



Province of Alberta

The 28th Legislature  
First Session

# Alberta Hansard

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The Honourable Gene Zwozdesky, Speaker

## Legislative Assembly of Alberta The 28th Legislature

First Session

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Progressive Conservative: 61

Wildrose: 17

Alberta Liberal: 5

New Democrat: 4

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## Legislative Assembly of Alberta

7:30 p.m.

Monday, November 5, 2012

[Mrs. Jablonski in the chair]

**The Acting Speaker:** Please be seated.

### Government Bills and Orders Second Reading

#### Bill 10 Employment Pension Plans Act

**The Acting Speaker:** The hon. Member for Calgary-Varsity.

**Ms Kennedy-Glans:** Thank you, Madam Speaker. I am pleased to rise and move second reading of Bill 10, the new Employment Pension Plans Act.

Pension standards legislation has been in force in Alberta since 1967. The original Pension Benefits Act was completely rewritten in 1987 to become the Employment Pension Plans Act. This is the first major update since that time, and as you can imagine, things have changed quite a bit over the last 25 years.

The new Employment Pension Plans Act sets the standards for private-sector pension plans with members in Alberta. It deals with matters of funding, investment, how information is disclosed to members, and member entitlement to benefits. The changes to the act are based primarily on recommendations made by the Joint Expert Panel on Pension Standards, or JEPPS. JEPPS was appointed by the Alberta and British Columbia governments in 2007 to review pension legislation.

The panel's job was to make recommendations to help modernize the act and to provide more flexibility as employers and plan members look for alternative ways to manage pension plans. The panel consulted extensively with stakeholders, and once the panel's recommendations were received, the two governments asked for comment from the public. A stakeholder group was even included in the drafting process.

The changes introduced in this act reflect the results of that consultation and also take into account the impact of events and changes in the pension industry that have occurred since the panel released its report in 2008. The result is legislation that is flexible in the ways needed to meet future needs of plan sponsors and plan members while continuing to ensure promises made can be kept. It is highly harmonized with the British Columbia legislation, which greatly assists administrators of plans with members in both provinces both in terms of administrative process and consistent treatment of plan members. Pension plan administrators across the country have long complained about too many differences in pension legislation between provinces, and Alberta has provided leadership nationally on this issue.

While many changes were made, I want to draw your attention to a few key ones. First, the panel's main recommendation was that pension standards legislation become much more flexible. This allows employers and unions who sponsor pension plans to create pension solutions that meet their needs and those of plan members. This means the legislation is based more on principles than on rules. It also gives the superintendent of pensions greater discretion, particularly when it comes to new pension plan designs and extending time limits for dealing with funding shortfalls. Both of these recommendations have been incorporated throughout the act while still keeping in place the rules needed to protect members' interests and provide transparency.

In addition, the act gives the superintendent greater enforcement powers such as the ability to charge penalties for noncompliance. This is a key enforcement tool which was recommended by the panel.

To balance the greater authority given to the superintendent, the act permits the creation of an Alberta tribunal. This tribunal will enable plan sponsors and plan members to appeal decisions made by the superintendent. The act also adds provisions clarifying the roles and responsibilities of the various parties involved in managing a pension plan and to improve plan governance.

Further, the act sets out standards for two new types of plans, target benefit plans and jointly sponsored plans. These plans may become more popular in the future as employers and employees look for ways to provide pensions at affordable costs without disproportionately burdening anyone with risks.

Currently, as most of you will be aware, there are two types of plans, defined benefit and defined contribution. In a defined benefit plan the employer bears all of the funding risk while benefits are more or less guaranteed. In a defined contribution plan risk shifts entirely to members as the benefit is not guaranteed but is completely dependent on investment performance. It also puts retirees at risk of outliving their retirement savings.

The target benefit and the jointly sponsored plans offer a middle ground in which risk becomes shared between the employer and members. In a target benefit plan risk is shared mostly by adjusting the promised benefit. In a jointly sponsored plan the risk is shared through the contribution arrangement. A target benefit plan is similar to a traditional defined benefit plan in that it aims to provide a specific pension amount when a member retires. Unlike the defined benefit plan, however, the benefit may be reduced if funding difficulties arise.

This lowers employer funding risk, which has become one of the main challenges facing defined benefit pension plans at all levels and not just here in Alberta. However, members should still be able to have reasonable confidence that the target benefit they've been promised can be delivered. To deal with this, specific funding rules related to these plans will be established through regulation to provide a higher level of assurance that members will receive their expected benefits.

In a jointly sponsored plan members share in the total cost of the plan with the employer as opposed to contributing only towards their own benefit. While easing employer costs to some extent, this type of plan will require greater member participation in the decision-making and governance of the plan since they share in the funding risks.

Vital to the administration of these new plans as well as the more traditional plan types is the concept of disclosure to members. The panel stressed the importance of all parties, including members, understanding the terms and risks of the type of plan that they are in, what their personal responsibilities are and being fully informed of the health of their plan. This act has made provisions related to disclosure to ensure this happens. The act provisions are broad, giving authority to create rules around disclosure and specific requirements which recognize that the needs of different plan types will be in the regulation.

Another change in the new act deals with vesting, which is the entitlement of a member to the benefits promised under the pension plan. The timing for qualifying for vesting has been changed from two years of plan membership to immediate. This was not a recommendation of the panel, but 5 of 10 Canadian jurisdictions have already adopted this standard in their legislation, and others are expected to follow.

This change recognizes that pension benefits are a part of an employee's compensation rather than a gratuitous reward for long

service. Tied to this is a change to the locking-in requirement, which restricts the members' access to pension funds to ensure that the funds are used to provide retirement income. Locking in will no longer be based on years of service but will be based on a minimum dollar amount that is increased annually. This will eliminate the locking in of amounts that are too small to provide a meaningful pension and means that locking-in rules will keep pace with inflation.

Moving along, one of the concerns that sponsors of traditional defined benefit plans have is with what we refer to as trapped capital. In a defined benefit plan the employer is responsible for funding any deficiencies that arise related to adverse events such as investment losses. When a deficiency arises, it must be paid back over a set period such as five years in the case of a solvency deficiency. If in subsequent years the plan is in a surplus position thanks to more favourable economic conditions and the additional funding that may have been required, the employer may be legally constrained from removing any excess amounts from the plan fund due to the legacy wording in the plan text document. The result is that most employers are reluctant to contribute more than the very minimum amount required by the act, and the perverse result is that members' benefits are not as secure as they might otherwise be.

7:40

To address this problem, the panel recommended the creation of a solvency reserve account whose terms are governed by the act. Employers could make their solvency deficiency payments to this account knowing that if plan funding improved, they would have the ability to withdraw some of the excess. The funds in the account would be available to protect benefits if necessary, but the employer would be able to access the funds if they are not needed to pay for benefits. Creation of this type of account is at the discretion of the employer. However, before a withdrawal can be made, consent from the superintendent is required. In addition, a contingency reserve must be left in the account. With this change, employers may well be more willing to fund benefits at greater levels, and employees' benefits will continue to be protected as well as or better than under previous rules.

Overall, Madam Speaker, the new Employment Pension Plans Act goes a long way towards making Alberta's pension legislation stronger and more in tune with the way that pension plans need to work in our changing times. Thank you.

**The Acting Speaker:** Thank you.

The hon. Member for Airdrie.

**Mr. Anderson:** Thank you, Madam Speaker. I'd like to get up and on behalf of the Wildrose caucus speak in support of Bill 10, the Employment Pension Plans Act. This is a very timely, timely piece of legislation, and I will say that this is an example of government being proactive on a problem that we're seeing around the world right now. I would hope that the government will show the same proactiveness when it comes to other parts of our financial picture going forward.

This in part addresses a problem that we're seeing around the world right now. Around the world. It's definitely in Canada and the United States but in particular in Europe and in other places around the world where we have a very antiquated pension system. We have these things called defined benefit pensions that are literally bankrupting our economies in a lot of ways, certainly bankrupting companies so badly that they go out of business or they need to be bailed out by the government. That in turn leads to other problems like debt and inflation, and in some extreme cases,

as we've seen in Greece and perhaps very quickly Spain, it leads to just massive economic problems that spin out of control financially.

We sometimes think that it's just the public-sector pensions that have gotten out of control with defined benefit pensions that we can't afford to pay, and indeed they have. There's no doubt about that. It's a huge problem. It's a problem that afflicts us here in Alberta. It's a problem that afflicts virtually every government in the industrialized world. But it's not just a problem in the public sector. In the private sector it is also a very large problem.

Of course, we saw that in the United States and in Canada, for example, with the auto bailouts. One of the major reasons for the need for government to bail out those automobile companies and spend billions and billions and billions of taxpayer dollars on bailing out those companies is because those automobile companies had instituted what I would call irresponsible pension plans, defined benefit pension plans, that were just simply not feasible, were simply not affordable for these companies.

What happened in their negotiations was that when times are good and there's money rolling in, well, all kinds of great promises are made with regard to these pensions because there's a desperate need to keep workers and attract workers, so they promise these lavish benefit plans for that when times are good. The problem is that when times are not so good and when the money isn't coming in, then all of a sudden these lavish pension plans can't be paid out. It's almost like a pyramid scheme, where over time you've got more and more workers that are living longer and longer and longer after they retire, and they keep drawing on this huge defined guaranteed pension, and then you've got this huge pool of retirees and pensioners that is much larger than the pool of workers paying into the plan to sustain those plans. Not enough has been put aside. Then there are market fluctuations, all kinds of different issues.

The point is that defined benefit plans are very much open to becoming very rich and, frankly, unaffordable. They have cost the taxpayers of this country, our friends to the south, and then folks in Europe literally hundreds and hundreds and hundreds of billions – not millions; hundreds of billions – of dollars to bail out these companies.

We haven't tackled the public pension issue very well yet. Some provinces have started to look at different things. New Brunswick, for example, has looked at some different, alternative methods and so forth, but we haven't as a country and certainly as a province tackled the public pension issue. However, I hope that this legislation will make it easier for us to tackle part of the private pension issue. The way that the government has done this is by proposing to increase the diversity of choices for private companies with regards to what types of pensions they can offer their employees.

A couple of the specific plans that this one mentions. One that we've become kind of familiar with if you've listened in on the Members' Services Committee deliberations is targeted pension plans. Targeted pension plans are essentially kind of a much more affordable version of a defined benefit plan. It's not perfect. There's still risk involved, and that's why the Wildrose wasn't in favour of a targeted benefit pension plan with regards to MLAs. We feel that it does still leave taxpayers in a bind, if things don't go well, to bail the pension out. However, it does reduce the risk, and if you're talking about private companies, then yes, I would say that it's definite that we should give the private companies an opportunity, a choice if you will, to use these targeted benefit plans. Then there are also jointly sponsored pension plans, which are a different type of plan. Essentially, the employer and the employee share in the cost of the entire plan itself.

There are all types of different plans in there and all types of different percentages and formulas that are used for these pension plans, but the point of this bill is to give private companies more choices with regard to the pensions that they offer. We think that's a good thing. I think that's a good thing. I think that giving companies the greatest possible latitude with regard to offering responsible benefits packages and pension packages for their employees is important.

Hopefully, these companies will take this opportunity as they're moving forward to offer more reasonable pension plans, and hopefully our government – and I'm not just talking about our provincial government but our federal government – will signal to companies that in future we will not bail out pension plans that go bankrupt. We just will not do that. Right now it's almost like the government of Canada and other governments around the world are insurance companies for these lavish defined benefit plans that you see at some of these larger companies, and it's just not right. It's not right that taxpayers should be bailing out pension plans that are just simply unaffordable and bailing out these companies. It's very irresponsible for these companies to put the government and to put their employees in a position where they would need to be bailed out.

It's very tragic. I mean, how many of us have gotten calls in this House from folks that used to work for private companies that went bankrupt and can't afford to pay their pension benefits? It's tragic because a lot of folks put their eggs in the one basket, and then all of a sudden it's not there. What do you do? It's awful. That's why we've got to do everything we can to create the choices and promote the choices that private companies can use to move to a more responsible place with regard to their pension plans.

7:50

The second aspect of this bill that I agree with and that I'm happy to see is that the government did its consultation work on this. They are implementing the recommendations made by the Joint Expert Panel on Pension Standards. This is important. We have to make sure that in this Legislature we get more in a habit of doing proper consultation with stakeholders and with folks that know a lot more about this stuff than we politicians and taking the recommendations and giving them a high amount of weight.

I guess I would say that the positives of this bill in my view, to sum up, are that it updates a private pension system model that is now quite outdated and does not recognize new plans created to respond to market forces, meaning that currently we don't recognize those plans, and under this act we will. That's a positive. It gives a regulator tools to evaluate and approve newer pensions aimed at sharing liability risk. As I mentioned, that is an important piece of this legislation that's key to having our pensions in this province, at least in the private sector, become more responsible. It follows the recommendations of the JEPPS panel, which I just mentioned. It includes new vesting and lock-in rules that will give more choice to contributing members. It does add an appeal process between a direct appeal to the superintendent and the courts, thus hopefully reducing the burden on the courts that we've seen in recent days although this is, obviously, not the same as criminal court. Anything we can do to reduce the burden on the court system is a good thing.

I would just say in closing that I would encourage the government to not just look at Bill 10, not just at pension plans as they are applied to private companies, but let's start looking at this on the public side. We need to have a discussion about public-sector pensions. [interjections] There you go. Maybe we have agreement on both sides of the House.

We're not talking about not giving a fair pension plan to our public-sector workers. They are absolutely entitled to a fair pension plan; there's no doubt about that. They work hard for our government. They work hard for our province. We value their contribution. They're good people, and they work hard. When they retire, they need to have a pension there so that they can enjoy their retirement and not just enjoy their retirement but pay for the bills that they have to pay. No one is arguing that.

However, we cannot put ourselves in a situation – when you look at our liability sheet in this province, it has gone up over 50 per cent in the last five years. Fifty per cent more liabilities. The vast majority of those liabilities have been from, obviously, the teachers, the unfunded portion of the teachers' pension, and other such liabilities. We have to be careful as a province. We need to make sure that as we move forward, part of our economic path going forward is one of sustainability. We're not going to pass these massive liabilities onto our kids that we can't afford.

If we've promised something to certain pensioners now or to people just getting ready for retirement, we can't really take that away because they don't have time to adjust to it, so we have to understand that reality. We can't take away or reduce the pension or benefits of teachers who are just about to retire or are five, 10 years from retiring. That wouldn't be fair to them. We've got to start looking at phasing in changes so that the growing generation, the folks my age, in their 30s and early 40s and so forth, can transition out into a more stable and more affordable pension system.

If we don't do that, Madam Speaker, if we continue to ignore this problem and just kick it down the road, if we maintain this course, we will come to a point – and I hope that's still long in the future – where we, like Greece, like Spain, like Portugal, like some of these other European countries, like many of the states in the United States like California, like all of these places, will be put into a position where those pension benefits won't be there for those public sector workers at all. They'll just disappear because the countries themselves will go bankrupt and won't be able to pay those pensions out. Who's going to be there to bail those countries out? Who's going to bail those nations out? There's no one there. It's not like companies, who have the government to bail them out when they're irresponsible, which is not good policy, a terrible precedent to set. But when countries go bankrupt, there's no one there for them.

Madam Speaker, I hope that the Premier and the Finance Minister will take a long look at that on the public-sector side. Wouldn't it be a nice gift to give our children at the end of this Legislature in four years when we say: "You know what? We've set up our pensions, our public-sector pensions here, so that they will be sustainable, that we will be able to pay for them"? That would be a great thing to do.

With that, Madam Speaker, we support this bill and what it's trying to achieve. Thank you very much.

**The Acting Speaker:** Thank you.

The hon. Member for Edmonton-Beverly-Clareview.

**Mr. Bilous:** Thank you, Madam Speaker. I'm honoured to rise today to speak on behalf of Bill 10. I'd like to just outline, first of all, a little bit of history as far as where defined benefit pension plans come from and the value that they serve. I mean, first and foremost, these were pensions that were negotiated by workers with their employers. So, you know, I think it's a little bit of a misnomer to think that the workers were trying to pull the wool over the eyes of their employers. This was one of their agreements in exchange for many, many years of service to a company.

Defined benefit plans were very good for the workers, and in exchange for it companies got many, many years of service. The workers didn't have to rely on the market and hope that in those last few years before they started drawing out their pensions, as defined contribution plans allow for, the market would not turn south. Now, suddenly, their pension plan that they were contributing to their whole lives and planning their retirement on shrivels up, which is the case and has happened. With defined benefit plans as well, the worker could expect a similar standard of living in their retirement years from year to year and have, you know, the ability to put their conscience at ease, knowing that they've contributed to this plan and that it was there waiting for them in their retirement.

In regard to Bill 10 this is the first major rewrite of private-sector pension laws in over 25 years. You know, it's taken some time, but it's good to see that we're taking the first step here. There are a couple of aspects of this plan, Bill 10, that I'd like to go through.

First of all, the fact that bill gives the superintendent of pensions more authority to accept different types of pension plans. There are new rules now for targeted benefit plans, but importantly a person has the right to appeal a decision if they disagree with the superintendent. As well, there's a tribunal process that, again, will convene on a case-by-case basis as opposed to a blanket decision that affects all workers and all folks.

Some statistics here to talk about the need for pension reform. There are 11 million Canadian workers who don't have a workplace pension plan, which is quite unacceptable in our great country, according to the JEPPS report, the Joint Expert Panel on Pension Standards, whose recommendations did go into this bill, so I'm happy to see that. According to Stats Canada 32 per cent of our labour force was covered by a registered plan in 2010, so more coverage is definitely, definitely needed, and if this bill allows for that in its flexibility, in the availability of choice, then that's a positive thing.

8:00

Specifically in Alberta as of 2011 there were over 236,000 workers that had registered pension plans. When we look at that in the scope of 2.2 million workers in Alberta, we're far from meeting our targets. There's much work that needs to be done.

You know, this bill is similar to B.C.'s pension legislation, that was passed earlier this year. Again, the intent was to make it easier to set up pension plans. The hope is that workers will eventually be covered by pension plans if there are more viable options for employers. One of the recommendations of the JEPPS report that did not make it into this bill is the idea of an umbrella plan for Albertans and British Columbians. This multi-employer plan could have been available to employers, employees, and the self-employed in both Alberta and B.C. and likely would have opened the door for more workers to have access to a pension plan.

Before endorsing this bill wholeheartedly, I think it's important to acknowledge a few things. In the interest of perspective there are different voices that had much to say about this issue and have arisen over the years since the publication of the JEPPS report in February of 2008. The Alberta Federation of Labour, for example, in 2009 argued that Alberta desperately needed a mandatory pension program to make sure retirees could sustain healthy lives after they finished their working life contributing to the Alberta economy for so many years. At the time, the AFL argued that supplementary plans like the ones contemplated in this bill did not get to the heart of the issue. What they meant by that: the AFL was challenging the assumptions of the JEPPS report that

supplementary pension plans were the only way to address the problem of low pension coverage. Where the authors in this JEPPS report state quite simply that they don't support mandatory employer-sponsored pension plans, there are other opinions that differ greatly.

Some would argue that if we want to get serious about the impending challenges to our pension system, we need more fundamental reforms. In other words, you know, giving more options and more flexibility to employers may not be enough to entice them to offer pensions to employees. If that's the heart of the matter, then I would argue that this bill takes us a third of the way there but isn't going to quite get us there if, again, some employers decide: "You know what? Even with these options there might be more possibilities, but we're still going to refrain from it."

As for the changes in the bill today, you know, it remains to be seen whether the changes will encourage employers to invest in pension plans for employees in Alberta. Again, it's my contention that workers that contribute to our economy, contribute to the betterment of Alberta, that spend a great number of years working here should have and should know that there is a pension waiting for them, that they aren't going to have to retire and then go back into the workforce in order to pay the bills. Considering that they've already been contributing to this great province of ours, there should be different options. So I can say that I'm happy to see that there are different options, from the target benefit plans to jointly sponsored plans to negotiated-cost plans, that will be offered to employees.

The other thing I'd like to just comment on is the fact that there are reserve accounts so that defined pension plans will have to have solvency reserve accounts, which I'm sure my colleagues in the Wildrose would appreciate greatly as well.

On the whole, you know, I'm optimistic that this bill will do some good. It's long overdue for working people in Alberta. We'll continue to hold this government to account and ensure that more Albertans can get pension plans and don't have to worry about their days once they retire and how they're going to afford to pay the bills and keep the heat and electricity on.

Thank you for the opportunity to stand and speak to Bill 10.

**The Acting Speaker:** Thank you.

Under Standing Order 29(2)(a) we have five minutes for comments or questions from the floor. Are there any comments or questions for the hon. Member for Edmonton-Beverly-Clareview?

Seeing none, I will recognize the Member for Calgary-Buffalo.

**Mr. Hehr:** Thank you, Madam Speaker. It's a privilege to be able to speak to Bill 10 and give my comments in that regard. This bill comes at a point in time when in many different countries, many provinces the average worker is actively contemplating what retirement will look like.

It seems that over the course of the last 30 years or so we've seen an increase in the diminishing of what workers can actually expect when they retire, what our society expects people to live on and the like. I know that almost every member of this Assembly has had or will have a call from a senior who can't pay his or her or their family's daily bills. That is a call that comes into my office in Calgary-Buffalo quite regularly, quite tragically. Simply put, there seems to be a hesitancy of many levels of government to deal with this problem of not only today but one that is going to impact Alberta and Canada in the near future with the aging population and the like. At the end of the day I think we as a society have to get a handle on the fact that with an aging society



we are going to have to have some sort of pension available for people to live in some sort of dignity.

It's easy for us, I guess, to all preach personal responsibility and the like, but oftentimes if we look at the RRSP contributions of the average person out there throughout society, estimates are that over 50 per cent of our population does not contribute to RRSPs. Simply put, it appears that the middle class is increasingly being squeezed. There's less disposable income. People are having more difficulties paying the bills. I think we saw reference to that in the report by the Parkland Institute the other day.

Actually, I did some research on this in the summer which clearly shows you that we often think people in this day and age have more disposable income than they did in 1970. But experts look at how the middle class actually spends their money and where the hard costs of being in the middle class are – the hard costs of housing, the hard costs of cars and going to work, the hard costs of raising children – and that actually takes more of the average family's paycheque than it did in 1970. So the increasing shrinking of the middle class gives me great concern.

Having pension or pension reform talk actually leads me to believe we are getting a sense that at the end of the day pension reform – I don't necessarily like the term "pension reform." The viability of pensions for the average Joe or Jane Alberta is important to us as a society, important to us as legislators because, simply put, that day is coming.

A little earlier some comments were made and the like that a lot of times, primarily with both public-sector unions and private-sector unions, these pension plans have been freely negotiated on behalf of the worker and the employer. I guess we were bringing up the auto industry in Detroit. Those contracts were agreed to by both free business as well as employees. Contracts that were engaged in by our public-sector unions were, at least in this province for the last 42 years, negotiated with this government and those employees. They were negotiated in good faith, with a view to their working conditions at the time and their agreement to take a contract with this government. One would expect those contracts to be honoured. Otherwise, what was the point of the negotiation?

**8:10**

Although some people suggest that defined pensions are the downfall of the modern world, I would beg to differ, Madam Speaker. There are many challenges out there, and often defined contribution plans – my father has one as a long-serving member of the ATA teaching in classrooms in this province. He always points out the fact that from the years 1989 to 1994 he gave 19 per cent of his salary to his pension plan. That's 19 per cent of his salary that was negotiated, that came off his paycheque, that went into a defined benefit plan. So don't tell me that teachers and nurses have not paid into their pension plans. If the government is having a shortfall now, it's the government who didn't properly put away money or ask citizens to contribute. Okay? Because those benefits were already paid for.

Nevertheless, turning to the main issue of the bill, which is pension reform, it clearly gives some options to private companies out there who, hopefully, are interested in giving their workers some form of pension and the ability to possibly make that happen. For that, I think this is a bill that does some measure of bringing that hope or that eventuality of what people hope or dream their retirement will be, some sort of retirement in basic dignity and the like that will allow them to not worry whether the lights and heat are coming on. In that regard, it's very hopeful that more private businesses will endeavour to create that working condition and allow for people to see a future not only with that

organization but a future where they can keep the lights and heat on.

The bill is based on a JEPPS report that has recommended these reforms. In the main it has many supporters of this bill and people who believe that this will allow for more people to hopefully be covered by private-sector plans. In my view, that is a good thing.

We also note that, you know, many workers have been left holding the bag when it comes to private-sector pension plans because they were underfunded not necessarily by the individual worker but by the company itself. We can look through a long list of companies where workers were sold a bill of goods as to what the contributions of that employer would be. I had the list in front of me, and I can't seem to find it at this time. Maybe if it comes up, I can read those into the record. I believe we had some questions on this back in 2009 when it came down to it that some companies had underfunded their pension plans, and their workers were left out. In fact, I had a constituent who worked for Nortel. She was one of the people who was left holding the bag, with her pension contributions wrapped up in a bankruptcy procedure and given to creditors when she was of the view that they were going to contribute to her pension. Okay?

It seems like there's going to be a pension regulator in place to look at these issues, to encourage the funding of them both from the worker's perspective as well as the employer's perspective, to see that they're sustainable, to see that people are making their contributions, to make sure that things are in line. In my view, it goes some way to trying to see more people covered, which is a good thing.

I'll end where I started. This whole idea of pensions and the ability for seniors when they're done their working life to live in some sort of dignity is an issue that is not going to go away for this Legislature or, in fact, for Legislatures across the country. It is something that increasingly we're going to have to deal with, and we should start planning for it now because there are two things that we know about seniors. Seniors are more costly. They are. They're generally more prone to the health care system. They are not working, so they're contributing less to the tax base and are receiving a pension or CPP or something of the like, so they are considered a cost or a different kind of investment on government books.

We should start preparing for that day because we also know here – we just came through an election – that seniors vote. So no matter how much we say it's personal responsibility, that people have done it to themselves, that people have not saved for their retirement so we're going to let them starve on the street, that's not going to happen. Okay? It shouldn't happen not only in a fair and decent society, but it's not going to happen as a matter of fact. They vote. They vote en masse. They vote in larger droves than younger generations do, and I have a feeling that will continue. As legislators we're going to have to address that issue not only from a point of getting elected but a practical point of giving people some decency and the like, which is probably more to the point. Politics and reality sometimes collide, Madam Speaker, and I would suggest that in this case, this is definitely one of those points.

I'll leave it at that. Let's hope that this legislation encourages more private companies to look out for their workforce and to allow for a decent standard of living when the time comes.

Thank you, Madam Speaker.

**The Acting Speaker:** Thank you, hon. member.

We now have Standing Order 29(2)(a) if anybody would like to comment or ask questions.

Seeing none, I'll ask if there are any other members that would like to speak on Bill 10, Employment Pension Plans Act.

Seeing no other members who wish to speak, I would ask the hon. Member for Calgary-Varsity to close debate.

**Ms Kennedy-Glans:** I close debate. Thank you.

[Motion carried; Bill 10 read a second time]

## Bill 2

### Responsible Energy Development Act

[Adjourned debate October 31: Mr. Anderson]

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

**Mr. Rowe:** Thank you, Madam Speaker, for the opportunity to speak again on Bill 2, the Responsible Energy Development Act. I am disappointed with what the government has delivered in this piece of legislation.

**The Acting Speaker:** Excuse me, hon. member. We have a complication at this moment. It has just been brought to my attention that you have already spoken on this bill in second reading. You can only speak once in second reading, so save it for the next. Thank you.

I would now ask the Member for Chestermere-Rocky View to proceed.

**Mr. McAllister:** Thank you, Madam Speaker. I did not get to speak on this the first time through, and I'll do everybody a favour and not repeat everything that I know was said on Bill 2 the first time through. [interjection] You're welcome. I'll close with a short story at the end, and I promise it will be short.

Through my reading of Bill 2, though, it appears to me that the intent is to support economic growth by cutting bureaucratic red tape, and that is certainly a noble intent. I know it's one that we all support in here. Alberta gets a bit of a bad rap, I think, with energy development because there is so much red tape in the regulatory system, so I do applaud the government for working with industry to try and change that fact. Bill 2, I think, is a step forward, although, as you know from previous debate, there are some reservations.

8:20

We've heard from a lot of members on this. A lot of my colleagues, I think, have done a great job outlining the concerns that their constituents have with it, many of the same concerns that my constituents have brought forward to me. As I say, in the spirit of efficiency I won't go back over all of them, but I will make a few points.

Madam Speaker, it's common sense, I think, that no organization – any organization – should have investigative powers over itself. I suppose there are exceptions to the rule, and somebody can always come up with one, but in general it seems to be a problem in terms of optics with the public. You can think of any example you want. Think about police forces, for instance, which I have the utmost respect for. Anytime a body investigates itself, it opens itself up to questions. So we worry about those things.

The proposed new regulator is to gather together different government entities under one roof. Now, it's my understanding that those entities that are being gathered already have a process in place for decisions to be reviewed by an independent body if

concerns are raised. Wouldn't it make sense for that process to remain in place under the new regulator or even to be enhanced?

Some of the things I've heard from my constituents. Again, I know we all reach out to stakeholders to ask people what they think. Before we get up and speak, we should always do that. I'm told by some that it's not procedurally fair, that a third independent party needs to be considered. I think we all recognize that we live in one of the greatest countries in the world, probably the greatest province in the world. Certainly, economically we're the driver of this country. So why in a province like this, in a country like ours, is the government proposing that a regulator of a major industry investigate itself?

I just want to share with you a short story from my riding of Chestermere-Rocky View, if you can all imagine sort of putting yourself in the shoes of these people as I share it with you. It comes from a couple of my constituents. They live in Bears paw, one of the most beautiful areas in this province, just northwest of Calgary. Their names are Phil and Lee. Well, one day Lee, who has lived in his home for about 20 years, notices 17,000 square feet of concrete being poured about 400 metres from his residence. Obviously, he opposes this. He does some investigating and complains to the NRCB.

Now, a lot happens after that, but in short a feedlot is grandfathered back to 2002 despite the fact that it's poured in 2006. Lee spends an awful lot of money and an awful lot of time seeking justice, seeking the truth. The residents started a judicial review about the NRCB's procedural fairness. In early 2009, more than six court hearings and nearly four years and a lot of money from Phil and from Lee later, Justice Hall of the Alberta Court of Queen's Bench vacated the NRCB decision and called for a proper and thorough new investigation by – guess who? – the NRCB. Therein is the problem. What Phil and what Lee have said to me is that, in their view, it is the fox in charge of the henhouse. I know that is an overused phrase in here.

I think we're on the right path to try and make the right decisions, but I raise this concern tonight for the residents in my riding because I've heard it from several people. That's the point I wanted to make.

Thank you for your time, Madam Speaker.

**The Acting Speaker:** Thank you.

The hon. Member for Barrhead-Morinville-Westlock.

**Ms Kubinec:** Madam Speaker, I'd like to thank you for the opportunity to rise today and speak about the Responsible Energy Development Act. I believe that Bill 2 is long overdue and has been a long time coming. Our province has a lot to be proud of. We have been called the economic engine of this great country. Continuing to develop our resources in an environmentally friendly and responsible manner is paramount. Now, I speak for many of my hon. colleagues when I say that our constituents want to see our province benefit from the resources that we are blessed with.

In speaking with the people across Alberta, specifically my constituents in Barrhead-Morinville-Westlock, that development cannot come at the expense of the environment. Albertans across the province, me being one of them, take their responsibility as landowners very seriously. We have generations of families, my own family's forefathers, who have handed their land down to their children and their grandchildren. I need assurance from this government that they are developing policies and legislation that will stand my family in good stead and have my interests at heart. Landowners like myself can be confident that we are developing an effective and efficient regulatory system that balances

development and keeps our fields safe from harm. I believe that Bill 2 helps us do that.

When we make decisions about how to manage our resources, we have the same thoughts as many of the landowners do. How will this impact Albertans now and in the future? It is our responsibility to ensure that future generations have the same opportunities to enjoy all that Alberta has to offer. To do this, we need to develop our resources in an environmentally responsible and sustainable way. Our commitment is to balance the need for economic development with the imperative to safeguard our water, air, land, and biodiversity.

Madam Speaker, I believe that this Responsible Energy Development Act provides the right approach to regulating our resources that protects the environment without compromising Alberta's economic future. Bill 2 is an example of what we can create when we engage Albertans in a discussion about future development and regulation. I know that the hon. Member for Drayton Valley-Devon spent two years meeting with and listening to people across this great province, and I think that the task force that she chaired got it right. People want to be heard. This province needs a single regulator that has a comprehensive perspective on development. It needs the ability to look and to assess a project from application all the way through to reclamation. I'll speak a little bit about that later.

Through Bill 2 the regulator will have the authority to administer the Public Lands Act, the Environmental Protection and Enhancement Act, and the Water Act as far as energy resource development is concerned. I am pleased to know that apart from the changes to the application process these acts are not being changed and will apply to the energy resource activities in the same way that they apply to other natural resource activities. Madam Speaker, this new approach to the regulation of energy resource activities is more cohesive and unified than the approach currently. We will no longer divide responsibilities for energy resource development among a number of regulators. That approach is too fragmented.

I'm also pleased that in moving to a more comprehensive regulator system, the regulator will not operate in isolation. This new regulator will be collaborative and modern. It will have the tools at its disposal to make informed decisions and to act decisively to ensure compliance with the terms of approval and the requirements of our public lands and environment legislation. It will have the tools it needs to uphold the strict environmental standards the province and its citizens expect.

I am reassured that the Responsible Energy Development Act increases the amount of the current fines under the energy statutes. In fact, these will be assigned more stringent environmental fines than exist today. Madam Speaker, in many of the existing energy statutes, like the Oil and Gas Conservation Act, for example, fines range from a minimum of \$300 to a maximum of \$1,000. I know that I'm not alone in thinking that's simply not enough. In reading this bill, I am pleased to learn that fines like that will be increased to a range of \$50,000 to \$500,000. In short, the regulator will have the authority to levy heavy fines on those who fail to comply with the laws of the land. This sends a strong message that our environment is extremely important to this province and that we are holding energy companies up to a high standard.

**8:30**

I have heard questions about whether having a single regulator responsible for both energy development and the environment presents a conflict of interest. After reviewing the Enhancing Assurance reports and reviewing the bill, I am confident in saying:

no, it is not a conflict of interest. The new regulator will be able to assess the merits of the entire application with an eye to proper environmental protection and the social benefits to our province. I know that the new regulator is part of the bigger integrated resource management system. We are committed to integrating how we manage our resources. We're going to do this in a way that is healthy for the economy, the environment, and society. Bill 2 is consistent with our commitment to have a world-class monitoring system and our commitment to land-use planning.

Madam Speaker, I'd like to change tracks for a moment. One of the things I looked for in this legislation is whether or not we are maintaining landowners' ability to participate in the regulatory system. I was pleased to see that this legislation includes a requirement to provide notice about all energy resource project applications and developments across our province. Currently that is not the case. This is a huge improvement.

I was also pleased to see that the new regulatory system will give Albertans a number of ways to have their voices heard. In fact, my hon. colleague from Calgary-West wants to make public engagement opportunities broader than just about energy resource activities. The government of Alberta has established a policy management office, which will develop an engagement plan to see how Albertans can have their say. Albertans, landowners, and industry will have the ability to have input into matters like land-use plans or policy decisions before decisions are made. Madam Speaker, I believe this is exactly what Albertans are looking for.

I want to tell you a little bit of a story that happened to my family. We had a pipeline go across a quarter section, and they left a mess. In today's world, with this new act, we will register that pipeline agreement ahead of time, and then we will have recourse to go back to that company and say: you clean up that mess.

Madam Speaker, I'm confident that this new regulatory system is a good one. I believe it's the right direction to go, and I am happy to support the bill. We are doing what we said we would do, and we're delivering on what Albertans have said they want.

Thank you, Madam Speaker.

**The Acting Speaker:** Thank you.

We have 29(2)(a) if there are any members that would like to ask a question or comment. The hon. Member for Little Bow.

**Mr. Donovan:** Thank you, Madam Speaker. For my colleague from Barrhead-Morinville-Westlock, I guess that on the pipeline damages and stuff I, too, have had pipelines that went through. Usually it's back to a good rapport with the company you're working with. In our area it's quite sandy soil, so sometimes the pipeline can be good for about five years, and then if you get lots of rain and stuff, the actual water goes along the pipeline, erodes it a bit, and then it sloughs down. As soon as you threaten that you're going to take it one step above them, I've always had good luck with getting it dealt with. I was just wondering. You spoke in your speech of a quarter section where you had a pipeline. Did you ever get it resolved? There are ways to get it resolved right now through legislation.

**Ms Kubinec:** Madam Speaker, no, we did not get it resolved. They left a mess, and my husband was left to clean it up. With the new process we would have that registered with the regulatory body. They would be able to go and do the work of making sure it got cleaned up.

**The Acting Speaker:** Are there any other members?

Seeing none, I would recognize the hon. Member for Lac La Biche-St. Paul-Two Hills.

**Mr. Saskiw:** Thank you. Let me start by saying that the Wildrose Official Opposition really wants to support the Responsible Energy Development Act. We welcome the underlying intentions of this legislation. We do think that a one-stop shop for approving resource development is a good idea. We are supportive of streamlining and finding efficiencies, and we think that all the stakeholders in development can be brought together to reach decisions that are advantageous for all Albertans.

The Wildrose has worked hard to understand the needs and concerns of our energy and resource industries, and we have heard loud and clear their complaints about slow, cumbersome, and often contradictory regulatory hurdles. It was because of these conversations with industry that we were hopeful to see the introduction of the Responsible Energy Development Act. I could go on at some length about how cumbersome the regulatory process has become in Alberta, but I won't. I'll be brief.

The Global Petroleum Survey, done by the Fraser Institute of Alberta, describes Alberta as having a "constantly shifting regulatory and approval framework," a "high degree of government bureaucracy," and "inefficient oil well site inspection procedures." Obviously, there is much opportunity for improving the regulatory framework for responsible energy development in Alberta, and that, again, is why the Wildrose was very hopeful about this bill. We were hoping that Bill 2 would take practical steps to address all of these different delays and red tape in the current process. Unfortunately, this is not what is in the bill.

The Responsible Energy Development Act, like our leader stated earlier, is kind of like a Franken-bill. It brings together a bunch of different pieces of legislation with a bunch of different elements, tries to squash them together, and it hopes that by naming it under a single regulatory agency, somehow it's going to solve all these many different problems. Unfortunately, it doesn't.

Bill 2 seems to have the government walking down exactly the same path that it went down with Bill 36, Bill 19, and Bill 50. Each of those bills had to come back to the Legislature for significant amendments. Each of those bills failed to recognize the rights of important stakeholders. The Wildrose is hoping to break this government's pattern of forcing through flawed legislation and then having to bring it back to amend it two or three years later, when there is the inevitable public outcry and when it becomes too loud for the government to ignore.

This is why we'll be moving 12 significant amendments to the Responsible Energy Development Act. We hope the government will slow down this legislation and work with us and with stakeholders to fully understand some of the problems in this bill and seek partisan or bipartisan solutions to ensure that this legislation preserves the balance of respecting and streamlining the regulatory environment for energy companies as well as respecting the landowners and the environment.

We are proposing many amendments, and I'll be brief about this because it will come up later. We are proposing amendments to the mandate of the regulatory board, to the composition of the regulatory board, to return public interest provisions into the duty of care of the regulator, to the roster of the hearing commissioners, to protect personal privacy information transmitted to cabinet, to the requirement of a legislative ratification of interjurisdictional agreements, to the provision of notice of hearings for those affected by the decision, reinstating provisions regarding decisions and hearings, creating appeals to the Environmental Appeals Board and the Public Lands Appeal Board where appropriate, removing cabinet's ability to write and rewrite binding rules for the regulatory board, and many others. As you can see, we have some significant concerns with key elements of this bill, but we think it's fixable.

At this point I'd like to put forward a motion that Bill 2, Responsible Energy Development Act, be now read a second time but that the subject matter of the bill be referred to the Standing Committee on Resource Stewardship in accordance with Standing Order 74.2.

**The Acting Speaker:** Hon. member, we'll pause while the amendment is being distributed throughout the House.

Hon. members, this is a debatable motion, so are there any members who would like to speak on this? This is a referral amendment, and we will call it RA1.

The hon. Member for Lac La Biche-St. Paul-Two Hills.

8:40

**Mr. Saskiw:** Thank you, Madam Speaker. We think that if the Legislature sends this bill back to committee and works on it in good faith, this bill can be fixed. We think that a bit of investment and give-and-take now will have this government avoid the kind of landowner activism that we've been faced with over the past two and a half years.

I recall that when we first started this legislative session at the beginning of this year, the Government House Leader talked very well about having these all-party legislative committees really delve into bills. We see this done federally, where you actually have contentious pieces of legislation that are put to a committee so that you can hash out these differences, particularly if they're not substantive differences. Sometimes there are just minor corners that need to be rounded out. I think this is a perfect opportunity for the idea that the Government House Leader had earlier this year, to actually have committees do this type of work.

I know that our caucus, generally, wants to support the intention of Bill 2, and we think that these amendments will go a very long way towards salvaging this bill. We can talk about that if this motion does go to committee.

We sincerely hope that the Premier and the Energy minister will be open-minded about slowing this bill down. We hope that they'll seriously consider amendments, that they'll reach out to stakeholders and do the proper and thorough consultation, and that they will ultimately get the Responsible Energy Development Act right. Albertans deserve no less. It's my humble opinion that referring this to committee would do just that.

Thank you, Madam Speaker.

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

**Ms Smith:** Thank you, Madam Speaker. I rise to speak in favour of the motion to defer this bill to committee, the Standing Committee on Resource Stewardship. I think this goes back to a commitment that the Premier made during the leadership race. She talked about doing legislation differently. I think that she was probably just as frustrated as we are on the opposition benches when we see a 150-page bill come down and go through multiple stages of reading over the course of a matter of days without having the opportunity to fully debate it as a caucus, without having the opportunity to return to your constituency and debate it with your stakeholders, without having the opportunity to actually hash out legitimate amendments being brought forward by opposition members. I think that the entire reason why the Premier created the new committee structure was so that she could keep her commitment to do politics differently.

What we're hoping with this bill – I think that we've demonstrated good faith. There have been a number of bills that have come forward that, as you can see, we're quite prepared to support. I don't think that we're that far apart on a whole range of

issues. On this bill, in particular, I think that we can find a solution by making some amendments so that the government is able to put forward confidently a bill where they can go out, whether they're in an urban environment, whether they're in a rural environment, whether they're talking to an energy company or a landowner or environmentalist, and say: we've got a good piece of legislation here with a good process that has got buy-in from all parties, that has got buy-in from all of the stakeholder groups.

I have to say that I'm a bit confused about why the government wouldn't respond to that olive branch, wouldn't respond to that offer, and wouldn't respond to that challenge of their own leader, quite frankly, to actually do politics differently and to do legislation differently. We have seen time and again, unfortunately, that when complex bills like this are rammed through without enough consultation, without enough discussion, without enough due consideration of amendments, mistakes get made. Then we end up with a political battle that rages out there among a variety of different organizations and factions that should be working together for the development and the betterment of our province and that end up working against each other, and it creates more division rather than more unity.

We know that our energy companies will not benefit if we end up with landowners who are hostile because they feel that their interests are not going to be well taken care of under this legislation. We are talking about amending the bill in a couple of key ways so that landowners and environmentalists can feel like they are part of this process, too. Otherwise, we're going to make things more difficult for our energy companies because every time they have to go into a negotiation with a landowner, there's a landowner who's going to be worried that now they don't have access to the Environmental Appeals Board hearing or that they don't have the ability to intervene in the way that they did in the past. That is not going to lead to very good negotiations at the ground level.

We know that we've got, by and large, a pretty good system in Alberta. We recognize that we've got two rights. We've got the surface owner, who has rights. We've got the subsurface owner, who has rights and partners with Alberta to develop our resources on behalf of all Albertans. We also know that those mineral rights holders have the right to be able to go in and have access. That's why we have the Surface Rights Board, so that in the event that we don't end up with an agreement, there can be a forced entry order, and there can be factors of compensation considered. The nice part about the way our system is structured is that the vast, vast, vast majority of all of the negotiations between mineral rights holders and surface leaseholders or surface landowners end up without having to go through that combative litigious process.

We want to make sure that that relationship stays strong. It's been frayed over the last number of years. It's been frayed for a number of reasons. It's been frayed because of Bill 50. I know it's a different issue, the approach that the government took on transmission lines, saying: "You know what? Landowners have become a bit too cumbersome to this process. They're kind of standing in the way of what we want to do, so we're just going to eliminate the process and make a bunch of decisions in cabinet." I don't know what the government thought was going to happen when they decided to do that, but it's entirely predictable to me what ended up happening. Landowners across the entire province stood up and said: we're not going to take it.

Then with Bill 19, the Land Assembly Project Area Act, the same thing happened. The government thought: well, all of that compensation, that pesky compensation, kind of gets in the way of what we want to do, so we're just going to pass laws to limit the compensation to just market value, and by the way we're just going to freeze the land, and we'll let you know if we're going to

need it. I don't know what they thought landowners would do in response to legislation like that. Of course they started having landowner meetings across the entire province, of course they stood up against that, and of course the government once again was forced to come back to this Legislature and fix it.

Then the Land Stewardship Act, which I think we still end up having problems with. We've seen what happens when the cabinet takes it upon themselves to make decisions that go outside of a regulatory framework, in the case of the lower Athabasca regional plan the cancellation of 18 oil sands leases. We have no idea what kind of leases are going to be impacted through the South Saskatchewan regional plan, but we know that landowners are just as concerned about that. We know the government had to come back once again and make changes to that legislation to be able to satisfy those concerns of landowners.

What I don't get is why on earth we've gone through three different pieces of contentious legislation; three different instances where landowner or leaseholder rights are at play; three different instances where landowner groups have said, "Stop; you can't do this"; three different instances where they didn't feel their compensation was properly protected or that their rights to due process were properly protected. Why would the government, having gone through that for three years, be wanting to make the same mistakes all over again when there are some very simple, very easy fixes to this legislation?

I think we can work it out if we get down to talking with each other in a forum like the Standing Committee on Resource Stewardship, where we would end up with an all-party committee, all of us from different parties coming together. We have the ability to bring in witnesses so that we can vet their views on the concerns that they have about different pieces of this bill so that the members in the party opposite can hear the same things that we're hearing from the people who are calling our offices and calling our MLAs, so that we all have the same information, so that we can go forward and create the very best bill that we possibly can.

There's absolutely no point in creating an environment where you force through a piece of legislation that we know is flawed. We were able to have 12 amendments that we put on the table. I'm quite certain we probably could have come up with more had we been given more time, but the whole point is that we're forcing through a massive change to the way we are regulating our energy industry, to the way in which they're going to interact with our environmental groups, with our landowner groups.

The government is asking for this to just be forced through. When I looked at the schedule for how quickly the government wanted to move on this bill this week, they wanted to be done third reading by the end of the week. How on earth are we going to get good legislation if in the space of essentially two to three weeks we get this dumped on us along with, you know, I guess, 400 other pieces of legislation? We've got tons of stakeholder consultation that we're doing, and we simply are not going to get good legislation if we end up forcing it through without proper debate, without listening to the stakeholders.

I'm imploring the government to realize that we are with them on this, that we do want a regulatory environment that is streamlined, that we do want a regulatory environment that works for our energy companies, but we want it to work as well for the environmental community, and we want it to work as well for our landowner community.

**8:50**

What we have heard from the feedback we've been getting on this legislation is that it's not there yet. There is no need to rush

this. We have had the environment that we've been in getting slowly and slowly and slowly worse for a long time now. I don't know that it could get much worse, which is why I think there's so much hope in the energy industry that by making these kinds of substantive changes, we could start rolling back some of the regulatory red tape and paperwork that has gotten in the way of our being able to make development decisions in a timely way. But we're not going to be able to do that if we end up creating once again friction and conflict between the key stakeholders who are impacted by energy development. We think that some of the proposals we're putting forward are very, very reasonable.

One of the things I would say as well, part of the reason I think it's so important for the government to slow down on this, is that when I was with the Canadian Federation of Independent Business, Alberta consistently would score Ds and Fs from our organization when it was assessed about the progress they were making on being able to improve the regulatory environment. There were a few key things that this government was never able to get right. One of the things that they were never able to get right is that they were consistently reluctant to set a benchmark for measuring the overall amount of regulation. That is absolutely key if you're actually going to reduce the amount of the regulatory burden. You need to know what the problem is right now.

I think we've done a pretty good job, looking at the work that the Environment and Sustainable Resource Development minister has done, of at least quantifying it, at least benchmarking just how bad the regulatory environment is. But where I think we're not seeing what the industry wants to see is: how are we going to improve it by having dedicated timelines in place that we enforce on the regulator so that the regulator has to manage their workload in a way that will meet those regulatory requirements? This is one area that I think we need to have a great deal of discussion about because we can't just leave it to the regulator. In having left it to the regulator for the last number of years, all we've seen is that the regulatory burden has continued to grow and grow and grow.

There does not seem to be an attitude among the regulators, either in this area or any other area across government, quite frankly, that they quite get what the process of genuine regulatory reform looks like. Let me tell you what it looks like in other provinces. This is, again, why I was hoping we'd see some of this attitude brought to this legislation and why I think that if we have these conversations in this committee, we may be able to get there. Not only would this be exciting, to reduce the regulatory burden for energy, but we could apply this across all of government.

One of the great examples of a successful regulatory reform effort was in British Columbia. When Gordon Campbell came in in 2004, he promised to reduce the regulatory burden by 40 per cent. What he did is that he benchmarked the total amount of regulatory requirements, and he went out and told his administrators: "Okay. Reduce it by 40 per cent." What ended up happening is that anytime one new regulatory requirement came in, the regulators had to find five to eliminate. So ultimately, as they were creating new regulations, they were constantly finding other types of regulations that they could eliminate and streamline. At the end they're now in a position where every time somebody wants to introduce a new regulatory requirement, they have to find one to eliminate. We haven't even gotten to that first step in Alberta.

Secondly, there was another excellent regulatory reform effort that took place in Nova Scotia – this is one of my personal favorites – where they actually sat down all of the administrators, all of the members of the civil service, and they made them fill out every form and permit and licence and application and report that they were imposing on the business community. Then they timed how long it took for them to fill out all of those permits and forms

and licences and reports and applications and developed a benchmark for the number of hours of regulatory burden. They came up with 615,000 hours of regulatory burden that was imposed on the business community in one year.

The politicians said: reduce it by 20 per cent. That's when they created an environment within the regulator where rather than being a regulation maker, they became regulation managers. For every new process that they came up with, they were constantly trying to find ways to streamline the regulatory environment, reduce the amount of paperwork, reduce the number of hands that a piece of paper ended up touching before a decision was made, and ultimately reduce the time frames.

This is the kind of constructive, positive regulatory reform effort that I think the industry is hoping to see out of what we're going through with this change to a single regulator. But I have to say that I don't think I see anything in the legislation that leads me to believe that that is the direction the government is going in. I don't see anything in the reports that CFIB has done or in any of the assessment that outside organizations have done of this government's progress in doing those kinds of reform efforts that this is actually going to be successful. That's, again, one more reason why we need to have this go to a committee: so that we can bring in groups like CFIB, so we can bring in groups from the energy sector who are impacted by the regulatory environment, so we can hear their stories, so that we can actually ensure that we're identifying the right problems.

This is the concern that I have with the approach this bill takes. It does eliminate a couple of appeals boards. It does eliminate a couple of processes. But is that what the industry is really complaining about? Are those the right processes for us to be eliminating? The Environmental Appeals Board: is that really what industry has been asking for, to eliminate that? I highly doubt it. I don't think that this government has heard enough. I don't think they've listened enough to the exact problems that the industry is having so that we know that when this is being implemented, it's being implemented in the right way.

The reason why I say that is that they gave way too much latitude to the regulator to set their own timelines, their own targets, and I think that that's going to be where the problem is. Those timelines and those targets need to be set by this Legislature. Those timelines and those targets need to be set here in the Legislature and imposed on the regulator so that they don't have that latitude. We're the ones who are supposed to tell them: "Look. It should take 180 days for you to get this approval done. You have to manage your workload to be able to get to that, and if you can't get to that, you have to tell us why not." We're the ones who are supposed to be setting those targets on them so that we can end up meeting those goals.

In the case of the oil sands you hear stories. When I was up at CNRL, the Horizon project – they started the regulatory journey to create the Horizon 2 and 3 projects back in 2000. They did not get all of their permits in place until 2009, 300 permits and licences later, nine years later. This is the problem with the regulatory environment that we have in Alberta.

We want to constructively work with the government to be able to address this. We want to constructively work with the government to be able to fix this, but the only way we can actually do that is not by forcing every one of us to sit here until 4 o'clock in the morning debating our 12 amendments and hoping against hope that the government might see reason on one or two of them. We think the proper way of doing this is for everybody to get a good night's sleep, for us to go back to our constituencies and talk to our stakeholders, and then come back after the legislative break

and have a good opportunity to speak about this in this Standing Committee on Resource Stewardship.

We would love to work with the government to see if we can get through that process so that we can hold the spillover until the new year. If we can do that kind of work over the course of the next couple of months, if we can do that work and get this as the first item to come back in the new year, in the spring session, I think we'll all be a lot happier. I think we'll all end up with a process that we feel we can take to our stakeholders in our communities, that the government can take not only to the energy sector but also to landowner groups as well as to environmentalists and say: "We've got a pretty good process here. Let's try it out."

Now, we know that we're not going to get it perfect. We're not asking for perfection. What we're asking is for us to fix the largest and most glaring problems in this legislation. There are many. We've identified 12 of them. I'm sure that the members of the other opposition parties will have identified some as well. I'm just asking for the government to listen to the argument. We're not here to try to make political hay out of this issue. [interjections] Well, I can tell you that there'll be a lot of political hay that will be made out of this issue if the government does not listen to the voices of legitimate landowners and environmental groups. We have no problem making hay out of political issues when the government makes mistakes. We have, and we will. The question on this piece of legislation is: why would we do that? This is too important.

We know that this entire province needs to work together because we've got folks outside our borders who are more than happy to be barbing arrows at this province, talking about our environmental record, talking about our development record. The last thing that we need is to have those who are within this province not standing behind our energy industry. If we can feel proud about the work our energy industry is doing, if we can feel proud about the work that they are doing that is in sync with what the environmentalists are asking for, if we can feel proud about the work that they're doing that we know respects landowner rights, then we are going to create 3.5 million ambassadors for our industry going outside our borders, talking to their friends, talking to their neighbours not only across Canada but in the U.S. and around the world. That's the way you change public opinion. [interjections] It's true.

**9:00**

You don't change public opinion by creating a process that has the different factions that are affected by development at war with one another. This is the divide-and-conquer strategy that this government has played on three different pieces of legislation. They got called out on it. It's not our fault that they got called out for bad legislation. You bet that we're going to be talking about those areas if they're not respecting the environment and they're not respecting landowner rights. But why would they go through it again? We're, again, more than happy to work with the government to be able to fix these bills so that we can take it back to those landowners who are in our areas, those energy companies that are in our areas, and those environmental groups that are in our areas and say: "Yeah, they did listen. They did make some amendments. They did improve this legislation."

But if they don't go through this process, if they try to ramrod this through again, I can guarantee you that two years from now we're going to be back here again after two years of advocacy by various environmental groups, by various landowner groups, and the government is going to realize: "Whoops. We made a mistake, and now we've got to fix it." Why would we go through that for

the next two years? Why not just take an extra couple of months to be able to do this right, to hear from all of the different players, to hear from all of the different stakeholders, to amend this bill so that we can all feel good about going back to our constituents, standing with unanimous consent, as we have on some of the other bills in this Legislature, and feel really good about the development that we're doing in this industry.

I know that the people I speak to want this process fixed. I know that the landowners I speak to want to be respected, the environmental groups I speak to want to feel good about the process that we have here. The government has a real opportunity to do things right, and the only way we can get that done right is if we refer to this committee, and we take the time that we need to make sure that we're making the amendments so that we can all stand behind this bill.

Thank you, Madam Speaker.

**The Acting Speaker:** Are there any other members who'd like to speak on this? The hon. Government House Leader.

**Mr. Hancock:** Thank you, Madam Speaker. I'll be relatively brief. I just want to rise to speak in opposition to the amendment, the referral motion as it is, to send this bill to the standing committee. I'm a big fan of the legislative policy committees in government, formerly the standing policy committees. I think there's lots of excellent work that those committees can do. I'm always enticed by the concept that a bill should be sent to a committee so that good work can be done on it.

However, in the case of this bill, this bill is the result of an extensive amount of work already. I believe it was the hon. Member for Drayton Valley-Devon who led a process to develop a report, which was done almost two years ago. An extensive process of consulting went into that regulatory assurance report to deal with one of the issues that we have heard over and over again in this province in recent years, and that is that we need to improve the regulatory process so that there's some certainty in the process, but we need to make sure that the appropriate policies are in place so that everybody knows and understands which direction we're going. The report that was done by the hon. member made a very clear delineation that government and this Legislature set the policy and then the regulatory organization runs a regulatory process that's fair and reasonable to all parties to ensure that we can get the work done that this province needs done while still protecting our environment.

While I understand the hon. member's purpose, instead of just saying, "Send this to a committee and do some more consultation," I think that she probably is, perhaps, unaware of the amount of time and effort and work that's gone into this process already, culminating in this bill.

**An Hon. Member:** Years.

**Mr. Hancock:** There are years of work that have gone into it.

In fact, it would be fair to say, I think, that the major players in industry and the environmental area in this province have been very supportive of the work that was done, were very supportive of the report. In fact, if there's a complaint that I've heard as a member of this Legislature and a member of government over the past year, it is that we haven't moved fast enough to get this done. They don't want us to wait another two months or three months or six months. They want this in place now. They want to get on with the job. That's the feedback that we've been getting time and time again.

I would ask the hon. members opposite, as I always do, that if there are some substantive amendments that they see could

improve the bill, get them to the Minister of Energy so that he can take a look at them, he can recommend them to our caucus, and they can help to improve the bill. If there are amendments that are for political grandstanding purposes, by all means, put them on the table, and let's get the grandstanding done. But let's not delay the progress that needs to be made in this area. I'd ask members not to support this amendment and to move this bill to committee as quickly as possible so that we can see what those amendments might look like, see whether they have any beneficial purpose to improving the process.

Let's be clear on the bill. This bill does respect landowners. This bill does respect industry. This bill does respect the environment. It respects the fact that there needs to be clearer policy in place, and there needs to be a clear regulatory process. That regulatory process should ensure that everybody that needs to be heard and has an interest in being heard can be heard in the process. But it doesn't delay the process. It doesn't get in the way of process. It allows a very fair and reasonable process of getting things done in this province. That's what Albertans are like. Albertans are get-the-thing-done people. They want us to get this done now.

**The Acting Speaker:** Under Standing Order 29(2)(a) is there anyone who would like to comment or ask questions of the hon. member?

Seeing none, we'll move to the next speaker. I believe the Member for Calgary-Buffalo would like to speak on the amendment.

**Mr. Hehr:** Well, thank you, Madam Speaker. Hopefully, I won't be accused of grandstanding, but I will speak in favour of this bill. There's a lot, to me, in this legislation that needs to be looked at. It's highly concerning to me that there is no public interest component. We've seen that time and time again in our legislation. That public interest is one of those things that committees of this nature that are established have an obligation to hear. It's not always easy or seems to fit nicely with what we want to do, but the public interest component is there. Really, let's be clear. The public interest is the test which measures if this is in the best interests of the people as a whole. It's not a neat and tidy test or anything of that nature. I'm highly concerned that that is not in there.

There are numerous other things in this bill that cause me concern. Whether this in fact is an independent regulator or whether it's simply just an arm of government gives me some concern. It gives me some concern that there is no definition of what constitutes noncompliance of energy companies. It should be contained in an act if we're actually going to enforce what is noncompliance and the like.

It appears that we're going to have lots of time to speak on this stuff tonight, so I won't keep going on for too much longer, but I will also say this. Oftentimes we in this Legislature think that the regulation is just there to cause people concern and the like. I come from a school of thought that often the regulation probably was there for a purpose, probably there to allow for some person to be heard or some person's rights to be protected. I understand the nature of politics. Every opposition party will run on eliminating the red tape, and every government will run on saying: we're doing the best we can.

There's a reason why sometimes regulation exists, people. Sometimes it exists to protect the general public. We've seen incidents. Some say the financial crisis that we're still working out in this world was caused by a lack of regulation or accountability in the financial world. That is, generally, the resounding theme of

what has come out of us leaving that time period. We're still not out of it. It's still causing trouble throughout the world. A lack of regulation. I'm certain there were storms of people giving long speeches about red tape and the like across Legislatures in the United States and elsewhere, in Canada here, that said: oh, we've just got to get the red tape out of the way, got to get it out of the way of the businesspeople, got to get it out of the way of this. Simply put, that's not always wise.

9:10

I know we have legislation up in the next few days on building codes, okay? Those regulations are going into place to provide people, when they buy homes, with some security on what they are purchasing and some need to have protections in that regard. Is that regulation? Yes, it is. Is there a reason for it? Yes, there is. Now, I might argue that we should have had this legislation 15 years ago, when B.C. had it, more regulation on the books to protect homebuyers. But we've got to remember that here.

Nevertheless, I think this bill is at this time flawed. I don't believe it covers many of the concerns that I'm hearing from out in the community, from people commenting on the bill, and, really, from my own intuition on what should be incorporated into a bill.

By no means is drafting this bill easy. I understand the difficulty in trying to set up a one-stop shop, one regulatory system. You have to move what was basically – I don't know – three, four, five other groups into one, okay? There was probably a reason for those five or six other groups, because people had legitimate concerns about legitimate issues, and putting it into one new system is going to be difficult. I don't think we've incorporated all of those things into one system.

Now, I would like to point out, too, that the hon. member – say, if we were going to move to a timely manner for things, put a time limit on this, 180 days for all this stuff to be heard in a legitimate fashion. Well, no doubt we'd have to staff the organization with about three times as many people to get it heard in the 180-day period, at least if you're hearing all sides, if you're having a public interest component, if you're doing your environmental things. Remember, sometimes when we shorten up the timelines, too, we're putting unnecessary constraints on hearing the whole truth of the matter.

In any event, I don't think this bill is ready to be passed. I would support the amendment as drafted. I think this would be a good place to hash through some of these issues, maybe hear some of the concerns that have been brought up, and come to a better bill. I would also like everyone to think about, sort of when we get on our speeches, that oftentimes regulation is there for a reason, to protect people. Just running around saying, "Cut the red tape; cut the red tape": yeah, it's a great sound bite, but really what does it mean? We at the Legislature have an obligation to protect people; to protect our air, land, and water; and to give people an opportunity to be heard. Oftentimes you give them the opportunity to be heard; they'll hear some information back that may assuage their concerns as well.

Thank you, Madam Speaker.

**The Acting Speaker:** Thank you, hon. member.

Under Standing Order 29(2)(a), questions and comments, are there any members?

Seeing none, we'll move to our next speaker, the hon. Member for Rimbey-Rocky Mountain House-Sundre.

**Mr. Anglin:** Thank you, Madam Speaker. We've had for a long time in this province a social contract between property owners,



farmers, ranchers, and the oil and gas industry. It's worked, actually, quite well up until recently. That social contract was also based on the Surface Rights Act. There was a process that property owners went through, and the standard rule of thumb is still holding true for the most part. Ninety per cent of all leases, of all negotiations are settled without a problem. Of the 10 per cent that are contested, 90 per cent of those are generally settled. The oil and gas company, the developer, the driller: they don't want to go to the board any more than the property owner wants to go to the board.

I will tell you first-hand as somebody who has been extensively involved in all these issues with many, many landowners that it always comes back not to money; it comes back to respect and property rights, dignity. That's what it comes back to every time. When I look at people who are having trouble with an oil or gas lease, it very rarely centres around money. It centres around, generally, respect. I will tell you that one of the greatest abuses that goes on out in the rural areas is when a company of ill repute will show up onto somebody's land and say: "There's nothing you can do about. We're coming onto your land." That starts the fight right there. They're not even talking about negotiating. They're not talking about the lease amount of money. What they're talking about now is pride. It breaks down into pride.

I first heard of this bill two years ago from the hon. member, before the member was a cabinet minister, when I was up in Fort McMurray at a conference. I was asked by the member what my status might be with regard to this bill. I said even then: the devil is in the details. We've already mentioned, as was mentioned by the Leader of the Official Opposition – and I will tell you this – that we would like this bill to work. We're reaching out now, saying that this is what we want. I know industry wants it, and I know many property owners would agree to it, but there are so many things wrong inside this bill right now that you can't sell it in the rural areas.

I know you may not believe it, and some people might accuse some other people of making hay. I'm going to grow a crop out of this thing. This thing's got teeth into it that I can sell to landowners, and no one in this House will be able to debate me out there. If you don't believe me, that's the reason I'm here today. I'm not making that up. What I'm trying to convince on is that we want to make it work.

In every hearing that I've ever been to – and I've been to a lot of hearings for property owners – you get the sense that industry wants a set of rules and guidelines that they know they can follow that are simplified. Property owners agree, and they want the same thing. You have both sides to this equation saying: we want the same thing. You have a bill coming forward that has the ability to provide that, but if we don't get it right, we will fail. If we fail, we're not going to get on with it, as the hon. member said. What we're going to get on with is a rural fight, and we're going to have problems, and those problems can be significant. I can tell you one thing. We can debate this motion, but you can't debate the facts. They're either the facts or they're not the facts. The fact is that you've taken away some of the rights of landowners to have an appeal process.

**Mr. Hancock:** That would be in "not the facts."

**Mr. Anglin:** That is the fact. They have no right to the Environmental Appeals Board. That's been removed. That's been removed. If the hon. member can find that for me, please point out where they can get there.

They once had that right. It is now gone. You can't sell that to property owners out there. They see that. I'm already getting

phone calls. I've already been chewed out by some of my supporters out there for saying that we want to get this passed so it works for everybody, because they're already concerned. What we're trying to say here is: listen to us. We want to work, and we want to make this actually become something productive.

Now, I do sit on the sustainable resource committee, and I admire our chairperson, Madam Speaker, and she did warn that there would be opportunities for more work to come our way. I'm not keen on taking on more work anymore than probably anybody on my committee is, but the reality is that it's a duty, and it is a mechanism to get this right.

That's what this motion is proposing, Madam Speaker. This motion is proposing that we get it right. It is the tool that, as was pointed out, our Premier has said that she was looking to change when she became leader. What we're saying now is: let's use those tools. Let's use those mechanisms. What better tool to use than to get this opposition party onside to say: we can support the bill so it can do the things that we want it to do. That's the real goal here.

If we decide to force this through, and these changes don't get made – and they're not going to get made if we force this through. There are way too many concerns out there. We need to make sure that everybody is part of this. There are a lot of landowner groups that have risen up in the past, and they will rise up here. I'm telling this House that now. They will rise up, and they will argue.

**9:20**

The hon. member who just spoke against the motion came to Eckville, which is in my riding. He knows. He knows the attitude. That attitude hasn't changed. It's out there. It's about trust, and it's about respect. You have a mechanism here to get trust and to get respect. I would think that would be a high priority for this government right now. We can actually make this work.

So I am speaking in favour of this motion, and I certainly hope that the members would change their minds and reconsider. Let's put ourselves to work and do it right.

Thank you, Madam Speaker.

**The Acting Speaker:** Thank you, hon. member.  
Standing Order 29(2)(a)?

**Mr. Strankman:** Yes, Madam Speaker. I'd like to question the hon. member. He made mention of a community where there was a large gathering of people. I was wondering if you could enlighten the rest of the Chamber on the feeling and the number of people that were there in response to a government presentation.

**The Acting Speaker:** The hon. member.

**Mr. Anglin:** Thank you, Madam Speaker. Thank you for the question. Actually, some of the hon. members on the other side know. We had a meeting in Eckville, which is in my riding, a small community, dealing with the issue of the Land Stewardship Act. This was actually last year, prior to the election. It was significant. Landowners know what's going on. They're reading now these pieces of legislation. When government members came out to defend this bill, it was not defensible.

Now, we can debate who's right, who's wrong. The fact is that you had 500 people in the hall that booed the government out of the hall. That's significant, and that should never happen to this government no matter what party is sitting in those seats. That's really important. I will tell you that there were members of the government that were in denial. They didn't believe it. Yet the crowd was actually very polite up to the point where they felt they

just had enough, and they rose up. It was a clear message that I don't think this government has yet heard.

I know we talk about consultation. I know we talk about listening, but you can't listen if your ears are not open, if your mind is not open. Your minds have to open up and look at what these property owners have said.

By the way, that's not just Eckville. I saw the same up north. I saw the same down south. I see the same in every rural hall I go to, and it's not my doing. It is people learning what's going on in these bills, and they don't like it. They've been voicing their opinion. That's why these 17 Wildrose MLAs are sitting right here in this Legislature today. And that's a fact. You can debate our numbers, but the fact is that there are 17 here. What I'm trying to tell this government is that if we don't do this right, we'll be sitting over there.

Thank you.

**The Acting Speaker:** There are still two minutes left in 29(2)(a). Are there any other members who would like to question?

Seeing none, we'll move to our next speaker. On amendment RA1 the hon. Member for Strathmore-Brooks.

**Mr. Hale:** Thank you, Madam Speaker. I would like to thank the hon. Energy minister. We've had a couple of discussions about this bill, and we both agree that this is legislation that needs to be passed. With respect to all the energy companies they want it, which is great. We want it. I've been involved in the energy industry for many, many years. I'm pro industry. I think, you know, we need to work together and ensure that they have the best process available.

Now, I do respect and honour the hon. House leader, but I do have to disagree a little bit. He mentioned that the hon. Minister of Environment and SRD had consultations for two years. Obviously, from the comments I've received, from the comments my other colleagues have received, we didn't go far enough with the landowners. My phone has been ringing off the hook. I've been getting e-mails from different landowner groups that do not like what they see. Like the hon. Member for Rimbey-Rocky Mountain House-Sundre said, you know, they are becoming aware of what's going on. They're not people who will sit back and take it. They know what they want, and they know what they want to see.

This bill is something that is huge if you think of how many people that it will affect if we pass it and we don't get it right. How many billions of dollars does the energy industry produce in Alberta? Billions and billions. How many lives does it affect? This isn't something where we can say: "Well, we've got six months. We've got to get it done. We've talked for two years, but now we've got six months to get it done." This is something that's going to affect people's lives for many, many years. We need to get it right. We need to ensure that everybody is onside. If everybody is onside, we can all agree, we can move ahead, and Alberta will be strong for many, many more years.

As our hon. Leader of the Opposition mentioned, our job as legislators is to ensure the proper legislation. Our job is to ensure that the people we represent, the Albertans that we represent, get what they want. In the last few days we've heard that they're not getting what they want. You know, the energy industry is something that will be here for many years. It's something that we need to really look at, take the time and ensure that all the people involved and affected have a right to speak to it. If we refer this to the Standing Committee on Resource Stewardship, that will give them the opportunity to have their voice heard. It's something that will affect them for many, many years.

I've got a couple of stories I could tell. I won't go into too much detail. There are many oil companies that are top notch. You know, they're concerned with their image. They come in, and they drill wells. They have huge meetings, public consultations to ensure that landowners, service companies, everybody is on the same page. Everything goes so smoothly. I've been involved in a couple of these projects. It's actually a pleasure to go to work in the morning because everybody is happy. Then there's the other side. There are some oil companies that maybe try to push the envelope a little bit and don't get the consultations that they need. Then all of a sudden they're at odds. The landowners say, "Jeez, I didn't know about this coming in." The oil companies: "Well, we went too far now. We're going to carry on." It causes some tension there.

If this bill is done correctly, it'll minimize that tension. We're always going to have people that do not want oil and gas activity. That's just a fact. But I think if we work together and do the best job we can possibly do, get it right, this will be something that will carry us far, far into the future and, you know, make this government on the other side look great. This isn't a time for party politics. As we mentioned before, I mean, there have been motions and bills that we've agreed with. This is something that needs to be done right, not depending on what side of the House you're on.

So I urge you: do not vote against this amendment or our other amendments. Make a conscious decision. Is this the best for Albertans and the best for Alberta? Then make a decision.

Thank you.

**The Acting Speaker:** Thank you, hon. member.

Standing Order 29(2)(a). Any questions or comments?

Seeing none, we'll move to our next speaker. The hon. Member for Fort Saskatchewan-Vegreville.

**Ms Fenske:** Thank you, Madam Speaker. I am rising to speak against this amendment at this point in time. I, too, sit on the Standing Committee on Resource Stewardship, and I believe that what we are doing in that particular committee is creating the basis for policy. What I see in this Bill 2, the Responsible Energy Development Act, is that that consultation has taken place. There is a basis for us to begin to look at any amendments that the opposition may be bringing forward, so let's move ahead and bring them on.

Several of the hon. members participating in this debate have said that they've spoken with constituents about this bill. I have as well, and I will continue to do so. I would encourage them as well.

Now, one of the things that has happened in my constituency is that they have received an e-mail from a lawyer who says that he is providing them with information about this bill. I've got a great deal of concern about misinformation being spread out in the community without us being able to sit here and debate what the actual bill states. A lot of the people out in the community haven't read the bill, so they are taking someone's word for a portion of the bill. In my opinion, there are many lawyers – apologies to the lawyers in this room and those that are listening – that are excellent in the sleight of hand. They are better than any magician. They divert attention from the whole picture.

9:30

I believe that my constituents, Madam Speaker, are very involved and very experienced in the oil and gas industry and in pipeline siting. I would be willing to table the appropriate number of copies of this e-mail from this particular lawyer. The opening comment in that e-mail is that streamlining energy processes is a good idea, and I agree with that. That's what this bill is here for.

There is also a reminder that most energy development occurs on land which does not belong to oil companies. Again, I agree, and I am reminded of that every day when I go back to my constituency.

However, I would like to spend some time pointing out some of the arguments that I do not agree with in that particular e-mail. This e-mail implies that Bill 2 changes the way that energy companies can access land. I want you to note that access provisions are covered under the Surface Rights Act, and this bill does not change that legislation in any way. Quite simply, it's factually wrong to say that a bill which creates a new energy regulator grants new access rights to energy companies. So I would say to hon. members today, as I've said to my constituents: let us form our opinions about the bill according to the facts of the matter and not in response to inaccurate statements or, even worse, fearmongering.

This e-mail then goes on to say that the Energy Resources Conservation Act is the foundation for landowners within the regulatory process for energy projects. It goes on to quote section 26(2) of the existing Energy Resources Conservation Act, which says:

- (2) ... if it appears to the Board that its decision on an application may directly and adversely affect the rights of a person, the Board shall give the person
- (a) notice of the application,
  - (b) a reasonable opportunity of learning the facts bearing on the application and presented to the Board by the applicant and other parties to the application,
  - (c) a reasonable opportunity to furnish evidence relevant to the application or in contradiction or explanation of the facts or allegations in the application,
  - (d) if the person will not have a fair opportunity to contradict or explain the facts or allegations in the application without cross-examination of the person presenting the application, an opportunity of cross-examination in the presence of the Board or its examiners, and
  - (e) an adequate opportunity of making representations by way of argument to the Board or its examiners.

I would remind my constituents and my hon. colleagues about the blindfolded man who feels the tail and proclaims an elephant to be a long, slender thing with bristles at the end. We must look at the act and how it relates to the other sections. In this case the author has looked at section 26(2), which I read, and not looked at section 26(1), which says:

Unless it is otherwise expressly provided by this Act to the contrary, any order or direction that the Board is authorized to make may be made on its own motion or initiative, and without the giving of notice, and without holding a hearing.

Let us look at this new bill in the light of all elements in the previous legislation. It is authorized . . .

**An Hon. Member:** Without holding a hearing.

**Ms Fenske:** May I explain it to you again, that "any order or direction that the Board is authorized to make may be made on its own motion or initiative, and without the giving of notice, and without holding a hearing." That is the current legislation that exists, and we are looking at all of the elements in the previous legislation and not in comparison to one clause.

Under Bill 2, the new legislation, landowners are given greater respect than they are today in two different ways. First, they must be given notice of all applications for energy resource activities. They must be given that notice. Second, they must be given the opportunity to submit a statement of concern directly to the regulator before decisions are made, and this is not the case under section 26(2) that I just read today.

Currently some applications are considered without any notice. In this new bill landowners are given a voice when they file a statement of concern about an activity before the activity is approved. Landowners present their views at a hearing, and when the landowner or another group presents information before a decision is made, they are helping to bring about a better decision.

By ensuring that the regulator provides the right notice and looks at the right information in the first place, we can reduce the need for landowners to appeal. As the proverbial shop teacher says: measure twice and cut once. So that we don't have to make a second cut, let's look at the information. If there has been a problem, a review mechanism still exists. Perhaps we should be using the word "appeal" rather than "review." That would make it more clear, but they are still the same thing.

The e-mail also criticizes the removal of public interest from the legislation. I would again invite my constituents and others to confirm the facts. Public interest provisions already exist in the energy resources legislation connected to this act. The Oil Sands Conservation Act mentions public interest considerations twice in section 3 and once each in sections 10 and 11, the Coal Conservation Act mentions public interest in sections 4 and 8, and the Oil and Gas Conservation Act mentions public interest in sections 1 and 4. Clearly, the requirement to consider the public interest remains an important part of the regulator's work.

Now, another criticism in the e-mail is that by bringing two different energy regulator systems together, it creates a monster. Well, this truly is fearmongering. I believe that a system that brings a cohesive, unified perspective to the regulation of energy resources activities and their implications for the environment can and should work together.

Now, we have heard the opposition mention that maybe we won't get it right the first time. They're okay with that. What were some of the other words? Well, it might not be a hundred per cent. We've had the Leader of Her Majesty's Loyal Opposition say that it may not be perfect. [interjection]

**The Acting Speaker:** Go ahead, hon. member.

**Ms Fenske:** Anyway, we are bringing these two systems together, each with different roles, in a way that enables them to better work together. To me that's the basis of a good, sound marriage. In fact, it is a marriage that follows a long courtship identified several years ago as the direction that government should take and studied in greater detail by the hon. Member for Drayton Valley-Devon. This legislation strikes the right balance, and that's what we're all looking for. I've heard it many times over the last several days.

In response to those constituents and hon. members who may have received this e-mail, let me say this: don't be misled again, check the facts, and read for yourself the whole bill.

I think that the legislation before us reflects a concerted effort to enhance assurance, not just for landowners but for all of us.

Thank you, Madam Speaker.

**The Acting Speaker:** I would remind all hon. members that we are speaking on the amendment.

Standing Order 29(2)(a). Hon. Member for Airdrie, you stood first.

**Mr. Anderson:** Well, I just have a quick question to the hon. member. You said to your constituents in that last speech: don't be deceived again. Don't be deceived again. So are you telling me that when Bill 19, Bill 50, Bill 36, which were passed by this Legislature in the last several years – every one of those statutes has been brought back before this House, in some cases more than once, to fix that legislation because people like the folks in your

constituency specifically, Madam Speaker, found problems with it and had objections to it. It was brought back to this House.

**9:40**

We spent hours and hours on those bills fixing up, frankly, the bloody disaster that they were. Because they were a total disaster. So we spent all these hours fixing them up. We still haven't gotten them all right. Bill 36 is still a mess. With Bill 50 we're still building lines that we don't need. I could go on.

So you're saying that your constituents were tricked by this lawyer? They were tricked into believing that Bill 36, Bill 19, and Bill 50 were flawed pieces of language? They were just out of their minds, and this scary lawyer – is that what this is? If so, why did we come back here and have to fix each one of those bills if they were tricked like that? Can you please explain the inconsistency? Obviously, the government didn't think they were tricked or else they wouldn't have brought all these amendments to those bills. Maybe you could explain that to us.

**The Acting Speaker:** The hon. member.

**Ms Fenske:** Thank you, Madam Speaker. Through you to the hon. member I believe it was on October 29 that the Leader of the Official Opposition stood up here and mentioned Bill 19 and then threw out the comment that, well, they got that right, or they "fixed that one." That would be in *Hansard*. I distinctly remember looking for that.

I've also heard – and I would never be one to say that if there isn't an issue, it shouldn't be fixed. I don't think anyone in this Chamber is perfect. I also believe that society changes. Things move along, and we should never be so proud or so boastful as to not be able to come back and take a look again at things. However, I also know that if we don't start with a basis of policy and start from somewhere to be able to go there, we will not get anywhere.

I'm looking forward to us debating the amendments to this particular bill, but I am looking forward to us moving forward on the basis of the consultation that the hon. Member for Drayton Valley-Devon has done by going out to Albertans to gather that information. Let's move ahead, again speaking against the amendment to send further delay. Let's debate it here in this House.

**The Acting Speaker:** The hon. Member for Rimbey-Rocky Mountain House-Sundre.

**Mr. Anglin:** Thank you, Madam Speaker. I happen to know that lawyer personally, and I happen to know he doesn't even own a silk suit.

The reality is this. The hon. member mentioned something about a lawyer, and all I ask is: have you read the bill from cover to cover? If you know the bill so well when this lawyer is so wrong, will you welcome an invitation to come to Eckville to debate him in front of the public as other ministers have?

**The Acting Speaker:** The hon. member.

**Ms Fenske:** Thank you, Madam Speaker. I am responsible to my constituents, and I have actually worked on a process to engage them. That's certainly where I am prepared to be spending my time and my efforts.

If the lawyer in question wants to come and sit down with me, I would certainly be prepared to listen to his arguments. I am not here to debate him.

Thank you very much, Madam Speaker.

**The Acting Speaker:** Still on 29(2)(a) the hon. Member for Little Bow.

**Mr. Donovan:** Thank you, Madam Speaker. I've had the opportunity to work with the Member for Fort Saskatchewan-Vegreville before, being on council, and I've always been impressed with her heart and how she fights for things.

I was just digging through some stuff, and it was June 28, 2011, that an hon. member that was actually a councillor at the time moved in their own county that

a meeting be arranged with the Ministers of Energy and Sustainable Resource Development, . . .

Moved by this member.

. . . our two MLA's and Council to discuss possible amendments to The Electric Utilities Act . . . (formerly known as Bill 50).

Because they are obviously flawed. And everybody voted in favour of it. I just wondered what that means.

**The Acting Speaker:** Hon. member, were you reading from a document? In that case I would ask you to table that document.

**Mr. Donovan:** Yeah. You betcha. I can get it pulled off the Internet here.

**The Acting Speaker:** That's tomorrow.

**Mr. Donovan:** You bet.

**The Acting Speaker:** We are moving to the next speaker on amendment RA1.

**Mr. Strankman:** I'm pleased to rise and speak, Madam Speaker. I find it interesting that this bill is named the responsible energy act. I take great heart as a newbie to this facility, to this Chamber, that we would use all of the responsibility that we can to come forward with new legislation. I was disappointed when the government delivered this piece of legislation as I wholeheartedly believed that a single regulator would improve, fix, or streamline the process for new oil and gas projects, but I do not believe that now. New legislation should fix a legislative problem, not create more. I believe, after reading the legislation, that we have over 10 amendments that we need to bring forward.

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 of more red tape. The Wildrose believes that there is a place for government regulation, especially in efficiently maintaining a balance between environment, landowners, and industry. It's not clear that this bill will generate efficiency, and it does not maintain the balance between the various areas. We can do a better job than this.

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

The legislation basically makes the proposed regulator a new position with sweeping powers who will answer only to the minister, not to Albertans through their elected representatives in the 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 concerning. I urge the government to work with us to improve this bill and make it a piece of legislation that will actually help our province, not harm it. I would like to speak to the motion of amendment. I believe in the bill's intent, but it does not completely fix an ongoing problem.

Thank you, Madam Speaker.

**The Acting Speaker:** Thank you, hon. member.

Standing Order 29(2)(a)?

Moving on, the hon. Member for Banff-Cochrane on the amendment.

**Mr. Casey:** Yes, Madam Speaker. I'm not sure that I can add a great deal to what my colleague has already said, but I will give it a go anyway. I have some very good speaking notes, but I'll ignore them as well.

Just to point it out, I've had some experience as well. My colleague from Chestermere-Rocky View relayed a story about one of his constituents. Well, I can give you a story about an entire municipality affected by a decision, not a decision by the ERCB but a decision by the NRCB. I have to tell you that when those decisions are made and they're made wrong, it affects you forever. We are now 20 years into a decision that was poorly thought out, poorly written, imposed upon us with no ability to appeal, and we're still seeing the effects of that today. It hasn't worked for the landowner, by the way. We're in the fourth landowner on that property now, and it's currently sitting in receivership. It hasn't worked for the municipality. It's worked for absolutely no one. So it's absolutely critical that these decisions are done right and that the right people are making those decisions.

The one thing that this act does do is that it establishes a board that is separate from the decision-making body, the body that will review applications and appeals. The board is there to drive policy and to make sure that the policy works. The board then will hire a CAO to run the regulator, to head up the regulator, and under that is a roster of commissioners, people with expertise in a variety of fields that will deal with the actual applications and appeal process. So there's separation between policy administration and the actual decision-making at the other end. This is a vast improvement over what we have today. Not only is it more streamlined, not only does it bring everything together into one streamlined approach; it ensures that there are people hearing your appeals, hearing the applications that are truly knowledgeable in that area.

9:50

On top of that, Madam Speaker, one of the issues here is that we seem to feel that currently the system is great, that we just need to roll it all into one, but that's simply not true. What we have today are applications being submitted with no notification to landowners, no notification to those being affected because there is no requirement for that notification to be given. This act requires that notification in each and every case be given, and that is a huge improvement over what we have today. Just that one simple piece makes it way more transparent, way more accountable for all the stakeholders involved.

By the way, this isn't just about land rights. In fact, it's not just about making it easy for industry because it's not about making it easy for industry. It's about making it better processwise for industry, but it's not about making it easy. We're not going to compromise the environmental integrity of Alberta in order to make it easy for industry, nor are we going to compromise land rights and landowners to make it easy for industry. There are no

winners and losers in this. This is about working together, creating a product, a bill, a process that benefits everyone.

When it comes to appeals, it's clear in the act. In section 38 it's absolutely clear that you have the right to appeal. There is no issue with appeal. The whole process currently is convoluted. Environmental groups can't figure it out. Landowners can't figure it out. No one can figure it out. The truth is that clarifying and bringing together all these regulations into one act, into one process is going to benefit landowners, it's going to benefit environmental groups, and it is going to ultimately benefit industry as a result of that.

One of the issues we have right now is that landowners are left on their own. They go out and go into a surface rights agreement with industry, with an oil company. If the oil company doesn't live up to its end, its obligation, doesn't follow through, they are left on their own to deal with industry. Well, what small landowner, or large landowner for that matter, has the capacity, not only the financial capacity but the social and the emotional capacity, to go to battle with a major oil company? What one? This act says that if you register that service agreement, you as a landowner aren't going to have to take on, you know, the Goliaths of the world alone, that the Alberta government is going to stand there side by side with you, and if there is not compliance, then they have the ability to direct that company to comply, and they have the authority in this act to ensure that that compliance occurs.

To be honest, Madam Speaker, I was likely the first one to go to the minister with concerns about some of the components of this act. When I read it the first time and the second time through, I was sort of going: "Gee, what about this? What about this?" But when the minister had an opportunity to explain that, to bring it all together, then it started to make sense. The more I've thought about it and the more it's worked, the more it makes sense.

Madam Speaker, I won't stand here and tell you that this is perfect, that it doesn't need a tweak here or a tweak there, but that's what keeping this in second reading does. We keep it in second reading in order to have debate, to put the issues on the table so that proper amendments and thoughtful amendments – not political amendments, not here's-my-headline amendments – can be thought through and presented so that we make this better at the end of the day. I'm hoping that both the government side and the opposition side work toward amendments that make this better because it can be. Is it close? Absolutely. Does it need a tweak here or there? Maybe, but I'm willing to be convinced otherwise.

Madam Speaker, I am all for defeating this amendment and getting on with second reading and moving this bill forward. Thank you.

**The Acting Speaker:** Under Standing Order 29(2)(a) the hon. Member for Little Bow.

**Mr. Donovan:** Thank you, Madam Speaker. I'd like to thank my colleague from Banff-Cochrane because I agree with you about the NRCB and how you had some problems with your municipality for about 20 years dealing with that. I agree with you wholeheartedly. I think there are a lot of things that just need to be tweaked. We're not asking for the sky and moon, and we're not rewriting it. I think there are just some things where we could sit down and figure those things out. Now, again, it's on the amendment that's on the floor there.

I guess I'd like to ask you for your thoughts. The board that everything gets handed over to when there's a complaint, the board that the Minister of Energy decides to come up with: would you like to see that elected? Do you think that would be a more representative way, at least as elected, than having it appointed by

the minister? I guess those are my thoughts on it. I'd like to hear your thoughts on what you'd think of an elected board on that.

Thank you.

**Mr. Casey:** Sure. I think that it's really important that if we're going to hear appeals and if we're going to have people reviewing applications, they actually be industry experts. You need to have people with an industry background. Inasmuch as everyone in this room is an expert in their own mind and we're all elected, I doubt that any of us are qualified to sit on one of those boards, to be honest with you.

What you need to do is have a roster of people, a number of people, those commissioners, that, in fact, have the background, the knowledge, the education, and not only the industry perspective but the landowners' perspective, the social perspective, the environmental perspective, that you can bring a whole variety of people to the table in order to make sure that the best decisions are being made. I'm not sure that an elected body does that in spite of the fact that, of course, we're all perfect. It's sort of like the kettle calling the pot black here.

At the same time I recognize that there are times when experts need to be brought to the table. It's really in the selection of those commissioners and the qualifications that we need to ensure that there is not one line, that they're not all from this sector or this sector, that there needs to be a variety of people. But you have to put yourself in the position of selecting those people for that board. Why would anyone select all from one sector? I mean, there's no benefit to anyone in that. There's no benefit to government, to industry, to anyone, because the process loses credibility.

The better those people are that you have identified as commissioners and the more qualified those people are as commissioners, the more ability they have to have a transparent, a credible process. I'm not sure that at the end of the day you would necessarily get a credible process if you had an elected body that was elected by popularity rather than by skill set.

**The Acting Speaker:** Thank you, hon. members. I would remind you to address your questions and your presentations to the Speaker, please.

**Mr. Casey:** My apologies.

**The Acting Speaker:** Hon. Member for Edmonton-Beverly-Clareview, did you want to speak under 29(2)(a), or do you just want on the list?

**Mr. Bilous:** Yes.

**The Acting Speaker:** Thank you.

Anyone else under 29(2)(a)? The hon. Member for Drumheller-Stettler.

**Mr. Strankman:** Yes, Madam Speaker. I'd just like to ask the hon. member about my understanding of the legislation. Where it talks about an appellant, where the regulator would demand the personal information of an appellant: why would that be required? I don't see that personal information should be brought into any sort of appeal to legislation. I was wondering if you could speak to that, please.

**Mr. Casey:** Madam Speaker, I almost did it again. I know you caught me, but I was close. I'm a slow learner.

I'm not sure that I can answer the question, to be honest with you. I'm assured that that is there for legal reasons, and I think that for me to comment on what is in the bill from a legal

perspective, point of view, really, is inappropriate. I really don't have the background or the knowledge to be able to answer that question.

**The Acting Speaker:** Thank you, hon. member.

Anyone else under 29(2)(a)?

Seeing none, we'll move to our next speaker, the hon. Member for Innisfail-Sylvan Lake.

10:00

**Mrs. Towle:** Thank you, Madam Speaker. I rise to speak in favour of referring Bill 2, the Responsible Energy Development Act, to the Standing Committee on Resource Stewardship for an extensive and proper review. We need to ensure that the process is done in a manner that is open, inclusive, and transparent. We all understand and agree with the basic idea of a single regulator that ensures efficiency, consistency, and collaboration within the regulations. This is very important, and it should be the goal of all legislators going forward. The Wildrose believes in streamlining processes, believes in creating efficiency, and believes in reducing the regulatory burden for Albertans.

Madam Speaker, as elected officials we're asked to do many things, but most importantly we are asked to represent our constituents and ensure that their voices are heard at a provincial level. This government has said that they want to govern differently. Referring Bill 2, the Responsible Energy Development Act, to the Standing Committee on Resource Stewardship is one of those ways we can demonstrate that we govern differently. Right before us we have this great opportunity.

Unfortunately, the public often has a negative view of politicians and the work that we do. More importantly, this government and the committees that have existed within it have taken a substantial beating over the last few months. We have a unique opportunity to prove to Albertans the value of committee work and show how all-party committees can work together to review and create legislation that has value. Committee work can identify areas of weakness and areas of strength. Committees allow for open discussion amongst all members. They allow for the ability to bring in stakeholders. They allow for the opportunity to ask questions, become informed, and create legislation that has solid ground. Is it not imperative on all of us who are elected to ensure that we show how these committees can work and how we can be working together to create a better Alberta?

It is imperative that these bills that are put forward in this House include discussions and consultations with stakeholders. Those consultations have to happen with industry, landowners, property rights groups, and other affected stakeholders. What better opportunity to do this than in an open forum such as the Standing Committee on Resource Stewardship?

Landowner groups and other stakeholders are telling us that Bill 2 is severely flawed. We are not listening. I cannot believe, as I sit here tonight, that there is not a single government MLA in rural Alberta who is not hearing loud and clear from the rural landowners their concerns regarding Bill 2. Would it really be that detrimental to this bill to hear those concerns and have a committee take a look at this bill? I also find it hard to believe that each and every one of these 61 MLAs on that side of the House have not a single landowner coming forward to express their dissatisfaction with this bill.

Landowners are coming forward in droves and begging for us to listen. This bill does not respect landowner rights, and we must ensure that those that provide us with that information are listened to. Concerned citizens are identifying that projects – pipelines, well sites – mostly occur on landowners' land, not on energy

companies' land. Landowners cannot say no to an energy project. We all know that energy companies can get a right-of-entry order under the Surface Rights Act and force their way onto your land.

The Wildrose fully supports the intent of Bill 2. Clearly, streamlining the regulatory process is a good idea, and it's important for the future of our economy. Having a complex and convoluted regulatory system has no value to anyone. That being said, we need to ensure that we make the process less cumbersome and promote economic growth while at the same time ensuring that all stakeholders are protected.

Landowners want to be heard regarding their concerns around section 26, and while the hon. Member for Fort Saskatchewan-Vegreville talked about some lawyer's discussions around section 26, the information coming back to us is not just from a lawyer. The information coming back to us is from landowners, landowners who have lived Bill 50, landowners who have lived bills 19, 24, and 36 and told us it was wrong. Those bills were flawed, and they are asking – they are begging – for us to listen again.

Landowners are coming forward and saying that section 26 and the effects of removing it are detrimental. Section 26 directs the decision-maker to consider the effects of energy development on landowners, takes away the appeal rights, and landowners are left cleaning up the mess. It has been the process since 1930 that the place a landowner goes to get his or her concerns about a pipeline, well site, or energy project addressed is the ERCB. Bill 2 repeals this important section and replaces it with nothing new under the act.

An example was given to me from a landowner. There's a leaking seismic hole on private property. The process, in effect, leaves the landowner having to bear the cost of repairing the seismic leak. Alberta environment will go after the seismic company for the repair, but the practice is for the seismic companies to dissolve after doing seismic for this very reason, which leaves the landowner with no one to turn to. There is also the effect of leaking seismic on underground water quality and quantity. The landowner has no real rights to oppose the seismic and no way of fixing the effects when it goes wrong. Alternatively, if the leak is on Crown land, the Crown takes care of it.

There are lots of similar issues with oil and gas wells where oil companies are no longer in existence. The question that we should all ask ourselves is: why should landowners bear the cost of suing companies if they exist or of the damages if the company is no longer in business? This doesn't seem right to stakeholders, and this bill takes away an appeal and oversight process.

I have spoken to landowners and stakeholders as well, and they were completely caught off guard by this bill. They met with the government. The bill that's on the table today is not the bill that they talked about. It is not at all what they were told it was going to be, which was a simplified regulatory process. Instead, we have something that clearly makes the process even more complicated.

Stakeholders are asking me daily: "What's the rush? Why is it so important that this bill get through in a week? Why are we doing guerrilla-style government? Why are we forcing legislation through without proper consultation? Why can't we take a moment to step back and give those that need to be heard an avenue to do so? Why is it so negative to listen to Albertans?"

Landowners are giving a resounding thumbs-down to many areas of Bill 2, areas such as the makeup of and selection process for the board. Why does this government want to return to a system where they'll be called out on all parts of this bill that are flawed? Do we as legislators really want to proceed knowing that

the board will be a hand-picked group, that this board will not be made up of a variety of stakeholders, that the board will not include landowners and property rights groups? I don't think so. We need to get this bill right. We cannot go forward pushing through another Bill 50.

Bill 2 has made some progress. The intent is right, the ideas solid, and there's an opportunity to ensure that this is not another Bill 50 debacle. The Wildrose wants to work with the government to ensure that this bill is a solid piece of legislation that respects all parts that are party to this bill.

Madam Speaker, I appreciate that the government is trying to do something to help industry with project approvals. I do not believe that Bill 2 is doing those things. I do not believe that permitting Bill 2 to go forward to the Standing Committee on Resource Stewardship will harm this bill in any way.

Bill 2 does not ensure that there is proactive informing of affected landowners and prevents them from guaranteeing their right to a hearing, which is part of the licensing process as is currently the case with the ERCB. Would it really harm us to listen to those stakeholders in committee and have them explain what this is doing, not just a one-off of who in whose riding? We all have somebody in our riding who will benefit from our argument. Why not bring them to committee so that all parties can have the benefit of that conversation?

The Wildrose will be proposing significant amendments, which could make this bill effective for all. I'm looking forward to an environment of bipartisan co-operation amongst all parties to ensure that the best interests of all parties are considered. We have an opportunity to do the right thing here. Let's work together and ensure that this bill is sent to the Standing Committee on Resource Stewardship. Let's let our legislators do what the public expects of us, and that is to review, consult, and create proper legislation that protects landowners, environment, and industry. Let's work together and put Albertans first.

Thank you.

#### **The Acting Speaker:** Standing Order 29(2)(a)?

Seeing that there are no members who wish to speak under that, I will proceed to our next speaker, the hon. Member for Cardston-Taber-Warner.

*10:10*

**Mr. Bikman:** Thank you, Madam Speaker. I rise to speak in favour of the amendment. I'm sure that the government must be baffled by the fact that we from the loyal opposition have all stated that we're in favour of this bill, that we want to see this bill get through, yet we're speaking about amendments and things that would appear to be designed to delay the process. We want to accelerate the process, and we want to eliminate red tape. We've been elected on a platform of helping to reduce and eliminate red tape.

I think we need to remember that just because we say that something is so, clearly, doesn't make it so. We say – and we've heard it said this evening – that you've listened to stakeholders, that there's been this two-year process of determining how to best address the needs of all the stakeholders: the environment, the energy companies, and the landowners. If you've been listening, you haven't been hearing. In our experience the landowners are very concerned, and those who advocate for the landowners are very concerned, whether it's some of the lawyers who have made a name advocating for landowners against the prior flawed bills that have been mentioned numerous times this evening or whether it's surface rights companies and experts who advocate on behalf of landowners who feel their rights are being ignored or trampled

on through the bills that have been passed. Their concern is with this bill, and it's a legitimate and genuine concern.

We can be skeptical and cynical and say that we're trying to make hay out of this, but we're in favour of this bill. We want it to happen. We want our energy companies to have a streamlined way to get approval more quickly so that we can be competitive with neighbouring jurisdictions like Saskatchewan. I never thought I'd live to see the day when I would be looking to the people's republic of Saskatchewan, which is no longer the case, I hasten to add, and having them leading us, showing us how we should be behaving and how we should be treating our industry, but we have unfortunately deteriorated to that point.

It's because we've had these overwhelming majorities that give the party in office the sense that they are receiving divine direction, that somehow being in the majority means that you always get it right and that you don't need to consult, and you don't need to listen to the weaker members in the equation, the landowners in particular, who have in fact elected most of the opposition because they feel that their rights aren't being adequately represented, that their voice isn't being heard. They want that voice heard, and I think you want to send them the message that you do hear them.

I hear it said so often. We've listened to Albertans. I don't see evidence that you've heard all Albertans, and just because you have the majority doesn't mean the minority's interests should be trampled on. Your responsibility in government is to represent all Albertans equally, and there are landowners who don't feel that they're being adequately represented. They're calling us, and they're e-mailing us, and they're very concerned about this. When we speak in favour of this amendment, it's so that we'll get this right.

All of us surely know that it's easier to do things right the first time than it is to remediate, to have to do them again and again. As our Opposition House Leader mentioned, for all the effort and time that's been spent on trying to rectify the mistakes of the past with the bills that we're currently laboring under, our constituents, at least, feel that they aren't being properly represented. Just because you can do something doesn't mean you should. Just because something is legal doesn't mean it's moral or ethical.

There's great benefit in listening to the collective wisdom of the people in Alberta, even the weakest members of this equation, those stakeholders who are the landowners, who feel under-represented, who feel unlistened to. If you want their buy-in on this, you've got to let them feel like they've been heard and send them some signals in your behaviour, not just your words, that you've really heard them and that you understand their concerns and that you're prepared to make the changes that they feel are essential to address their legitimate needs.

Property rights are real, whether they're enshrined in the Canadian Constitution or in our own Constitution. There's a great tradition in history, in English common law that says this is so. When we deviate from the wisdom of the past, we generally are on a path that will lead us to more problems.

It seems to me that over the past few years in Alberta we have a history of changing from something that worked to something that sounds good, and that's the wrong way to go. I think that in some senses there's a little bit of an aspect of that with this bill. So I really think it could benefit from having a really open consultation in a committee, where you've got a good representation of the elected members so that the needs and interests of the minority stakeholders in this would be protected and respected.

We know that a benevolent dictatorship is the most efficient form of government. Get a benevolent dictator, and you can run

things really smoothly, and most of the people are going to benefit from it. Now, that's a fact. Think about it. But I don't believe a legislative dictatorship can ever be benevolent because we're flawed human beings, so we do need the collective wisdom.

I want to talk about the difference between efficient and effective. A benevolent dictatorship would be efficient. But what's the difference between efficient and effective? Sometimes those words are used interchangeably. I submit to you for your consideration that they are not interchangeable.

I'll tell you a story that illustrates it if I may. A company in Brazil gets a contract to build a water line to a village whose water supply has been contaminated. They send out the initial party to recruit a labour force from the villagers that surround this project. They look for people with strong right arms, that are good machete wielders, can really have an efficient stroke and can really cut well. They get this organized. They train the machete wielders. They've got girls that are massaging their aching, tired muscles so that they can work efficiently. They've got sharpeners that are sharpening these machetes so that they're ready to go. The minute they get dull, they can give another machete there. They've got salt tablets and all the things they need and fresh water so that they can be really, really productive.

Now, the president of this corporation flies out to see how they're doing. The pontoon plane lands in the river, with bearers taking him to the site. He sees all this activity, he sees these machete wielders working so efficiently, and he's just so proud of the managers that are there running this project. He climbs the highest tree in the jungle and gets out his binoculars to see how close they are to the destination, the water source, and he can't find it. He looks around, and he is shocked. He shouts down to his workers, "Wrong jungle," and they shout back: "Shut up. We're making good time."

Well, I submit that making good time by passing this bill may be efficient, but it ain't effective.

**The Acting Speaker:** Thank you, hon. member.

Under Standing Order 29(2)(a) any questions, comments?

Seeing none, we'll move to our next speaker. Edmonton-Beverly-Clareview.

**Mr. Bilous:** Thank you, Madam Speaker. I am honoured to stand and speak in favour of the amendment and speak to Bill 2 and, you know, the fact that a single regulator, this one-stop shop, is actually coming at the expense of landowners, the environment, First Nations groups, and the public interest. Some of my colleagues have said that this bill only requires a little bit of tweaking. I disagree. I think this bill requires a heck of an overhaul. There are groups that will not benefit from having a single regulator and from the bill as it currently stands.

**10:20**

I'll start with talking about environmental responsibility. It's unclear what the environment is actually going to gain under this new bill. It seems that the environment is one of the groups that are going to lose out. The fact that the regulator is going to report to the Minister of Energy but not to the minister of the environment raises some concerns to the environmental community, the fact that it leaves out long-standing concerns and problems related to energy projects and environmental effects. There's a bit of a conflict of interest going on here when you've got one board that's looking at both environmental interests and energy interests. The fact that the regulator would perform its own review processes without the input of the Environmental Appeals Board has numerous consequences, and I'll talk about it a little bit more



when I get to the adverse effects this bill will have on landowners and their own rights.

It's unclear if third parties and environmental organizations are even able to appeal decisions of the regulator. As well, the regulator is not directly accountable to the public interest. In other words, environmental effects will not be reported directly to the public but via the ministry. Environmental groups such as the Environmental Law Centre have stated that they feel the bill is stacked in industry's favour. Another issue many environmental groups have is the fact that the regulator will not report any pipeline spills to the department of the environment. It's unclear if the department of the environment will even be notified of the pipeline spills. This is a change from the current environmental conservation resources board, undermining their authority.

The bill does not state that any members of the regulatory board need to have environmental expertise. So when we're looking at, again, who is going to be sitting on the board for the regulator, members don't necessarily need to have an environmental background at all. That's troubling for a board that's going to be responsible for all the aspects of environmental monitoring. Nobody knows how many people and what type of experience and expertise the regulator will employ to assess environmental effects of the energy projects. Many environmental groups have contacted my own caucus, the Alberta NDP caucus, to indicate their concerns with the bill as it currently stands.

When we move to landowner rights, there are other members from across the aisle who have said that this actually strengthens their rights. I think many landowners would actually feel insulted at that comment. The fact that many of their rights are actually being railroaded is more of an appropriate way of referring to it. You know, giving the new regulator unilateral ability to decide whether landowners get any notice of developments near their property or if they have a right to a hearing or other participation doesn't sound to me like it's ensuring that their rights stay protected. I mean, repealing the Energy Resources Conservation Act takes away their right to learn about any energy project proposals and produce statements of concern in response.

If we compare the current ERCB process to the new regulator's process, the differences are actually quite shocking and alarming. We look at section 26(2) from the Energy Resources Conservation Act as it currently stands.

If it appears to the Board that its decision on an application may directly and adversely affect the rights of a person, the Board shall give the person

- (a) notice of the application,
- (b) a reasonable opportunity of learning the facts bearing on the application and presented to the Board by the applicant and other parties to the application,
- (c) a reasonable opportunity to furnish evidence relevant to the application or in contradiction or explanation of the facts or allegations in the application,
- (d) if the person will not have a fair opportunity to contradict or explain the facts or allegations in the application without cross-examination of the person presenting the application, an opportunity of cross-examination in the presence of the Board or its examiners, and
- (e) an adequate opportunity of making representations by way of argument to the Board or its examiners.

That whole section will be condensed.

Under landowner rights in Bill 2, notice of application, section 31: "The Regulator shall on receiving an application ensure that notice of the application is provided in accordance with the rules." As is plain to see, that's quite a difference between the two different bills, in what was protecting landowners and giving them

an opportunity to ensure that their voices are heard, that their rights are protected to receiving a notice of application in accordance with the rules. As well, the current bill removes the right of a landowner to go before the Environmental Appeals Board. I know my colleague from Rimbey-Rocky Mountain House-Sundre has indicated that in his endeavours and consultations with many landowners that's a major issue, and we're completely in agreement on that.

The third area where this bill fails is in the public interest test and ensuring that the public interest is protected. The current bill makes no mention whatsoever of public interest with regard to energy development. The ERCB, which will soon be dissolved, was committed at least to the public interest. The public interest is essential to responsible energy development and should be enshrined in the mandate of the regulator to ensure that its conduct reflects the best interests of Albertans. As it stands, the bill currently emphasizes resource development over the public interest.

Other colleagues of mine from the opposition side have indicated that there should be more of a balance, where we're not just looking at one group versus another. Our fear and my fear is that the public interest is going to be sidelined or diminished or replaced by looking after only one of the other groups' interests. The Energy Resources Conservation Act provides a section that enshrines the public interest as a commitment of the soon to be dissolved Energy Resources Conservation Board. Since the ERCB will soon be dissolved and the new regulator will take over much of the ERCB's roles and responsibilities, it's also crucial that the regulator be similarly committed to the public interest. As it stands, as I said, our fear, my own fear is that the public interest is not taken into consideration, is not given a voice, is not given the appropriate avenues to ensure that they're consulted.

The fourth group that I feel very concerned about is the lack of responsibility that this government has taken regarding the consultation of First Nations stakeholders. The current bill includes a caveat under section 21 that states that the Alberta energy regulator has no jurisdiction to assess the adequacy of Crown consultation with regard to rights associated with aboriginal treaty rights protected under part II of the Constitution Act of 1982. The bill must ensure that the new regulator takes responsibility for ensuring applicants have adequately consulted aboriginal peoples according to their current treaty rights. Deferring to the Constitution Act is not good enough because the responsibility for development of energy resources in Alberta falls under provincial jurisdiction.

The regulation of this development will, according to this bill, fall to a single regulator. The bill, as it stands, places responsibility with the regulator when it comes to hearings, decisions, and appeals with regard to energy resource activities. It also places responsibility with the regulator when it comes to the communication of decisions under section 33(2). Therefore, it stands to reason that the adequate communication and consultation of applications to aboriginal peoples should be ensured before decisions are made.

Alberta's First Nations Consultation Guidelines on Land Management and Resource Development, which came out on November 14, 2007, states that it "acknowledges a duty to consult with First Nations where Alberta's actions have the potential to adversely impact treaty rights." The Department of Energy should ensure that the spirit of this commitment is enshrined in Bill 2 despite the regulator not being an official agent of the Crown. Currently under section 21 it brusquely shrinks its responsibility to engage with aboriginal peoples by deferring to the Constitution Act of 1982. Although this section may be legitimate according to

jurisdictional responsibilities, it sends a negative message to First Nations groups and communities who very likely will be affected by many of the decisions proposed by the regulator under this bill.

The regulator should therefore take responsibility to ensure that all consultations and communications have taken place when it comes to energy projects as defined within Bill 2. Again, you know, just because jurisdictionally the government can say, “Well, no, that belongs to our federal counterparts,” there’s an ethical responsibility, a moral responsibility to ensure that the government is looking at ensuring all groups are consulted and included and part of this process.

Unfortunately, where the bill is, as it stands, it doesn’t go far enough, and many of these groups are going to be left without a voice and have projects that will be forced upon them. So it is my position and that of my caucus that this bill clearly falls flat on many different accounts. As I said earlier, some major revisions need to occur before I and we can endorse the passing of this bill. I’m very interested and curious to see some of the amendments that my colleagues from the other parties are going to be putting forward on this bill and hope that we can come to some kind of arrangement which will benefit all the different parties, especially the four stakeholder groups that seem to be left out as the bill currently stands.

Thank you, Madam Speaker.

10:30

**The Acting Speaker:** Thank you, hon. member.

Before we continue, I would just remind the hon. members that we are speaking on the amendment. The amendment is to move the bill into a committee, so please make your comments relevant to the amendment.

We have Standing Order 29(2)(a). On 29(2)(a), the hon. Member for Rimbey-Rocky Mountain House-Sundre.

**Mr. Anglin:** Thank you, Madam Speaker. I was wondering if the member would comment. It was mentioned here earlier in the debate about some deceitful interpretations of not just this amendment but the bill itself, and that reference was extended to a number of different other bills also. I was wondering if this member would comment on that observation, with particular reference to a meeting that his leader attended in Vegreville in August 2010.

**The Acting Speaker:** The hon. member.

**Mr. Bilous:** Thank you, and I’d like to thank the hon. Member for Rimbey-Rocky Mountain House-Sundre for his question. That meeting that you speak of, that happened in 2010 in Vegreville, was attended by the leader of the Alberta NDP, Brian Mason [interjection] – forgive me – by the leader of the Alberta NDP and Member for Edmonton-Highlands-Norwood.

At that meeting, as it’s been explained to me, there was quite a crowd, roughly 700 people from the area, who were quite upset – the discussion at the time was on Bill 36 – many, many upset landowners and folks in the area. If I recall, the Premier at the time showed up at this debate that was attended, I believe, by the leader of the Wildrose and, as I said, the leader of the Alberta NDP. The Premier showed up at the door but would not go into the hall attended by roughly 700 people because of the outrage that was being expressed at Bill 36 and at how, again – I used this analogy earlier – landowner rights were being railroaded.

You know, I honestly hope that the government will listen to amendments that are put forward and truly consult with the different stakeholders around the province on this bill. I don’t feel that they have. I mean, there are plenty of examples of the

different groups who have expressed their concern, their dissatisfaction with this bill as it stands. If we want to make progress, if we want to move forward, then this needs to be done right, and there needs to be quite an overhaul on the current Bill 2 as it stands.

I’ll thank the Member for Rimbey-Rocky Mountain House-Sundre again for his question. Thank you, Madam Speaker.

**The Acting Speaker:** Thank you.

Are there any other members under 29(2)(a)?

Seeing none, the hon. Member for Little Bow on the amendment.

**Mr. Donovan:** Thank you, Madam Speaker. Again, thank you for giving me the chance to speak to the amendment of Bill 2, letting this be referred back to the Standing Committee on Resource Stewardship. I guess the reason I’m speaking on this amendment: I think that’s how this House should be doing some business on issues like this. I think we have quite a few lists of things that we’d like to see done to this bill, and I think if we went back to that, it would allow all members to be able to talk on it.

In saying that, I think democracy brought us all here, not minding which party we came from. I think we should let democracy move forward and listen to all the people affected by this. We could do that in that committee, where they could actually draw people out, cross-examine them, bring them out for information, so we can actually get some better results and some better answers for this bill. On that note, I think that the Minister of Human Services stated that it took two years to get to this point. I understand, and I truly appreciate all the work that the government has done on this bill because they identified that there were some issues that needed to be done and how to streamline some red tape and such.

The point is that in the previous two years leading up to that, there were a lot of different players in this House on both sides of the floor, whether it be in an opposition or in a government role. There are definitely a lot of new faces around here that weren’t here two years ago when this process started. I think, in saying that, we need to, you know, appreciate the process, why there are new people around the floor, and what a lot of people talked about during election time, of some change and some different ways and means to come around for answers on this.

This goes back to, again, what this amendment does: taking it back to the standing committee so that everybody on that committee, which has all parties on it, can sit around and – I find that committees always have a little better debate in them and a little looser debate because everybody sometimes seems to drop their party partisanship when they’re sitting around and talking about things in the committee state. I think it’s a more relaxed forum, and I think, again, we can pull people from the outside, and you can actually question them at the end of the table on their thoughts on it. I mean, my colleague from Banff-Cochrane had some great points on these things that we can do if we have the right people in there and you draw from the right people for these things. It’ll go a long ways.

I’ll say another thing. I think we all ran on the agenda for a better Alberta. As our leader from Highwood has stated, to do this right, let’s listen to all the people that are affected and get this right the first time. We’re sitting here. We’ve rehashed quite a few bills already this fall. I mean, by no means is it the fault of anybody. When the government writes bills, I think they do it with the best intent, and I think that when things have been identified after it’s been out and running for a little while, you see what is and isn’t working in it.

I think, from an opposition stand, anyways, we see some things already that we think could be identified. Our critic and the Energy minister could sit down and hash out some of these things and try to make some amendments to this bill so that we're not sitting here talking until all hours of the night about each amendment we bring up, you know, instead of sitting here and just locking heads all the time on these things, sit down and rationally look at some ideas on whether they would work or wouldn't work. Personally, it doesn't bother me which party says that they came up with the idea. I think it's what's better for everybody. Down the road, in all honesty, I don't think it's a big problem.

If we could save having this debate on this bill two years from now about things that we identified now, that we'd all have to bring back to the table, that we'd all have to bring back in another bill and another committee meeting, I think this would be a great time to put it to, you know, the Standing Committee on Resource Stewardship because I think it's one of the committees that would work well on it. I commend the government for coming up with these committees because they've identified a lot of things that can and can't work, and I think this is one of them that is working. I think this is a key one.

We have new committees since we've started this new sitting in April that have a group of very well-trained – 87 different ideas from 87 different ridings of what could work on these things. I think the reason for having these committees is just for that, so I feel we'd be stalling democracy quite a bit by not letting it go to committee. I guess it's the debate of that. I mean, that's the intent of this amendment, to let that stewardship committee actually deal with it and look at it. Again, I'll say that the key to that committee and all the committees we have in this Legislature is that you can actually draw people to them and talk to them.

Personally, I think we owe it to our constituents, the taxpayers, to get this bill right the first time, you know, instead of sitting here and locking heads all the time. I think Albertans expect this from all of us in this House, to be able to rationally look at some ideas. I agree that we're not all going to see them perfectly the same, but there are some things that I think we're so close on. We're not against this bill. I'm personally not against this bill. I think it has some great places to go in it. I think it just needs some tweaking in some of its wording, and it would calm a lot of nerves if some of that was looked at. I mean, I've played in the sandbox a long time, my whole life. I know that I'm not always going to get what I want, and sometimes the other people you're playing with don't always get what they want, but if you can sit down and rationally decide about it, I think it brings a lot to the table when we do that.

I think this goes back to why this amendment – and I'm speaking for this amendment. I think that if we throw it back in front of the Standing Committee on Resource Stewardship, they can come out with a lot of great answers which would help this House.

**10:40**

I think that the concept of having these committees is to let a committee come up with some ideas and bring them back to this House. I mean, there are lots of ideas that I've heard committees have talked about that I'm sure I'm not going to be a big fan of, but you've got to let democracy play its role. I think that's what we've all been elected to do here, to listen to each other and let it go through the process.

I'll finish by saying that I'm speaking in favour of this amendment to send it to the Standing Committee on Resource Stewardship. Thank you, Madam Speaker.

**The Acting Speaker:** Thank you, hon. member.

Anyone under Standing Order 29(2)(a)?

Seeing no one, I'll recognize the Member for Medicine Hat.

**Mr. Pedersen:** Thank you, Madam Speaker. I also rise today to speak on this amendment to Bill 2, the Responsible Energy Development Act, that it be referred to the Standing Committee on Resource Stewardship, even though it doesn't appear to have a whole lot of government support. 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. The intent of a bill can be honourable and well meaning, but if the legislation is flawed, good intentions mean nothing.

Madam Speaker, I think this bill is a very good starting point, but as has been mentioned over and over, it does need some rework. I think that what we're finding out here in tonight's back-and-forth is that government has enjoyed pointing out the strengths of the bill, predictably. They have put a lot of time and energy and effort into this. We also know the strengths of the bill. That's not why we're debating this. We're actually standing up here challenging the weaknesses that we've found and that we're trying to point out. It's the weaknesses of the bill that are preventing this bill from going forward to be a stronger, more effective, more efficient bill the first time it leaves the gate.

I realize – and I think most of us do – that the government is made up of adults, so they're certainly more than capable of speaking their minds and voting as they wish, but in hearing some of the conversations tonight, it was mentioned that consultation has been done over two years or two-plus years to develop the current bill. Honestly, are we dealing with current information, or are we dealing with information that is no longer current or somewhat current or that needs to be revisited? As was mentioned by my friend the Member for Little Bow, there are new players on the stage. There are people who have found out that it is important that they get involved in the process. Again, what was good two years ago or the process over the last two years: is it current? Is it actually what we need to deal with?

Also, if we members in opposition have found so many issues for which to bring forward amendments after only recently receiving this bill, how can the members on the government side feel confident that their constituents really approve of everything in this bill as it currently reads? We've heard back and forth: "This is what our stakeholders have told us. This is what they want. This is what they said." Well, if that's taking a bit of this stakeholder here and a bit of this stakeholder there and this one over here over the period of two-plus years, the final product may read very differently than what individuals thought their points were when going into this process. Like I say, if the opposition has pointed out the need for this many amendments, I'm sure that the constituents of the government MLAs probably are having maybe not second thoughts but are a little curious about how this is all going to play out.

Madam Speaker, this could be a huge opportunity for the advancement and improvement of this bill, but it's kind of turning into a case of he said, she said. The problem with that is that the stakes are so high for this province, for the taxpayers, for landowners, for the environmental groups, and for the resource industry folks. Are we really willing to gamble on passing this bill as it currently sits? Even with just some minor tweaks it might not be enough. You know, I think that's a question that every member has to ask themselves.

The idea of having conversations while looking in a mirror alongside your close friends is not really consulting stakeholders. It would be interesting to find out who all was consulted on this. As I said and as other people have said as well, there have been some new players come to the forefront. You have some new members that are representing different constituencies for a number of reasons, and I think that the game has changed over the last couple of years.

I think, most interestingly, passing this legislation in its current form certainly does bode well for those of us in opposition because we are actually trying to raise the issues of the landowners, the resource companies, the environmentalists, and, as was mentioned, the First Nations and the taxpayer. I think there are some warranted reasons to send this to committee. I think there could be some great consultations and conversations had there with experts, which is what everybody has been asking for because it's been stated that, you know, most of us are not experts in this field, and we need to defer to them. I think that that is another valid point.

I just want to ask the government members to please consider the comments that all of us make in opposition. Your decision could not only have an effect on all Albertans going into the future, but it also could affect your future as well. I just want them to make sure that they're very confident in the way they're going to vote and support this bill and the possible amendments.

Thank you very much.

**The Acting Speaker:** Thank you, hon. member.

Standing Order 29(2)(a)?

We'll move to the next speaker, the hon. Member for Airdrie.

**Mr. Anderson:** Thank you. I, of course, will speak in favour of this amendment, Madam Speaker, a shocking surprise for those listening at home. You know, this is kind of like a bad record, a bad movie, reruns that you see on TV. We've seen this movie somewhere before.

You know, I remember some very good folks in this Legislature. I think of Minister Hayden and Minister Berger, Minister Danyluk, Minister Morton: good men, people that I believe believed in property rights and still do believe in property rights and protecting landowners. I remember each of them. In fact, there were very few people that spoke more than them on these property rights bills – Bill 50, Bill 36, and Bill 19, Bill 24 – and they're not here today. The reason that they're not here today – there are several reasons. Primarily, one of the largest reasons is because of their continual, I would say, kind of grinding in, so to speak, or sticking to their theory that there was nothing wrong with bills 50, 36, 19, 24, that they were fine.

They would stand in this House over and over again, and they sounded very much like the Member for Fort Saskatchewan-Vegreville earlier. "Don't be deceived, Albertans," they would say. "Don't be deceived by these lawyers in silk suits." I remember that one being used by Minister Morton several times. "Don't do that whatever you do. They're not telling the truth." Instead of listening to his constituents, instead of listening to their constituents, they continued to push out this line. Frankly, you know, you can argue whether they were wrong or right until you're blue in the face. They had some good arguments on why things should have been a certain way, but the point is that they weren't listening to their voters. That was the problem.

10:50

You can feel you're right or wrong all you want. You can stand and say: "You know what? We drafted this legislation. We're

going to stick to our guns" or "I'm going to go to the dance with the one who brought me," that sort of thing. But at the end of the day you're here to stand up in this House and vote and represent your constituents. The problem with those folks as well as several others in here, especially in southern rural Alberta, is that they just continually over and over again would not listen to what their constituents were saying. Because of that, I think that was the largest reason that there are now 17 Wildrose MLAs over here after having zero Wildrose MLAs four years ago. From zero to four to 17.

Now, I guess we'll find out in four years if that's a flash in the pan or if a movement has started, but if the government wants to make sure that they have a chance of winning back some of those seats and holding back some seats in rural Alberta and other places from going to a different party, then they need to listen. They need to listen.

Now, in healthy, functioning democracies – and our democracy is sometimes functioning, oftentimes not all that functional at all – in the Westminster system we have committees. We have all-party parliamentary committees, and these committees will examine legislation, the final product of legislation that's brought forward, and they will take a look at this legislation. They will comb over it with a fine-toothed comb. They will bring in stakeholders, they will ask for input from their citizens, and they will make sure that they get the legislation right. It's not enough just to consult.

You know, for all the folks in here, and there are many, many in here, that have written papers and perhaps theses – we have a few doctors in here or folks with doctorates and so forth, or they've written a paper or an article or something like that and have had it published – first, you do your research. You do your ground research. You look everything up. You go to the library, go online, get all the information. You talk to experts in the area and so forth. You get all that research together, and you come up with a draft. You come up with a draft of what you think that paper should look like. Now, you don't just hand in that first draft. You don't do that. You make sure that you take the draft, just to make sure that the stakeholders didn't... [interjection] Well, the Government House Leader is the exception to that rule. He handed in his first drafts and did very well. We all know he's brilliant. Point taken.

But for us mere mortals – for us mere mortals – we take the first draft, and we send it back to folks that we trust the opinion of. We send it to experts in that field. "Okay. What do you think? Did I miss something here? We consulted with you earlier, but did I misinterpret what you told me, and have I put something incorrect in here?" That's what you do. Then after getting feedback from these folks, you build a completed document that you're happy with, and you hand that in. That's your final draft. That's what you are willing to put your name to.

Now, what we have here in Bill 2 is a first draft. There's been a lot of good consultative work. No one is taking anything away from the minister of SRD and what she has done with regard to consultative work. Great job. That's part of the process. No doubt about it. She has come back with a draft, and it's a good draft, but there are a lot of flaws in that draft. It's not to say that the majority of it isn't good. It is. We agree with a lot of the things that many of the members around here have talked about, but there are many parts of it that for whatever reason perhaps were overlooked or missed or could have been worded better or more clearly.

That's what these committees are for. They're to take that first draft – and what we see in, for example, places like Ottawa is that with drafts like that those bills will go to committee. They'll dissect it. They'll talk about it for months sometimes, and then they'll come back with amendments, and off we go. What you will have at that point is a much better piece of legislation.

I might add that it's good politics, that it's fantastic politics for the government to get the legislation right the first time and to have not just input but buy-in from the Official Opposition and from all opposition parties. It makes sense; everybody wins. We get a good bill. Everyone is happy. There aren't tours going around rural Alberta with folks in silk suits, so to speak, running around talking about property rights and how these bills are going to damage those property rights. It's good politics to get it right the first time.

We're offering an olive branch. I mean, my competitive side in here says: "You know what? Jeepers." If I didn't care about getting this right, I would say: I hope the government just totally rams this through without making any changes because this will give us something to beat them over the head with, a baseball bat, for the next four years. You know, I kind of like the sound of that.

**Mr. Denis:** Violence.

**Mr. Anderson:** That's right. It's a metaphor.

But what we're offering here is not a baseball bat. We're offering an olive branch. Against everything in my body we're offering an olive branch to the folks opposite to say: "Let's do this together. Let's make sure that we get it right." In return for having that mutual feedback and respect and going through a proper process, we're going to come back with a bill. After it's passed, we're not going to talk about it other than to say that it was a good bill.

I'm sure the government will talk about it all the time. "Look how wonderful we were. We worked across the aisle. Look how responsible we are." That's great. It's all a hundred per cent positive for the government. As the opposition we'll feel that we've done our job. We've made sure that concerns of Albertans have been listened to, the bill has been amended, everyone is happy, and we can all, you know, have a camp fire, hold hands, sing *Kumbaya*. It's going to be just great. Imagine the possibilities.

My fear, from the comments that I've heard today from the government side, is that it's the exact same language, verbatim, that the Member for Fort Saskatchewan-Vegreville and others have used, the same language, verbatim, that was used two years ago in this House and for two years over and over and over again regarding these land bills. It was always: "You know, you guys are misinterpreting. It's not our intention. It's this. It's that. It's the other thing."

It doesn't matter. What matters is getting a bill that the vast majority of people can support both in this House and, by extension, in Alberta because we all represent the folks out there. They got 43 or 44, whatever it was, per cent of the vote. We got 34 per cent of the vote. That together, right there, is almost 80 per cent of folks that voted. Imagine if we could put out a piece of legislation that 80 per cent of the folks out there who voted for both parties were happy with. That's just fantastic. What a change that would be. What a great thing that would be to have, especially with regard to landowner rights.

So the question is: why do we need to put this into committee? Well, because there are a lot of amendments, and we've done the best we can in a few days. We're going to propose some amendments, 12 amendments in fact, but this is just what we've come up with in a few days, in a handful of days, literally having our researchers – amazing – going around and around the clock researching these amendments. We've brought in at least three or four lawyers; I know that's a bad thing here.

**Mr. Denis:** No, it's not.

**Mr. Anderson:** Well, there you go. I agree there, hon. Solicitor General.

We brought in a whole bunch of folks that specialize in property rights, including the aforementioned Mr. Wilson to comment on the bill, to give us his opinion on it, that sort of thing, but others as well. We've put it out to landowner groups. We've talked to many in the industry about it, and they've given us a couple of fantastic ideas as well to make it even stronger. We've had a couple of environmental groups come in and talk to our critic and our leader on this. But that's the best we can do in a few days. We need more time because we want to make sure that we get it right.

**11:00**

Yeah, we can make some amendments in Committee of the Whole, and the bill will be better than it otherwise would be. In Committee of the Whole we can turn this from a C bill into a B bill if we put it into the standing policy committee chaired by the fantastic Member for Calgary-Varsity, one of the most thoughtful people, certainly, in this Legislature. If we can put this in her capable hands along with our deputy chair from Olds-Didsbury-Three Hills, I really think we're going to get an A on this paper, and that's what I think Albertans deserve. They deserve an A, an A-plus, and I think we can do that rather than rushing this legislation through.

Because we're not going to comment on the amendments right now, I will say that, clearly, there are some landowner rights that have been eroded in this bill. There is no doubt about it. There have been others that have been strengthened in this bill, but there's no doubt that there are several instances in this bill where landowners have a right to be worried about certain processes that have been taken away. I will absolutely say that there were improvements to other parts of the process, and that's the whole point. They got parts right, but they didn't get other parts right.

I think the biggest reason we need to send it to committee, frankly, is because the whole point of this bill was to streamline the process, to speed things up for industry. Well, Madam Speaker, there are no timelines in this bill. You don't just leave it to the regulator. Why doesn't this bill say: look; the process is going to take nine months; regulator, you make that work? You don't have to say yes in nine months. You can say no in nine months. But by nine months or six months or whatever the time frame is, within that period of time you are going to get a yes or a no or a maybe, you know, if you do X, Y, and Z, whatever it is.

That's what this bill was supposed to do, and it doesn't do that. It just kind of stuffs things together. That's great. We want one window. One window is good, but we can do much better than that, Madam Speaker.

**The Acting Speaker:** On 29(2)(a) the hon. Member for Rimbey-Rocky Mountain House-Sundre.

**Mr. Anglin:** Thank you, Madam Speaker. I was just wondering if the member would comment on his experience dealing with not just the landowners and property owners and those stakeholders but with industry with regard to how their input might be proposed if this did go to committee. Would industry, say, be compromising to accommodate landowner rights?

**Mr. Anderson:** I think it's a win-win. I really think we've got a chance for a huge win-win here. I don't think that the rights of landowners and the interests of industry are mutually exclusive. I think that they can work together. I think that they can both benefit. I think there's been a history of both benefiting and having, you know, a mutually beneficial symbiotic relationship

with one another. I just don't think that this bill does the job in that regard because inadvertently in several areas it pits landowners against industry whereas if we have an open committee process – I mean, I think the folks in here know our parties well enough to know that we both care about landowners, that we're both pro industry folks, that we're very big fans of the energy industry. We know that about each other, so we're starting from a place of agreement in that regard.

Why don't we finish the job by coming together and putting out a piece of legislation that respects the rights of landowners entirely so that there's no reason for them to be up in arms and to have town halls across the province in every rural constituency? That's what will happen if we don't get the right amendments through here. Instead of doing that, why don't we come up with a piece of legislation we all support so that there will be no town halls? Landowners will be happy and will think the legislation protects their rights, and industry will be happy because they'll have a one-window regulator with specific timelines that are far shorter than what they're getting now. That would be a huge win-win.

The landowners want those timelines, too. The landowners don't like fighting this stuff for two, three, four, five years. They don't like that. It's just as annoying and expensive for them as it is for industry. Let's get a six- to nine-month window in legislation, make the regulator work within that confine of time, and then make sure that all property rights and landowner rights are properly respected in the bill.

**The Acting Speaker:** Thank you.

We still have two minutes under 29(2)(a). Anyone else?

Seeing as there are no others, do any other members wish to speak on the amendment?

**Hon. Members:** Question.

[Motion on amendment to second reading of Bill 2 lost.]

**The Acting Speaker:** Are there any hon. members that would like to speak on Bill 2 in second reading?

I would ask the hon. Minister of Energy to close debate on the bill.

**Mr. Hughes:** Thank you, Madam Speaker. Well, we've had a very wide-ranging set of views shared across the floor here. I very much look forward to getting into Committee of the Whole so that we can see the specific suggestions that members from all sides of this House have to offer. I look forward to that constructive debate. With that, I call for the question.

[Motion carried; Bill 2 read a second time]

## Government Bills and Orders Committee of the Whole

[Mrs. Jablonski in the chair]

**The Deputy Chair:** Hon. members, I would like to call the Committee of the Whole to order.

### Bill 5 New Home Buyer Protection Act

**The Deputy Chair:** Are there any comments, questions, or amendments to be offered with respect to the bill? The hon. Associate Minister of Municipal Affairs.

**Mr. Weadick:** Thank you, Madam Chairman. It's a pleasure to present to committee today Bill 5, the proposed New Home Buyer Protection Act. I would like to thank all members who participated in second reading for their supportive comments. Bill 5 is an important piece of legislation that will protect new-home purchasers and make a real difference in the lives of Albertans and their families. You've heard me say this before: buying a home is one of the biggest purchases most Albertans will ever make.

**11:10**

On October 25 the Minister of Municipal Affairs introduced to the members of the Assembly a group of homeowners who've experienced significant loss due to construction issues in their homes. Bill 5 will help to ensure these kinds of stories never happen again. This legislation is about supporting Albertans and building stronger communities.

Part 1 is the home warranty protection coverage. Sections 6 and 7 will give Alberta the strongest new-home warranty in Canada by requiring coverage of one year on materials and labour, two years on delivery and distribution systems such as heating and plumbing, five-year building envelope coverage with the mandatory requirement that homebuyers be offered additional years of coverage, and 10 years on major structural components, meaning the main supports of the home such as foundations and framing. A home will not be able to be offered for sale or sold during the purchase period unless the warranty coverage is in place or there is a valid owner-builder authorization in place. The requirement in this act applies to all warranty providers currently operating in Alberta and any future warranty providers.

The Alberta new-home warranty program is a private, not-for-profit warranty provider which is not insurance-backed. However, recent amendments required this warranty provider to comply with all of the requirements of the Insurance Act that other warranty providers are required to comply with. This ensures a level playing field between warranty providers.

In addition to ensuring compliance, section 24(1) of the New Home Buyer Protection Act stipulates that a permit cannot be issued for a new home unless there is evidence that the home is registered with the registrar and home warranty coverage is in place. For single-family dwellings and the unit property of a condominium the coverage begins on either the date permission to occupy is granted or the date of the transfer of title.

In addition, a building assessment report is also required on the common property in condominiums. A building assessment report is developed by a qualified third-party engineer or architect and inspects the common property of the condominium. This will support condo corporations as they make decisions about the needs of the building.

Owner-builders. In this act we also recognize that some Albertans wish to build their own homes, Madam Chair. Owner-builders are exempt from the requirements of the act unless they sell their home within the first 10 years of the building of that home. This provides homebuyers with quality assurance for homes built by owner-builders and ensures owner-builders who regularly flip homes are held to the same standards as other builders. I know there was some discussion on this in second reading.

We've spoken to warranty companies about providing coverage to owner-builders who may find themselves unexpectedly needing to sell their home less than 10 years after completion. Warranty companies have indicated they will provide coverage. We anticipate they will conduct inspections. The cost of coverage would reflect their level of risk. Owner-builders will be informed that if there is any possibility they may sell before the 10-year

period, they will be required to purchase a warranty before the sale.

[Mr. Amery in the chair]

Owner-builders also have the option to purchase a warranty at the time they build the home. Owner-builders will also be made aware of the additional cost they may be taking on if they choose not to purchase a home warranty at the time they apply for their permit, owner-builders' authorization.

The registrar is required to establish and maintain a publicly accessible registry. Municipal Affairs will develop an online warranty tracking system that will support compliance with the act and inform Albertans about their new-home purchase. The proposed New Home Buyer Protection Act allows a compliance officer to issue a compliance order for violations of the act. If a person violates the act and does not comply with the order, the registrar may impose an administrative penalty of no more than \$100,000.

A concern was raised in second reading that these penalties seemed high. It is important to note that this is the maximum. For situations where a violation has resulted in significant financial benefit to the violator, we want to ensure we have appropriate mechanisms to fine those individuals. If someone has paid an administrative penalty, they cannot be charged with an offence for the same violation. These fines are consistent with other types of administrative fines in other legislation.

There will be an appeal board set up for individuals who may wish to appeal a decision of the registrar. This could include decisions regarding owner-builder authorization, compliance orders, and administrative penalties. If an individual is unhappy with a decision made by the appeal board, they can appeal to the courts. For more serious violations, where administrative penalties aren't appropriate, a Crown prosecutor can charge an individual with an offence. A judge would determine the amount of the fine up to \$100,000 for the first offence, up to \$500,000 for subsequent offences. A judge can also award restitution if someone has suffered loss as a result of the offence. Again, these penalties may seem high, but there are maximums that will be applied in extreme situations, perhaps involving repeat offenders who intentionally violate the law. These fines are also consistent with other legislation.

[Mrs. Jablonski in the chair]

Program specifics will be contained in the regulations, which will be drafted in the spring of 2013. This approach will ensure a flexible and responsive program that can easily respond to Albertans' needs over time. Some items will be worked out in greater detail in the regulations, including specifics around manufactured and modular homes. Municipal Affairs has been working with this industry to determine how these requirements for warranty will intersect with the manufacturers' existing warranties. While most homes in Alberta are built to stand the test of time, if things do go wrong, this legislation gives homeowners strong protection to get their homes repaired.

Thank you very much, Madam Chairman.

**The Deputy Chair:** Thank you, hon. member.

Are there any other speakers? The hon. Member for Calgary-Buffalo.

**Mr. Hehr:** Well, thank you, Madam Chair. As this is my first time to speak on this bill, I was struck by one of those comments made by the hon. minister. He said, "consistent with other

legislation," and that rang true to me. It brought back sort of the thinking as to how we got here and sort of why we got here.

We can just look at my constituency of Calgary-Buffalo, where we've had much angst and issue with home builders and home builders' warranties in condo construction. There have been, clearly, many structures that were put up that have not been built to stand the test of time. We have numerous condo buildings in Calgary-Buffalo that are currently having individuals suffer cash calls of \$100,000, \$200,000 merely to stay living in a home that they purchased, that they assumed was made up to standards, that had some ability to warrant the purchase price. Clearly, that has not been the case, and I've heard it time and time again in my office. Although I will applaud the government for finally coming out with this legislation, I'm reminded of that term "consistent with other legislation."

I will point out on that fact that in 1997 the B.C. government was faced with a problem. It was faced with the problem that was known as the leaky condominium scandal, that was occurring in downtown Vancouver and, actually, in places all over British Columbia. As they were going through much of this strife, home purchasers and condo purchasers were then left holding the bag, so to speak. They had no ability to hold someone to account for having bought a lemon, to use a car term even though it doesn't necessarily correspond with the house term. They saw this issue, and they moved ahead, in their wisdom, and they brought in protections for the B.C. consumers in 1997. The wheels of government in Alberta tend to maybe work slower than in other jurisdictions.

Okay. In 1997 Her Majesty's Loyal Opposition asked a question of this government: when are we going to bring in legislation to protect homeowners and condo purchasers in this province? Again, they were met with the usual derision, that sometimes occurs from a governing party, that there was no need for this type of legislation, that this was redundant, and that homeowners didn't need this type of protection here in Alberta. Some excuses were given that maybe our climates were different or something of that nature, that our building construction materials were different or our home builders may have been, in fact, different.

**11:20**

Okay. That was 1997. In 2001, then, you had the opposition again. They sensed that homeowners weren't being protected. There was a sense out there that they weren't. So you had a series of private members' bills from the opposition highlighting the concerns of home purchasers, condo purchasers who were not being covered by any legislation in this province. In fact, they were left at the whim of the marketplace, shall we say, at the whim of having no regulation in place, of having no rules or no standards, that our home builders were going to build homes or condos to some sort of standard that would be uniform across the board.

That takes us, finally, to 2008, when in this Legislature's wisdom we have an all-party committee. They go forth, and they do their work, and overwhelmingly at that time it comes back from that committee a report that was undertaken jointly by Alberta Municipal Affairs and the city of Calgary in 2008. It concluded that the system of construction and inspection was not performing adequately to protect the homeowner or condominium owner. This is in 2008.

Since that time we've seen homeowners and condo purchasers who have been hung out to dry, not in all cases but on many occasions, for buying lemons or buying condos or houses that were not built to any reasonable standards of construction.

Oftentimes when these home purchasers or condominium purchasers would try to get recourse from the developer or homemaker or the home builder in question, they would often find that there was no one to sue, that there was no company. If there was a company to sue, well, as soon as they sued, that company would close up shop, move on, or if they were looking for a company to sue to have some reasonable standards, well, that company had changed names.

Really, it was a system that was fraught with peril from at least 1997, when this government knew that there were problems happening in another jurisdiction, and for sure since 2008, when an all-party committee came back and gave that scathing report on what was happening to many people in this province. I guess that dovetails back to our earlier conversation on regulation. This is clearly regulation, okay? But there's a sense that sometimes regulation is put in to protect average Joe and Jane Albertan. Sometimes regulation is necessary. In my view, this bill goes some measure to putting some regulations in place to protect the Alberta consumer, and I think it's good regulation, good red tape, to use another word. Some may argue that this is just red tape to get in the way of what business does best. By all means, should it be excessive? Probably not. But is it necessary? Yes.

We've always got to remember that rules have to be in place to ensure that people are getting a quality product and that they're not being, for lack of a better term, scammed or hung out to dry. I think that because of this government's inaction for what I would say was 15 years, many people have been left hung out to dry. In my view, it was unnecessary. This government knew better and should have acted on it far quicker.

For what reason? Well, I can't be sure. Probably many people wouldn't have liked to see this regulation put forward. Does it add a cost to business? Of course it does, but sometimes adding costs is necessary to ensure that the marketplace is fair, reasonable, and that it doesn't leave people unprotected. I'd just leave that for people to consider. Sometimes regulation is necessary, and in my view in this case it is definitely necessary. It was necessary 15 years ago, and we should have been on it like other provinces were.

Consistency of legislation: I like that term brought up by the minister. We should have had consistency in legislation on this matter 15 years ago, when the problem was apparent to everybody but our government.

If I look at this bill, there are some things here that almost mimic a private member's bill that I did a year or two ago, and it's on protection for end users. The bill our party actually proposed was Bill 209, and it required mandatory insurance coverage for all new homes and condos, three years on deficits on materials and labour, five years on defects in the building envelope, and 10 years on structural deficits. So two out of three ain't bad. I think Meat Loaf said that in a song once. They actually got a couple of points there, so good for them.

We wanted to see establishment of a homeowner protection office, where these things could actually be enforced, where people could register their agreements and their dates. Is that regulation? Yeah, but it's also protection for the end user, protection that I think is necessary in this day and age.

We wanted to see a requirement that residential builders be licensed by the homeowner protection office so that residential builders could lose their licence if they contravene the act. This is somewhat contentious but, I think, in my view, somewhat important. We've had a system in place in Alberta, as I alluded to earlier in my speaking on this bill, where consumers have had nowhere to turn, no one to sue, no one to make them whole after

buying a lemon. In my view, I'm not so certain this bill still covers that off. With no ability to register a residential builder or a condo builder, what is our means of, I guess, stopping them from starting a new company, moving on, and continuing to down this path? I know the hon. minister will tell me that they will never get insurance for running a business again, but I'm uncertain of that.

11:30

I have a feeling that many people will say that if they find themselves building a condominium structure that goes under, that is faulty, they will find a way to go bankrupt, leaving, again, no recourse for the people there, and they will find an ability to again go out and procure their craft. In my view, we have to do better than that. This is the single largest purchase that people will make in their lives. Many people use this as not only a place to live, but it's essentially their life savings. When they get to the end of their life, this is all they have. Really, it's a means to save for the future.

As we talked about earlier – everything is dovetailing here. Tonight we talked about pensions. Oftentimes, homes are people's pension, so we should recognize that and ensure that these things are being built up to snuff and allow people to get the ability to sue, the ability to get their money back, the ability to get some compensation when they've purchased a lemon.

I see that the hon. minister has implemented monetary penalties for anyone who contravenes the act. It sounds like they're relatively robust or more robust than the absence of any prior to that, but we'll see if this actually establishes some way for our industry to continue to build as well as the protections that people need.

The last thing we wanted was to establish a public registry of residential builders that lists their current licence status as well as any suspensions or monetary penalties imposed. Clearly, having our public be able to assess whether that business is viable, whether it's reputable, whether it has done good stewardship in the past is something, in my view, that is laudable and something that, especially on an investment of this size, we should look to pursue. Much of this is absent from the act, but I will say that it's at least a step in the right direction. Hopefully, home purchasers and condominium purchasers will be able to get some protection from this. I'm hopeful on the minister's point that people who do not live up to this new standard of home building will not be able to continue on with business as a matter of course if they, in fact, are producing substandard results for individuals who have purchased their home.

I'll applaud the new Minister of Municipal Affairs for this collective effort. I know that both are honourable men, and hopefully this will work for new-home buyers. I will just finish. This should have been brought in 15 years ago, not today. It would have saved a lot of people a lot of heartache, and in my view we would've still been in the construction boom we are, regardless of a little bit of regulation or red tape to protect the average Joe and Jane Albertan.

Thank you, Madam Chair.

**The Deputy Chair:** Thank you, hon. member.

Are there any other members? The Member for Edmonton-Beverly-Clareview.

**Mr. Bilous:** Thank you, Madam Chair. I rise today to move five amendments on this bill. I have the appropriate number of copies for every member in the House.

**The Deputy Chair:** We'll pause for a moment while we distribute the amendment.



**Mr. Bilous:** Yes. One at a time.

**The Deputy Chair:** Thank you. Hon. member, most of the members have the amendment if you'd like to go ahead, please.

**Mr. Bilous:** Madam Chair, forgive me; I'm newer to this. Would you like me to read out the amendment?

**The Deputy Chair:** Yes. If you'd like to, go right ahead.

**Mr. Bilous:** Okay. Wonderful. I move that Bill 5, the New Home Buyer Protection Act, be amended in section 28 by adding the following after subsection (1):

(1.1) Regulations under subsection (1)(e) shall be made no later than 6 months after the date this statute comes into force.

**The Deputy Chair:** We'll call this amendment A1. You can carry on.

**Mr. Bilous:** Thank you. This amendment proposes that government has six months from proclamation for regulations to be determined regarding building assessors and building assessment reports. Now, what's interesting about this is that currently the bill indicates that condominium coverage begins when a building assessment report has been completed. That's under section 1(1)(y)(ii) and section 3(4).

Interestingly, we do not yet know exactly what a building assessment report is. Let me just explain that section 28(1)(e) gives cabinet the responsibility for determining what a building assessment report is, what kind of documents it contains, who a building assessor can be, the qualifications they must have, and the person or office to whom such reports are to be submitted.

Moreover, my office asked the researchers at the Legislature Library to find existing references to building assessors or building assessment reports that exist in Alberta legislation or in regulations. They could find no examples of existing references to these terms. In short, a grave concern and the question is: what is a building assessment report? We still don't know the answer to that. So, colleagues, part of the reason behind this amendment is that if we don't fix this uncertainty regarding building assessment reports, we'll be approving a major loophole that could permit the government to avoid making regulations in order to avoid requiring mandatory home warranty coverage on condominiums.

This amendment requires the government to make regulations pertaining to building assessment reports within six months of the proclamation so that all condominiums will be covered in the

same manner as new homes. I think this amendment is definitely logical. It's putting parameters on these building assessment reports. Again, currently there's a loophole where there aren't any. We don't know even what they are. Without this amendment there is great concern that much can be done without, first, this clarification, so this proclamation puts a timeline on it.

So I will ask all members of this Assembly to seriously consider amendment A1. Thank you, Madam Chair.

**The Deputy Chair:** Thank you.

The hon. Government House Leader.

**Mr. Hancock:** Thank you, Madam Chair. I think this is an amendment that really requires a lot of thought, so I would suggest that we move to adjourn debate so that we can all consider it thoughtfully over the course of the evening and come back to it tomorrow.

[Motion to adjourn debate carried]

**Mr. Hancock:** Madam Chair, I move that the committee rise and report progress.

[Motion carried]

11:40

[Mrs. Jablonski in the chair]

**Dr. Brown:** Madam Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports progress on Bill 5. 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:** Thank you.

Having heard the report, all in favour say aye.

**Hon. Members:** Aye.

**The Acting Speaker:** All opposed say no. Carried.

The hon. Government House Leader.

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

[Motion carried; the Assembly adjourned at 11:42 p.m. to Tuesday at 1:30 p.m.]



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