



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Wednesday morning, May 25, 2016

Day 33

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta The 29th Legislature

Second Session

Wanner, Hon. Robert E., Medicine Hat (ND), Speaker
Jabbour, Deborah C., Peace River (ND), Deputy Speaker and Chair of Committees
Sweet, Heather, Edmonton-Manning (ND), Deputy Chair of Committees

Aheer, Leela Sharon, Chestermere-Rocky View (W)
Anderson, Shaye, Leduc-Beaumont (ND)
Anderson, Wayne, Highwood (W)
Babcock, Erin D., Stony Plain (ND)
Barnes, Drew, Cypress-Medicine Hat (W)
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (ND),
Deputy Government House Leader
Carlier, Hon. Oneil, Whitecourt-St. Anne (ND),
Deputy Government House Leader
Carson, Jonathon, Edmonton-Meadowlark (ND)
Ceci, Hon. Joe, Calgary-Fort (ND)
Clark, Greg, Calgary-Elbow (AP)
Connolly, Michael R.D., Calgary-Hawkwood (ND)
Coolahan, Craig, Calgary-Klein (ND)
Cooper, Nathan, Olds-Didsbury-Three Hills (W),
Official Opposition House Leader
Cortes-Vargas, Estefania, Strathcona-Sherwood Park (ND),
Government Whip
Cyr, Scott J., Bonnyville-Cold Lake (W),
Official Opposition Deputy Whip
Dach, Lorne, Edmonton-McClung (ND)
Dang, Thomas, Edmonton-South West (ND)
Drever, Deborah, Calgary-Bow (ND)
Drysdale, Wayne, Grande Prairie-Wapiti (PC),
Progressive Conservative Opposition Whip
Eggen, Hon. David, Edmonton-Calder (ND)
Ellis, Mike, Calgary-West (PC)
Feehan, Hon. Richard, Edmonton-Rutherford (ND)
Fildebrandt, Derek Gerhard, Strathmore-Brooks (W)
Fitzpatrick, Maria M., Lethbridge-East (ND)
Fraser, Rick, Calgary-South East (PC)
Ganley, Hon. Kathleen T., Calgary-Buffalo (ND)
Gill, Prab, Calgary-Greenway (PC)
Goehring, Nicole, Edmonton-Castle Downs (ND)
Gotfried, Richard, Calgary-Fish Creek (PC)
Gray, Hon. Christina, Edmonton-Mill Woods (ND)
Hanson, David B., Lac La Biche-St. Paul-Two Hills (W),
Official Opposition Deputy House Leader
Hinkley, Bruce, Wetaskiwin-Camrose (ND)
Hoffman, Hon. Sarah, Edmonton-Glenora (ND)
Horne, Trevor A.R., Spruce Grove-St. Albert (ND)
Hunter, Grant R., Cardston-Taber-Warner (W)
Jansen, Sandra, Calgary-North West (PC)
Jean, Brian Michael, QC, Fort McMurray-Conklin (W),
Leader of the Official Opposition
Kazim, Anam, Calgary-Glenmore (ND)
Kleinsteuber, Jamie, Calgary-Northern Hills (ND)
Larivee, Hon. Danielle, Lesser Slave Lake (ND)
Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND)
Loewen, Todd, Grande Prairie-Smoky (W)
Loyola, Rod, Edmonton-Ellerslie (ND)
Luff, Robyn, Calgary-East (ND)
MacIntyre, Donald, Innisfail-Sylvan Lake (W)
Malkinson, Brian, Calgary-Currie (ND)
Mason, Hon. Brian, Edmonton-Highlands-Norwood (ND),
Government House Leader
McCuaig-Boyd, Hon. Margaret,
Dunvegan-Central Peace-Notley (ND)
McIver, Ric, Calgary-Hays (PC),
Leader of the Progressive Conservative Opposition
McKittrick, Annie, Sherwood Park (ND)
McLean, Hon. Stephanie V., Calgary-Varsity (ND)
McPherson, Karen M., Calgary-Mackay-Nose Hill (ND)
Miller, Barb, Red Deer-South (ND)
Miranda, Hon. Ricardo, Calgary-Cross (ND)
Nielsen, Christian E., Edmonton-Decore (ND)
Nixon, Jason, Rimbey-Rocky Mountain House-Sundre (W),
Official Opposition Whip
Notley, Hon. Rachel, Edmonton-Strathcona (ND),
Premier
Orr, Ronald, Lacombe-Ponoka (W)
Panda, Prasad, Calgary-Foothills (W)
Payne, Hon. Brandy, Calgary-Acadia (ND)
Phillips, Hon. Shannon, Lethbridge-West (ND)
Piquette, Colin, Athabasca-Sturgeon-Redwater (ND)
Pitt, Angela D., Airdrie (W)
Renaud, Marie F., St. Albert (ND)
Rodney, Dave, Calgary-Lougheed (PC)
Rosendahl, Eric, West Yellowhead (ND)
Sabir, Hon. Irfan, Calgary-McCall (ND)
Schmidt, Hon. Marlin, Edmonton-Gold Bar (ND)
Schneider, David A., Little Bow (W)
Schreiner, Kim, Red Deer-North (ND)
Shepherd, David, Edmonton-Centre (ND)
Sigurdson, Hon. Lori, Edmonton-Riverview (ND)
Smith, Mark W., Drayton Valley-Devon (W)
Starke, Dr. Richard, Vermilion-Lloydminster (PC),
Progressive Conservative Opposition House Leader
Stier, Pat, Livingstone-Macleod (W)
Strankman, Rick, Drumheller-Stettler (W)
Sucha, Graham, Calgary-Shaw (ND)
Swann, Dr. David, Calgary-Mountain View (AL)
Taylor, Wes, Battle River-Wainwright (W)
Turner, Dr. A. Robert, Edmonton-Whitemud (ND)
van Dijken, Glenn, Barrhead-Morinville-Westlock (W)
Westhead, Cameron, Banff-Cochrane (ND),
Deputy Government Whip
Woollard, Denise, Edmonton-Mill Creek (ND)
Yao, Tany, Fort McMurray-Wood Buffalo (W)

Party standings:

New Democrat: 54 Wildrose: 22 Progressive Conservative: 9 Alberta Liberal: 1 Alberta Party: 1

Officers and Officials of the Legislative Assembly

Robert H. Reynolds, QC, Clerk	Stephanie LeBlanc, Parliamentary Counsel and Legal Research Officer	Brian G. Hodgson, Sergeant-at-Arms
Shannon Dean, Law Clerk and Director of House Services	Philip Massolin, Manager of Research and Committee Services	Chris Caughell, Assistant Sergeant-at-Arms
Trafton Koenig, Parliamentary Counsel	Nancy Robert, Research Officer	Gordon H. Munk, Assistant Sergeant-at-Arms
		Janet Schwegel, Managing Editor of <i>Alberta Hansard</i>

Executive Council

Rachel Notley	Premier, President of Executive Council
Sarah Hoffman	Deputy Premier, Minister of Health
Deron Bilous	Minister of Economic Development and Trade
Oneil Carlier	Minister of Agriculture and Forestry
Joe Ceci	President of Treasury Board and Minister of Finance
David Eggen	Minister of Education
Richard Feehan	Minister of Indigenous Relations
Kathleen T. Ganley	Minister of Justice and Solicitor General
Christina Gray	Minister of Labour, Minister Responsible for Democratic Renewal
Danielle Larivee	Minister of Municipal Affairs
Brian Mason	Minister of Infrastructure, Minister of Transportation
Margaret McCuaig-Boyd	Minister of Energy
Stephanie V. McLean	Minister of Service Alberta, Minister of Status of Women
Ricardo Miranda	Minister of Culture and Tourism
Brandy Payne	Associate Minister of Health
Shannon Phillips	Minister of Environment and Parks, Minister Responsible for the Climate Change Office
Irfan Sabir	Minister of Human Services
Marlin Schmidt	Minister of Advanced Education
Lori Sigurdson	Minister of Seniors and Housing

STANDING AND SPECIAL COMMITTEES OF THE LEGISLATIVE ASSEMBLY OF ALBERTA

Standing Committee on the Alberta Heritage Savings Trust Fund

Chair: Ms Miller
Deputy Chair: Mrs. Schreiner

Cyr	McKitrick
Dang	Taylor
Ellis	Turner
Horne	

Standing Committee on Alberta's Economic Future

Chair: Mr. Sucha
Deputy Chair: Mr. Schneider

Anderson, S.	Hunter
Carson	Jansen
Connolly	Panda
Coolahan	Piquette
Dach	Schreiner
Fitzpatrick	Taylor
Gotfried	

Select Special Ethics and Accountability Committee

Chair: Mrs. Littlewood
Deputy Chair: Ms Miller

Anderson, W.	Nielsen
Clark	Nixon
Connolly	Renaud
Cortes-Vargas	Starke
Cyr	Sucha
Drever	Swann
Jansen	van Dijken
Loyola	

Standing Committee on Families and Communities

Chair: Ms Goehring
Deputy Chair: Mr. Smith

Drever	Pitt
Hinkley	Rodney
Horne	Shepherd
Jansen	Swann
Luff	Westhead
McPherson	Yao
Orr	

Standing Committee on Legislative Offices

Chair: Mr. Shepherd
Deputy Chair: Mr. Malkinson

Cooper	Littlewood
Ellis	Nixon
Horne	van Dijken
Jabbour	Woollard
Kleinsteuber	

Special Standing Committee on Members' Services

Chair: Mr. Wanner
Deputy Chair: Cortes-Vargas

Cooper	McIver
Dang	Nixon
Fildebrandt	Piquette
Jabbour	Schreiner
Luff	

Standing Committee on Private Bills

Chair: Ms McPherson
Deputy Chair: Mr. Connolly

Anderson, W.	Kleinsteuber
Babcock	McKitrick
Drever	Rosendahl
Drysdale	Stier
Fraser	Strankman
Hinkley	Sucha
Kazim	

Standing Committee on Privileges and Elections, Standing Orders and Printing

Chair: Ms Fitzpatrick
Deputy Chair: Ms Babcock

Carson	Loyola
Coolahan	McPherson
Cooper	Nielsen
Ellis	Schneider
Goehring	Starke
Hanson	van Dijken
Kazim	

Standing Committee on Public Accounts

Chair: Mr. Fildebrandt
Deputy Chair: Mr. S. Anderson

Barnes	Luff
Cyr	Malkinson
Dach	Miller
Fraser	Renaud
Goehring	Turner
Gotfried	Westhead
Hunter	

Standing Committee on Resource Stewardship

Chair: Loyola
Deputy Chair: Mr. Loewen

Aheer	Kleinsteuber
Babcock	MacIntyre
Clark	Malkinson
Dang	Nielsen
Drysdale	Rosendahl
Hanson	Woollard
Kazim	

Legislative Assembly of Alberta

9 a.m.

Wednesday, May 25, 2016

[The Speaker in the chair]

Prayers

The Speaker: Good morning.

Let us each reflect in our own way. Today is the 30th anniversary of Canada's participation in International Missing Children's Day. Let us each reflect on our responsibilities to our children and ensure that child protection remains a high priority across our province and our nation. Let us pay respect and honour to those children who have been taken from their families and from their homes and send our thoughts to those families who are struggling with the loss that each of us can feel about the loss of a child.

Thank you. Please be seated.

Orders of the Day

Government Bills and Orders

Second Reading

Bill 18

An Act to Ensure Independent Environmental Monitoring

The Speaker: The hon. Minister of Environment and Parks and minister responsible for the climate change office.

Ms Phillips: Well, thank you, Mr. Speaker. I'm happy to rise today for second reading of Bill 18, An Act to Ensure Independent Environmental Monitoring.

The bill will put in place the mechanisms required to ensure an environmental science program that benefits from rigorous scientific oversight and keeps Albertans and the world informed about the condition of our province's environment. Mr. Speaker, as one of the world's major energy producers we have a responsibility to monitor the impact of our activity on our land, air, water, and biodiversity.

In the past our province's approach to monitoring was sometimes questioned, so the previous government created an arm's-length agency, the Alberta Environmental Monitoring, Evaluation, and Reporting Agency, also known as AEMERA, with the aim of providing transparency and credibility to this important work. Mr. Speaker, I believe that the previous government had decent intentions, but the governance model they chose, which effectively outsourced the core government responsibility and work of environmental monitoring, which is important to public health or public safety, was inherently problematic. Indeed, monitoring involves both public health and public safety. It is a core government responsibility.

Last fall, as part of the government review of agencies, boards, and commissions, I asked for an independent review of AEMERA. The review was conducted by Dr. Paul Boothe, former Deputy Minister of Environment with the federal government and an expert in public administration. The review identified several concerns, including the fragmentation of scientific capacity within government, the diversion of dollars away from front-line monitoring and science to administration. In addition, there were rocky relationships with First Nations and with other levels of government. The review concluded that despite best efforts, AEMERA was a failed experiment in outsourcing a core responsibility of government to an arm's-length body and that

Alberta should consolidate its environmental monitoring capacity within the Department of Environment and Parks.

The government has accepted the report's recommendations, and in April I announced the decision to return the responsibility of environmental monitoring back to government as a core function of government like public health and public safety. The environmental science program in this legislation will make government directly accountable for environmental monitoring. That is as it should be. It will ensure government can quickly address issues or gaps in monitoring and direct resources appropriately. These actions will also eliminate fragmentation of scarce scientific capacity and reduce costly administrative duplication.

Mr. Speaker, through this legislation we are taking the best elements of AEMERA, that supported independent scientific monitoring, and improving upon them. The act does this in several ways. For example, it outlines the duties of the chief scientist, a position in the Alberta public service that will have several key responsibilities to ensure our environmental science program is transparent, scientifically credible, accessible to the public. We've clearly written into the legislation the mandate that the chief scientist must make the scientific data public, must establish a schedule for public reporting, and must report according to that schedule on the condition of the environment. The chief scientist will have a legislated duty to ensure information is scientifically credible, and the chief scientist will have the power under the act to determine where peer review might be necessary.

The legislation also establishes a science advisory panel to provide independent advice to the chief scientist, periodically review the scientific quality of the research programs, and assess the scientific integrity of the overall program. I do note here, Mr. Speaker, that we have retained the science advisory panel as it was in the previous government's approach to environmental monitoring. We have retained the best aspects of the previous government's approach while eliminating the more costly aspects of governance and duplication. The panel will review the environmental science program to ensure it is scientifically credible and sound. I will also add that the individuals on the science advisory panel are remaining in their role.

The science advisory panel can also request to review a specific program or report, or the chief scientist can ask for their review and advice. The panel is empowered to publicly comment on matters of environmental science. This is an improvement over the previous act. The inclusion of this clause provides a guarantee for scientists that they can speak out on matters of public interest because that, too, is critical to ensuring credible and transparent scientific monitoring.

One more point, Mr. Speaker, is the composition of the science advisory panel. Members must be recognized experts in their field as evidenced by publications in peer-reviewed journals and by the record of scientific advice that they have provided. An important addition to the act, that we have included, is that future appointments will come from a list of qualified candidates provided by the science advisory panel. That way we are ensuring that the best minds are guiding us as we build up our knowledge and capacity to move forward.

Bill 18 also specifically mandates the minister to establish another panel to advise the chief scientist and the minister on how to incorporate traditional ecological knowledge into the environmental science program. We are taking the name for this program, the indigenous wisdom advisory panel, from the existing traditional ecological panel. This was their recommendation, and we took it. The indigenous wisdom panel will provide strategic advice and recommendations to the chief scientist and to the minister. That advice will have regard to meaningful incorporation

of traditional ecological knowledge and inclusion of indigenous peoples within the monitoring, evaluation, and reporting system.

The indigenous wisdom panel will also provide advice on methodologies, cultural issues, and approaches. The panel will provide advice not only about traditional ecological knowledge and how to integrate it with western science programs but will also advise on how to best engage indigenous communities. This part is key. The relationship with the minister that the legislation establishes ensures that there is a nation-to-nation conversation and relationship around matters of environmental monitoring and reporting. This piece became difficult with a nation-to-agency relationship, Mr. Speaker, and this act seeks to address that.

9:10

Bill 18 also includes a number of transitional provisions that will help transition the dedicated agency staff back to government as well as move the property, assets, rights, obligations, liabilities, powers, duties, and functions to the Crown.

As I have mentioned previously, monitoring the environmental impacts of industry is a core government function. This vital work is to be the responsibility of the province directly. Bill 18 moves us closer to this goal by putting the right governance model in place and by maintaining the best aspects of the previous government's approach.

Mr. Speaker, I will conclude by indicating that this approach is supported by First Nations and by scientists because it maintains all aspects of scientific credibility and independence. For industry's part they wanted certainty and good governance. That is what this change affords them as well. Communities, particularly in the lower Athabasca, that I've had the privilege of touring since being sworn into cabinet last year, have told me over and over again that what they want is evidence-based decision-making. They want good analysis and good reporting to the public. They want an analysis of cumulative effects. They want to have input. They want to have a say. They want established, clear expectations of industry with thresholds and triggers, which is what the regional plan, in addition to our monitoring work, will undertake. First Nations over and over again have told us that they would like a new relationship with the province of Alberta, and that is what we are moving forward with.

This change, Mr. Speaker, is part of our overall approach to move forward on oil sands development in a thoughtful, more coordinated, more accountable way. It will ensure that Alberta's development is environmentally responsible, that it is credible, that it is backed by the best evidence and the best science. At the end of the day, this act will also ensure that we are accountable to the people of Alberta, to our trading partners, and to the rest of Canada.

Thank you. That concludes my remarks on Bill 18.

The Speaker: To confirm, hon. minister, you're moving second reading. Is that correct?

Ms Phillips: Yes, that's right.

The Speaker: Anyone wishing to speak? The Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Mr. Speaker. I rise today to talk on Bill 18, an Act to Ensure Independent Environmental Monitoring. I'm quite confident that all present today believe that Albertans deserve a system of monitoring that not only provides world-class environmental monitoring but protects the independence and integrity of those involved. Ensuring this is a priority of the Wildrose Party, and to that end, there are aspects of this bill that deserve some questions being raised.

When it was announced last month that the Environmental Monitoring, Evaluation, and Reporting Agency, or AEMERA, was going to be disbanded under the ABC review, questions arose. What would replace it? It turns out that the body's main responsibilities would be brought back into the ministry and that many of the former agency's duplications of operations would be eliminated.

This bill will also establish the position and role of the chief scientist and goes further to establish a scientific advisory panel that would provide advice to the chief scientist. Of concern would be the autonomy of these members and the chief scientist. While the chief scientist has the autonomy to speak out in a public fashion, it is always a concern whether true independence while within a ministry is actually achieved.

The basis of this bill is a report by Paul M. Boothe, PhD, who was formerly Deputy Minister of Environment Canada. His report had three basic findings: AEMERA strained the province's limited scientific knowledge capital; two, bad relationships with the ministry in Environment Canada limited any scientific co-operation; and, three, high operating costs within AEMERA.

In his report Boothe pointed out that the former government failed to consider the limited capacity of the province's scientific community. The process of transferring the limited available scientific capacity from AEP to AEMERA became an arduous and stressful task. Furthermore, the report recognized that the scientific needs of Alberta Environment and Parks was not given due consideration, which considerably strained already poor relationships between the two.

Mr. Speaker, AEMERA was not, despite the findings of the Boothe report, a three-year failed experiment. In fact, numerous scientists throughout Canada opined that that was not the case. Many concerns of note include the fact that AEMERA had received the transfer of assets only in May of 2015, and this review began a scant three months later. This raises the question of whether other options existed. Could AEMERA's mandate have been better clarified, and would that have helped alleviate some of the friction between AEMERA, Alberta Environment and Parks as well as Environment Canada? Perhaps this clarification would have permitted the much-needed multijurisdictional co-operation, thus ending the turf war between agency, ministry, and federal government.

It is important to note that much of what the Boothe report cited as the high cost of AEMERA was derived from sole-sourced Alberta Environment and Parks contracts prior to AEMERA being established. Critics also point out the irony that this decision appears to be solely based on Boothe's report rather than making an independent scientific and financial peer-reviewed study.

While consideration of the government's position has merit, concerns do remain. AEMERA was initiated as an arm's-length organization for the government to refute accusations that the data that was being collected and the direction on environmental monitoring was somehow being influenced by politics. Of course, for the same reasons there are justifiable concerns with this government and the opportunity to taint the process with politics. Several times the members opposite have stated that one of AEMERA's flaws was that it was another example of the PC government taking core government and shipping it out to agencies with highly paid executives. As stated previously, consolidating power in the government's hands could be troubling, especially given some of the more radical views of this government's caucus and staff. It needs to be ensured that this body has absolute autonomy to present its position in a public manner.

Given Dr. Wrona's reputation we are happy to see that he will continue to lead the monitoring, and we hope that he and his panel

will be given every opportunity to operate independently. With the monitoring taken within the ministry, it is now more important than ever that we ensure that these scientists are given free rein to operate independently. Without it, our energy sector's reputation may be at risk. This must not be allowed to happen. I will reiterate this point over and over. It is essential that we ensure the credibility and reputation of our environmental monitoring. Without it, we hamper our oil industry's vested interest in seeing that we have a world-class monitoring system. It's in these industries' best interests to track their environmental impact and mitigate it as much as possible. Hopefully, this will be achieved through this bill.

Another important facet of the Boothe report was the acrimony between the various groups. It's believed that much of the friction between upper management at Alberta Environment and Parks and AEMERA was due in no small part to uncertainty around accountability and roles between the two bodies. This exacerbated an already tense situation stemming from the poaching of scientific experts from the Alberta Environment and Parks ministry.

These poor working relations also factored into a much larger issue with Environment Canada. The report found that there was a distinct lack of collaboration between AEMERA and Environment Canada. It further found suggestions that there was a reluctance or unwillingness on the part of AEMERA to acknowledge that environmental monitoring is of a shared nature of jurisdiction. This lack of co-operation may have impacted the quality of monitoring as the exceptional resources and monitoring capability of Environment Canada were underutilized. This resulted in possibly inferior monitoring.

9:20

The last major point from this report was the concern of higher operation costs associated with AEMERA. While articles such as the April 7 one titled *In Defense of AEMERA*, written by half a dozen of Canada's scientists, dispute the high salaries that the Boothe report alleges, much of the high cost is due to sole-sourced Alberta Environment and Parks contracts before the formation of AEMERA. The report also found that AEMERA was duplicating government and administrative structures, most of which already existed in the public sector at a lower cost. As a result, Boothe recommended that the functions of AEMERA be brought into the Ministry of Environment and Parks, the result of which is Bill 18.

Criticisms aside, it does need to be acknowledged that within this bill's framework the minister does not have the ability to appoint board members directly, and that does further this panel's independence, in my opinion. As long as the board avoids the inclination of nominating too many insiders and strives for a broad selection of members, Albertans should have confidence in this panel. We need to also note that given this government's record on consultation, it was refreshing to see that there would be the establishment of an indigenous wisdom advisory panel to make sure that the perspective and concerns of the indigenous population are heard. While questions on who will populate this panel and what expertise they will bring remain unanswered, inclusion in the process is vital.

It is hoped that this bill will improve relations with Environment Canada partners, consolidate the scarce scientific expertise in one location in Alberta, provide the least costly solutions in that the bill would eliminate duplications and use public-sector salary comparators, ensure regular public reporting, ensure that the chief scientist can speak publicly without approval from the minister, and ensure no ministerial or government interference in the panel process or its functions. The goal in all of this is credible environmental monitoring that has integrity.

We have always had world-class environmental monitoring, and we want to continue to lead the world. That is what we need to do. No one should be allowed to say that we have nothing but the best environmental standards in the world. We can always do better, and we in the opposition will endeavour to ensure we do so.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Mr. Speaker. I rise today to address Bill 18, *An Act to Ensure Independent Environmental Monitoring*. As the title suggests, independent environmental monitoring is something we need some assurances about. Man-made and cyclical climate change are realities, and we need to understand the true extent of these realities. Therefore, there is nothing more important to Albertans and to the oil sands industry than the quality of environmental monitoring that occurs in our beautiful province. Alberta's oil sands industry is acutely aware that monitoring and mitigating their environmental footprint in Alberta's north is key to their continued operation in this province.

Mr. Speaker, at this stage I do plan to support this bill. However, I would like to take this opportunity to air some of my concerns and the concerns that have been expressed to me by the people in the magnificent riding of Innisfail-Sylvan Lake. Environment is very important to the magnificent riding of Innisfail-Sylvan Lake, especially Sylvan Lake, I might add. The constituents I've spoken to agree that environmental monitoring is a government responsibility every bit as important as public safety. Wildrose, furthermore, recognizes that splitting Alberta's scarce environmental capacities in a manner that impedes Alberta Environment and Parks' ability to fulfill their mandate undermines key provincial obligations to a problematic extent.

However, we understand that this Boothe report appears to be the foundation for the creation of this legislation, and I want to just address a little bit about Boothe's report. It identified a number of issues with the agency AEMERA. When it did that, the Canadian scientific community quickly made it clear that a number of accusations made within the report were questionable. For example, the wages of AEMERA's staff have been identified as actually being on par with the public sector's.

The claim that this agency is a three-year failed experiment drew heavy criticism from the scientific community as the finances for the organization had not been in place for those three years. Consequently, if you think about it, many of the agency's mismanaged expenses were, in fact, expenses of Alberta Environment and Parks, not the agency itself. It had not yet received its financing. These expenses, furthermore, were often a consequence of sole-sourced contracting rather than competitive bidding processes. We cannot blame the market for not working when you do not allow it to operate in the first place.

To anyone reading the Boothe report, it easily becomes apparent that any failing that AEMERA experienced operationally was really a failing of the government in control of it. They had the purse strings. The reality is that the mandate of the organization lacked clarity. It is furthermore evident that the broader organizational structure of the organization should have clarified the role that AEMERA was to play in its relationship with Environment Canada and Alberta Environment and Parks. In addition to that, data-sharing and monitoring capacities between the agencies of AEMERA, Alberta Environment and Parks, and Environment Canada could have easily been clarified within the mandates of these organizations, yet the previous government as well as this government did not do that.

Further irony is found as a consequence of this government's odd choice to support a sole-authored, bureaucratic report that was never peer reviewed in their evidence-based decision-making rather than having an independent financial and scientific review of AEMERA. Mr. Speaker, the evidence laid out in the Boothe report at times fails to be sufficiently compelling. I believe that it is in the Legislature's and Albertans' best interests if the government provides Albertans with an honest, independent assessment of why it is not only important but also possible to bring the activities of AEMERA in-house.

There are a handful of issues I must ask my colleagues to consider before casting their vote this morning. Question 1: can we in fact reconcile the consequences of dividing Alberta's environmental capacities to a point where Alberta Environment and Parks is impeded in their ability to accomplish the tasks required of them by Albertans? I believe that the answer to that question is no, not really. I furthermore believe that this House would be mistaken to downplay the importance of that factor in making their decision today.

Another question: can the independence of environmental monitoring be accomplished by a government, and if so, does this bill actually accomplish that task? There are scientists that are worried that the task of environmental monitoring is one that will be impacted by the ideology of whichever party governs. One of the biggest issues before the House today is the relationship between government, science, and perceptions of partiality. Not to be picky, but we do have a minister on this file that has been clear in the past about her radical anti-oil agenda. [interjections] She has been.

An Hon. Member: It is written.

9:30

Mr. MacIntyre: It is written.

While most Albertans support a position that recognizes the economic importance of our oil industry and mitigates common environmental concerns by supporting requirements to closely monitor oil extraction and transportation activities while mitigating the impact of these activities where possible, the book in question offers ideas to protesters looking to shut pipeline operations down. That's a reality. Albertans need assurances that any minister's – any minister's – personal disdain for the province's number one job-creating industry does not supersede common sense. Albertans want to know that this minister or any minister will not be interfering with the scientific process, silencing results that that minister might personally not agree with.

The minister has never recanted her past actions, and I'd invite her to do so. We all grow, we change, we mature, and the beliefs that we once so adamantly held in our youth are often changed when we come face to face with the hard realities. I would invite the hon. minister to give Albertans the assurances they need by acknowledging a change of heart in the ideology she has expressed in the past regarding her anti-oil stance. It would foster trust. It would provide assurances that Albertans need. I don't think it's an unreasonable request to ask of a minister of the Crown of a province whose number one industry is resource based.

I believe that we have some of those assurances in the bill that's before the House today. I look forward to further debate on the possibility of strengthening those assurances because they are very important to have. This bill's title really says it all: to Ensure Independent Environmental Monitoring. There is a perception amongst Albertans that that is not possible for a government to do.

There are scientists on the other extreme that see the writing on the wall for the Alberta NDP and wonder and worry that even if it

is in capable hands now, these hands are likely to change. Letters on the matter of bringing AEMERA in-house have spelled out concerns that it's possible a pro-business government might not maintain sufficient environmental monitoring of oil sands activities, and I believe those were similar to statements made by some government members when they were in opposition. There were questions about the independence of monitoring. I want to take this opportunity to reassure those scientists that even pro-business politicians are entirely aware that environmental monitoring is the industry's biggest priority and must be.

Being pro-business is a position the politicians take because it is the clear path to help Albertans find the employment they need to meet and maintain their social and economic needs. Wildrose supports businesses because businesses support Albertans. Our support for these businesses is contingent upon them operating in the best interest of Albertans. Any industry that is harming Albertan waterways, soil, or air quality without any attempt to mitigate their impact is failing to act in the best interest of Albertans. Our oil industry knows this. Our oil industry understands that tolerance for their activities comes from their commitments to stewardship of Albertans' lands. Our oil industry knows that they need to be accountable, to monitor and take every available action to mitigate their environmental impact. Being pro-business does not make you anti-environment, nor does it make you anti-Albertan.

A sophisticated political party will not lose sight of the people whose interests must come first, Albertans. I do believe that this is the right move for Alberta's overall environmental reputation. I will be supporting the bill at this stage of its reading. I am hopeful, given the questions that I've raised, that the House will recognize this bill needs to go to committee. It desperately needs to be sent to committee so the scientific community has access to the lawmakers in our province, to bring their concerns before the committee so that this bill can be improved upon.

Thank you very much.

The Speaker: Are there any questions to the hon. Member for Innisfail-Sylvan Lake under 29(2)(a)?

The leader of the third party.

Mr. McIver: Thank you, Mr. Speaker. I'm happy this morning to rise to speak on Bill 18, An Act to Ensure Independent Environmental Monitoring. My concerns with the bill start with the very title of it. What the bill does, interestingly enough, is exactly the opposite of what the title advertises. It says, "to Ensure Independent Environmental Monitoring," and then the actual action of the bill is to take away whatever independent environmental monitoring is occurring right now and put it under the direct control of a minister, thereby making it dependent upon government and not independent, as the title of the bill falsely advertises. You can only imagine that from there there's not anywhere to go but downhill.

Unfortunately, Mr. Speaker, this bill is a bit of a window into the mind of the current NDP government. It's a three-step process, it's cute, and it gets what they want. It just doesn't stand up to public scrutiny. The three-step process, as I see it happening over and over again by this government, is that, one, they decide what they want to do; two, they find any report anywhere or some part of some report somewhere that supports what they want to do; and then they latch onto that and call that the final word and do what they wanted to do in the first place.

We've seen it so many times. The most glaring example recently, as a comparator, is on the minimum wage policy, where the minister has actually said in *Hansard* that there are as many reports against that policy as there are for it, yet this government chooses the one

report that is in support of what they wanted to do in the first place based on their ideology. They glom onto that, and they say: this is our excuse for following our ideology against all other reason and all other common sense. Unfortunately, this is another example of that.

The Boothe report actually isn't a bad report. It's been pointed out here that it hasn't been peer-reviewed and that only one person did it, but that by itself does not necessarily make it a bad report. The Boothe report gives several choices – several choices – that don't include bringing it under the direct control of a minister. You know what? It's just as bad to bring it under the direct control of a minister who is a pipeline denier and a minister who has written the preface for a book about shutting down the oil sands completely, that an action a day keeps the oil sands away or something of that nature.

I know the government side tends to think that's funny, and that actually is making my point. The fact that the government thinks it's funny that the person that's going to be in charge of monitoring actually wrote the foreword to a book about shutting down the oil sands completely actually absolutely kills any perception the public or the industry might have that the monitoring will be done in an impartial, balanced, unbiased way. [interjections] You can tell that the government side, Mr. Speaker, is trying to yell over me because they don't like hearing the truth. I know the truth hurts when it's against you, but I'm going to keep telling it. I'm going to keep telling it.

What we have here is a report to put the environmental monitoring under the direct control of a minister and a government that up until ever so recently were confirmed pipeline deniers. Now, they claim that they have seen the light and that they're going the other way, and that's a good thing until it isn't. It wouldn't be quite so bad if the minister in charge of this was the only one on the government side with a well-documented history of attacking pipelines and attacking the energy industry, but the fact is that the government benches are rife with, full of people that have protested against the energy industry. I see one of them shaking their head over there because they remember it.

The perception by the public of putting the environmental monitoring agency under the direct control of a government chock full of people that have fought against, protested against, written forewords to books against the energy industry really will do nothing but kill public confidence not only in Alberta but around the world, because around the world you cannot possibly take seriously the monitoring being under the thumb of someone who has a history of attacking the industry that the monitor is in charge of looking after. So it's the most irresponsible way in which you could possibly do this, yet the government has chosen this path above all the other choices available to them.

9:40

I could talk more, but I think that that is as big an indictment of this piece of legislation, Mr. Speaker – what's really interesting, once again, is that you don't have to make any of this stuff up. This stuff has already written itself. The members of the government side have already been to the protests, they've already written the forewords to the books, they've already attacked the oil and gas industry, and you don't have to look any further than *Hansard* to find a lot of it. If you look at that and you look at just common sense and credibility and compare it to the title of the bill, An Act to Ensure Independent Environmental Monitoring, and you see how completely divorced the subject matter of the bill is from the title of the bill, that tells you all you need to know.

I won't be supporting this. I understand there might be some amendments coming forward. I'll look at those, but they're going

to have to be pretty special and pretty spectacular before they'll make this bill supportable because, Mr. Speaker, this goes in exactly the opposite direction that it should go.

The Speaker: Are there any questions of the hon. member under 29(2)(a)?

Seeing none, the Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Mr. Speaker. I have some questions about this bill and some concerns. My concerns really revolve around the need to future-proof environmental monitoring. My real concerns on this bill are on the appointment process for the chief scientist. You know, it's a bit ironic that the title of the bill – and personally I am not a fan of the trend towards very political titles of bills – is An Act to Ensure Independent Environmental Monitoring, which implies that somehow this was not independent.

I know that later today we're going to be talking about Bill 1, which is, I think, the mother of all political spin on bill titles. But, you know, regardless, I think that, unfortunately, what it does is that it ramps up the rhetoric. We do love rhetoric in this place, but I think it does take away from fulsome and meaningful debate.

Without question, the Alberta Party are strong, strong supporters of environmental monitoring, of responsible development of all kinds in the energy industry, in the forestry industry, in manufacturing and agriculture, in anything and everything we do. Of course we are, because that's who Albertans are. Albertans believe those things, and that's our job in this place, to reflect that.

If I possibly can, I'm going to try my best to ramp down the rhetoric and really stick to the evidence. That's something the minister has said that she is trying to achieve here, a function that will be an evidence-based agency or department, a function within government, that not only will be independent but will be seen to be independent by Albertans. I think that is really, really important. If that is true and if she is striving and if the government is striving for an evidence-based approach, then why is it that the minister holds in her hands alone the ability to appoint the chief scientist? Now, she's given us assurances: "Well, there will be an open process. It will be fully transparent. We'll transition the group from before." My question is: how do we know? She's simply saying: "Trust me. Take me at my word. It will be fine."

I would ask all the members on the government side of the House . . .

Mr. McIver: Trust, but verify.

Mr. Clark: Exactly. My friend from Calgary-Hays said, "Trust, but verify." Absolutely. I think that's exactly the model that we need.

Let's put the shoe on the other foot. If you folks on the backbenches – I see that all of you folks on the backbenches are the only ones here at the moment – were in opposition . . . [interjections] Apologies, Mr. Speaker. I apologize. A slip of the tongue there. My apologies.

But let's put the shoe on the other foot here. Let's say that Bill 18 was proposed by a government, heaven forbid, that's run by our friends in the Official Opposition. Imagine that. Okay? Imagine that you're looking at this bill. But you're not on the government side; you're on the opposition side, and someone else is government. Would you be happy with this bill? Would you go: "Yeah. You know what? I trust that the minister of environment from that honourable party across the way is going to do the right thing. This is a bill I can enthusiastically support?"

When my constituents come to me and say, "Wait a minute; I'm not convinced that this is, in fact, independent; what I see is a minister who can appoint a chief scientist based on undefined criteria," you'll say: "No, no. You have it wrong. We trust this

government. We trust this minister. It's okay." Would you really do that? I think that's the question that we need to ask ourselves about this because environmental monitoring, frankly, is far too important to simply leave up to trust. As my friend from Calgary-Hays said, let's trust, but verify.

What I would like to see is a panel that is a crossfunctional group – stakeholders from the environmental side, from government, from industry, from citizens at large – that perhaps vets candidates, presents a list of options to the minister, and she may choose from that vetted, independent, qualified list. Let's make this truly independent, and let's make that process open.

I have no concern calling this a core role of government – I really don't – whether it's an independent agency or it's the core role of government. I do think that AEMERA has done some good work with industry although the Boothe report does talk about potential cost savings and duplication and overlap. As I hope you know, I'm always on the lookout for those sorts of things. But I think that if it's going to be within government, the independence, the true independence, is absolutely critical.

Now, on the good side of the bill, I really do like the indigenous wisdom advisory panel. It certainly is an excellent idea and I think one that's time has come and an area that I will give the government praise for, engaging with indigenous peoples in a meaningful way. I think they have advanced that discussion quite effectively not just in this area but in others, and I certainly think they deserve some praise for that.

Again, the cost savings piece from the administrative side. I think there's a possibility that if we do the appointment process properly, it will promote the scientific integrity of environmental monitoring in Alberta, but that irony of the bill title being Ensure Independent Environmental Monitoring and then asking simply to trust the minister – "It's okay; trust me" – is a real concern.

I will be looking forward to seeing what amendments perhaps come out. We may consider some ourselves.

Mr. Cooper: Ourselves?

Mr. Clark: Yes, ourselves. My crack team of researchers are very capable of coming up with some really good stuff.

You know, I reiterate that concern around the true independence given what the stated objectives are of the government. I really do want to express that concern and look forward to hearing other debate, Mr. Speaker.

Thank you.

The Speaker: Under 29(2)(a) are there any questions to the Member for Calgary-Elbow?

Seeing none, I would call upon the Member for Barrhead-Morinville-Westlock.

Mr. van Dijken: Thank you, Mr. Speaker. I rise to speak to Bill 18, An Act to Ensure Independent Environmental Monitoring. It is always an occasion when a minister decides to rearrange the deck chairs within their portfolio, but it is a particularly poignant occasion when the minister needs legislation to move those deck chairs around.

Mr. Speaker, public servants are averse to these government reorganizations. It takes time for the new structure to take hold and for individuals to get used to the new reporting hierarchy. Whether or not an independent agency working at arm's length to government is any better than having those public servants employed as line employees of the department is always a good debate for the experts and academics of public administration. One can only hope that whatever conditions existed and necessitated the need to create the independent agency, those conditions have

passed and that adequate regulatory enforcement will continue when brought back into the line department.

9:50

One difference between being arm's length and being back in the line department is ministerial authority. The minister can tell those public servants to do something, and essentially they have to do it. If they were at arm's length, there is a barrier in the way preventing ministerial interference. The question for Albertans becomes: can you trust the minister of environment to do the right thing? With this government's history of environmental radicalism such as the minister's foreword to *An Action a Day: Keeps Global Capitalism Away*, we are concerned about ministerial interference, but the opposite was the concern when you had political parties tied to big corporate donations. Thankfully, the NDP and Wildrose shared a common cause and eliminated corporate and union donations to lessen that possibility of interference.

If the public servants are spared interference, we trust Alberta's scientists will deliver the world-class environmental monitoring we rely on. It is vital to ensure that the scientists are given the freedom to operate independently in the public service environment. What I mean is: follow that rabbit down the rabbit hole. You never know where it might take you. Write those papers, get published, but also summarize and brief the minister on those papers. Without world-class monitoring the reputation of our energy sector is at risk. It is crucial that we defend the integrity and credibility of our environmental monitoring.

Co-operation between federal and provincial monitoring bodies is important to ensure we maintain world-class standards in Alberta. Early on it is going to be critical that federal and provincial scientists get on the same page and are able to share information back and forth without repercussions but also to stick to their constitutional roles and responsibilities when it comes to the environment.

I am pleased to see that a highly reputable scientist, Dr. Wrona, will continue to lead the environmental monitoring. We appreciate that the minister cannot appoint monitoring board members directly. That being said, it makes me wonder. Rather than pals of the minister being chosen, if the board is selecting nominees, it might become too much of an insiders' clique. Don't get me wrong; I've heard nothing to put into question any of these people's objectivity. But no one wants this group of scientists to be an offshoot of the Pembina Institute or the Sierra Club or Greenpeace or only hiring out of one university. We need a diversity of scientists from all backgrounds and walks of life with credible, scientifically peer-reviewed published papers, who work for Albertans. It is this credibility that ensures Alberta's world-class monitoring secures the longevity and reputation of Alberta's energy sector.

The oil industry is fully invested in seeing Alberta have world-class environmental monitoring. They know tracking industry's impact is a priority because for them mitigating their impact is a priority. The landscape that is already certified reclaimed and the grasslands populated by wood bison are such an example of industry mitigating their impact.

Mr. Speaker, Wildrose will be watching the government closely to ensure that political interference does not damage the quality or credibility of our monitoring. Wildrose will sound the alarm if government goes too far off track.

In the meantime I am prepared to support this piece of legislation.

The Speaker: Are there any questions under 29(2)(a) for the Member for Barrhead-Morinville-Westlock?

Are there any other members who wish to speak? The Opposition House Leader.

Mr. Cooper: Well, thank you. It's a pleasure to rise today and speak to Bill 18, An Act to Ensure Independent Environmental Monitoring. I know that it has been mentioned in the House already this morning, the unique title. When it comes to moving environmental monitoring from an independent, arm's-length body of government into what essentially is the minister's office – I know you'll be surprised, Mr. Speaker, but from time to time in this Chamber politics break out – the independence of the minister's office could potentially be called into question. [interjections] I know. It's a shock. To move monitoring from an independent, arm's-length body into the minister's office, it may be a bit of a stretch to call the piece of legislation that does that An Act to Ensure Independent Environmental Monitoring.

Before I continue, let me be clear that as a province we need to ensure that we continue to have independent environmental monitoring because the future of our province will be determined by how we go about engaging with our environment and with industry. It's important for all of us to ensure that we are using science to monitor our environment. It's important to all of us that we are conserving our environment while we engage with industry.

Alberta has been a world leader in finding that balance. I know that my hon. colleague from Calgary-Foothills is more than pleased to stand in this place and talk about that relationship that industry has had. Over a very short period of time industry has made incredible steps forward on this file, and we should all be proud of that. We should be proud that we lead North America on our environmental record, and we should be proud of the relationship that we have.

Let me be clear that as a conservative I believe we ought to conserve things, and that includes being responsible with our environment. Many Albertans who are conservative are some of the best environmentalists when it comes to conserving ranchlands and much of the grasslands that are in your constituency, Mr. Speaker, as well as the foothills and the forests. We all have a desire to ensure that we are acting appropriately.

I appreciate the comments from the independent member from Calgary-Elbow when he spoke about what the NDP opposition would say to a piece of legislation just like this, when the government is saying: "Trust us. We're bringing it into the minister's office, but we promise not to make it political. We promise not to make the appointments political. We promise to allow the independence to be a priority." This might come as a surprise to you, Mr. Speaker, but the NDP government of today will not be the government forever in our province. [interjections] I know. It's hard to believe. It's possible that future governments won't treat the independence of the chief scientist as this minister claims she will keep the independence. It's concerning when we move in this direction.

10:00

Now, having said all that, that's not to say that AEMERA was perfect. The Boothe report was released and identified a number of significant challenges around AEMERA, and my hon. colleague outlined a number of those in terms of the amount of resources that are available and the interaction between the ministry and AEMERA. It's not perfect, but to say that the only solution is to bring all of the monitoring into the minister's office is a little disingenuous. In fact, to say that, to bring all of the monitoring, and that you're going to make it more independent is certainly not a good reflection of the facts. So we have some significant challenges with that.

We've heard in the House this morning about some of the government's history around these types of issues and around potentials with ministerial interference, and we've certainly seen

over the last year a consolidation of powers into the minister's office. I remember times when the Member for Edmonton-Strathcona would rise in this House and speak of draconian legislation that consolidates power.

Now we're really starting to get a bit of a track record that this government actually knows better than anybody else. They're making significant changes around the powers that ministers have or don't have, and it's a concern. It is a concern to all Albertans around the powers that ministers should or shouldn't have, around what I consider to be a step in the wrong direction when it comes to allowing the House to debate issues and not just consolidate powers into the minister's office. This is another step in that direction.

It is critically important – critically important – that should this bill pass, the independence of the chief scientist and all of the other panel members and folks who are going to populate the indigenous wisdom advisory panel have the ability to speak out because without that independence it puts significant risk to both, in fact, the environment and industry, which is not a step in the right direction. It's critical that we defend the integrity and the credibility of our environmental monitoring, and this step certainly can put that into question.

Now, I am interested in the debate because AEMERA wasn't perfect. We needed to take steps to rectify some of the challenges there, so I'm sympathetic to this piece of legislation at second reading while we move forward. I'm not sure if at the end of the day I'm able to support it, particularly because we've seen very good independent, science-based agencies and bodies, many of which this government supports, reportedly.

Just yesterday in the House the Energy minister spoke about the NEB and the approval process for pipelines, how it should be less political and removed from political decisions using independent, science-based monitoring bodies like the NEB, that has made some positive recommendations over the past few days. The government has said that that is appropriate, but now we see something that could put that sort of independence into question.

Perhaps more importantly than all of that, Mr. Speaker, while I think many of those points ought to be considered, one of the challenges that we have with this government's we-know-best approach is their seeming refusal to consult or to get dissenting opinions on this. While the Boothe report certainly is one of those reports and there are certainly some strengths there, there are a number of other voices in the public domain that aren't comfortable with the direction that this government is taking, this consolidation of power around the minister's office.

One thing that I am very committed to and passionate about is the use of committees in this House so that all members can have access to appropriate information and we can make the best decision for the whole province, not just for the minister's office or not just for an ideological bent of the government but to allow that discussion to happen. So I'm happy to move an amendment today, Mr. Speaker, that I would love to pass along, and this particular amendment will be an amendment that you are becoming quite familiar with.

If you don't mind, I'll just proceed with the amendment, if you're okay with that, or would you prefer to wait until it's distributed?

The Speaker: Just give them a minute to get it distributed.

Mr. Cooper: I see, Mr. Speaker, that the table has a copy now. Would you be okay if I proceed?

The Speaker: Sure.

Mr. Cooper: Mr. Speaker, it's a notice of amendment on Bill 18, An Act to Ensure Independent Environmental Monitoring. I move

that the motion for second reading of Bill 18, An Act to Ensure Independent Environmental Monitoring, be amended by deleting all the words after “that” and substituting the following:

Bill 18, An Act to Ensure Independent Environmental Monitoring, be not now read a second time but that the subject matter of the bill be referred to the Standing Committee on Resource Stewardship in accordance with Standing Order 74.2.

Mr. Speaker, there is a wide range of opinions on this piece of legislation, and what this Assembly should be able to do is to have those voices come to a table where we can all speak and all hear, quite likely, from both Dr. Boothe and I believe it's Dr. Wrona, from some of the other organizations that have been involved in the creation of AEMERA, from some of the folks who would like to speak specifically to the importance of the independence of monitoring, from some of the individuals in the environmental community that think this is a step in the right direction, from some folks in industry that think this is a step in the right direction as well as from those same folks who work in the environmental monitoring movement that really appreciate and are concerned about moving this inside the department. Having appropriate information is critically important to the decision-making process.

Now, I know that government members are going to stand up in their place and say, “Oh, Mr. Speaker, we don't have time” and, quite likely, “We've already announced that we're cancelling AEMERA.” But in this Chamber we must – we must – take a long view on decisions that we make, and if that means we need to pause so that we get the right decision this time, not just for this government but for the next government and the government after that and the government that some day I hope my children will be involved in, if that means we need to pause for three weeks, I'd say that it's worth it.

10:10

The Speaker: Thank you, hon. member.

We will refer to this amendment as REF1.

Are there any questions of the hon. member under 29(2)(a)?

The hon. Member for Sherwood Park.

Ms McKittrick: Thank you, Mr. Speaker. You know, I'm so pleased that in this House we are spending so much time talking about the environment. I know it's something that maybe the House has not seen before. So through this bill that was introduced, Bill 18, An Act to Ensure Independent Environmental Monitoring, I am finding out that we all in this House are committed to environmental stewardship.

First of all, I wanted to speak and thank the members opposite who have spoken and agree that it is important for government to take environmental stewardship very, very seriously, and I thank you for your concern for the environment.

Because we have spent so much time talking about the need to ensure that we monitor the environment and the consequences of industry, I would respectfully suggest that we should not be supporting the amendment as proposed by the MLA for Olds-Didsbury-Three Hills. I personally do not think that we have the time to refer this to a committee because we need to make sure that we continue to monitor the environment and then to set in place the systems to do so. Now, I do appreciate the intent of the amendment. That demonstrates, really, the commitment of the members opposite to making sure that as a government and as Albertans we do watch over the environment and that we carefully monitor the impact of our industry and actions on the environment.

Mr. Speaker, over 40 years ago, this is when I started wondering about the environment. Many of us do remember the famous book by Rachel Carson that warned all of us about the impact of what we

were doing to our environment. So since we have been concerned about environmental awareness and environmental monitoring for over 40 years, maybe 50 years – I can't remember exactly when the book was published – I think it's important that we in this House vote down this amendment and that we continue the process to make sure that Bill 18 is enacted as an act of this House.

Thank you.

The Speaker: The hon. leader of the third party. Not under 29(2)(a)? Is it a main question?

Mr. McIver: I was going to speak but not under 29(2)(a).

The Speaker: Proceed.

Mr. McIver: Thank you, Mr. Speaker. I thank the hon. House leader from the opposition for the amendment on An Act to Ensure Independent Environmental Monitoring. Of course, the amendment is a good one because the bill in its current form really goes in the opposite direction from where the title advertises that it goes. This will actually give all members of all sides of this House an opportunity to get together, hear expert evidence and testimony from Albertans who are well suited, well able, well educated, well experienced to give us advice on getting this right.

The environment is something that we all share. It needs to be monitored, it needs to be enforced, and it needs to be done fairly. It needs to be done in such a fashion that the future is protected for our children and grandchildren. It also needs to be done fairly and in such a fashion that when it's done well, those companies and those seeking to operate their companies, extract resources and undergo activities of that nature, that have committed to doing it right, doing it properly, doing it in a way that stands up to environmental scrutiny, will be allowed to do so. Anything else is not suitable. Anything else is not good enough for Alberta.

This amendment will actually give us a chance to get advice from people that will put us, I think, in a better position to have an environmental monitoring effort and organization and agency that can accomplish that, Mr. Speaker, and I would implore all members of the House to vote for this amendment. It can only make the legislation better.

Thank you.

The Speaker: Any other questions under 29(2)(a) to the Member for Calgary-Hays? West Yellowhead, under 29(2)(a)?

Mr. Rosendahl: Yeah. Well, I find this very interesting, in fact, that the third-party member talks about environmental issues. I've been involved in environmental issues for many years, hon. member, and I'll tell you that your record on the environment was probably down around in the category of an F, okay? That's where it sat. Whether you were talking forestry issues, whether you were talking air and water issues, they were all down there, right? They were there. I've argued with environment ministers over the years on these things, so I would like to know . . .

The Speaker: Hon. member, the comment, then.

Mr. Rosendahl: Sorry, Mr. Speaker. I would like to know exactly what his comments on that are.

Mr. McIver: Well, Mr. Speaker, the protest continues. Actually, the hon. member just made all my arguments from the first time I was on my feet. He actually gave them a resounding approval stating – in fact, even in his remarks here he talked about how he argued with environment ministers. Did you hear what he said? He argued with many environment ministers. Yet the same member is

happy to put the whole environmental monitoring thing under the control of every environment minister from now on. You see how that just doesn't match up? Do you just see how exactly opposite of what is right the hon. member just demonstrated for this entire House?

There's a bill here that says to put the environmental monitoring agency under the direct control not only of this environment minister, which I or the House may or may not agree with – there are different opinions, I'm sure, in the House about how much we agree with this environment minister – but this bill doesn't just say to put it in control of this environment minister; it says: put it in control of every environment minister forever until the legislation changes. The government side member just stood up and said that there was a whole string of environment ministers that he fought with because he couldn't trust that they would independently do the right thing.

Then he asked me my opinion. Well, you know what? When I get served up a softball that slow and that easy, what could I do but hit it over the fence? He just made the argument. He just absolutely made the argument that this should go to committee to be improved. He just made the argument that the legislation in its current form is absolutely a disaster. I couldn't possibly give better evidence against this legislation than the hon. member on the government side just delivered.

The Speaker: Are there any other questions or comments under 29(2)(a)?

The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Mr. Speaker. That's a hard act to follow.

Mr. Speaker, I think this amendment in sending this bill to committee is absolutely important. The hon. member from I believe it's Sherwood Park made the statement that she wasn't supporting the amendment because of the issue of time, that it would take too long. Well, the government has been in the saddle for a whole year, and they have rushed legislation after legislation through this House and then had to back up. Let's remember Bill 6. Let's remember what happened with Bill 6. It initially came out, and the government members over there applauded how great Bill 6 was and then ended up having to issue six pages of amendments to a bill they initially said was just fine. That's the problem with rushing legislation.

10:20

This legislation, Mr. Speaker, needs to go to committee so that the scientific community, the experts, which this government is not, can come and give their sound wisdom to the merits of this bill and the suggestions for change that they think, being the experts, this bill should have within it. It's called consultation. It is the Achilles heel of this government. In three years that one thing is going to bring this government down, their consistent lack of consultation with the people of Alberta, with the experts within our ranks in this province. This bill must go to committee. It is vitally important. Besides which, it will give the backbenchers on the other side something to do, and they need something to do.

I really support this thing going to committee. I would hope all members will. We need to hear from Albertans on this issue.

Thank you.

The Speaker: Are there any questions under 29(2)(a) to the Member for Innisfail-Sylvan Lake?

The Member for Calgary-Elbow.

Mr. Clark: Thank you, Mr. Speaker. Just very briefly I want to speak in favour of this amendment. I've actually just been sitting

here going back and forth with one of our researchers on perhaps how we may be able to cook up our own amendment here when we get to committee. But, you know, I just want to pick up on what the hon. Member for Innisfail-Sylvan Lake said. I think he made a really important point, that we're blasting through bills here. We're going a hundred miles an hour, and there's a real risk when we go this quickly through bills that there are unintended consequences, that mistakes get made.

There are 22 bills on the Order Paper. Fully 12 of them have been put on the Order Paper since May 2, in the last three weeks. While I have no trouble working hard – I'm willing on behalf of Albertans to work morning, noon, and night to do the important work of this Assembly – it is very challenging for any of us to actually give thorough review to important pieces of legislation that have wide-reaching consequences. I do have tremendous researchers on my team – I really do – and they do incredible work. They work long, long, long hours to help and provide me with the information I need, but frankly, my friends, it's risky, and I don't think Albertans want to see us blast through legislation as quickly as we're about to do here in the next perhaps as little as five or six days. There's a lot of risk in that, so I enthusiastically support this amendment and would encourage the government to do the same.

Thank you.

The Speaker: Are there any other members who wish to speak to the amendment? The Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Mr. Speaker. I'd like to speak in support of this amendment. Let's face it; committee is the best place to gather information. We can have a myriad of different people come in with all the expertise they have and share information that can help us make decisions. Of course, that's what we're here to do. We're here to make informed decisions, and I don't believe we can make properly informed decisions without having all the information that's available to us. Obviously, committee is the place to get that. We don't know about all the different options. We don't know about all the different avenues that could be used to get us to where we want to be with environmental monitoring.

Now, there were some problems with AEMERA, but this is very important. This is very important to Albertans. It's very important to the world to show that we are world class at monitoring, so we need to have credible, transparent, world-class monitoring with integrity. By going to committee, we can gather the information we need to make informed decisions on the future of AEMERA and, of course, our environmental process here in Alberta.

Thank you, Mr. Speaker.

The Speaker: Are there any questions under 29(2)(a) to the Member for Grande Prairie-Smoky?

Are there any other members who would like to speak to the amendment known as REF1?

[The voice vote indicated that the motion on amendment REF1 lost]

[Several members rose calling for a division. The division bell was rung at 10:25 a.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Barnes	Hanson	Panda
Clark	Hunter	Pitt
Cooper	Loewen	Rodney

Cyr Gill	MacIntyre McIver	Swann van Dijken
Against the motion:		
Anderson, S.	Hinkley	Miranda
Babcock	Horne	Nielsen
Bilous	Jabbour	Piquette
Carlier	Kazim	Renaud
Carson	Kleinstauber	Rosendahl
Connolly	Larivee	Schmidt
Coolahan	Littlewood	Schreiner
Cortes-Vargas	Loyola	Shepherd
Dach	Malkinson	Sucha
Dang	Mason	Sweet
Drever	McCuaig-Boyd	Turner
Fitzpatrick	McKittrick	Westhead
Ganley	McLean	Woollard
Goehring	Miller	
Totals:	For – 15	Against – 41

[Motion on amendment REF1 lost]

The Speaker: We will now revert to discussion on the main bill. Are there any other members who wish to speak to Bill 18, An Act to Ensure Independent Environmental Monitoring? The Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Speaker. With some caution because I can't remember whether I spoke to this before – I'm assuming that the table will tell me if I did – I would certainly like to raise the opportunity for this government to look at this again. It reminds me a lot of George Bush's clear skies bill and some of the decisions that he made around forestry, talking about a protective forestry act down there.

It's actually the opposite of what is being suggested in the name of the bill, ensuring an independent monitoring agency. In fact, we're taking away an independent monitoring agency and putting it into the government again, which it was in the past. It flies in the face of, I guess, what many of us in this House over the last 20 years were calling for at Environment, independent monitoring of the oil sands. People like Dr. David Schindler had to come up and somehow find the resources and do some independent monitoring and assessment of some of the impacts on the Athabasca River associated with oil sands activity. I'll reiterate what has been known for years about some of the groundwater leakage from some of these tailings ponds and the substantial changes that occurred in fish health as well as the potential for human health risk.

It may well be the case that this government will monitor in a more fastidious and evidence-based way. What many of us in Alberta have come to realize is that without some independence, without perhaps some federal involvement, which was initiated – in fact, the previous government were forced to set up an independent monitoring agency by the federal government and get independent scientists from across the country. Yes, you have to pay more for that, but there is a new sense of, I guess, credibility, not only locally but internationally, when you set up that kind of a monitoring agency.

It's unfortunate that we don't have the resources to do better than to bring it in-house again because a tremendous amount of thought and effort and investment went into AEMERA. It needed some stronger oversight. It needed more strict control in terms of its interference in some cases, as I've heard, with Alberta Environment and its attempt to actually control the agenda of Alberta Environment. Its specific role should have been defined very

clearly on the oil sands and other aspects of environmental assessment – air quality, river flows, toxic emission measurements – that are properly the purview of the Alberta government but could have been maintained there. To abandon it wholesale and to have the temerity, I guess, to say that we're now going to ensure independence when the very act of creating AEMERA was an attempt to create some independence raises questions about the kind of communications we're dealing with here: very ambiguous and, in fact, misleading, I would argue.

While the decision has been made and it's clear that at least with this government this is the way it's going to go, to be fair, I see no reason why with a stronger environmental agenda in this government we're going to see better monitoring than we've seen in the past. It still begs the question: why destroy a body that has the credibility of the scientific community, who have protested loudly this change of direction? It also begs the question: if a future government comes in, would they be prepared to monitor it in an honest and evidence-based way and ensure independent reporting to the Legislature?

Again, an amendment that would be favourable, from my point of view, would be to have this body report independently to the Legislature. As long as a body is reporting to the minister, we know what happens over time. The minister does not like to be embarrassed. The minister does not like to see bad news. Reports get amended. Reports get polished, you might say, and we all begin to doubt the credibility of the findings.

I mean, on the face of it this suggests, again, that while one could couch this in terms of financial savings, one is doing a serious disservice to the whole scientific community, the aspect of independence, the recognition that this was progress three years or so ago when the federal government, provincial government, and industry came together to say: we will independently fund a body that will be directing the indicators, monitoring the impacts, and reporting independently to Albertans and to the world what's improving, what's not improving, and what changes need to be made to ensure that water and air quality in the area is second to none or at least not being adversely affected by the activities in the oil sands.

It's difficult to support this, given that it's reversing decisions that this Legislature made under national duress. This is a government that wants new pipelines built based on environmental credibility, yet they're dissolving an organization that a lot of preparation and investment went into. [some applause]

That's all I needed to say. Thanks, Mr. Speaker. I got the clapping I needed.

The Speaker: Are there any questions or comments for the Member for Calgary-Mountain View under 29(2)(a)? The Member for Calgary-Lougheed.

Mr. Rodney: Yes, please. Thank you, Mr. Speaker. Hon. member, we've been in the Chamber a very similar amount of time. It's been close to a dozen years now. I've not had the opportunity to have you answer a question that I've asked, and unfortunately you haven't served in government yet.

10:50

I wonder if you're aware of a certain quotation from a debate exactly like this. It's a short quotation, and I'd be happy to read it to you and then get your reaction. It goes like this.

First of all, we've been calling for an independent body, a body that's arm's length from the government, to be able to make decisions that are completely free from political interference or any kind of interference. The challenge with this bill at the moment, with the way it's written, is that it's not going to be an

independent, arm's-length body making these decisions. We're relying on the minister to appoint people to this process or to this agency who will then select the scientists to participate. The secondary challenge with that is: based on which credentials are these scientists going to be selected? How can Albertans be certain that they are independent, free thinking, and not influenced whatsoever by the very board that selected them?

This speaks to the problem of appointments, to begin with, in any capacity. When you don't have an independent arm's length, a distance between government and a body that they're selecting, questions arise, [and] questions [begin] about judgment.

Hon. member, you might recall this. You and I and just a few others were in the House on Halloween 2013, when the current minister of economic development said this. This is directly from *Hansard* on page 2661.

I wonder, Member: what word would you apply to the fact that on Halloween 2013 the minister was pronouncing this, which is the exact opposite of the bill that he is promoting and supporting at this time? Is it hypocritical? What word would you use?

Dr. Swann: Well, thank you for the question. One might call that a leading question. What word you use, I guess, is your call. I know that it's always different when one challenges from the opposite side of the floor and you're in government. We've heard that from the PCs for years as well, that it's always different: "You guys don't really know what it's like in government. You have to make tough decisions. There are finances. There are politics." I don't mean politics in the generic sense. I mean adverse influences.

Having said that, this is clearly calling for the need, at the very least, of an independent appointments commission, a commission that is based, perhaps, on some retired judges who've never had any particular party affiliation. If need be, if you can't find anybody who hasn't had any party affiliation, at least have a mix of party affiliations on this body, some thoughtful, senior, somewhat independent people who would make to the best of their ability independent appointments, whether it's to this Environmental Monitoring, Evaluation, and Reporting Agency or to the new energy efficiency agency that's now coming up. We would all feel better, I think.

Even the government would feel better if they had an independent agency such as they do in Ontario, where all appointments to agencies, boards, and commissions have to go through this body. This body weighs the evidence, weighs the CVs, weighs the partisanship of various applicants, and tries as best as possible to put together a merit-based appointment system so that all of us feel confident, whether it's the health board and we have some experienced health people or it's the energy efficiency board and we have people who have some strong engineering background and a recognition of the importance of energy efficiency and where the latest evidence is pointing, or in terms of the environmental experts, are at least recognized for their independence, that they're affiliated with a university, not in any way tied to government funding, and have not been shown to favour one party or another.

This is an opportunity, I guess, to take the next step, which this government has long called for when it was in opposition: an independent appointments commission. I think we would all recognize the value of that. The credibility of the government would be enhanced. Yes, you'd get some appointments that you didn't necessarily like, but on balance we would all end up with higher quality, more independent people who would enhance the reputation of Alberta in terms of its science-based, evidence-based decision-making. It would speak well of a government that is actually walking the talk, not just speaking about what a better system is but delivering on it.

The Speaker: Thank you, hon. members.

I'd just like to use this moment to caution against the use of unparliamentary terms in the House. Be cautious when you are making comments.

Anyone else speaking to Bill 18, An Act to Ensure Independent Environmental Monitoring?

[The voice vote indicated that the motion for second reading carried]

[Several members rose calling for a division. The division bell was rung at 10:56 a.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Anderson, S.	Goehring	Miranda
Babcock	Hanson	Nielsen
Barnes	Hinkley	Panda
Bilous	Horne	Piquette
Carlier	Hunter	Pitt
Carson	Jabbour	Renaud
Connolly	Kazim	Rosendahl
Coolahan	Kleinstauber	Schreiner
Cooper	Littlewood	Shepherd
Cortes-Vargas	Loewen	Sucha
Cyr	Loyola	Sweet
Dach	MacIntyre	Turner
Dang	Malkinson	van Dijken
Drever	McCuaig-Boyd	Westhead
Fitzpatrick	McKittrick	Woollard
Ganley	Miller	

Against the motion:

Clark	McIver	Swann
Gill	Rodney	

Totals:	For – 47	Against – 5
---------	----------	-------------

[Motion carried; Bill 18 read a second time]

Bill 19 **Reform of Agencies, Boards and Commissions** **Compensation Act**

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

Mr. Coolahan: Thank you, Mr. Speaker. It is my pleasure to rise today to move second reading of Bill 19, the Reform of Agencies, Boards and Commissions Compensation Act.

The purpose of this proposed legislation is to address consistency and fairness in executive compensation levels for the public agencies, boards, and commissions, also known as ABCs, that are subject to the Alberta Public Agencies Governance Act. Alberta's public agencies play an important role adjudicating, managing, and delivering innovative programs and services on behalf of government. As such, they form a significant part of Alberta's public sector. However, these same agencies also count for a substantial portion of government spending on salaries, and compensation arrangements that are funded by public dollars need to be in line with the broader Alberta public sector and comparable jurisdictions. That's why our government is taking action. We are focused, and we are determined to increase both the transparency and consistency of how executives of provincial agencies are compensated.

Mr. Speaker, the 2016 Speech from the Throne signalled this government's intent to introduce enabling legislation to address the growing divergence in compensation practices between some public agencies and the core public service. The legislation before the House today is therefore a key deliverable in our government's commitment to Albertans. This legislation is meant to address the wide variance in the compensation philosophies, levels, and practices that currently exist in our ABCs.

With the divergence between some agencies and the broader public sector having grown over a considerable period of time, the time for action is now. Now is the time to begin the hard work of creating a consistent framework for executive compensation across our ABCs. Doing so is consistent with similar actions taken by other jurisdictions, including British Columbia, Ontario, Quebec, and Nova Scotia, and it is consistent with the recommendations of previous Auditor General reports that government provide direction on executive compensation practices for senior executives in our ABCs.

Mr. Speaker, let me be clear. This legislation will accomplish a number of items. First, it authorizes the establishment of compensation frameworks for designated public agencies and designated executives governed by the Alberta Public Agencies Governance Act, or APAGA. If this proposed legislation is passed, over the course of the summer the government will be contracting a professional benchmarking compensation firm to provide guidance on a rigorous and transparent set of frameworks for executive compensation. The government will also be reaching out to ABCs and the general public for feedback on the compensation philosophy that will guide these frameworks. I urge all Albertans and all members of this House to share your thoughts with the government through the online portal.

Second, this legislation will enable the Minister of Finance and President of Treasury Board to issue directives requiring agencies to provide compensation information, including employment agreements and compensation policies, plans, programs, and studies.

Third, this legislation will provide notice to executives and agencies affected by compensation frameworks. By adopting this approach, we are ensuring that we respect current contracts to the extent possible while also ensuring that public dollars are used responsibly.

Mr. Speaker, let me be clear that this legislation will enable the government to set, limit, or otherwise govern the compensation of designated executives or designated members through the establishment of compensation frameworks. This could include setting limits on variable pay or severance entitlements. This is a reasonable, responsible, and proactive approach by the government to deliver fairness and transparency for the people of Alberta.

Mr. Speaker, for the benefit of members present I should add that this legislation will apply to APAGA agencies whose chief executive officers or equivalents have current base salaries over \$200,000 per year, excluding postsecondary institutions. This approach to addressing executive compensation in ABCs is aligned with the broader review of agencies, boards, and commissions. As members will recall, the government is nearing completion of phase 1 of the review, which applies to APAGA agencies, again excluding postsecondary institutions. As we announced in Budget 2016, phase 1 of the review will lead to the amalgamation or dissolution of 26 agencies, boards, and commissions, saving \$33 million over three years.

Mr. Speaker, I want to re-emphasize that rather than implementing the frameworks immediately, there will be an interval between passing the legislation and introducing regulations to allow ministers accountable for the designated agencies to

introduce the new approach and to have conversations with the boards and agencies that will be affected by the new compensation framework. This interval will also include an opportunity for Albertans to review our compensation philosophy and provide further comments through the government of Alberta website, and this interval will allow us time to consult with benchmarking professionals to ensure that we get this right.

11:20

Mr. Speaker, by moving forward with this legislation in the current session, we will have an aggressive but reasonable timeline for bringing consistency and fairness to executive compensation at public agencies. This is a priority for this government and for all Albertans. This is the right thing to do and the right time to do it. I ask this House for its support in moving this legislation forward, and I look forward to our discussion on this important bill.

Thank you.

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

Mr. Panda: Thank you, Mr. Speaker. I actually like the title of this bill, reform of agencies, boards and commissions. It seems that the intentions are good here. I'm always surprised when this government does something that saves money but not in the way you probably might think. I'm not surprised that they're cutting expensive salaries for patronage appointments, and I'm not surprised that they finally found a few pieces of low-hanging fruit to cut spending.

What I am surprised at are the hidden gems in their announcement. When the wage freeze was announced in March for agencies, boards, and commissions, ABCs, the most entertaining exemption was added in. Let me read this section from the announcement: the government in March announced this salary freeze for ABC managers and non-unionized staff. That announcement had a nice hidden gem inside it. There was a salary freeze and now a cut for the executives. There was a salary freeze for staff except the unionized ones. Yes, just as everyone expected, the NDP has given preferential treatment to their union friends.

Mr. S. Anderson: They're collective bargaining agreements. You can't break the agreements.

Mr. Panda: You broke many other things.

I wonder what would happen if all the executives decided to unionize. Would they be exempt from this salary cut if they were part of a union? The problem is not just the salaries of the executives at the top; the problem is the raises they're giving out to the tens of thousands in the entire public sector.

An Hon. Member: If they were unionized now, we'd be able to work through the contract.

Mr. Panda: Yes.

Congratulations. The salary cut for the executives will save taxpayers' money, but do not stop there. Do not stop on first base. Go for home. Score some real points, and save some real money. Use attrition to reduce the number of middle managers. Mr. Speaker, we are not asking them to fire anybody. We're asking them to just use attrition to reduce the number of middle managers.

Renegotiate the public-sector union contracts. If the government can hold the line for the top, they can hold the line for the middle. I haven't been at this job for very long, but I already know how easy it is to add fat in the middle, if you know what I mean. It needs to be slimmed down just as much as the bloated middle managers need to be slimmed down. A precedent is being set with this bill, a

precedent that contractual wages can be altered. Union contracts are no different. They may represent more people, but the precedent will exist after this bill is passed. Union contracts need to be part of the wage freeze. Union contracts need to stop getting special treatment just because the unions hold huge voting powers within the NDP.

Mr. Speaker, over 100,000 people have lost their jobs. More are losing their jobs as we speak. The unemployment rate is in the double digits in some of my colleagues' ridings, like Bonnyville-Cold Lake. We cannot give special treatment to government workers. This special treatment costs Albertans in the form of higher taxes, which this government insists on spending instead of saving. We cannot give special treatment to unions because the NDP allows unions to have so much influence over them. The money being spent on these contracts and these unnecessary salaries is causing Albertans to cough up more and more taxes.

I'm glad that this government found some relief for taxpayers with this bill. I'm glad that they found a way to cut 0.00018 per cent or so. I think this cut will cover the cost to bring pandas, well, more pandas to Calgary, so that's great. That's the way of this government. They find a tiny, tiny amount of money to save and maybe turn it into a bill to get maximum mileage, but at the same time they're increasing overall spending 3 per cent.

Targeting the executives or the, quote, 1 per cent seems to be the mantra of the NDP when it comes to policy creation. I can't help noticing that when it comes to going after the big oil companies – not those four, but they go selectively – or the executives at the top, the NDP are loud and clear. But when it comes to giving charities exemptions from their carbon tax, they're silent, just like now. When it comes to reducing emergency wait times for Albertans, people are waiting to hear if anything will be done. When it comes to reducing school fees, like they promised, they will need to put that off. When it comes to raising taxes on the wealthiest, the NDP passed legislation in the blink of an eye. But when it comes to giving tax breaks to small businesses . . . [interjections]

The Speaker: Hon. members.

Mr. Panda: But when it comes to giving tax breaks to small businesses, Mr. Speaker, they vote it down repeatedly before finally deciding that maybe it will deflect attention from the way this carbon tax will hammer small businesses.

This government needs to look at the bigger picture. The previous government protected the salaries that this bill is aimed at. Now the NDP is protecting the unions, a group that costs far more than the fraction of a fraction of a per cent of our budget that this bill will save. I grew up before some of the members opposite were even born. There was a band during my college years called The Who. They had a great line that I would like to quote: "Meet the new boss, same as the old boss."

The Member for Cardston-Taber-Warner gave a great speech on that same subject during the Bill 6 debate. He quoted a famous author, George Orwell, who wrote *Animal Farm*. For a change, you should read that book. [interjections] I'm not talking about the book.

The Speaker: Hon. member, let's keep going on the topic. Speak to the Speaker, please.

Mr. Panda: Okay. Thank you, Mr. Speaker. I would suggest that the members opposite go back and give that book a read and that speech a read, though. Nothing has changed. NDP may be preventing the previous government's friends from becoming fat, but they just have a new crop of friends, that are more equal than others.

This government needs to be honest with Albertans and address bigger issues of financial prudence. This government needs to address the excessive spending, that it insists on perpetuating, of the previous government. There are many ways that this could be addressed along the exact same vein as this bill, yet this bill stops short. This bill does not go the distance. This government has at least set a precedent for what needs to be done in the future. I'm glad that this government is addressing some of the excessive spending that the previous government allowed to happen. I just hope that the NDP does not replace one set of excessive expenditures with another.

Thank you, Mr. Speaker.

11:30

The Speaker: Are there other members that would like to speak to Bill 19, Reform of Agencies, Boards and Commissions Compensation Act? Calgary-Mountain View.

Dr. Swann: Thank you very much, Mr. Speaker. I'll be brief. I think the government deserves a lot of credit for this bill. It's long overdue. It's been decades that these boards, commissions, agencies have been packed by PC insiders and big donors to the PC Party. We've long been calling for this, and I think they finally have taken a hold on it and are really looking at it very seriously and trying to do it in a measured way and a sequenced way so that we're not actually damaging the quality of work that is going on in many of these agencies, boards, and commissions and not going to be sued for breaking contracts or agreements with people.

It's a thoughtful approach. It's going to give the government authority to standardize the compensation framework for the ABCs and compel them to disclose salary information. The pay grades will be determined over the coming months with the help of an independent consultant and will vary depending on the complexity of positions and the size of the organization. Very reasonable. Specifically, the Reform of Agencies, Boards and Commissions Compensation Act would apply initially to agencies whose executives have base salaries over \$200,000 a year, excluding postsecondary institutions, and one can understand that this is going to take a little longer to review. Under the current system CEOs and executives of ABCs have the authority to set their own salaries, bonuses, and severances, with no government regulation or oversight. How did this happen?

Jurisdictions such as Ontario, B.C., Nova Scotia have already produced these kinds of changes. So it's very reasonable, very appropriate. I fully support this attempt to both rein in costs and provide some credibility to these organizations with standard compensation practices as much as possible. It will include organizations like AIMCo, Petroleum Marketing Commission, Alberta Gaming and Liquor Commission, Alberta Energy Regulator, Alberta Health Services. These are over 50 per cent of the spending in this province, and it's long overdue that we have a better handle and better control over these organizations.

To their credit again, this year the decisions that were made by this government saved \$33 million. It brought some savings already by reducing the number of agencies and redundancies in agencies, boards, and commissions. So I give full credit for that. One example that was reported by CBC: Alberta Innovates' board salaries ranged from \$338,000 to \$479,000 a year. It's just incredible, Mr. Speaker, especially given the kind of challenges in this province today.

So I just wanted to applaud them. I wanted to say that I fully support this initiative, and my only caveat is kind of a broken-wheel comment. I hope you'll establish an independent appointments commission so that you won't be accused of the same thing in four years, that the agencies, boards, and commissions were stocked by

party insiders or party donors, and you can look us all in the face and say: “We have an independent commission; there’s no question about the appointments based on merit here,” and we can all be satisfied that our money is being well spent in these critical agencies, boards, and commissions. I’ll be fully supportive.

Thanks, Mr. Speaker.

The Speaker: Under 29(2)(a) are there any questions for the Member for Calgary-Mountain View?

The Member for Calgary-Hays.

Mr. McIver: Well, thank you, Mr. Speaker. I’m happy to rise and speak on Bill 19, the Reform of Agencies, Boards and Commissions Compensation Act. I’m only a little pressed to take a position on this because there’s more unsaid in this bill than there is said. Certainly, taking a look at the compensation of the agencies, boards, and commissions isn’t necessarily a bad thing, but some of the code words that the government member that introduced this today used leave me with a little bit of concern, talking about consistency and what sounds to me like making sure that everybody’s paid the same.

When you look at the agencies, boards, and commissions listed in the legislation – and it includes Alberta Gaming and Liquor Commission, Alberta Pensions Services, Alberta finance services corporation, AIMCo, Alberta Treasury Branches, Alberta Health Services – there’s a wide range of expertise on these boards. They, because of the marketplace, Mr. Speaker, have different values, and I sincerely hope that the government isn’t going to treat them all the same. I hear a lot of people talking about how they would like to have Cuba’s weather in Canada, but most people don’t want to bring Cuba to Canada, where, of course, everybody makes the same no matter what job you do. I think it’s \$29 a month.

While I’m not saying that that’s here, what I’m not hearing is if there’s going to be any relationship between what the agency, board, and commission members are being compensated, if there’s going to be some type of relationship between the skill sets, the education, the experience that are required. I hope so. What concerns me is that it doesn’t say it in writing in the bill, in the introduction by the government-side member of the House that introduced it. It doesn’t give me any comfort. So I’m hoping that at some point before we get to the end of this, the government side will clarify their intentions there because I think it’s pretty fair to say that different jobs have different values in the workplace even in this House, Mr. Speaker, where you and the Premier and the ministers make more than the rest of us do and it’s considered that the work they do has more value because they have more responsibility. I think that flows up and down the marketplace in Alberta in every line of work.

So I’ll be looking for some comfort from the government side before we get to the end of this discussion, and I hope that somebody will clarify what method they’re going to use or whether they are going to, as was – it wasn’t explicitly stated, but there was talk about consistency. If somebody from the government side would clarify what level of consistency they’re going to bring to this and, hopefully, some recognition of the skills.

The other part about this, too, Mr. Speaker, is that in a lot of these agencies, boards, and commissions traditionally, I think, we’ve had some pretty smart, pretty accomplished, pretty successful Albertans that have stepped forward to serve on these boards, that have actually given more of their own talents, skills, and abilities than they have received back in compensation. Probably you could find some cases where it could be considered that they were overpaid as well, which is why I don’t mind that the government is reviewing this. I really don’t. I’m just hoping, again, to hear some comforting words from the government, a little more description about how this

review is going to happen and the payment of the people that serve on these boards.

None of us on any side of the House should have any doubt that these agencies, boards, and commissions serve a valuable purpose. They provide expertise that government needs, that serves Albertans. They provide arm’s-length bodies within which to deliberate outside of the direct shadow of this House. They can actually put policies and decisions in place at these very important bodies, that actually handle a lot of Albertans’ serious issues. I mean, if you talk about Alberta Health Services, every Albertan’s health, I don’t know what can be more important than that. If you talk about AIMCo and the Alberta Treasury Branches and Alberta finance services corporation, that’s all the municipalities; that’s hundreds of thousands if not millions of mortgages and personal loans. They’re making policy decisions that are going to affect Albertans.

I am going to sit down and hope that someone from the government side is going to stand up and actually put a little more meat on the bones of this legislation because – I will finish my debate the way I started it – the most disturbing thing about this bill is that there’s more unsaid about what it’s going to do than there is said.

The Speaker: Are there any questions under 29(2)(a) of the Member for Calgary-Hays?

I recognize the Member for Cypress-Medicine Hat.

11:40

Mr. Barnes: Thank you, Mr. Speaker, for allowing me this opportunity to speak on Bill 19, the Reform of Agencies, Boards and Commissions Compensation Act. With the current state of our finances, it’s nice to see some attempt to rein in out-of-control spending. It would be nice to see the same prudent and shrewd attitude reflected in the appropriation and budget bill as well, but I suppose that would be just a bridge too far for this government.

In any case, Mr. Speaker, we’re here to discuss Bill 19, an act that would provide the framework for tightening the public purse when it comes to the salaries of executives at our agencies, boards, and commissions, a welcome step in the right direction although it’s a limited and small step but a step nonetheless. Albertans have known for years that the massive expansion of executive positions in our many ABCs, quite often beyond the reaches of public oversight and scrutiny, is hitting Albertans in their wallets. The Wildrose has spoken about the need for restraint at the upper levels at length. In the last election Albertans spoke as well.

Now, how far does this act go towards showing that restraint? Well, I suppose, it nibbles around the edges. It sort of picks around the margins to find some savings. In fact, it needs to be pointed out that this bill does not come with any built-in savings. It merely grants the government the authority to create the framework to review and standardize these salaries. So, Mr. Speaker, no. It’s safe to say that the bill is not going to be the silver bullet that knocks out our massive deficit and gets a hold of our ballooning debt, but I would like to see some government analysis of what they expect to save.

Every time we spend taxpayers’ money, I’d also like to see some consideration of value and firm expectations. In this House I’ve spoken at length about those two topics, and I’d like to bring them up yet again. I do this because it’s critically important that value and accountability measures are considered. Value is, in short, what benefit we derive from a certain government action. It is the expected gain that we hope to achieve from a given expenditure of effort, time, or taxpayers’ money. To that point, we must have some way of measuring the expected value, setting goals, and then going

back and comparing the actual to those goals. Mr. Speaker, this is where accountability measures come in, and once again I don't see any of those here. I see a framework. I see a broad outline, but I do not see clear expectations.

What I do see when I look at this government's fiscal plan is a massive amount of debt and interest. We're looking at an incredible amount of debt, debt that by the end of this government's term will carry an estimated \$2 billion annually in interest load. So where are we not getting value for this money? Is it exclusively in the executives and the executive salaries at ABCs? That's obviously a reductive and limited way to look at our problem.

I, too, am going to draw on the single largest example here, and that is Alberta Health Services, the largest single line item in Alberta's entire budget. In fact, Mr. Speaker, as a line item it is bigger than any other ministry. Now, we know from the latest annual report that there are approximately 15 full-time equivalencies – 15 full-time equivalencies – at the executive level. With total compensation, the salaries work out to \$6.4 million.

We also know from a recent written question that there are 182 employees at Alberta Health Services making \$200,000 or more, which, of course, was the threshold for that piece of legislation. Now, we don't know how much these 182 employees make in total compensation, but even assuming the bare minimum of \$200,000, that's over \$36 million. The actual number is obviously higher, probably by quite a bit. This 182 does not include a breakdown of jobs though we can assume that Alberta Health Services executives and many upper-level managers fall within it. I can't help but be reminded wherever I go in Alberta and in Cypress-Medicine Hat that good front-line health workers talk about five levels of bureaucracy to try to get an answer that usually doesn't come.

The point of this is to provide a sense of scale. When I talk about picking around the margins of the spending problem, it's important to put executive positions in perspective. Furthermore, under the executive level we see in the Alberta Health Services 2014-15 annual report that yet another 56 full-time equivalents in management directly report to the CEO. This level is significant because when the former government was called out for having so many AHS executives, several were just shifted down into another category. It wasn't saving anything. It wasn't saving a cent. It was merely a shell game. Under that, Mr. Speaker, we have 3,300 more in the other-management category. All told, that's over \$500 million in various levels of management.

As a proportion of total management, focusing on just the executives at Alberta Health Services is, again, just a small fraction of the larger issue, showing how enormous this public spending problem is. Of course, AHS as a whole had expenses of \$13.8 billion in the fiscal year 2014-15, and this government just passed a budget that allocates nearly \$400 million more to the organization from the public treasury. Since its inception, Mr. Speaker, Alberta Health Services' spending has grown by leaps and bounds. We have averaged approximately 6 per cent annual growth year over year since it was created and in spite of many promises of efficiencies. Over 6 per cent annually compounded.

Mr. Speaker, that brings us back to the question of value. There's a great deal of bloat and waste and bureaucracy in government, wastefulness that has been cultivated through many years of never having to worry about it, but now we don't have the luxury of carelessness. We must be wiser with our taxpayer dollars. We need to see value at all levels and seriously examine all options for getting our spending back in line. On an age-adjusted, per capita basis we spend far more than any other province. We exceed the national average by 39 per cent. We exceed the average of comparable provinces like Ontario, Quebec, Saskatchewan, and

B.C. by even more than that 39 per cent. We must start to find value at all levels.

The AHS promises of efficiency and savings have not materialized. Picking around the edges is not going to be enough to pull us off the chart and put spending back into some semblance of reasonableness. We need to see action on public-sector contracts as well. We need to be getting all Albertans a better deal for their hard-earned dollars. Mr. Speaker, we need to find efficiencies throughout agencies, boards, and commissions. It appears to be just talk, though. Oddly enough, in the latest fiscal plan as part of the 2016 budget on page 41 AHS is "exempt from the cost saving measures related to supplies and services implemented in Budget 2016." I end that quote with astonishment. Why is Alberta Health Services exempt?

11:50

Mr. Speaker, getting value is not limited to executive compensation, and the government needs to get serious about that and about value for all of our hard-earned tax dollars. For the sake of the future and the ongoing sustainability of our services we need to get spending in line within a reasonable level. Yes, it's true that some of the runaway growth was due to a lack of transparency and accountability of these ABCs. That's why, ultimately, I will be supporting this legislation as one small step towards sustainability.

In closing, I want to caution the government: do not declare this as mission accomplished. Mr. Speaker, I absolutely believe that getting Alberta's per capita spending in line with other provinces is the first step to restoring investor confidence, that we need to rebuild our opportunities and our job market. It's created a level of unfairness between those that work hard in the private sector compared to those that work hard and are compensated in the public sector. This high per capita spending has been inflationary, and again, in closing, it has scared away investment and jobs.

Thank you.

The Speaker: Hon. members, under 29(2)(a), any questions or comments for the Member for Cypress-Medicine Hat?

I'll call upon the Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Mr. Speaker. I will just offer, as we close out the morning here, perhaps a few brief comments. I certainly do support Bill 19. I think it is a bill that is welcome. I do have some questions that I hope perhaps the government can help address at some point through debate.

Perhaps I'll start with what I like about the bill. I like the idea of the guidelines for public-sector compensation, bringing those in line with comparable positions in the private sector. I think that makes sense. I also think that as we transition, there's some logic, of course, in grandfathering those positions. I do have some questions about that, which I'll raise momentarily, and, you know, about ensuring that there's compliance as well.

It's important, if we're going to put rules in place, that people – in this case agencies, boards, and commissions – follow those rules and that if they don't, there are some consequences for not doing that. Other bills that this government has brought forward perhaps could benefit from some consequence to breaking the rules or changing laws – but that's a different story – and even some flexibility, allowing for that defence of due diligence if it can be proven that, in fact, due diligence was done yet compensation was still out of line.

You do wonder, of course, how much overhead this is going to present for ABCs, but in the grand scheme of things I do think it will save Albertans money, and I like the fact that it standardizes things.

One of the concerns I have, which is a concern in general with agencies, boards, and commissions, is a perception, I suppose perhaps not totally incorrect, that agencies, boards, and commissions are, as a comment from the Member for Calgary-Mountain View said, stacked with PC cronies. I think that there's some truth to that. I think that has been a problem in the past in this province. However, I don't think that every single person on every agency, board, or commission is there because of political ties. In fact, I think the vast majority of those people are dedicated public servants who are contributing to their community.

I think we have to be very careful, and one caution I would give to this government is that if you go into this process of refreshing and updating agencies, boards, and commissions assuming that your job as government is to simply put your people in place of their people, then I think we're just going to exacerbate a problem, maybe even make it worse. I think merit has always got to be the guiding consideration. These are institutions that do important work on behalf of Albertans, so competence and merit are very important, and please don't ever forget that.

Now, equally important, another consideration, of course, always must be diversity, and reflecting the wonderful diversity of this province in everything we do is important and should always be a consideration. But, you know, in considering those things, please don't just put your friends in place of what you think to be their friends. I don't think that's going to serve Albertans.

Just a couple of concerns. Section 14: there's no appeal process in that overpayment section. For ABCs, if there is a dispute around whether or not there's been an overpayment, is there any recourse for them to appeal?

I do wonder, you know, as we move towards the pay band in section 6 and the grandfathering in sections 7 and 8, is there a risk that we're going to be driving talented people out of ABCs? Is some of that compensation, in fact, appropriate for people to make sure that we've attracted the right talent to run what can be very complex organizations? Is two years of grandfathering enough under section 7 for executives?

Then I do have a real question under section 8 on grandfathering of members. That is to be determined by the minister. I'm always concerned and worried when a bill says: we'll figure it out later through regulation. That's, obviously, not the most transparent process. I'm a big believer that if you give people a heads-up and say, "You are grandfathered for two years," that makes sense. Why is it that executives are being treated differently than members of the boards?

I also have a concern with section 4(4), that private and confidential information may be disclosed by the minister at the

minister's discretion. That's a concern. I think individuals who entered these roles, especially those who are there currently, did so on the understanding that that information would be kept private, and I would imagine, rightly, that people in those positions would be wondering what the difference is between section 4(3), which says that the minister must keep information confidential, and 4(4), saying that they may disclose. What is that personal and confidential private information that will be disclosed, and when will it be disclosed? I think those are open and important questions that need to be answered.

You know, I guess carving out agencies that require and would certainly need people with very, very specialized skills – ATB, AIMCo, the teachers' pension fund – I think, of course, makes a lot of sense. Those are people who earn very high salaries but have very, very unique skill sets and therefore should command those salaries, and I think it's right to have carved it out.

I do want to echo some of the comments from the Official Opposition that this certainly takes a step towards addressing compensation levels within the provincial government. We're edging ever closer to pay freezes for excluded and managerial staff, pay freezes for members of this Chamber, but we seem to be unwilling, this government, to tackle the elephant in the room, where most of the salaries are. It doesn't need to be done punitively, it doesn't need to be done in an unfair way, and it doesn't need to be done unilaterally. Negotiation and compromise and conversation are always going to get you better results than the stick. The carrot, I find, is always better than the stick.

The approach the Health minister has taken with the Alberta Medical Association and doctors' compensation I think is not a bad idea. In fact, it's a very good idea, done in a way of openly approaching doctors and saying: look, we need to have a conversation about how much it costs to provide your services. So far as I can tell, that's been an amicable process. The government could follow the same process with unionized workers throughout this province. Level with them about the exact fiscal situation of Alberta and that we need to get our costs under control without greatly impacting front-line services.

With that, Mr. Speaker, and looking at the time, I will return to my seat. Thank you very much for the opportunity to speak to this bill.

The Speaker: Under Standing Order 4(2.1) the House stands adjourned until 1:30.

[The Assembly adjourned at 12 p.m.]

Table of Contents

Prayers	1125
Orders of the Day	1125
Government Bills and Orders	
Second Reading	
Bill 18 An Act to Ensure Independent Environmental Monitoring	1125
Division.....	1133
Division.....	1135
Bill 19 Reform of Agencies, Boards and Commissions Compensation Act.....	1135

Alberta Hansard is available online at www.assembly.ab.ca

For inquiries contact:

Managing Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875