



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Wednesday morning, April 20, 2016

Day 18

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Second Session

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Legislative Assembly of Alberta

9 a.m.

Wednesday, April 20, 2016

[The Speaker in the chair]

Prayers

The Speaker: Good morning.

Let us reflect. As we reflect today, each in our own way, let's think about the future. What kind of a future do we look forward to, and what can we in this room do to make that future possible? Let us use the wisdom from those before us, our elders to inspire us and to reach new possibilities and to encourage each of us, in everything that we say and do, to come together for the greater, common good.

Please be seated.

Point of Order

Reflections on Nonmembers

The Speaker: Hon. members, a point of order was raised in the House yesterday, and I'd like to deal with that now. I listened to the arguments yesterday, and I also have sought the advice of the table officers with respect to this matter. The piece of paper that I'm reading but will only be referencing part of has got "confidential" stamped on the top of it.

Yesterday during Oral Question Period the Government House Leader raised a point of order concerning certain comments made by the Member for Cypress-Medicine Hat. I listened carefully to the arguments from both the Deputy Government House Leader and the Official Opposition House Leader. I reviewed the *Hansard* transcript of the exchange.

I must tell you that I was unable to find that a point of order has occurred. In response to the citations raised by the Deputy Government House Leader that allegations were made against persons who are outside of the House and unable to respond, I would note that the member's statement did not make reference by name to specific individuals, which is a part of the precedent.

My concluding comments are that there is no point of order; however – however – it seems to me that all of us in this 29th Legislature have a choice. The choice is to push the boundaries of disrespect and negativity or to choose to reach out and to speak to each other and about each other as we would want to speak about and how we would want to see one of our loved ones treated or someone who was not in this House. This matter has breached the edges of those boundaries on a continuous basis, and I want to again remind you: act as if you respect this institution as being something sacred.

Orders of the Day

Government Bills and Orders

Second Reading

Bill 1

Promoting Job Creation and Diversification Act

The Speaker: The hon. Minister of Economic Development and Trade.

Mr. Bilous: Well, thank you very much, Mr. Speaker. I'm pleased to rise in the House to speak to government's Bill 1, Promoting Job Creation and Diversification Act. There's no minimizing the impact that the collapse in the global oil prices is having on our families, workers, entrepreneurs, investors, and communities. But while

Alberta's economy has experienced a major setback, I know that this is something that we can and will recover from. That's why our government's number one priority is to help Alberta get through this downturn and position the province for future prosperity. Bill 1, Promoting Job Creation and Diversification Act, will give the government additional tools to carry out its Alberta jobs plan to do just that. We cannot control the global price of oil, but we can control how we respond. It's clear that Albertans need an economy that is resilient to energy price swings, captures the full value of our resources, and offers prosperous futures for our children.

Now, Mr. Speaker, members on the opposite side of the House believe that a solution to this economic crisis is to turn back the clock. They propose reckless and extreme cuts that will make a bad situation worse, billions of dollars in cuts to front-line services; firing thousands of teachers and nurses; cutting supports for seniors; and abandoning the most vulnerable; no new schools, hospitals, or roads; and no plan to open up new markets. Well, our government is not going to repeat those mistakes. Our government will not turn back the clock on Albertans.

Mr. Speaker, we have set out a strong Alberta jobs plan that will support families and communities, invest in infrastructure, diversify our energy industry and energy markets, and support Alberta businesses. Each of these pillars is based on the right policies, that will help us build a more resilient economy so that it generates and sustains good, stable jobs and attracts renewed investment.

Let me give you a few examples of how we are doing just that. Mr. Speaker, Alberta is known for its healthy small-business landscape and entrepreneurial spirit; 95 per cent of all businesses in the province are small businesses. Together they are responsible for 28 per cent of Alberta's GDP as well as 35 per cent of all private-sector employment in the province.

Alberta is also fortunate to have vast energy resources, a thriving agricultural sector, a vibrant high-tech sector, and forward-thinking companies but also the expertise, strategies, innovative technologies, and growth that potential investors and partners are looking for. Yet Alberta has consistently lagged behind other Canadian provinces in terms of venture capital dollars, especially outside of the oil and gas industry. That's why among the best things we can do to set the province on the path to recovery is to encourage investors to fund Alberta-based start-ups with two new tax credits that will support Alberta businesses to grow and create jobs.

The first is the Alberta investor tax credit. It will offer a 30 per cent tax credit to investors who provide capital to local small and medium-sized companies. This will foster a more diversified economy in Alberta, encouraging new investors to Alberta companies such as information technology, clean technology, health technology, interactive digital media and game products, and postproduction visual effects and digital animation sectors. Mr. Speaker, this investor tax credit will provide \$90 million to eligible investors over two years, boosting funding when it's most needed.

The second tax credit we'll be introducing is the capital investment tax credit. This tax credit will provide credits for the first-time acquisition of new or used property or spending in value-added agriculture, tourism infrastructure, culture, manufacturing, and processing industries. Mr. Speaker, I will have more to say on this \$75 million investment tax credit in the coming days.

Mr. Speaker, another example of the Alberta jobs plan at work is \$10 million in new funding through Alberta Innovates to Innovate Calgary, TEC Edmonton, and regional commercialization organizations to support innovation and job creation. We have great assets in our province, with two of the best university-based business incubators in the world, but they are already at capacity. In challenging economic times people tend to seek new

opportunities, to explore starting their own businesses, and to innovate, so a government that is committed to providing economic opportunities to Alberta families must strengthen supports for new businesses.

9:10

Our government also is laying out an aggressive plan to support job creators and workers in a more diverse and dynamic economy. That includes strong partners in the agriculture, forestry, and tourism sectors. That's why the government is committing \$35 million to attract and support new businesses and pursue regional economic development initiatives. Working closely with our regional and community partners, we will develop economic development action plans that target local business retention, expansion, and attraction. The regional economic development program will complement the community economic development program, that is focused on funding smaller, niche, community-level economic development projects that individual municipalities wish to undertake.

Mr. Speaker, it is the resilience that we have shown together, like in our current economic downturn, that defines us as Albertans. We don't just see the challenge; we see the opportunity that can exist within that challenge. Alberta's endlessly innovative spirit should never be underestimated. We believe that the many steps that we laid out in the Alberta jobs plan will help to create jobs and strengthen our economy, and Bill 1 will provide the government with additional tools to do just that.

Thank you, Mr. Speaker.

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

Mr. Panda: Thank you, Mr. Speaker. I thought that today the minister was going to talk about Bill 1, but he was talking about the budget.

I would like to read two sentences to the House, one from Bill 1 and the other one from the piece of legislation that governs a minister's duties. First, "A Minister may establish or operate any programs . . ." and second, "The Minister may establish programs that focus on supporting working people." Working people, Mr. Speaker. Now, I'm not sure if anyone here thinks there is a difference between these two sentences, but for those who think there is a difference, I want to know: who thinks the difference is so great that taxpayers' money needs to be spent in order to issue legislation that defines this difference?

The first sentence I read out is from the Government Organization Act, which details the duties of all ministers. The second sentence is from Bill 1. One says that the minister can establish programs that support working people while the other says that a minister can establish any program relating to his or her portfolio. I'm quite sure that the word "any," in reference to your program, includes programs that support working people.

In fact, why does this bill not support the nonworking people? Shouldn't this government be concerned about getting people who are unemployed back to work? I can understand that supporting working people is important, but when I talk to people in my riding and they ask what this government is doing to get people back to work, what am I supposed to tell them? Am I to tell them that this government is passing a bill that is helping those who are already working and just ask them to wait for their turn? Am I supposed to tell them that the first bill this government passed in a time of economic crisis is to help those who have jobs instead of those who do not have jobs?

Let me go back and read these two sentences again. "A Minister may establish . . . any programs," and "The Minister may establish

programs that focus on supporting working people." Since there is almost no difference between section 2 of Bill 1 and the Government Organization Act, I was going to submit an amendment. For my first amendment I was going to propose the removal of section 2 due to its repeating established legislation.

But then I read a little further into Bill 1 and saw this sentence. "The Minister may establish any panels or committees the Minister considers necessary to provide advice." I thought this sentence also looked very similar to section 7(1) of the Government Organization Act, which reads, "A Minister may establish any . . . [panels or] committees . . . the Minister considers necessary or desirable to act in an advisory or administrative capacity." Both say that the minister can create panels and committees to help advise the minister. Other than a few wording changes in the definition of advice there are no new powers granted by this section to this minister.

I wanted to propose amendments that remove all sections that are already stated in the Government Organization Act. Here is the issue I ran into with this bill. Not only is section 2 copied from this act, but so are section 5 and section 3. The problem is that removing the sections of this bill that are very similar to sections in the Government Organization Act would take out so many sections that the amendments were out of order. To me, this says a lot about the substance or lack of substance of Bill 1.

I could be way off base, and the minister really did not know that he was already allowed to do what is listed in this bill. So I dug around a little bit more and found something that the minister published with his signature on it that is almost identical in wording to Bill 1. Less than a week ago we received the budget, and in the budget we had the estimates, and in these estimates was the minister's portfolio, which has the desired outcomes of his ministry. In fact, Bill 1's section 2(b) is written out on page 27, line 1.a of the minister's estimates. Section 2(c) is on page 27, line 1.4; and 2(g) is on page 28, lines 2.2 and 2.3. These are just the parts that are identical. In the previous budget these phrases are similarly repeated. I could explain how section 2(a) and (d) are similar to his estimates, but I'm sure the minister knows that they are very similar.

Then if we go to the budget overview, page 4, we see the minister handing out money. Actions fulfilling section 2(b) and (c) are already in motion. How is this possible if Bill 1 has not passed, unless the minister had these powers already? Not only does the legislation exist that is identical to this bill, but there are two documents signed by the minister and two signed by the Premier that are almost identical to this bill.

Last month I simply asked the minister in this House, line by line, if he had the powers listed in Bill 1. I asked the minister if he had the powers listed in section 2, the ability to "create partnerships that support entrepreneurship" and "help businesses to grow and succeed." The minister's response startled me. He said, and I quote: absolutely. Why did the minister put forward this bill when he knows full well that he has the powers listed in it already? I thought: maybe he only knew that he only had some powers, not all. Quoting Bill 1, I asked if the minister had the power to "help working people upgrade their skills and secure employment" and "increase the development and [production] of Alberta innovations." I expected him to say that he did not have the ability to do any of these and that that's why he created Bill 1, but the minister said that he absolutely has the powers and abilities listed in Bill 1.

9:20

My question is: why is this government wasting our time with the legislation that outlines powers the minister already has? Why is this government not focused on creating jobs instead of writing out

and working on the minister's job description? I'm not against the powers of the Minister of Economic Development and Trade. These powers need to be used for creating jobs and making Alberta stronger. I'm not saying that these powers or any minister's powers should be stripped from them. What I'm saying is that I'm against wasting the Legislature's time by outlining a minister's existing powers in the form of a bill. I am against this bill for the fact that nothing new will be accomplished through passing this bill.

The province finds itself in a very serious situation today, with devastating job losses and a serious economic downturn. The people of Alberta need real solutions, not a statement of intent. I hope that the minister will have more to add to what he has published so far to encourage job creation, but unfortunately I'm not holding my breath. I will not be supporting this bill.

Thank you, Mr. Speaker.

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

Oh, excuse me. My apologies. Just with respect to 29(2)(a), it does not apply in this situation, to the first speaker. I'm sorry. After the next speaker 29(2)(a) applies.

Calgary-Bow, I have a request for you to speak.

If not, Calgary-Hays.

Mr. McIver: Thank you, Mr. Speaker. I appreciate the opportunity to rise and speak on this government's Bill 1. Within the time that I'm allotted to speak now, I could read the whole thing about four times, yet it is the government's Bill 1. This is interesting, as my esteemed colleague pointed out, well, as he was on his feet just a minute ago. I'm hard pressed to think of a single thing in this bill that will change a single thing should the House pass it.

It's, essentially, as has been said, a job description for a minister that's been in his job for several months. It includes things like, "The Minister must annually, and more frequently if the Premier directs, report to the Executive Council on the Minister's progress in establishing . . . any new programs under section 2," which essentially is code for: the minister should show up at cabinet meetings and answer questions. Well, all ministers show up at cabinet meetings and answer questions. That's what they do. That's kind of the nature of being a minister, yet somehow there's a section in this legislation that requires it.

It talks about establishing "panels or committees the Minister considers necessary." I believe that all ministers can do this without a piece of legislation being required.

And it talks about: "The Minister may . . . establish an investor tax credit program or a capital investment tax program" to introduce in the Legislature. Well, the government has beat themselves to the punch. We didn't do it. Congratulations; you beat yourself to the punch by introducing those things in the budget before introducing them in Bill 1, so that's already done.

Clearly, we're hard pressed in the House to think of any way, big or small, good or bad, old or new, that this will change Alberta should the Legislative Assembly pass this bill. It truly is a *Seinfeld* bill, a bill about nothing.

Happily, it does actually create one job, the one job that the government can lay claim to, the job of the minister of job creation. We're glad to have him. He's an hon. member of this Assembly, and I'm sure that he's going to do the best that he can in the role that he's been assigned. But in his comments, interestingly enough, when the minister stood up himself, Mr. Speaker, to defend and promote his very own Bill 1 – let me remind you; that's the same number as the jobs created, by the way – the minister actually talked very little about his bill. That's what I find really amazing. He talked mostly about the budget, which pre-empts Bill 1 in several ways. What this Bill 1 says that the minister can do has already been

done in the budget, or at least the government has already put it on the table to do it in the budget, with the government thereby scooping itself.

The minister went down different paths, all of which are interesting. He talked about reckless and extreme cuts to jobs. I know that the minister was talking about reckless and extreme cuts to jobs in the public sector. What I wish he would spend more time thinking about is the government's policies, that they've put in place since they've been in government, which actually have created reckless and extreme cuts to jobs in the private sector.

The minister talked about turning back the clock. Well, Mr. Speaker, those reckless and extreme job cuts in the private sector are really going a long ways towards turning back the clock to before Alberta was an energy superpower, before Alberta had the best economy in Canada, before Alberta had one of the best qualities of life in the free world, before Alberta had one of the best education systems in the world. The minister, I would suggest, should be more careful about the words he uses because they may echo back in a very, very unfortunate way, particularly as it pertains to this bill.

"Stable jobs," he said. "Renewed investments." I'm wondering how much investment will be renewed in the coal industry under this government's policies. We already know that there have been tens of billions of jobs that have left Alberta in the oil and gas industry under this government's policies. So, yeah, we do need renewed investment. One of the biggest reasons that we need renewed investment is because the current government's policies have driven the investment that we used to take for granted out the door as fast as they possibly could. Yes, indeed, we do need renewed investment. That's a good thing. It's unfortunate that one of the big reasons is the current government's policies.

The minister talked in his opening remarks about the small-business landscape and healthy small businesses. Well, I tabled in the House yesterday, Mr. Speaker, the Alberta Chambers of Commerce document talking about how the government's jobs plan, the budget, actually makes it harder to create jobs in Alberta, more expensive and less profitable for small business.

On top of that, businesses across this province, the restaurants' association, many chambers of commerce, and business groups have almost universally – not universally; you will find one or two people who disagree. But for the most part they're dead set against this government's minimum wage policy to artificially drive up the minimum wage to \$15 an hour in a very accelerated way, killing jobs. We hear many, many examples where small businesses have actually had to lay off people that were making minimum wage because now they can only afford three instead of four or two instead of three. This is before the government has gone all the way to \$15, so this is only the beginning of the harm from the poor policies that are negatively affecting small business, Mr. Speaker.

The whole point – the whole point – of a job-creating ministry, one would think, is to create jobs. You know what, Mr. Speaker? I'm going to take a positive tone here for a minute and say: I'm sure that along the way this ministry will create some jobs.

An Hon. Member: One.

9:30

Mr. McIver: So far it's created one.

But the problem is, Mr. Speaker, that the number of jobs that this ministry and this minister – and I know that he will apply himself to creating jobs. The problem is that the policies that his government has put in place have already killed and taken away and reduced and driven out so many jobs that he's not starting at zero and working up; he's starting at about minus 20,000 to 30,000 and

working up and hoping to get to zero. And because I love Alberta and because I know the minister loves Alberta, I'm sure that he and I both wish that he can succeed in replacing all of the jobs that the policies of the current government have driven out and caused to go away and the hiring that this government's policies have stopped and the jobs that will never happen now because of the multibillions of dollars of investment that have been driven out due to uncertainty in the royalty revenues and the threats to turn the Energy Regulator upside down and the corporate tax increases and the income tax. I'm out of breath talking about the bad policies that this government has put into place and how much they truly, truly harm business and jobs.

We do wish the minister well in being able to repair all that damage. I honestly think that despite his best efforts, he won't be able to. But I will give him credit, for I'm sure the people of Alberta will get the minister's best efforts. Unfortunately, he's hobbled by the government that he belongs to and the policies that have put him so far below zero before he even starts that he has a Herculean task just to try to get back to breaking even, an unenviable task. I would say that in terms of turning back the clock, I think there are a lot of Albertans that would like to turn back the clock to when there was a different government here, when unemployment was well below 5 per cent, a rate that people considered full employment, when our biggest problem was not helping the people in Alberta that were already here to get to work. The problem was getting more people in for all of the jobs that didn't have enough people to fill them. There's a place that Albertans would like to turn the clock back to.

You know, Mr. Speaker, I want to be fair, because you know what? A part of this is because of the lower energy prices, and we won't blame the government for that because that is not their fault. Unfortunately, everything that has happened since – not everything but the vast majority of policy changes that have happened since are the government's fault, and it's making a bad situation worse as it continues.

So as I look through this bill, Mr. Speaker, I look for ways that this is going to make it better, and there are some nice words here: "increase access to capital," "help businesses to grow and succeed." Well, if the government had taken the last 11 months off instead of raising corporate taxes and threatening to turn upside down the Energy Regulator – and the government tries to get it right, I think. I remember I was in the room where they announced their royalty review, where they were going to leave royalties where they are despite the fact that the Premier and the many ministers on the front bench of the government were saying for years that Albertans were not getting their fair share and that the royalties needed to go up and that all of that was going to help. Then after some study with some smart people – and there's one thing that the government did right. They had a pretty smart panel talk about the royalty review. Good work. That panel actually advised the government not to raise royalties. That also was good work, and I would congratulate the government on that.

The problem is that they can't stand success. On the very same day that they announced they weren't going to raise the royalties, they added the words "right now," which, of course, sends a shiver through the spine of anybody considering investing in Alberta's energy sector. One would hope – at least, I was hoping, and I know lots of people in the energy industry energy that were hoping – that the Finance minister or the Premier of the day would have issued a clarification of their remarks by saying: "No, no. We've done our work. This is where it's going to stay. We feel confident this is the right decision, so don't be afraid to invest here." But, no. That clarification never occurred.

To double down on that lack of clarification in the jobs plan, that the minister in his introduction to the bill referenced several times,

there is a section where it actually uses the phrase – wait for it – modernize the royalties. Modernize. Now, what does modernize mean, Mr. Speaker? There are 87 members of this House, and 87 of us may all have a slightly different definition of what modernize means. Here's what I'm afraid that it means, and here's what I'm afraid it will mean for many people that would invest their money in Alberta. When the energy prices go up, the royalties will go up, so even if you do put your money at risk to create jobs, to make an investment, to extract Alberta's resources, to create tax revenue, to build roads, schools, hospitals, seniors' housing, and to provide social services, you will be rewarded with having whatever profit you might be able to earn after taking all that risk – you will be rewarded by this government modernizing the royalty regime. In other words, we're going to let you just barely survive until you make money, and then we're going to take that away from you, too. That's what I fear modernizing the royalty regime means.

Mr. Speaker, that takes us back to the title of the bill, the Promoting Job Creation and Diversification Act. Of course, we know Alberta's economy can always be diversified. Every jurisdiction in the world's economy can be more diversified. We also know that Alberta's economy has become very much more diversified over the last few years. In fact, our party tabled a document that showed that I think in 1984 Alberta's gross GDP was worth about \$64 billion, and 30 years later Alberta's gross domestic product was worth north of \$600 billion, about a sixfold increase over 30 years.

Now, you say: okay; well, that's good, but that doesn't indicate the economy has been diversified. If that was the only information we had, I would agree with that, except that the very same piece of paper indicates that the oil and gas sector back in 1984 accounted for 36 per cent of Alberta's economy, and 30 years later it dropped down to 25 per cent of Alberta's economy. So what does that mean, Mr. Speaker? That means that Alberta's economy has been severely diversified during those 30 years. Could it be diversified more? Absolutely. Should we join with the government in looking for ways to diversify it more now? Absolutely. And we will.

The Speaker: Thank you, hon. member.

Are there any questions under 29(2)(a) for the hon. Member for Calgary-Hays? The hon. Member for Lethbridge-East.

Ms Fitzpatrick: Thank you, Mr. Speaker. I would like to refer to the member's comment about the Chambers of Commerce. Now, I had a little experience with the chamber of commerce in my community of Lethbridge. When the minimum wage came out, they talked about how much it was going to cost. In fact, the chair of the chamber of commerce was a little aggressive with me about what was happening to a particular business in Lethbridge because of the increase in the minimum wage. I thought I should do some follow-up because I want to support things that are going to move the economy forward, not hold it back.

I was familiar with the business, and I followed up. The chair of the chamber of commerce had told me that it was going to cost \$86,000 for this business in one year because of this increase. Okay. So \$86,000 is 86,000 hours since there's an increase of \$1. I went out, and I thought: I need to find out how many employees are there. To get to 86,000, you'd need about 41 full-time employees working 40 hours a week, and that was not the case. In fact, I got the correct figures and went back to the chamber of commerce, and she said: no, no, no; I think that was over the next few years. I said: but you told me it was over one year.

I think when we're talking about any improvement to our economy, everybody needs to be onboard, in particular the Chambers of Commerce, because we're trying to move our economy forward at a time where the bottom has dropped out of the

price of oil, and that was the main pillar of our economy for many, many, many years.

My question to you is: what has the Chambers of Commerce said to you about this?

9:40

The Speaker: The hon. member.

Mr. McIver: Well, thank you, Mr. Speaker, and I want to thank the hon. member for that question and applaud her for the work she just said that she did to investigate a claim that somebody made. I think she deserves credit for making that effort, and she certainly has my applause.

I think what she's talking about is that when it comes to these things, we need to try to do our best to get our facts straight, and I think the hon. member does a good job of pointing that out. I thank the hon. member for that. I know the hon. member is sincere, and I know that she faces people in Lethbridge and takes the heat because she and I were at a mayors and reeves meeting a couple of weeks ago, and she took considerable heat when they complained that nobody from the government's front bench would return the calls from mayors and reeves. She said that she would get to the bottom of it, and based on the diligence that she indicated that she placed on this other issue this morning, I have no doubt that any ministers that the mayors and reeves of southern Alberta are waiting to hear from, that hon. member will be on them like crazy to make sure that they get them those answers. I have tremendous faith that the hon. member will do that.

But it does not solve the problem. The hon. member asked the question: so what does the Chambers of Commerce say? What I hear from chambers of commerce – and, again for the hon. member, I tabled a letter in the House yesterday from the Alberta Chambers of Commerce talking about how the jobs plan is actually going to make it worse for creating jobs instead of better. What I hear from chambers of commerce is that the artificial increase to the minimum wage will drive up costs at an unnaturally fast pace, cause small businesses to have price increases. If those price increases put the small businesses at risk of having their sales volume go down, this means they'll need fewer staff to fill fewer orders caused by having a price increase. That's what I've heard. That's the risk.

Listen. I've never doubted that the government has the best interests of people in mind, but the fact is that even for those people on minimum wage, their money will not go as far due to the price increases at those places caused by the minimum wage. So there's the dichotomy, Mr. Speaker. It's not as simple as . . .

The Speaker: Thank you, hon. member.

Hon. members, I've had a request for unanimous consent to have the introduction of a visitor today. Is there agreement on that?

[Unanimous consent granted]

Introduction of Guests

The Speaker: The Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Mr. Speaker. It's my great pleasure to have run into Calgary ward 2 city councillor, Joe Magliocca, and his communications and community liaison, Greg Hartzler, on the steps of the Legislature this morning as we walked in. Mr. Magliocca, Mr. Hartzler, and I had a nice discussion and a tour of the Legislative Assembly. I would like to introduce to you and through you to members of the Assembly Joe Magliocca and Greg Hartzler, and I would ask the members to give them the traditional warm welcome of the Assembly.

Government Bills and Orders

Second Reading

Bill 1

Promoting Job Creation and Diversification Act

(continued)

The Speaker: The hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Mr. Speaker. It's a pleasure to finally be able to rise today and speak to numerous concerns that I have about this government's Bill 1, Promoting Job Creation and Diversification Act. My main concerns are that the bill does neither of these things and that, frankly, this government's credibility on job creation is deeply amiss. This bill, allegedly pertaining to job creation, has withered on the Order Paper for over a month. The last shiny job creation program this NDP government introduced languished in the twilight zone for about four months, and that's after it was supposed to be rolled out. Nine other government bills that came after this have curiously taken greater precedence where this government's priorities are concerned.

In the autumn budget this government was adamant that its previous jobs plan would somehow create 27,000 jobs at a cost of \$178 million over two years. There was never any evidence to back this up, nor were there any jobs created. Well, that's not true. There was one job created. But the government doubled down. The previous labour minister had this to say about the failed job scheme. Quote, certainly, I think that a lot of businesses are really excited about this and that it will help. End quote. The other day I heard the minister say, and I'm paraphrasing: after consulting with businesses and hearing that this plan wasn't going to work, we decided to pivot. Translated: we didn't do a proper economic impact study, so after the fact we are realizing our folly.

What were businesses really saying? The Calgary Chamber of commerce said this:

. . . no definitive answer as to whether these types of grants actually incent hiring and encourage job creation. In fact, some studies indicate that these incentives simply shuffle the workforce around, encouraging the laying-off of some employees, and the rehiring of new employees.

That failed job scheme was the only job-creation component of the last budget, and the Finance minister defended it saying, quote: it's good for business; it's good for the people who perhaps otherwise could have been left out. End quote.

As we all know, the government recently conceded that it wouldn't work. Now at a \$250 million price tag over two years they're claiming 100,000 jobs will be created with their new budget's job plan. Again, there's no evidence that the alleged job-creation initiative in the budget will do any such thing. When it comes to job creation, the sad reality is that throughout one whole year in office this government has failed to create a single job and has failed Albertans who are struggling.

Bill 1 itself is an illusion of a bill, the appearance of a government doing something on job creation in a suffering economy without actually doing anything specific. I want to preface further comments on this bill by noting the gravity of the situation before I continue, a situation that this legislation addresses so inadequately. As other members have quoted in this place, the average unemployment rate in February was 7.9 per cent, a 20-year high, Mr. Speaker. Calgary, often deemed western Canada's economic hub, had an unemployment rate of 8.4 per cent in February, higher than most cities in Atlantic Canada.

The government's own budget predicts that this year Alberta will average an unemployment rate of 8 per cent. That's an increase, Mr. Speaker, in unemployment. Let's do some quick math here. Quick

question: how can you expect to add 100,000 jobs when your own budget predicts increased unemployment? Quite frankly, the numbers don't add up.

Most damning is that in the last quarter of 2015 more people left Alberta than actually came here. And recently Statistics Canada released a survey of employment, payroll, and hours which showed the largest earnings drop in 20 years between January 2015 and January 2016. The average Albertan's weekly wage, for those fortunate to have been spared from the mass firings thus far, has declined by over 4 per cent. Week after week, more news of mass layoffs. The job situation is only getting worse, and Bill 1 merely adds insult to injury.

Frankly, given the economic climate, it's very distressing to see the vacuous nature of Bill 1. It is for all intents and purposes redundant in its current form. It does nothing but reinforce that in the worst economy in a generation, Albertans shouldn't look to this government for positive solutions.

Bill 1 allegedly gives the minister the ability to create programs and bring in regulations to implement said programs, which any minister can already do within their existing powers. I would direct members to review section 8 of the Government Organization Act. It reads:

8(1) A Minister may establish or operate any programs and services the Minister considers desirable in order to carry out matters under the Minister's administration.

(2) A Minister may institute inquiries into and collect information and statistics relating to any matter under the Minister's administration.

9:50

So any argument that this bill is enabling framework legislation is just a parody. Instead of wasting everyone's time with this sham of a bill, it remains entirely unclear why the government isn't actually acting on something specific for job creation. You would think that Albertans deserve at least that from this government. Why not instead take the time to evaluate what provincial government barriers are currently impeding job creation in this province and act to solve them?

Perhaps this all derives from a growing pains problem. It has, after all, not been one year since this government was elected. Perhaps the new government was unaware that a mere mandate letter from the Premier to the minister could have sufficed instead of this aimless bill. We know that the Premier didn't formally issue mandate letters to her ministers. Perhaps this legislation was a remedy to that in this case. If so, I do hope that this session sees something more productive than a series of legislative items outlining what ministers should do.

Now, I would think that a great deal of members on the government benches are embarrassed by the paltry piece of legislation known as Bill 1. If those members' constituency offices are hearing concerns from Albertans about the economic situation with the same frequency as my office, then, yes, those members should be embarrassed by this legislation. The government can save itself and its members a great deal of embarrassment by tabling whatever economic assessment or advice they received, whether from their own officials or outside groups that asked for this piece of legislation.

The Canadian Federation of Independent Business dismissed this bill as the mere skeleton of a job-creation framework, a damning indictment. If the government has an assessment from another group that looks at this bill otherwise, they should probably make that public somewhere. Between this paltry excuse for action on job creation and this same government's failed job incentive scheme, it's clear that they need to start going elsewhere for advice.

The sorry state of jobs in the economy right now is not a mere set of talking points that the Premier's issue-management staff needs to periodically update. It's a very real problem, Mr. Speaker, that threatens the future of this province and the livelihoods of thousands and thousands of Albertans and their families, our children, and our grandchildren. There is a real dark side to the continued decline of Alberta's employment rate. A growing unemployment rate means that there are families who have been making ends meet by reaching into their savings month after month. It means that there are families worried about how to make their next mortgage payment at the end of the month because there is no new job in sight. When it comes to specifics about this job for a month, this government only offered that Albertans should wait for the budget for details. At the end of the day it's just not enough for those who need it the most.

Mr. Speaker, I want to give you an example of someone in my riding. He called me up, distressed, concerned about what was going on. He said: I'm 51 years old, and I've worked in the oil patch most of my life. He said: the price of oil has tanked. We've seen this before, but he said: Mr. Hunter, we have seen that there is a problem that is a lot more than the issue of low oil, and I want to give you an example of that. He said: when you get laid off in the oil patch, I would come back into my rural community; I have lots of friends, neighbours, and they're always looking for an extra hand. But he said: because of Bill 6, I can't even find a job in the rural community; I can't even find a job so that I can feed my family in this downturn in this economy. What happens is that now the people, his neighbours, who would normally hire him on a part-time job don't want to hire him because they don't want to have the full weight of WCB and OH and S come down on them. They won't hire him.

This is fully on the government's shoulders. This man, who wants to provide a decent living for his family to provide for their needs, the dignity that he deserves as a provider for his family: he's been robbed of that, Mr. Speaker. Quite frankly, this government is doing nothing to help him.

Aside from being a cynical communications opportunity, this bill does nothing for Albertans most adversely affected by the rapid economic decline. This bill as presented looks to be a product of the most well-meaning student asking: why don't we just legislate job creation? Again, I invite the government to table whatever document or advice they received that said that this bill is what the economic situation so desperately needs. I would love to see this information. I would love to be able to vet this information. We haven't seen anything that would help us understand where the government is coming up with these numbers.

What this government actually needs to be doing is removing barriers to job creation in this province. It also needs to make sure that it instills confidence. Business confidence, small-business confidence, is at an all-time low, Mr. Speaker. This is in part due to low oil prices, but it is also in large measure a result of an NDP government. Businesses do not believe the NDP government will have their backs. That is why this government needs to assure small businesses that they do have their backs. That includes both the barriers they have put up and the barriers their predecessors have put up throughout the previous decades.

Recently KPMG released the results of their 2016 competitive alternative study, which showed that Calgary was ranked dead last for business competitiveness in Canada. Second last in Canada was Edmonton. Our two largest cities, once seen as the economic hub of the west, are now ranked dead last for competitiveness. Quebec City, Charlottetown, Gatineau, Winnipeg all ranked higher than cities in Alberta. It seems surreal to say that, to see how far Alberta has fallen in recent years, especially now.

There are solutions, thankfully. Last month our caucus put forward 12 solid recommendations to help stop the devastating bleeding of jobs in Alberta's economy. We're glad to see that this government was willing to implement at least one of them. These are common-sense solutions that the government can implement. We recommend that they take a look at the other 11. These would reduce regulatory red tape and lift the burden off small businesses so that hiring new workers is not such a burdensome task in this economy. There are common-sense recommendations there, too, like utilizing federal training funds and programs more efficiently. That wouldn't cost the government a penny.

There's a lot that this government could be doing. It's a shame that they've opted to do nothing but put forward Bill 1 instead. Albertans shouldn't have to go elsewhere to find jobs. They shouldn't be asked to go to B.C. They shouldn't be asked to go on EI to be able to make ends meet. They should have the dignity of being able to provide for their families because of a robust economy. This can be done. We admonish the government to go forward with proper, well-studied, well-vetted ideas rather than their idealistic ideas. If this government has any sense of priorities . . .

The Speaker: Thank you, hon. member.
Any questions under 29(2)(a)?

Ms Drever: Mr. Speaker, I move to adjourn debate on Bill 1.

[Motion to adjourn debate carried]

Bill 10 Fiscal Statutes Amendment Act, 2016

[Adjourned debate April 19: Mr. Hanson]

The Speaker: The Member for Calgary-Hays.

Mr. McIver: Thank you, Mr. Speaker. It's my pleasure to speak on Bill 10, the Fiscal Statutes Amendment Act, 2016. This is a really interesting combination of changes that the government is attempting to make in legislation. There are several pieces of it that I think are important for me to touch on in my remarks this morning.

10:00

The government is discontinuing the Centennial Education Savings Plan Act, which is an important piece but probably one of the smaller pieces, one of the ones that will probably affect the fewest Albertans compared to some of the other changes to the legislation.

It appears that the government is going to align Alberta's personal income tax rate on taxable dividends with federal regulations. That section by itself, lowering the personal income tax, is a good thing.

Also, it gives some clarification about who is a distributor of fuel taxes, one who does so in Alberta, and it adds the Deputy Solicitor General to the list of individuals to be provided notice if a party wishes a judicial review of an authorization to the minister to issue a certificate stating an amount owed in fuel taxes, penalties, interest, and other amounts. That would be section 6 of the act.

It allows Alberta corporations to use different currencies to prepare and file reports, thus, hopefully, reducing administrative costs. That's another good piece, so I would compliment the government on that particular section of this legislation.

But, Mr. Speaker, it all pales – it all pales – when one considers the biggest and most negative piece of this legislation. It's all a detail when you consider that the government is going to remove the GDP-linked debt ceiling in section 5, the ceiling in the budget

that the government laid on the table very few days ago, less than a week ago, that debt limit. If you are to believe the government's documents – and Albertans ought to be able to believe the government's documents – they say that the debt ceiling would not be breached in the next three years. Yet today, three years ahead of the schedule that the government set itself and laid on the table less than a week ago, the government has said that it's going to take the cap off that debt ceiling, and if this legislation passes, Bill 10, the sky for Alberta debt truly will become the limit.

In fact, the only thing that might keep this government from reaching the sky with the debt is the world's bankers because I don't see any indication that anybody on the government's front bench or the government caucus as a whole is willing to pull on the reins to even slow down this train that's going to run over the future of Alberta children and grandchildren because they will be paying debt that this government accumulates for decades and decades.

Mr. Bilous: Pretty graphic way to put it.

Mr. McIver: The minister, the jobs minister, just chirped to me that that was an extreme description, and it is an extreme description. Unfortunately, Mr. Speaker, it's also accurate, and that's the painful part. You know what? Sometimes it can be political business to embellish what's going on a little bit for your side of the political argument. I would suggest that many of us have been guilty of that on all sides of the House from time to time . . .

Mr. Cooper: Including them.

Mr. McIver: . . . including the government side, including the opposition side, including our side. But in this particular case no embellishment is required, Mr. Speaker. The government has said that they're going to take Albertans down a road where we're going to find ourselves three years from now in almost \$60 billion in debt. That's on the backs of 4.3 to 4.4 million Albertans. If you work out the debt that every child, every adult, every person in Alberta, every senior citizen is going to be responsible for, it's a number much bigger than it ought to be.

Now, Mr. Speaker, here's the thing . . .

An Hon. Member: You're making me uncomfortable, asking him to . . .

Mr. McIver: No. I could do the calculations. I just don't have a calculator in front of me, and it's always a bad idea, hon. member, to give numbers in the House if they're not going to be accurate, so I choose not to do that. That's something the government could probably take a lesson from.

Mr. Speaker, here's the thing. The government has said themselves that they're not going to breach the 15 per cent GDP debt limit, which is way too high in the first place, but they're still going to breach it in three years, and now they need to take that limit off this year. It does lead to: what does the government actually expect to happen? Do they have spending plans way beyond what they've actually disclosed so far in their budget legislation and other legislation? Or is the government recognizing that their policies are going to damage Alberta's economy so much that the GDP is going to shrink that much, that they're going to breach the debt ceiling not because they borrow more but because they shrink the economy so small? There is a problem. To shrink the economy small enough that the government would be afraid of breaching that 15 per cent GDP is a very, very damning indictment of what the government believes is the harm that they could do to this economy.

You know what, Mr. Speaker? I don't know which it is. I don't know. Maybe they think they're going to shrink the economy and they're going to borrow a lot more than they've said because there's room in this for both of those things to be the government's inspiration to take the ceiling off the debt.

Mr. Speaker, Albertans can't live their lives like this. They can't go out and say: we are going to keep using our credit card, and we are going to ignore those pesky bills that come every month because we don't really like opening those envelopes, and we surely don't like paying the piper. Albertans know that if they were to do that, there are bankers that would create some common sense if we don't apply some ourselves, and at some point – it'll take a little longer because, as this government likes to say, they have the strongest balance sheet in the country after the previous government. You're welcome. That previous government, to be clear, was not perfect, but the government acknowledges on a regular basis what a strong balance sheet they inherited from that imperfect previous government.

Mr. Speaker, they are taking their strong balance sheet that they're now in control of down a very rocky road and a path to a very negative future. Here's the thing. We don't know whether they're doing this because they plan to spend way more than they've disclosed or whether they think the economy is going to get way worse than they've admitted. But what we do know – again, I don't need to embellish this at all – is that to just pay the annual interest at the end of three years will be about \$2 billion a year.

Now, Mr. Speaker, \$2 billion will buy a lot of things every year. Our government came under some criticism, rightly so, for not having the Calgary cancer centre built yet. It's something we had planned. We hadn't got it done yet. This government says that they're going to do it, but here's the interesting thing. At the end of the three years, when this government is far enough in debt that the interest payments are \$2 billion a year, they won't have built the cancer centre. They say that it won't be open till 2024, yet Albertans will pay so much interest every single year that you could build one and a half cancer centres on that interest every single year, just for an example.

They like to brag about, you know, building \$34 billion of infrastructure, and you know what, Mr. Speaker? Building infrastructure is a good idea, so I'll compliment the government on that. But it's a good idea if you have a plan to pay back the money that you're spending to build the infrastructure, and in this area the government falls not a little short; they fall a hundred per cent short because they have zero per cent of a plan to pay it back – zero per cent of a plan to pay it back – and that's in their documents. You can't make this stuff up.

10:10

As they say, sometimes this stuff writes itself. Only with this stuff we were helped because this stuff was written by the government, and they actually put in black and white that they're going to take the people of Alberta into debt about \$60 billion a year with \$2 billion-a-year interest payments with zero per cent of a plan to pay it back.

So \$2 billion: that's not one year, Mr. Speaker; that's every year. What will \$2 billion a year buy? I don't know. It could buy one and a half cancer centres every year. It could buy, depending on the size of the school, 50 to 100 schools every year. It could buy enough interchanges to solve a lot of traffic problems around this province. It could probably, if not in the first year, house every homeless person in Alberta every year or every second year and provide housing for them. The \$2 billion a year can make a big difference, and that's \$2 billion a year that this government is going to saddle Albertans with. You know what? The government might even be

able to make an argument that Albertans could swallow if they said: it's just for a little while because we have a plan to pay it back over 10 or 20 years, and it's all going to be okay, Alberta.

Mr. Rodney: Do they have that?

Mr. McIver: They don't have that plan. They don't have any plan.

Mr. Cooper: One job and no plan.

Mr. McIver: One job and no plan. That is a huge problem and one that I can't get past, Mr. Speaker. You know, I pointed out two or three parts of this that actually could be good things in this legislation, and then the government dropped this big, ugly section of legislation that is so harmful for the future of Alberta, so harmful for all of our children and all of our grandchildren, so harmful for the successful future of Alberta that you just can't get past it. What I'm hearing from Albertans that are understanding and hearing what's in this government's budget is that they can't get past it. They are afraid, and that's why they say: what can you do to move this government out because we can't afford what they're going to leave us behind?

Unfortunately, one must vote carefully because when they elect us, on all sides of the House, we're here for four years unless we make a mistake and call an election a year early. I thought I would throw that in before somebody else does. But you are, generally speaking, stuck with your Member of the Legislative Assembly for four years, whether they do a good job or a bad one. So is the case for all 87 of us.

Unfortunately, what this government is telegraphing by taking the cap off the debt ceiling is that when they get the next chance to go to the polls and make a decision that is in their best interest, they will already be under water by almost \$60 billion. They will already be on the hook for \$2 billion of interest payments that do not even take a piece off the debt that's already there. They'll be paying, again, enough interest every year to build one and a half cancer centres, 50 to 100 schools, a whole bunch of interchanges, a countless number of seniors' housing, a countless amount of support for those that might need care for mental illness or health or addictions or things that this government says that they care about. They're hobbling Alberta's ability to give that care by not going about the things that they want to do in a careful way.

Unfortunately, the story's even that bad when you give the government full credit. Building some of the infrastructure that they say they're going to build is probably a good thing. Building, you know, the schools, the roads, the seniors' housing, the hospitals that they talked about: this is a good thing. But at the end of the three years we won't have a cancer centre in Calgary yet, but we will have a \$2 billion interest payment every year that would more than build that cancer centre. We will have a lot of new schools, and that's a good thing because I'm not sure after that point how many we're going to be able to afford to build.

What's really scary, Mr. Speaker, is the government keeps talking about how much better the debt situation in Alberta is than compared to places like Ontario, as if they're comfortable taking us up to those levels.

The Speaker: Thank you, hon. member.

Are there any questions for the hon. member? Spruce Grove-St. Albert.

Mr. Horne: Thank you, Mr. Speaker. I was definitely interested, in listening to the hon. member's discussion, in his thoughts on Bill 10. I was struck by this sense that investing in our infrastructure is just money out of the budget without really recognizing that those

are Albertan jobs that we're creating by investing in that infrastructure. I was wondering – and I'm sincerely hoping that I get a good answer on this – can the hon. member tell me which Albertan jobs he would not create if he was in government?

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

Mr. McIver: Well, thank you, Mr. Speaker. I'm actually grateful for the question, the question about creating jobs from infrastructure. I think what I said here just a second ago – so I don't have any trouble repeating it – is that building infrastructure can be a good thing as long as you have a plan to pay the money back. So I would say to the hon. member that I acknowledge that building infrastructure will create some jobs, and that is a good thing.

What I'm afraid of is that the jobs that will be created will come to a grinding halt sometime between five and 10 years from now, when the money runs out, when the government has borrowed on Albertans' credit card to the limit so that they can't borrow any more and the interest payments are not palatable to Albertans.

Frankly, this is what the construction industry is worried about, too, they tell me. They're happy to have those jobs created, building roads and infrastructure that the government is going to do. They are, so the government can feel good about that. What they should feel a lot less good about, to the hon. member, is that the industry is afraid that there's going to be no work for a few years, five or 10 years from now, when the government finds itself in such a deep debt hole.

Again, we're only talking about three years from now, when there's a \$2 billion a year interest payment. At that point that will be \$2 billion a year less in construction jobs. Now that this government has taken the limit off, how many jobs will it cost Alberta when they raise that to \$3 billion and \$4 billion? There's the problem, Mr. Speaker.

If the government actually said, "Okay; we're going to borrow our brains out; we think we need to catch up on some things, and here's our plan to pay it back, and we think we're being responsible," then they might be able to sell that to people that care about money. But they're not saying that. They're saying: let's take the lid off how much we borrow, let's have no plan to pay it back, and let's pretend this can go on forever. See, that's when jobs get cut.

That is an NDP legacy in other provinces. Bob Rae comes to mind, who spent his brains out in Ontario. I grew up in Ontario. I have friends that live there, and I have friends that work in the public sector there. For the first year and a half that the NDP government was there, they said: "This is great. We get everything we want. There's no problem, and life is good." Then they were presented with Rae days. At first they said: "Oh, great. Every Friday off or every second Friday off. Isn't this great?" Then they said: "Wait a minute. We don't get paid for that Friday, so now my income just dropped by 10 per cent. But wait a minute. I've got a car payment and a mortgage and kids to put in sports and kids to put in dance lessons and piano lessons, and now I don't have enough money to pay for that." So now living in an NDP world isn't nearly as much fun as it was 18 months ago.

That, Mr. Speaker, is where this government is taking Alberta. It may take a little longer than Ontario simply because the balance sheet this government started with was a lot better than the NDP government started with, probably, in Ontario at the time. My family still lives there, and many people there still say that the economy has never really recovered in Ontario since they had an NDP government. It never really has fully recovered and may never fully recover.

That is what we need to try to avoid in Alberta. That is why I appeal to the government to save future jobs. Yes, if you spend your brains out in years 1, 2, and 3, there will be people working, spending that money, but those people are going to need a job in years 4, 5, 6, and 11, 12, and 13. When they don't need a job anymore, their kids will need a job and their grandkids will need a job. Under this government's fiscal plan there will be a lot fewer jobs to go around.

Even for the jobs the government doesn't create, with the tax burden on businesses they will be less competitive. Most of the world's economy is international . . .

10:20

The Speaker: Thank you, hon. member.

The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Mr. Speaker. I will start by talking about the Alberta centennial education savings plan. You know, with respect to the Member for Calgary-Hays saying that it's not terribly widely used, it is certainly used. We have been fortunate to take advantage of that program as we save for our daughters' education, and I would suggest that many Albertans do take advantage of that.

It's unfortunate to see that that plan is ending. It seems to have come without warning that that's gone. It sort of comes as a surprise to me that that's no longer something Albertans can avail themselves of, and that it's retroactive back to March 31 of 2015 is also troubling. I know that will come as a surprise to many. It's that death-by-a-thousand-cuts problem. In and of itself it's not the most egregious thing this government has ever done, but it's certainly a big concern and something, I know, that parents will have a concern about.

We know that education, in particular postsecondary education, is a real key to economic diversification in this province. Every barrier that can be reduced, every opportunity for parents to save for their children's education is important, so I think it's noteworthy that that is now no longer something the government of Alberta will provide as an incentive and an encouragement to parents to save for their children's education.

But I will spend most of my time talking about the debt-to-GDP ratio of 15 per cent. This is something, I know you will all recall, that I've asked about many times in this House because I have a real concern about the impact of future credit-rating downgrades. When we have a government that is willing to borrow such tremendous amounts of money, the impact of a downgrade, even a couple of basis points of increased interest cost, has a tremendous impact on our ability to fund ongoing operations of this government.

In fact, it won't likely be this government that will be funding those ongoing operations, but it will be future governments having to do that and deal with that. It really will tie our hands and constrain our ability to operate the government going forward because so much money will be taken up by debt service. When you have a cap and then remove the cap, it sends the wrong signal to the very credit-rating agencies that determine how much we in Alberta will be paying for interest on the debt.

This also seems to me to be the easy choice. Instead of putting in limits, it's just, well – you know what? – the sense that money is infinite. "We'll just borrow all the money that we need and not worry about it. At some point down the road we'll be able to . . ." We don't even think about how we're going to pay it back. It's like the person that moves out of the house for the first time and doesn't realize that they need to pay back the credit card, that at some point that interest payment starts to catch up to you. But it's actually worse than that because in this scenario it's not really even their

credit card. It's Albertans' credit card. It's not even mom and dad's credit card. It is your and our and all Albertans' children's credit card that you're borrowing this money on.

Now, I want to be very clear. I don't have any problem – in fact, I'm encouraged by it – with borrowing money responsibly for capital. Capital investment leaves us with an asset. It has ongoing, enduring value to Albertans. It creates jobs in a very difficult economic time. I have no trouble with that whatsoever. To me, that is responsible borrowing, akin to taking out a mortgage on a home. That's something Albertans do every day.

But when you're borrowing money on your credit card at such a huge rate – it's not a few hundred million dollars. It's not even a couple of billion dollars. We're talking \$4 billion, \$5 billion, \$6 billion annually in operating borrowing. That's a huge number. A huge number. More than 10 per cent of the entire budget will be borrowed just for day-to-day operations. That's why a debt-to-GDP cap of 15 per cent is so important.

You know, what's equally troubling is the number of different plans this government has presented through the campaign and through their time as government to balance the budget. Their first plan in the campaign was to balance in 2017. They realized there was an error in their document – it happens – and then it went to 2018. Then in the fall of 2015 it was 2019. [interjection] You've got it. You know what their fourth plan is? The fourth plan is no plan at all: 2024. What in the world could happen between now and 2024? Well, everything can happen. [interjections] So forecasting out that far is no plan at all, which is why it's so important to have debt-to-GDP caps such as we had.

The Speaker: Hon. members, let's stay focused.

Mr. Clark: I'm going to quote the Minister of Finance and President of Treasury Board from October 29, 2015. That's 174 days ago, not quite six months. He said that this

sets firm limits on borrowing and spending growth. This is a key part of our overall fiscal plan and, coupled with the budget and strategic plan presented earlier this week, represents the principles upon which our government will operate.

That sounds like a good idea. Let's have some principles. How long do those principles last? Well, until they're not convenient anymore. What other principles are we going to abandon? What other constraints are we going to have on spending?

Now, I want to be really clear that I'm not advocating for massive cuts to the public service. Alberta's public servants do a tremendous service to the people of Alberta. They're an important part of what drives tremendous quality of life in this province. But surely to goodness we can do better. Surely we can find some efficiencies within the public service. Surely we can find ways of doing more with less, because I can tell you, based on the conversations I've had with my constituents and with Albertans all around the province, so many Albertans are hurting right now. So many people have lost their jobs. So many people have taken wage rollbacks, are working shortened weeks just so they can pay the bills, and Albertans continue to give money to charity, to donate to food banks, to help their neighbours. All around this province people are doing more with less.

The only place where there isn't a sense of scarcity is within the provincial government. That doesn't mean we need to hack and slash and cut and fire nurses and teachers. It means we need to work with Alberta's tremendous public servants and find a way of doing more with less, to create a sense of urgency. There is no sense of urgency. There is no sense of scarcity, that anything is wrong. To the previous member's comments, we're going to fall off a cliff at some point. At some point this all comes home to roost, and this government may find that that's sooner than they think.

[The Deputy Speaker in the chair]

Now, I'd like to quote further from our friend the hon. Minister of Finance as he introduced Bill 4 last session. "The debt cap provides sufficient flexibility to the government as it implements its financial plan while maintaining a manageable limit on the amount of debt government can take on." For your information, Madam Speaker, two of three credit-rating agencies that rate the province report net debt to GDP as a measure of their credit reports. The Dominion Bond Rating Service states that a triple-A rated province should have a debt-to-GDP ratio of less than 15 percent. I agree.

I have tremendous respect for the Minister of Finance – I really do – but he was right when he said that back in October 2015. So why all of a sudden, when it's no longer convenient, do we simply remove the cap? Why not put in a new cap? What is the logical limit? This will take Alberta far beyond our provincial neighbour in Saskatchewan in terms of debt to GDP.

This government loves to talk about how wonderful Alberta's balance sheet is, and it is. We do have a strong balance sheet. We're very fortunate in that. Some of it's good luck, and some of it was reasonable management – mostly good luck – but regardless of why, it's important that we maintain that and not just for some principle or some high-minded idea. From a dollars-and-cents, bottom-line perspective, it really matters because it costs us more, and that money goes out purely to debt service. Debt service is interest that goes to the banks instead of going to Albertans. That's a significant cost.

We need a limit of some kind. If you can't hit 15, why not 17? Why not 20? Pick a number. This will take us beyond our neighbours in Saskatchewan, so Alberta will no longer have the strongest balance sheet in Canada, and the speed at which that's happened is breathtaking. We hear repeatedly that it's not the government's fault that oil prices dropped. It's not. It's not, but there are things this government can and should do to keep a lid on how bad things get.

10:30

I'm going to end with one final quote from the Premier from November 3, 2015. In response to a question I asked about this very topic, she said:

It's very important to understand that this government is in the position of having the lowest debt to GDP of any province in the country now and also five years from now, and the best way to make sure we stay that way is to pass our legislation that this minister will be introducing.

She was speaking of Bill 4.

What's changed? What has changed so dramatically in the last six months that all of a sudden this government needs to exceed this 15 per cent debt-to-GDP cap, that both the Minister of Finance and the Premier have promoted as being so key to their overall economic agenda? What has changed so radically? Things haven't changed that much. This government needs to understand the fiscal situation that we're in, and it's not a great situation to be in. There's no question. It's incredibly challenging. But it's important that you step up and find ways of doing more with less, of putting rules in place that you choose to follow. If you're not going to have a 15 per cent debt-to-GDP cap, what are you going to have?

The Premier herself has said that today and five years from now we're going to have the lowest debt to GDP in Canada. Well, that's not true as of right now. Our friends in Saskatchewan have a lower debt to GDP. How high is this going to go? Where's the limit? What's the ceiling? Are we going to be as bad as Ontario? Are we going to get to be as bad as Quebec? Will debt to GDP exceed half?

That's a huge problem, my friends, when we're talking about borrowing more than \$50 billion.

So my challenge to the government is to find ways of continuing to deliver top-quality service to Albertans. Engage the public service. Ask them their opinion. Ask them for ideas and advice. Listen to those ideas. Make some hard decisions. Have some hard conversations. It isn't easy – it really isn't – but this government, more than any, can truly engage with the public service and ask them for ways of finding efficiencies within the system, of spending less money. If we don't, ultimately it could lead to significant public-sector cuts down the road. We could just be forestalling significant cuts.

So I have tremendous concern. There's certainly no way I can support Bill 10.

Thank you very much, Madam Speaker.

The Deputy Speaker: Any questions or comments for the hon. Member for Calgary-Elbow?

Seeing none, I'll call on the hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Madam Speaker. I'm pleased to rise and speak to Bill 10, the Fiscal Statutes Amendment Act, 2016, with some concerns. Obviously, some good things in this bill, but like all omnibus bills, it raises real questions about the difficulties an opposition party would have in supporting one part and not the other. You have to reject the whole bill if you reject anything in the omnibus. I think it's unfortunate they've combined the removal of the debt cap with issues around the Alberta Centennial Education Savings Plan Act, the Alberta Corporate Tax Act, the Alberta Personal Income Tax Act, the Financial Administration Act, the Fiscal Planning and Transparency Act, and the Fuel Tax Act. It makes it very difficult to vote in a fashion that would discriminate between some of the things, most of which I can support, given our financial situation, and some of which I can't.

Most significantly, the bill repeals the provincial debt cap, which the government originally set at 15 per cent, and does not establish a new cap.

Under the Financial Administration Act it specifically exempts the government from having to table any loan agreement which involves a loan to an individual of less than \$500,000. Where's that coming from? Why would we be less transparent than in the past about loans to individuals of less than \$500,000? I don't get that. I'm looking for some answers on that one, and I'll waive judgment on that until I hear more.

Some of the areas have been alluded to before. The act restricts eligibility for the education savings plan grants or RESPs to children born between January 1, 2005, and March 31, 2015, and repeals the Alberta Centennial Education Savings Plan Act effective July of this year. The winding down of this savings plan was actually started by the PC administration before they left office, so the government has opted not to reverse that decision. I understand; we're in difficult financial times.

Under the Alberta Corporate Tax Act this provides greater clarity around Alberta's calculation of corporate taxable income, which parallels the federal calculation. That's a reasonable thing to do, to try and harmonize with what we're doing at the federal level.

Under the Alberta Personal Income Tax Act it decreases the dividend tax credit rate for noneligible dividends from 3.08 per cent to 2.2 per cent in 2017. The government is keeping more money for itself by making the dividend tax credit less generous. I understand that. I can accept that.

But, again, under the Financial Administration Act, which requires the government to table before the House the particulars of

any loan agreement it enters into or shares of any capital stock in a corporation it acquires, it specifically exempts the government from having to table any loan agreement which involves a loan to an individual of less than \$500,000. Explain why you would want to be less transparent than in the past. I don't get that.

The big issue, of course, which has been so much discussed this morning, is repealing the provincial debt cap. It looks like we don't want to be disciplined about our borrowing. On the face of it, at least without putting another debt cap in place, it looks like we don't support fiscal discipline and putting limits. I can understand that these are extraordinary times, and it does mean that extraordinary measures are necessary. It doesn't mean that we can simply ignore guidelines, limits, caps.

In summary, Madam Speaker, this omnibus bill contains many noncontroversial amendments focused on improving clarity and consistency, and I'd be more than happy to support these if they were packaged together in a separate bill. However, as the bill also includes amendments to the Fiscal Planning and Transparency Act that will allow the province to spiral into higher and higher debt, I cannot offer my support. Without a debt cap, how can Albertans have confidence that the government isn't dooming an entire generation into a black hole? What if oil prices remain low and are the new norm? There's a huge gap between government spending and revenues that can't be filled by wishful thinking.

In this regard the Member for Calgary-Elbow indicated that there are some ways to show much more commitment to reducing our expenses on the government side, and I for one would be willing to take a 5 per cent cut. I think many in our position would be. I think many in the public service would be willing to take a 5 per cent cut. Not only would it be an important symbolic gesture, but it would actually start to move us towards what I think demonstrates a personal commitment as well as a government commitment to bearing some of the burdens of this downturn.

Not only does the bill contain nothing in the way of a debt cap, but it also does not offer a debt repayment plan, and that's been alluded to before. If the province is not going to cap its borrowing, it should at least have a plan for paying off the debt. We need to have some assurances, whether it's through bonds or fees or new rental arrangements, user fees. What exactly are the areas that we should be considering in trying to recoup our lost revenue?

And have an adult conversation about how much debt we're prepared to pass on to the next generation. I believe that my generation, the baby boomers, have not been paying their way for the last 30 years. We have left a tremendous amount of social, economic, and environmental debt to the next generation. Let's not add unnecessarily. Let's not continue to pass on this huge debt to future generations. We need to start paying more of our way as we go.

I'm also somewhat concerned about the proposed amendment that aims to exempt the government from having to table before this House any loan agreements which involve a loan to an individual of less than \$500,000. We need more clarity around that, and I hope the minister will provide some of that.

Those are my remarks. Thanks, Madam Speaker.

10:40

The Deputy Speaker: Any questions or comments under 29(2)(a)? Hon. minister, go ahead.

Ms Larivee: Thank you. While I do not profess to be the originator of this bill – and, certainly, I will pass on the questions to them to answer some of those questions in more detail – I did want to specify and clarify that the loans to individuals under \$500,000 is to actually accommodate current practice. We do not disclose to this

House the loans that we make to students on a regular basis as part of student loans. In the way that it's currently written, technically we actually are obligated to do so. In the interests of respecting the privacy of the many individuals that get those loans, that is one of those practices. Another example that would be captured by that is the loan program to seniors for their houses. That would also be captured in that. This is very specific to individuals with very private situations, where it would be completely inappropriate to violate the privacy of Albertans.

The Alberta centennial education savings plan: that was a recognition that the plan did not actually end up supporting those who are less fortunate and need assistance with their education. It actually ended up with people who were quite affluent taking advantage of that opportunity. Recognizing it completely failed to accomplish what it had intended to set out, we will continue to ensure that students have access to quality postsecondary education at a reasonable price and are taking many actions to do that. This was not the best way to go. So we're happy to continue with that process.

I just wanted to answer those two questions for you, and I will pass on your remaining questions.

The Deputy Speaker: The hon. member.

Dr. Swann: Thank you, Madam Speaker, for the question and the comments. Indeed, I can understand why students and seniors and their borrowing from the government isn't appropriate to be made public, but we're talking about \$500,000 as the limit. That seems excessive. We could exempt students and seniors and those particular loan programs from being made public. I don't understand why you would keep from this Assembly, at least, those who are borrowing \$499,000 from this government. For what purposes, and for what benefits?

I mean, that's a huge amount of money to be loaning without any transparency. I guess I would ask for a little clarity on why that limit was made so high. From a political point of view, it just doesn't smell right. I would like to know whether the government is considering changing that. Has that been the case for a number of years? What, if any, concerns have been raised about this, either within government or outside of government? If there's no accountability for loans of up to \$500,000 – and by accountability I mean that we need to know as legislators where that money is going, that public money – then I think we've got a problem.

Thanks, Madam Speaker.

The Deputy Speaker: Any further questions or comments?

Seeing none, I will recognize the hon. Member for Olds-Didsbury-Three Hills.

Mr. Cooper: Well, thank you, Madam Speaker. It's a pleasure to rise today and speak to Bill 10, a bill that certainly will have some significant debate in this Chamber as we proceed, particularly because it sets the province on the most dangerous course we have been on for decades. While the current government might not like the previous government – and, certainly, the previous government did a lot of things very poorly. They started the car on this road to significant debt, the beginnings of changing the rules around legislation that required fiscal responsibility in our province. They were also responsible for laying the foundation that was such an important part of the Alberta advantage, particularly when it came to the retirement of our debt, particularly when it came to legislation that made it illegal for debt financing and also illegal for the financing of operational expenditures.

But over the last number of years, including the end of the 44-year reign of the previous government, there was a slow

deterioration of those laws, where quite regularly the government of the day would come to the House and say: we just need to make a small, little adjustment to these rules and laws; we know we promised that we would never do that and we know that Albertans expect better of us, but we just need to make a slight alteration because of the economic realities. And there we were, heading down that path. Then we changed some additional laws, that ultimately gave the government even more ability to borrow and finance. Now we've seen an absolute acceleration that is beyond the pale. It is really dangerous, dangerous, dangerous territory.

I think that the previous government does carry a lot of burden when it comes to getting us to this spot, but that burden is nothing compared to what this government, Madam Speaker, is preparing to place at the feet of our province, preparing to place at the feet of our children and our grandchildren. It is, if nothing else, reckless. Some would describe it as dangerous. We certainly should all be taking pause as we consider Bill 10.

A very short time ago in this very Chamber the government, this NDP government – and I know they like to blame the former government for a lot – said one thing, and today they are doing another, the exact opposite of what they promised to do. I think that is a significant concern not only with respect to this issue, but it also should be a concern to all of us about: what other issues have they spoken to, promised, yet are not willing to hold up their end of the bargain?

I know that I have been speaking with people in Olds-Didsbury-Three Hills since the budget came out, and they've been asking me very similar questions. Oftentimes the language isn't as parliamentary, but that's because they're hurting. They're concerned about the future of our province. Sometimes that manifests itself in a way with words that we wouldn't want to use in this Chamber, but it speaks to the passion of Albertans. It speaks to the passion that the people of Olds-Didsbury-Three Hills have for the future of our province. They hope to have a province that is just as great as the province they've experienced, that provides the same sorts of opportunities of hope, of personal freedoms, the opportunity for success, the opportunity for the entrepreneurial spirit to flourish in the province. What Bill 10 does is that it puts our province's future at risk. It puts that spirit of entrepreneurialism, that independent drive of Albertans at risk because of what it can mean in terms of the weight of government coming down on people in the future.

I'd like us to just take a little trip down memory lane. Predominantly in October and November of 2015 members of this Chamber, certainly on that side of the House, rose to speak specifically about debt limits, about the future of our province and how this government was going to ensure that it didn't put our province's financial picture at risk. It promised it wouldn't put our credit rating at risk, and it promised it would manage debt accordingly. I think it's good to be reminded of the exact words that this government spoke. On November 3, 2015, the Minister of Finance: "I believe that this 15 per cent limit will not be breached. In the three-year plan that's before [us] here, I think it takes us up to about 9.5 or 10 per cent of debt to GDP, so there's lots of cushion."

10:50

Now, just a few months later, we're in a position where that cushion has been absolutely lambasted. The air is right out of it, and we are charging forward. The challenge, Madam Speaker, as you know – and we'll see that here shortly – is that the Finance minister on those days boasted: don't worry; the 15 per cent debt limit is very reasonable, particularly when you compare it to other jurisdictions. He used all sorts of other ridiculous arguments at the

time, much of which we debated fiercely here. The challenge is that having a debt limit is a very reasonable thing to do. Blasting through that debt limit like you don't care about the law that you just passed is irresponsible, and that is exactly where we are.

I recall rising in this House, speaking specifically about what we see happening in the United States of America, where every couple of years or months they're up against the debt limit, and they just go ahead and raise it and raise it and raise it. Yet they continue to have one, and there has to be debate about it. The fact that they change it is ridiculous, horrible, but the fact that they have the accountability and have to have the discussion is exponentially better than what we're seeing with this government across the aisle.

Putting absolutely no limit on the depths to which we can spend says to the Alberta people that we don't need to be accountable to the Assembly, that we don't need to be accountable to the Chamber, and, as an extension, that we don't need to be accountable to the people of Alberta. What this law does is that it allows the government to spend for eternity without the requirement of real, robust debate, and that debate, Madam Speaker, provides accountability, provides transparency. It provides the people of Alberta with a voice in this place. It is a shame that less than a year after a government that was elected on a campaign of change, on a campaign of doing things differently, they, in fact – and I never thought I would say this in the Chamber – are worse than the previous government when it comes to transparency in this Chamber around debt financing and when it comes to transparency around the finances of our future.

It went on, Madam Speaker, with the hon. Member for Calgary-Fort, the Finance minister, when he was addressing concerns in this Chamber about the issues that we were raising around the credit rating. He more than assured us on numerous occasions that this government had been speaking with credit-rating organizations and that everything was going to be okay, that they were relatively okay with the 15 per cent debt to GDP and that those credit-rating agencies at the time had said that the credit rating of Alberta would remain strong.

Now, four days after this bill passed, we received our first credit downgrade. Just prior to that, when speaking about the debt-to-GDP ratio – and I'm quoting from *Hansard* from November 3 as well, the Minister of Finance.

I'm not saying that they look at that overall or in absence of the other criteria, but they do look at that one, so we plan to stay true to the plan that we've identified and manage the growth of the province's programs and services within the budget that we've identified. I'll be meeting with and talking with the rating agency representatives directly and telling them about not only our plan but our desire to stay within . . .

My question to the Finance minister today would be: what exact plan are you taking to the credit-rating organizations, when you so proudly stood in this House and talked about this plan, this plan that barely stood for six months?

What's worse than the initial downgrade – that took four days, I believe it was – is that the most recent downgrade was announced the day after this government introduced a budget that puts us on a very, very dangerous course for the future, with no plan. Zero plan. While we strongly disagreed with the plan that was presented in November, that had a 15 per cent debt-to-GDP limit, we were starting down this road – the exact same things that we said would happen are happening today. While we strongly disagreed with that plan, at least there was a plan.

On October 27 . . .

The Deputy Speaker: Any questions or comments? The hon. Member for Calgary-Currie.

Mr. Malkinson: Thank you very much, Madam Speaker. I was listening with great intent to the Member for Olds-Didsbury-Three Hills. He was talking about our debt limit and saying that our debt limit is going to be a problem. I will note that his side of the House provides no solution. It's very easy to talk about this. It's very easy to tweet. But it is quite hard to figure out what would be cut from that in order to meet that. What services that Albertans depend on would he or his members cut in order to get there?

Now, it's hard for me, of course, to criticize any one particular thing they would cut because they have put no plan forward. The best I have, Madam Speaker, is that back in December the Official Opposition put out a plan saying that they would keep debt to GDP at 7 per cent. I don't know if that is still their policy because that's the only point they've put forward. I don't know whether they're going to be throwing lifelines to Albertans or throwing anvils.

My question for the hon. member: is he going to be proposing an alternative to the debt-to-GDP limit, or is the 7 per cent the Wildrose presented back in December still their policy?

11:00

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

Mr. Cooper: Well, thank you, Madam Speaker. I'm glad that the hon. member has realized that governing is hard. You have to make hard choices, and it's something that this side of the House is willing to do to provide leadership to the province. I look forward to being able to do that, to making hard choices.

I find it a little disingenuous to say that the opposition has no plan because just recently we made a number of recommendations to this Chamber with a number of savings. Let me be clear – and you can clap for this when I'm done – that this government is not responsible for the price of oil. But you are responsible for not making the situation worse, and that's exactly what you've been doing.

Let me tell you that while you may be investing in infrastructure – and it's an important thing to do – the challenge is that when we are paying \$2 billion every single year moving forward, Madam Speaker, that is going to put future generations of our province and future jobs of our province at significant risk. There must be a balance, and you, members of the government, have not found that balance.

Mr. Barnes: They haven't even looked for it.

Mr. Cooper: That's exactly right. They haven't even looked for it.

There are massive amounts of waste inside the bureaucracy of this government, and while I will acknowledge that it is not \$10 billion of waste, there are significant amounts of savings that can be found. This government refuses to acknowledge that that is a possibility. There is a significant amount of savings that can be found with respect to public-sector employees. There is a significant amount of savings that can be found around waste. There is a significant amount of savings that can be found with respect to spending in the province as we compare it to what we spend over the national average per capita.

The Deputy Speaker: I'll recognize the hon. Member for Calgary-Fish Creek, followed by Cardston-Taber-Warner.

Mr. Gotfried: On 29(2)(a)?

The Deputy Speaker: Standing Order 29(2)(a) is finished, hon. member.

Mr. Gotfried: Oh. I'm sorry.

The Deputy Speaker: Do you wish to speak to the bill?

Mr. Gotfried: Yes. I will, then, briefly as well. Thank you, Madam Speaker. You know, much has been said today about this bill – and it deeply concerns me – about the level of debt that this government is taking not the province but Albertans into. I think that's something of significance for people across this province and, sadly, for those that aren't even born yet, which is a big concern for me.

I've looked at some of the numbers on this. If we hit somewhere in the neighbourhood of a \$58 billion debt by 2019 as these numbers indicate, that would actually reflect over \$13,000 per man, woman, and child at that date, at a projected population of about 4.4 million people. With the average household size of 2.6 people, that would be \$34,000 per average household in Alberta.

Mr. Rodney: How much?

Mr. Gotfried: That's \$34,000.

Mr. Rodney: Wow. Per household?

Mr. Gotfried: For an average-sized household in this province.

Let's put these numbers in perspective here. A household is now going to take on, without their explicit approval, \$34,000 of additional debt when some of them are having trouble servicing their mortgages, making their car payments, putting their kids into hockey, having some money saved for the kids' education, and, God forbid, saving for their own retirements. It's deeply concerning, Madam Speaker.

That's not even taking into account – and this is perhaps another sad thing – that the federal debt is currently at \$36,000 per Canadian, not per household. On the current numbers, again, 2.6 people per household, that's \$93,600 of federal debt. Add that to this provincial debt that we're going to take on, and that is \$127,600 per Alberta household, Madam Speaker. I would suggest that that's more than any responsible individual would take on, and this government is doing it on behalf of those individuals and households.

I've done a little bit of math here as well for interest because sometimes we need to show the numbers to the people that we're taking these actions for.

Mr. Rodney: What do the numbers say?

Mr. Gotfried: I'll tell you what the numbers are. Let's look at the households first. Maybe that's an easy way to look at it. It's \$34,000 by the end of 2019. Let's take an average interest rate of about 6 per cent just to be fair. It could be lower; it could be higher. Even if we say to Albertans, "You know what; we're not in a hurry here, but we have a plan; we have a plan that we're going to give you 30 years to pay this back because we're going to be fair to you and we're going to let you pay this off; we want to make sure that we have a plan, because it's not our plan; it's actually your plan as Albertans, your plan because we've borrowed irresponsibly on your behalf," that monthly payment for 30 years would be \$203.85. Or if you want to annualize that just to make it even a little bit more impactful for the average household, who is struggling to save for their child's education, their own retirement, and maybe to pay down their own debt, their own mortgage, any other personal debt they may have – and, sadly, during this economy we're going to see more of that and, sadly, more bankruptcies to come – that's \$2,446.20 per year for 30 years.

Mr. Rodney: Per family?

Mr. Gotfried: Per family.

The total amount we're going to have to pay back on that \$34,000, total payments, is over \$73,000, double what we've borrowed, Madam Speaker. And that's a sad reflection, of course, during this time period of this increased debt. Guess what's going to happen to our credit rating in this province? We've already seen it downgraded. Where are we going to end up? Are we going to end up with a C minus? C minus isn't good enough for this province.

You want to look at some individual numbers? In 2019 some people that aren't even born yet, Madam Speaker – and I'm going to be a little bit more fair here. It's \$13,181 per each one of those 4.4 million Albertans. I'll be generous – I said 6 per cent for the household because that's over a longer period of time – with an interest rate of 5 per cent. Let's hope that we're lucky enough to enjoy such low rates in the years ahead, but I would suggest that in my lifetime the average is probably more around 8 per cent. So \$13,181 at 5 per cent, a 25-year amortization period on that. We'll try and pay it off a little bit faster here. We'll accelerate things. Certainly, we wouldn't want to overburden individual Albertans. Somebody not even born yet, Madam Speaker, after 2019 is going to have a monthly payment of \$77.05. That's great, isn't it?

That could go towards educational savings. Gosh. If it started the day you were born that your parents put away \$77.05 for you, you'd have a lot of money for that education, Madam Speaker. You'd have a lot of money for your retirement way down the road. Nobody is ever thinking about that at the time. They're thinking about their education. They're thinking about the hockey games. They're thinking about the hockey equipment. They're thinking about the dance lessons. They're thinking about living a good life. That's \$924.60 per year per individual.

That's a lot of money, Madam Speaker, and it's irresponsible for us to spend that without their permission. They're not even born yet. Total interest, total payments on that: we're going to pay about \$10,000 interest on that over those 25 years, and total payment on \$13,000 is going to be over \$23,000. I would suggest that these are irresponsible moves for us to take in this Chamber on behalf of Albertans. It's just not good enough.

11:10

I agree with what's been said here earlier. There are many arguments for us to invest in infrastructure – we know that – in health, education, creating some jobs in the short term, but not on the backs of the Albertans of not only of today but of the future, who will have no choice and no say in this. Madam Speaker, I'm concerned that those individuals, those new Albertans, those young Albertans, will turn around when most of this House is in retirement and tell us: "I'm sorry. We have no money for you seniors. We have no money for youth, to educate them. We have no money to ensure the health and well-being of Albertans because you spent that on our behalf, without our permission, five years ago, 10 years ago, 20 years ago." It's deeply concerning.

I consider myself a pretty anal Virgo. I had to look at these numbers, Madam Speaker, because to me, these numbers count. These numbers are the future of Albertans, the future debt of Albertans. We're making these moves in this House, I would submit again, irresponsibly on their behalf, without their express permission. I have to believe that these are well intentioned, that the same members on the other side are doing this because they believe it is the right thing to do. But I think they need to look into their hearts and their souls and be honest with Albertans about what these numbers mean for us going into the future and how those children that are not born yet today are going to feel in 25 years when some of the members here, not all, will be approaching retirement age and wonder themselves: "Is this responsible for me to do on their behalf."

What's it going to mean to me in the future when I need the support of future generations?"

Madam Speaker, this bill deeply concerns me. I will not be supporting it, and I am very saddened by the implications of it. Thank you.

The Deputy Speaker: Any questions or comments?

Seeing none, I'll call on the hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Speaker. I'd actually like to just comment a bit more on what the hon. member to my left here spoke a little bit about. I think it's important to state. He talked a little bit about the cost to service, basically, this debt that Albertan families are going to have to deal with. I want to kind of add a little bit more to that. First of all, I want to state that a little over 11 months ago this government was actually in a net positive position, which put families in a net positive position of about \$39,000. A net positive position going to a net negative position of about \$55,000 in 11 months kind of shows over a \$100,000 change in net position in 11 months. If that doesn't make Albertans concerned, I don't know what will. As an Albertan it makes me concerned.

Let's take a look at our financial position. The reason why I think it's important to look at this financial position is because we're not on an island. We're part of a country. We're part of a global economy. Unfortunately, what we've seen, even as my colleague to the left of me said, is that we are part of Canada, and Canada's debt has skyrocketed as well. One thing he didn't mention there as a cost that will have to be added to us as Albertans is the cost of unfunded liability, which some have placed at close to \$10 trillion in Canada. This is a cost that at some point we will have to bear.

When we go down the rabbit hole that I see us going down of, as the minister likes to put it, pivoting to do something else, what we're doing is that we're putting ourselves on much shakier ground. Really, what that does, the trickle-down effect, is that it actually disincentivizes business and international businesses from coming here. One of the best ways of being able to diversify an economy, in my opinion, is to be able to make ourselves so competitive comparable to other jurisdictions that other businesses throughout the world want to come here. We were in a position of being able to do that. That's why we saw such explosive growth in Alberta. This is the reason why we were able to see people coming from all over Canada and all over the world to Alberta, because there were jobs and there were opportunities. That is the greatest thing we can offer to Albertans.

Unfortunately, the past government deviated from the plan of an Alberta advantage, and we're seeing this deviation from that Alberta advantage being exacerbated by this government. It is a dangerous precedent. For all the rhetoric and all the talk of wanting to diversify an economy, the best way to diversify an economy is to incentivize businesses to come here and set up shop. The government will have no understanding and no ability to determine what the invisible hand knows. So for them to arrogantly, in my opinion, state that they know how to fix this thing is folly.

The way forward is for us to be able to put ourselves in a position where we do not have to download taxes, download costs onto businesses and individuals and families, so these individuals, families, and businesses can thrive. Any time a government is not able to curtail their spending, they have to increase taxes, and those taxes are downloaded onto the people that make a society thrive. Take a look at any society in the world. Those societies that incentivize small businesses thrive. I don't mean incentivize by saying, "Hey, you can have this tax break, or you can do this or have some kind of a grant," by picking winners and losers. I'm

talking about being able to have a government get out of the way of people doing business. If they do that, those countries are the ones that thrive the best.

[The Speaker in the chair]

Now, I'd like to talk specifically about this bill. It has been mentioned that this is an omnibus bill. Unfortunately, I am only able to talk about one issue, and that is this debt ceiling. This legislation as presented speaks to this government's total predilection for debt and deficits. It speaks to this government's complete inability to manage our province's finances.

Now, this government likes to trumpet that they have a mandate from the people of Alberta for reckless expenditures, but not a single person in Alberta voted for debt and deficits of the magnitude that this government is looking to embrace. I say this because the word "debt" did not once appear in this government's 2015 election platform. The word "deficit" appeared only once, on page 24, where they outlined a plan to return to a surplus in Alberta's finances by 2018, which is completely off the books now. It was under a large bolded headline that read: Balancing the Books. So this government has a mandate from Albertans to balance the books before the next election. When is that going to come back to the dialogue in this House?

They do not have a mandate from Albertans to squander the province's finances. They certainly do not have a mandate from Albertans to put in a sky-high debt ceiling and then blow right through it in the first year and replace it with a licence to spend borrowed money without restraint. Broken promises and perceived dishonesty on fiscal matters do not bode well for provincial governments, as can be evidenced by what happened in Manitoba. They had the NDP there experience a crushing defeat because they didn't learn this one lesson. I guess that means that I can congratulate this government on being the last of the NDP governments in Canada.

Now, I've heard it stated that in comparison to other jurisdictions in Canada, we're doing, actually, pretty well. Mr. Speaker, we compete on a global level for investment money, not just nationally. That's how you diversify an economy. You create an environment that attracts businesses. But we can't just attract businesses from other jurisdictions in Canada; we're attracting businesses from all over the world. So if we make comparisons, we need to be able to do it right. We need to compare it with other jurisdictions throughout the world. Are we competitive in terms of what we add to the cost of doing business in Alberta versus what is added in other jurisdictions? I would have to say that I do not believe we are.

11:20

What we have seen in recent years through successive Premiers and governments is that Alberta has a chronic spending addiction. Removing the debt limit removes the last remaining barrier against that spending addiction. It was only a few months ago that this same government introduced the debt limit they are seeking to get rid of with Bill 10. Now, we have really traversed far down the rabbit hole in this situation. There was a time when it was illegal to deficit spend in Alberta. From that time until now successive governments have dismantled the checks and balances that showed Albertans that we recognize where the tax dollar comes from and that we respect that. We are now in a situation where we have dismantled the deficit spending on capital, that was done back in the Stelmach years, and now we're dismantling the deficit spending on operational.

The Premier stood in this place and defended her government's 15 per cent debt-to-GDP ratio limit. She said that it was "an exceptionally responsible, careful way forward." Months ago my caucus colleagues warned the government that their increased 15

per cent debt limit was itself too high, that spending needed to be reined in. Today the government is back, admitting that it has indeed lost control and needs to urgently abandon its responsible debt limit. The facts are already troubling. On a per capita basis for operations Alberta already spends at least \$8 billion more on government than British Columbia or Ontario.

Mr. Speaker, it is deeply problematic to take on massive, unlimited amounts of debt to pay for such an inefficient government. It would seem far more prudent to find efficiencies in government rather than just vote away a debt limit and keep going. Fifteen per cent is already too high for a government that had a zero debt-to-GDP ratio only a few years ago. At the existing 15 per cent debt limit this government could get to about \$55 billion. Even at low interest rates it costs \$2,000 each year per family just to cover that payment. That's not enough for this government, is it? Getting rid of that debt limit is just completely irresponsible.

This government had numerous opportunities to show creditors that they were serious about reining in their expenditures. One such opportunity was last week with the budget. By taking some initiative, by looking for efficiencies, this government had an opportunity to show creditors that it had some semblance of responsibility. Instead, this government chose to pursue an unprecedented deficit. Perhaps members on the government benches don't realize this, but a credit downgrade impacts Alberta's ability to borrow money on the markets. The result is that investors see Alberta as a riskier bet and, as in the case with banking on a smaller scale, demand increasingly higher returns to lend money to the government of Alberta.

I'll go back to the beginning comments I made. We went from a net positive position, where the money we had in the bank was actually making this government money and that money was then able to be spent in terms of the programs that Albertans need and want, to a position where instead of actually using that interest money that we were receiving, we now pay interest to the banks. That is dead money to us. That is no longer able to be used to provide help for those people who are in need, for health, for education, for seniors' services, the things that we hold dear in this province.

With each successive credit downgrade investors see more risk, and the government of Alberta is left with fewer options for borrowing. Accordingly, it is in our province's long-term interest that Alberta look to improve its credit rating. As both my colleagues from Strathmore-Brooks and Little Bow pointed out yesterday, this government was warned by a major credit agency, DBRS, just this past January that Alberta's credit rating was at risk of a downgrade at the current rate of fiscal unrestraint. Predictably, the government seemed to ignore this warning. Regrettably, Alberta's credit rating declined as a result.

One of the great failures of this government is that they judge their own legislation and policy solely by stated intention, not by any actual results or the evidence upon which it was planned. To hear those on the government benches say that any disagreement with this high-spending budget plan is akin to deep, lasting cuts to front-line services – that's blatantly false, Mr. Speaker. It's a desperate, straw-man fallacy approach to dodge tough questions about our province's finances, and they know it, tough questions that this government seems so woefully unprepared to answer. A lot of Albertans are struggling to make mortgage payments right now in a failing economy. I don't know if any members on the government benches can adequately explain to them why they are taking the province to over \$50 billion in debt before the next election.

If the government wants to make this a discussion about front-line workers, the \$2 billion in annual interest payments on debt is

\$2 billion that can't be spent on front-line workers, period. The problem with the long-term descent into debt and deficits is that it comes with escalating interest rates and declining credit ratings. This means that year after year there is a growing draw upon our provincial finances, one that takes away the ability to invest in front-line services and other key government expenditures. Furthermore, severe debt and deficits eviscerate the government's ability to provide tax relief to Albertans who need it most. Long-term debt and crippling interest payments deprive a future government of the ability to invest in its postsecondary education obligations or matters of labour retention or labour market programming. The long-term economic impact of eliminating the debt ceiling is consequential, but it is also a deep moral issue.

The Speaker: Thank you, hon. member.

Are there any questions under 29(2)(a)? The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Mr. Speaker. To the member: I've enjoyed your discussion here, and I'd like to hear a little bit more, your thoughts about how the debt interest is going to affect Albertans.

Mr. Hunter: I'd like to thank the member for the question. You know, obviously, it's been stated that going from a net positive position, where the money we had saved, about \$12 billion, I believe, when this government took over, to a net negative position, where we actually will be spending – well, actually, when we spend up to \$55 billion, it will be \$2 billion of interest. So what happens with any business when you change your net position so drastically is that you have to cut programs that you would normally have offered. It is a foregone conclusion. It is the stark reality of the bottom line of your financial sheet.

If this government really believes what they say, that the social programs, the education programs, and the health care programs that we hold so dear in this province are so important to the members opposite, then I implore you to think about the long-term ramifications of unrestrained debt and deficit spending. I believe that if you really took a look at this, not just looked at the speaking notes, you would see that this puts our front-line workers, our front-line teachers, our front-line health professionals at risk. From my perspective and from my colleagues on this side's perspective, that is folly and something that I do not believe is in the best interests of jobs for our fellow Albertans.

Thank you.

11:30

The Speaker: Under 29(2)(a), the Member for Calgary-Currie.

Mr. Malkinson: Thank you very much, Mr. Speaker. You know, I'd like to mention to the hon. Member for Cardston-Taber-Warner that when it comes to being a good place to invest, there is more to a province when it comes to investment and a place to do good business than just being a low-tax jurisdiction. I would like to point out that Alberta is still the lowest taxed jurisdiction to do business in in all of Canada, and our budget is investing in quality of life and infrastructure to help maintain that.

Now, my question for the member is not about the 12-point plan that your side has. It's about the specific bill we are talking about. When it comes to debt-to-GDP ratio, my question for the member, my only question, is: what is your plan for Alberta's debt-to-GDP ratio? Is it still 7 per cent as per your December 22 credit downgrade action plan, and if not, why not?

Mr. Hunter: Well, this is the second time this question was asked. I thought that the first answer given by our colleague was fairly

robust and fairly informative. They might want to listen a little more carefully the next time someone answers their question.

The Member for Calgary-Currie needs to remember that the position from this side of the House is to offer good ideas for the governing side of the House to implement. Like I said earlier today, you know, we offered 12 great ideas about how to be able to curtail spending, how to be able to incentivize business and incentivize job creation, and only one of those – only one of those – ideas was actually implemented. We appreciate that. We applaud the government for doing that, but it's not enough. This is why we gave them 12 good ideas.

This is something that I would adamantly . . .

The Speaker: On that note, the hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Mr. Speaker. I, too, appreciate the opportunity to rise and talk about Bill 10, the Fiscal Statutes Amendment Act, 2016. A lot of great points, great discussion from the opposition side of the House and the Official Opposition, so much so that in some ways it's a bit hard to add to. One of the things that was running through my mind as it came to the debt ceiling and what 4.1 million Albertans think the debt ceiling should be and the relevance and the importance of yet another law: of course, I remember the previous government's commitment to not run deficits. That law was totally disregarded, totally ripped up.

The relevance I can think of is back to Premier Getty. I believe that when the government under Premier Getty hit \$22 billion, \$23 billion in debt, Albertans said: that's enough. That brought in, of course, the Klein area and significant conservative change, change that some in the province disagreed with, but it is hard to disagree with the years of the Alberta advantage and the years of opportunity that it created for Albertans and Albertan families.

Why were Albertans so upset about, let's say, \$23 billion worth of debt created by the former government? In addition to all of the points that this side of the House has said in the last hour, hour and a half, what I haven't heard is how the borrower loses control over their destiny, loses options. My colleague from Cardston-Taber-Warner just mentioned \$2 billion in interest by 2019. How many front-line workers, teachers, doctors, nurses, good service personnel would that be? It would be thousands. How many schools would that be? My calculation is that it would be about 80 schools a year. Two billion dollars? That's a couple of good regional hospitals. Instead, we'll be paying debt to Canadians, pension funds, foreigners, banks. We'll be making rich people and rich corporations even richer.

I was looking at the budget the other day – and parts of this debate have turned into a discussion on the budget, so I hope and think it's relevant – and spending is up \$11 billion in just the last two years. When you go talk to people in Cypress-Medicine Hat who are working fewer hours, who are not working, who are certainly not increasing their spending by 20 per cent over two years, active, hard-working Albertans in the private-sector economy who are the ones that are going to have to pay this back through higher taxes, through more productivity, through longer hours, through fewer options, through spending less time with their family, you know, maybe their options will be, as others have said on this side, withdrawing from the workforce, not investing, not sharing in our broad economy, not giving the NDP government the opportunity to tax them even more.

I think I read somewhere, too, in the budget documents how our net financial position has plummeted. It was in '05 or '06 when we were \$32 billion to the positive – \$32 billion to the positive – far and away the richest jurisdiction in Canada. The number that the

MLA from the third caucus, Calgary-Fish Creek, was just talking about, \$19,000 per family: that wasn't debt. That was in assets; that was in wealth. But that was in 2005 or 2006. It's estimated now that in another year or so it will actually be a complete reversal; our net financial position will be \$32 billion in the hole. Every man, woman, and child and every family in Alberta will feel the burden of that and will feel the loss of options, the loss of control over their destiny.

We look at jurisdictions around us, our neighbours to the east and to the west in Canada who have done so much better, keeping spending in line, keeping deficits as a percentage of GDP or based on per capita, so much more in line that it will give them the opportunity to attract investment and to attract jobs and growth. My colleague from Cardston-Taber-Warner was absolutely right that excessive spending, excessive per capita spending, not looking for efficiencies, and running big deficits not only burdens the next generation, but it scares investment in business away. Would you locate a business in Alberta, running a \$10.5 billion deficit, which is obviously seen as just a future tax, when we've seen taxes rise so much, when there are so many other jurisdictions with their spending in line who look for efficiencies and have competitive taxation?

11:40

Then, of course, you know, the other thing that hurts business confidence and hurts jobs – and it breaks my heart when I drive through Cypress-Medicine Hat and see all the empty warehouses and the lack of job growth – the other thing that this uncertainty does is that it scares business away because they don't know. In talking to stakeholders up here, they have no idea how the carbon tax is going to be played out, they have no idea how the gas emissions tax is going to be, they have no idea what the long-term corporate taxation will do, and they have no idea what that will do to their ability to attract employees and to return equity to their shareholders.

Alberta Venture, a good Alberta publication, had out an article on April 19. Here's the headline: "Alberta Businesses 'Surprised' by Announcement on Investor Tax Credit."

Alberta Chambers of Commerce says it was under the impression it would be consulted before any details of the Investor Tax Credit, including which industries would benefit, were announced.

The April 19 article, by Elizabeth Hames, goes on to say:

That caught Alberta's business community off guard.

Mr. Speaker, clearly another glaring example of where this 11-month government absolutely failed to consult. After 11 months it's clear that they've had the time. It's clear that they're not interested in consulting; it's about ideology.

Albertans spoke to Don Getty's \$23 billion debt ceiling and forced change for, say, fiscal conservative change and an outlook and an approach. The far side, the government side, of the House constantly talks about how it was wrong, how it wasn't rightly handled even though, as I mentioned, I believe it led to years and years of opportunity for Alberta families and Alberta communities. If the government is not going to consult on what their taxation policy should be, what their debt ceiling policy should be, Albertans will tell them. Albertans will tell us loud and clear. Wherever I go in Cypress-Medicine Hat and around Alberta, I hear it. Albertans are scared of what this debt is going to do to their children, to their communities, how the burden of the interest is going to take away their options. It's going to take away their opportunity.

So I would ask the government to look for efficiencies. Make sure that the tax dollars you take from hard-working Albertans are put to maximum use. As many on this side have already talked

about the rules and regulations and the abrupt, fast implementation of things like minimum wage – I think it took 15 years to go from \$5 to \$10, and now it's going to go from \$10 to \$15 in just three – the change that that could have, the unintended consequences that that could have on our good, solid businesses, I would ask the government to consult. I ask the government, I ask that side of the House to consult and ensure that Albertans retain the opportunity to choose their own future, to have opportunities on their own, and to continue to make Alberta the best province in Canada.

Thank you, Mr. Speaker.

The Speaker: Are there any questions for the Member for Cypress-Medicine Hat under 29(2)(a)? Calgary-Currie.

Mr. Malkinson: Thank you, Mr. Speaker. I just have one question for the hon. member. I asked this of a member from their front bench, a member from their backbench, and now another member from their front bench. Since we're debating debt to GDP, my one question is: since this bill is about the debt-to-GDP ratio, is it your position that this government's debt-to-GDP ratio should be 7 per cent as per your December 22 plan? My question is: yes or no?

Mr. Barnes: Thank you very much to the member for the question. I appreciate your diligence. I mean, on this side of the House we've talked about several things that your party has continued to label us with in error, and one of them is front-line workers. We have stood up many, many times and every time have talked about our commitment, our desire to protect front-line workers. We don't mean just for a week or a month or a year. We mean so that those services are there for Albertans for many years to come.

The Speaker: Hon. member, through the chair.

Mr. Barnes: Sorry. Thank you, Mr. Speaker. I apologize.

You know, again, we have a situation where this debt, this interest, this inefficient spending is going to cause debt expenses and a debt ratio that – the hardship for future Albertans and future families will be huge. I think of the service problems that we have now. I think now of the complaints in Cypress-Medicine Hat, when people phone me and say that they can't get to a doctor, that it's three years for a hip, so they've come up with \$25,000 to head to Montana and pay a clinic down there instead. These are the kinds of things that you're taking from Albertans. These are the kinds of things that – as opposed to talking about the number, let's talk about the hardship.

In this House a couple of weeks ago I talked about one of my friends in Cypress-Medicine Hat, Mr. Speaker, who, fortunately, is still working as much as he used to. He's in the oil and gas business. He's a mechanic on compressors. He's taking exactly the same wage that he took two years ago, but because of the increase in taxes provincially and federally, he's now taking home \$800 a month less. What did he used to do with that \$800? He used to run a business on the side. He used to employ people. He used to put money back into the economy. He's decided that because of the shortage, this taking from him, he's no longer in a position to do that. It's too risky. That money is not circulating in the economy anymore. He takes care of his parents. He pays money monthly to take care of his parents. Thank goodness this government and other governments didn't take that opportunity away from him.

Mr. Speaker, I was at the oil field service meeting last night, where I heard that partly because of the change in oil and gas, partly because of the policies from this government, \$50 billion less on an annual basis is being invested in Alberta. That's \$50 billion. So it's back to the policies and the ideas that this side of the House has been talking about to bring some of that job-creating investment

back to Alberta, back to building the types of communities where our children can find private jobs, where our children that can find private jobs can earn money to pay taxes to pay for the public services that we all need and cherish, especially as they relate to the front-line workers.

I would encourage this government, rather than spending blindly and adding \$11 billion in spending over two years, to look for efficiencies wherever we can, whether it's cutting bureaucracy, cutting corporate welfare, looking for more value out of our Alberta infrastructure spending.

11:50

The Speaker: Thank you, hon. member.

The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Mr. Speaker. I rise here today to discuss Bill 10, a bill that shows us once again that this government doesn't seem to care much about Alberta's economic future. Once again we find ourselves discussing the NDP moving the debt ceiling. Mere months ago the Minister of Finance brought in Bill 4 and a 15 per cent limit on the debt-to-GDP ratio. Now with this bill we'll be seeing a rate of 15.5 per cent before the end of this government's term. We may as well write our debt ceiling laws on glass so they're easier for this Finance minister to break. Let's face it; if there's no plan for a limit, then the plan is to fail. We are well on our way to having a \$58 billion debt in three short years. That's billion.

It's entirely distasteful for this government to smugly proclaim that we can easily afford such a burdening debt-to-GDP ratio because ours is the lowest in Canada. That's akin to being the best swimmer on the *Titanic*. This isn't a race to the bottom. This isn't a race to complete failure. The fact is that chronic deficits and debt are not conducive to a robust economy. We are already struggling with massive job losses and an economic downturn, and now this government wants to saddle future generations with more debt. The more we borrow, the further behind we get. I believe it was a British politician, Daniel Hannan, who stated, "You cannot spend your way out of recession or borrow your way out of debt." This government would be well advised to listen to that sage advice.

A deficit budget, in fact, a budget where we are borrowing billions every year simply to run day-to-day government, means that we are already borrowing more than government is making. When borrowing costs go up, the government has to look at more revenue streams such as taxes or, as they like to refer to them, levies. Borrowing costs are tied to our credit rating, which under this NDP government has been downgraded from its triple-A status. These increased costs have further burdened already hurting Albertans.

Why isn't this government looking for ways to cut costs, find efficiencies, and run a more efficient, more responsive government, you know, besides fudging the wildfires line item? The previous government outspent our neighbours in B.C. and was well above the national average for government spending. Surely there is waste to be found. When did fiscal restraint become a taboo phrase? Why are you downloading your out-of-control spending onto average Albertans?

The MLA for Calgary-Currie says that the government is listening. After all, they did amalgamate or dissolve 36 of the ABCs. He states that it will save \$33 million over three years, or \$11 million a year. While laudable, those numbers pale in comparison to the projected debt of \$58 billion in those same three years. I believe that's one one-thousandth of that debt. Claiming that another careful measure is to freeze wages of those members of government earning six figures will provide cold comfort to those Edmontonians whose EI benefits will run out at the end of the year.

Many of the examples of programs and benefits that the member lauds are simply picking winners and losers. They simply won't benefit the majority of Albertans, who are being hurt by this government's policies. No one is suggesting that this government can control the world oil prices, but its bad decisions, reckless policies, and poor fiscal restraint cause more harm than its well-intentioned but poorly-thought-out programs may help. Helping apprentices finish their training is laudable, but at the end of it they need jobs. What we will have is a highly trained workforce with no place to apply their trade or, worse, a trained workforce that can seek out opportunities in B.C. or Saskatchewan or elsewhere.

While the member made valid critiques of the failed former government for announcing projects such as schools without funding them properly, is it that much different from announcing projects while spending money that we simply don't have?

That member also went on at length about his government's carbon tax and how it doesn't apply to dyed gas or dyed diesel. Well, unfortunately, the truckers and others that ship our agriproducts will be subject to those diesel taxes, and they will pass on those costs to the customer, in this case farmers, by raising the price of the goods they ship.

In another I-told-you-so moment Wildrose warned the government months ago that its numbers were way off and that it was at risk of blowing through that glass debt ceiling. What happened to the government assertion that they wouldn't tip into the overdependence on debt? The minister stated that no one predicted this economic situation, but it was crystal clear to many of us that your spending habits would catch up with you. It was also pretty clear to the numerous credit-rating agencies and financial commentators. DBRS called it when they pointed out the lack of spending restraint of this government.

This government's spending is out of control, and it's passing the buck to the next generation through its bad policies and poor economic choices. That's what this boils down to: choice. This government sees no problem with throwing fiscal restraint out the window. They're choosing to burden others with the consequences of their actions. Interest payments on debt will soon become the government's biggest expense next to the departments of Health and Education and the delivery of social services. That means that there will be less money for seniors' or children's programs just in servicing our debt. The interest will even surpass the amount of money that we spend on transportation. That's unacceptable.

We in the opposition are constantly asking for this government to be responsible with Albertans' money, to show some restraint, and to prioritize spending. However, they choose to misinterpret that as us asking for more money. We don't need to spend more money; we just need to be responsible with the money that is spent.

We believe that raising taxes isn't the solution. We have said that we won't raise them. We ran on that principle. It is possible to

maintain our excellent front-line service delivery and to get on track to balancing the government's books without hiking taxes. High taxes send the wrong message to everyone about Alberta. They mean less money in your pocket every month. And when Albertans are already struggling to make ends meet in this downturn, higher taxes can mean having to make hard choices just to get by. It means that everything costs more: gas, electricity, groceries. It means that practically everything that you purchase today will cost more in the near future as taxes go up once more.

That doesn't even include the government's carbon tax. Let's not fool ourselves. When it touches almost everything that a typical family spends money on, it's not a levy; it's a tax. This tax will cost the typical family nearly \$1,000 a year, and it's coming soon to punish all Alberta families.

The fiscal plan presented to us in last week's budget as a whole is irresponsible, and passing on the kind of debt that this bill allows to our future generations is immoral and absolutely unacceptable. I encourage all members to reflect for a moment on what this bill proposes. It proposes an outrageous retraction of an already irresponsible debt limit four months after putting it in place. In just four months we've already blown through the debt limit that was passed. We can do better, and I encourage everyone here to vote against this bill.

I want to point out a couple of things. Recently – I believe it was on April 18 – the minister of environment used these words. She used the word “wrong.” She used the words “economizing with the truth.” She used the phrase “misrepresenting reality.” She said, “grabbing numbers out of thin air.” She used the words “intellectually lazy.” She even used the word “slovenly,” which isn't used that often, but she did use it. She used the analogy “like throwing spaghetti at the wall.” And she also said, “There's a noun to describe what they are doing; it starts with an L and ends with an E.” Now, Mr. Speaker, to your credit you suggested that this was treading on thin ice, being unparliamentary language, and I agree.

I also want to point out, Mr. Speaker, that on April 12 the Premier used the word “lies” in this House, on the record, in *Hansard*. [interjections]

The Speaker: Quiet, please.

Mr. Loewen: Now, Mr. Speaker, I want to go to the jobs plan. The minister said here that the last government didn't understand this . . .

The Speaker: Hon. member, I stand to interrupt.

I must advise that our time has lapsed, and we will adjourn until this afternoon at 1:30.

[The Assembly adjourned at 12 p.m.]

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