family; it has damaged the company that was providing grain services in the Black Diamond area, the Tongue Creek Feeders.

This is a failure of government when we see the problem and we allow a loophole to put people at risk, children at risk. Without compensation people have to fight for the very most basic rights in this province. I hope the government takes it seriously. I think this is an opportunity in this bill to say: "Yes, we want to strengthen occupational health and safety. Yes, we want to increase the fines associated with poor working conditions."

Well, what about our food producers? Can we be proud of what we're setting up in this province or allowing to continue, I should say, for decades, eating food on our plates that has been produced off the backs of people at risk, being injured more frequently than in many other parts of the country?

B.C., after introducing its legislation, saw its injury and death rate decline. The Alberta Centre for Injury Control and Research has said that the evidence is clear. We need to change our approach to large farming operations. We're not talking about family operations. We're talking about industrial agriculture – potatoes, beans, beef – that employs many paid farm workers. It's time to take it seriously. We're in the 21st century now. We are not a 19th century economy. People are looking at us as leaders and looking for leadership.

Let's consider an amendment to this bill that would include a strong commitment to protecting the equal rights, the equal personhood, the equal constitutional and human rights of our paid farm workers.

9:50

Again, we have two farm workers in the gallery who were injured and are courageously standing up for people who are afraid to speak out on their own behalf because of their own vulnerability as farm workers. They need those jobs. If they piss off the farm owner, the operator, they may be looking for a new job. If they get injured, they may be looking for a new job because there is no compensation for people at the present time who get injured on the job. They're kicked down the road as these two were on the farming site that they worked on years ago. They've no longer been able to work on farm sites, but they are standing up for principle, they are standing up for human rights, they are standing up for Albertans and the reputation of our agricultural industry.

How can this government continue to ignore not only their rights but the economic opportunity for companies like the Tongue Creek Feeders, who had to be bankrupted to face the results of negligence? That's not leadership.

I applaud the government for taking steps to make sure that it's clear on work sites where the health and safety act applies. Real teeth. Real penalties when people put others at risk to cut corners, to have shoddy buildings or shoddy electrical or shoddy chemical management or poor machinery to work with.

I again most earnestly appeal to this government to do the right thing on behalf of our children, on behalf of our businesses, our

agricultural businesses. Let's make sure there are basic protections for paid farm workers in this province.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. Member for Calgary-Mountain View.

There is no Standing Order 29(2)(a), no comments.

The hon. Member for Little Bow.

Mr. Donovan: I guess I've sat and listened in here for a long time now to this whole issue, and I guess it's just finally gotten to me. We're sitting here, and the hon. member brought it up, it was not a feed mill operation; it was a feedlot. It was not in Black Diamond; it was between High River and Okotoks. I can drive you to the place. It was high-moisture barley that was inside a silo that he tried to get out of. I feel horrible for that family that they lost a family member there. I understand that. For the love of Mary, could you please get the facts straight before you start spewing them out?

Thank you.

Dr. Swann: Well, thank you for the question.

The Deputy Chair: Hon. Member for Calgary-Mountain View, this is not 29(2)(a). That was his speech in Committee of the Whole when we should be discussing the clauses of the bill. So you have no opportunity to respond.

The hon. Member for Calgary-Shaw.

Mr. Wilson: Thank you, Madam Chair. I just would like to add a comment to follow up with the hon. Member for Edmonton-South West on the Protection and Compliance Statutes Amendment Act. I would also like to point out to the members across the floor that name of this bill simply begs for an amendment, and it kills us not to have one, but I do hope you give my comments due consideration.

In the April 2010 Auditor General report – and it was repeated again in July 2012 – it was recommended to the ministry formerly of employment and immigration and now of Human Services that they should promote and enforce compliance with the law by high-risk employers. I think that this act certainly takes care of the enforcement piece, but I think there's some room for, I guess, the promotion piece.

I think that what the hon. Member for Innisfail-Sylvan Lake was suggesting earlier with putting aside the funds that are being charged to violators of this act and taking that money and implementing some of the promotion side of what the Auditor General has asked this government to do for a couple of years could allow you to kill a couple of birds with one stone.

I do believe that, you know, if you were to perhaps take those funds and directly support a program like Work Safe Alberta, where I know that there is some work being done in this program – there is a new strategic plan that the ministry is working on and it has got some good initiatives in it. I do think that there is room for those fines to actually go to promotion of safe workplaces as opposed to just finding their way into general revenue. If you didn't want to just simply fund Work Safe Alberta, you could fund charitable organizations or nonprofits like the War Amps or other industries that are affected by nonsafe workplaces.

That was the only comment I wanted to offer, and I appreciate the time of the House.

Thank you.

The Deputy Chair: Thank you, hon. Member for Calgary-Shaw.

The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Madam Chair. Just a few general comments. In general I think that we're supportive of the idea of adding administrative penalties and strengthening enforcement and closing loopholes. We have, however, two amendments, and I would like to introduce the first one now. I'll have this brought up to the table, and then you can call on me, and I'll introduce it.

The Deputy Chair: Thank you, hon. member. We'll call this amendment A1, and we'll wait to have this amendment distributed throughout the Assembly.

Hon. Member for Edmonton-Highlands-Norwood, would you like to continue on amendment A1, please.

Mr. Mason: Thank you very much, Madam Chair. I'm pleased to move on behalf of my colleague the hon. Member for Edmonton-Strathcona that Bill 6, the Protection and Compliance Statutes Amendment Act, 2012, be amended in section 2(10) in the proposed section 40.3(1) by striking out clause (e).

Now, Madam Chair, I'll speak very briefly to this. The intention of the administrative penalties is to influence the workplace, and (e), by the way, includes workers as being subject to administrative penalties under this act. Those that are subject to administrative penalties in this act include contractors, employers, prime contractors, suppliers, and, (e), workers.

The Deputy Chair: Excuse me, hon. member. Can I just remind members that we are still in Committee of the Whole, and the noise level is a little high. If you have some conversations, you are welcome to take them into the next room. If we could keep it a little quieter, I would appreciate it. Thank you very much.

Mr. Mason: Thank you, Madam Chair. This amendment proposes to delete workers from being subject to administrative penalties. The question is why. The amendment is modelled on British Columbia's legislation. In consultation with stakeholders the government emphasized, to quote their own material, that

An administrative penalty system . . . promotes remedial action, preventive in nature, to address a health/safety issue by re-establishing compliance with regulatory requirements . . . not seek redress for (i.e. punish) a wrongful activity.

10:00

Now, administrative penalties are unique extra-legal mechanisms that must be used to compel compliance, not to impute or punish guilt. Because they don't involve a court of law, administrative penalties are open to misuse at the same time that they can be used to serve as crucial mechanisms for allowing OH and S officers to penalize contraventions of the act. OHS legislation is designed to protect workers, and this amendment also seeks to protect workers by ensuring that administrative penalties will apply to target the employers whose responsibility it is to ensure safe workplaces and safe work practices in accordance with OHS legislation.

Madam Chair, not to put too fine a point on it, employers have control over the workplace; workers don't. Administrative penalties in this case aimed at workers are misplaced because they have very little control over the health and safety culture, the standards, the conditions that exist in the workplace. That is the role of the employer. Their employer has that responsibility and has the authority to make those decisions; workers don't. To single out workers and to include them as being subject to administrative penalties is not going to do anything to improve the safety of the workplace but will serve to intimidate and potentially harmfully affect workers who have no control in the workplace.

So I urge the government side and other members to support this amendment, which is to delete clause (e) so that workers

would not be subject to penalties that are designed to enforce behaviour among employers.

The Deputy Chair: Thank you, hon. member.

Are there any other members that would like to speak on amendment A1?

Hon. Members: Question.

The Deputy Chair: We'll call the question.

[Motion on amendment A1 lost]

The Deputy Chair: The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Madam Chair. Maybe we'll go for 2 out of 3, then. I have another amendment. I'll have that distributed to the table and speak to it when called upon.

The Deputy Chair: Hon. members, this will be known as amendment A2.

The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thanks very much, Madam Chair. On behalf of my colleague the hon. Member for Edmonton-Strathcona I move that Bill 6, Protection and Compliance Statutes Amendment Act, 2012, be amended in section 2(10) in the proposed section 40.3 by striking out subsection (3) and substituting the following:

- (3) The amount set out in a notice of administrative penalty must not exceed
- (a) \$500 000, or
 - (b) in the case of a contravention or a failure to comply that continues for more than one day, \$1 000 000.

Just speaking to that, the concern here is that administrative penalties might be used as a way of having a less expensive way than an actual prosecution. I think that this will make the penalties equivalent or equal to the maximum limits for monetary penalties in case of a prosecution. Madam Chair, that is to prevent this from being used as a lower cost way of dealing with offences, providing a loophole whereby employers would pay a lower amount than if they were prosecuted. So it makes the fines equal.

The Deputy Chair: Thank you, hon. member.

Are there any other members who wish to speak on amendment A2?

Seeing none, we will call question.

[Motion on amendment A2 lost]

The Deputy Chair: We'll go back to the bill. Are there any other speakers who would like to speak to Bill 6 in Committee of the Whole?

Mr. Campbell: Madam Chair, I move that we move Bill 6, the Protection and Compliance Statutes Amendment Act, out of Committee of the Whole.

The Deputy Chair: The hon. member has moved that we move Bill 6 out of Committee of the Whole, so we'll call the question.

[The clauses of Bill 6 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

Bill 9

Alberta Corporate Tax Amendment Act, 2012

The Deputy Chair: Any comments or questions? Any member who wishes to speak?

[The clauses of Bill 9 agreed to]

[Title and preamble agreed to]

The Deputy Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

10:10

Mr. Campbell: Madam Chair, I would move that we rise and report.

[Motion carried]

[Mrs. Jablonski in the chair]

The Acting Speaker: I would ask the Member for Calgary-East to report.

Mr. Amery: Madam Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 6, Bill 9. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: Those who concur in this report, are you agreed?

Hon. Members: Concur.

The Acting Speaker: Those who do not concur, say no. It's carried.

Mr. Campbell: Madam Speaker, I would ask that we adjourn the House until 1:30 tomorrow afternoon.

[Motion carried; the Assembly adjourned at 10:11 p.m. to Thursday at 1:30 p.m.]

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