



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Thursday morning, June 2, 2016

Day 38

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature
Second Session

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

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Legislative Assembly of Alberta

9 a.m.

Thursday, June 2, 2016

[The Deputy Speaker in the chair]

Prayers

The Deputy Speaker: Good morning.

Let us reflect. As we continue our work on behalf of the people of this province, let us always seek a healthy balance between our role as legislators, our family responsibilities, and our own well-being.

Please be seated.

Orders of the Day

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: I'd like to call the committee to order.

Bill 20 Climate Leadership Implementation Act

The Chair: Are there any questions, comments, or amendments with respect to this bill? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Chair. I'm pleased to rise here this morning to discuss Bill 20, the Climate Leadership Implementation Act. Of course, the climate is changing, and Alberta has to do its part to mitigate that. Alberta's independent climate panel sought measures that did not overly involve government subsidy or other government interference, but of course that's not what Bill 20 is about. Bill 20 is about taxes. It's about increasing taxes on everything in Albertans' lives.

Now, it mentions in this report, the Climate Leadership report, that Alberta is perceived by many to need stronger policies to persuade others that we're serious about climate change and serious about the environment. But, Madam Chair, that's a perception. It's not a reality. Alberta has always had strong environmental standards, stronger than the rest of the world. We have nothing to be ashamed of here in Alberta. Our Premier likes to describe us as embarrassing cousins, but that's not the fact. The fact is that Alberta has a great record. Can we improve? Of course. That's what we do here in Alberta. We constantly strive to improve everything.

Due to our strong resource industry Alberta is second only to Saskatchewan's CO₂ emissions per capita and draws considerable emissions attention due to 38 per cent of the national output, but we produce most of the energy here, Madam Chair. It's no wonder that it's shown that when the fire in Fort McMurray shut down oil production there, it had an immediate, significant effect on the Canadian economy. That's how important Alberta is in its energy industry. Because of that, we need to have respect for that industry.

Now, they talk a lot about the rebates to offset the effects on many households. They talk about how it's going to affect 60 to 65 per cent of the households in Alberta, who will be getting rebates. But, Madam Chair, those are partial rebates. They don't take into full account the actual cost to Albertans of this carbon tax.

Of course, the government came up with a reduction in the small-business tax, but that's not much consolation to the businesses that are going to be paying more and suffering because of this carbon

tax. Right now Alberta is struggling economically, and this carbon tax will make things worse.

I think Albertans need to know that this government isn't going to all of a sudden just keep increasing this tax and carrying on with that sort of agenda. They need to have some assurances that this government will come back to the Legislature if they want to change this any further.

Of course, Madam Chair, we would hope that this government would, I guess, come to its senses and realize how damaging this carbon tax will be on everyday Albertans and that they will leave it, not go ahead with it, do an economic impact study so that Albertans have a true understanding of what it will do to them.

Madam Chair, I would like to propose an amendment to Bill 20, the Climate Leadership Implementation Act. Now, I have the appropriate copies of the amendment here.

The Chair: If you could get the copies to me, please.

Mr. Loewen: Okay. I'll wait for your approval to carry on.

The Chair: This will be known as amendment A2.

Go ahead, hon. member.

Mr. Loewen: Thank you, Madam Chair. I move that Bill 20, Climate Leadership Implementation Act, be amended in schedule 1 by (a) adding the following after section 10:

Adjustment of carbon levy rates

10.1 Notwithstanding section 79(1)(e), the carbon levy rates set out in the Table in the Schedule may not be increased by regulation;

and (b) in section 79(1)(e) by adding "subject to section 10.1," before "respecting the determination of the amount of carbon levy payable".

Now, Madam Chair, this amendment speaks to 79(1)(e) on page 66, where it says that not only rebated amounts but amounts payable can be set in regs. So this amendment ensures that, like fuel taxes, carbon taxes cannot be hiked in regulations like some others, like sin taxes and stuff like that, can be. I think it's perfectly reasonable to have this carbon tax go through the same process as fuel taxes, which means it has to come back into the Legislature to be properly debated.

Of course, we would like to see some robust public consultation on it, too, but this is at least a minimum, that at least it comes back to the Legislature to be discussed. Then the people of Alberta can have at least some opportunity to see what this government has planned when it's raising these taxes. There should be no hike in taxes without legislation and debate in this House. The government should not be able to increase carbon taxes overnight through regulation. Saying that regulations can determine, quote, the amount payable sounds like they can be raised.

9:10

It is not clear that the table in this schedule is binding, at least beyond 2018. If the government did indeed not consider this or had something else in consideration on this, then this amendment will make it very clear. And if they had intended that any increases to this carbon tax would come back before the Legislature, again, this amendment makes that very clear to us and to all Albertans.

I think the clause that exists in there now gives the government too much power to make changes to an economy-wide tax with no accountability or debate. The so-called sin taxes – alcohol, tobacco, those types – are able to be raised through regulation. Now, whether that is fair or not, that's different. This carbon tax is far closer to fuel taxes because of course, Madam Chair, fuel taxes affect everybody and everything, just like this carbon tax.

Madam Chair, you're aware of how things are, especially in the northwest part of the country where we live. We travel great distances all the time. Any tax on fuel, this carbon tax, will have a great effect on us. I know that when I'm here in the city, in the Legislature, in meetings here and everything, in any month of the year I'll see people riding their bikes, January, February, travelling to and from work, whatever they're doing, and I think it's great. It's great to see people out there, fresh air, exercise, not driving cars, not even riding in buses, just out there on their bikes.

But in my constituency there's only a small number of people that have that opportunity. For one, of course, the weather tends to be a little harsher in the northwest. In the majority of my constituency people are travelling 10, 15, 20, 30, 40, 50 miles to get to their job each day, so it's just not realistic to expect them to be riding their bikes to work every day. Obviously, this is going to have a greater impact on those people in our province, and those people are just as important as anybody else in the province, Madam Chair. Again, I think it's really important that we have robust discussion on any changes now to this carbon tax, that this government seems determined to push through.

Of course, this carbon tax applies to heating, too, and there isn't anybody in Alberta that doesn't rely on heating their home in the wintertime and, actually, just about any time of the year. When you start increasing taxes on the form of heat that the vast majority of Albertans use, then it becomes very important to every Albertan. How carbon tax increases are determined afterwards, after this bill passes, if the House so determines it will pass, should be open for debate and not just hiked in regulations.

Now, Madam Chair, Alberta is struggling economically. We know that. Over a hundred thousand job losses, and we don't even know the number of jobs lost for people that can't claim unemployment, contractors and small businesses that are out of business now that have no opportunity to collect unemployment. They're sitting there with payments on their equipment, payments on their homes and no income. This isn't being helpful. This tax is just making it harder for everybody.

This government has brought in the minimum wage hike, a personal income tax hike. Corporate taxes are rising. Now we have the carbon tax. Gas taxes have already increased under this government. This tax will make everything – everything – more expensive, Madam Chair.

Now, we talk about the rebates. Again, as time goes on, it seems like the government is coming to more of a realization that these rebates aren't going to cover the cost to lower income Albertans. Just some rough figures we've talked about are that with this carbon tax on low-income Albertans these rebates won't cover all the costs because not everything was considered when they were calculating these rebates. They thought: well, just the fuel costs, some heating costs. But there's far more than that, Madam Chair. Everything that we have has to be transported. Of course, in the northwest, well, in any part of Alberta there are transport costs for everything everywhere – our food, groceries, everything – so this tax makes everything more expensive. The calculation that the government had on rebates: it doesn't cover all the costs. We've now seen cases in the public sector where tax dollars that were dedicated for education, for health care, caring for the vulnerable – that money will end up in the climate fund, not where it was intended to go, not for education, not for health care.

Now, we know that for municipalities, cities, towns, MDs, and counties everything will become more expensive, too: all the fuel costs, all the heating costs, all the trickle-down effects of everything that's raised. They'll have no choice but to pass on these costs to the people in their constituency or reduce their services to their constituents. Madam Chair, that's not fair.

Again, we're all concerned about the environment, every one of us here. I don't believe there's any person in this House that doesn't care about the environment. In fact, I know that's the case. To suggest otherwise is just not true. And there's nobody here that doesn't want to improve how we do business here, how we operate, how we can help improve how we do business, and how it affects the environment. We're always looking for ways to do that, Madam Chair.

Now, I had a small town send me some figures that in 2017 they will be taking from the people in their town \$400,000 more for natural gas. That's a town of 2,000 people. That's \$200 per person just for natural gas, and that's in the first year, Madam Chair – the first year – before the full increases hit in 2018. These impacts are huge. This is definitely a case of the wrong tax at the wrong time.

Now, we talk about the rebates, but rebates aren't available for nonprofits. They're not available for schools. How about charities, Madam Chair, organizations that rely on volunteers, that help the most vulnerable in our society? How about those charities, who have to pay more money for everything they do, too?

9:20

Small and medium-sized businesses, Madam Chair: their costs are rising, too. What can they be expected to do with the increased taxes? They have two choices. I guess they can fold up shop, or they can raise the fees that they charge their customers. If they raise the fees to their customers, what does that do? Of course, that just makes everything more expensive for everyday Albertans.

For school boards the cost of busing, an enormous cost in rural Alberta, transporting children to and from school: more expensive.

For municipalities the road grading, transporting gravel to the roads, all the different things that they do that require gas or diesel: more expensive. Again, they're forced to either raise taxes to recover that or reduce services.

We talked some yesterday, I believe, about large businesses that are in a world-wide, competitive market and whose headquarters might not even be in Alberta. They'll have to make a choice. With the increased cost of natural gas, should they close their business down? Should they move it elsewhere? Those are decisions these companies are going to have to make. There's a retrofit program, but there's not enough time for these large corporations to plan on retrofitting, never mind getting the job done and having the revenue to do that.

Thank you, Madam Chair.

The Chair: Thank you, hon. member.

Are there any other questions, comments with respect to amendment A2? The hon. Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Chair. I believe that this amendment brings accountability to an act that is lacking on any real metrics, any real transparency, and it's allowing the government to make regulations on the fly. This is a concern. Whenever you have a tax that the government can just move up and down at will, this is something that brings instability to all of the government that's involved and all the stakeholders that are involved.

Let's talk about some of the effects that this is going to have. In the end, what we need to be encouraging here is for the government to show that it's going to move in a direction and that it's going to stick to that direction, and if it's got the ability to be able to go into regulations and just change its mind at a moment's notice, that puts worry in the people that need to know that they can actually move forward with their businesses.

I know that the government has been moving Alberta in a direction that is showing that they want to, I guess, start to address

the climate change concern, and that's commendable. We need to start doing our part to make sure that our environment is actually something that we can know we've got a balanced approach to. Now, what I'm trying to get to here is that that word "balance" needs to come into play here, and balance comes through everybody that is involved with the carbon tax, the government included, knowing that they are able to count on a certain structure. That's what this amendment does.

Now, I like to read these because it's not always clear exactly what it is we're talking about. In the end, sometimes they can be a little bit more difficult to get through by what we're trying to bring in. This here is adding a clause, adjustment of carbon levy rates, to section 10. Again, we can argue whether this is a tax or a levy – a tax or a levy – but in the end what we're saying is that when you're taking money out of Alberta businesses, from Albertans that are taxpayers, your most vulnerable, we need to know, whether it is a levy or a tax, what exactly it is that they can expect.

Now, it says:

10.1 Notwithstanding section 79(1)(e), the carbon levy rates set out in the Table in the Schedule may not be increased by regulation.

I think that's quite reasonable. I believe that, in the end, we bring these rules into play so that we can't just go on the fly and say: "Well, you know what? Why 30? Why not 40? Why not 50?"

The fact is that we already do have taxes out there that are controlled by regulation. A good example is the sin taxes, the alcohol and tobacco taxes. We see those ones being adjusted quite regularly through regulation. I do understand that there is a component to discourage the use of alcohol and tobacco and to bring money into the treasury, and I can feel that the government is moving in that direction. If they price it too high, then what happens is that we end up with a lot of criminal activity bringing in the alcohol and the cigarettes. So it's a balancing act – it's truly a balancing act – on exactly: where do you want the tax? Are we competitive with other jurisdictions? If we're not competitive with other jurisdictions, then what happens is that the business goes to those other jurisdictions, and if there's money to be made or profit to be made at it, that resource or that service will actually flow through those jurisdictions into Alberta.

That's one of my concerns. You know what? Let's put in some reasonable expectation so that the government can't go in and unilaterally start raising these levies or taxes just on a whim. "We need \$50 million. Let's just raise this tax, or let's just raise that tax." That is a valid concern that I and my colleagues have, saying: let's actually make sure that if we are going to be adjusting something that is going to be impacting not just a small number of Albertans but almost every industry and every business, every resident of Alberta, there should be a discussion held. There should be something that Alberta is actually sitting down and debating. That's what we're saying: let's bring debate. Let's bring this somehow so that what happens is that the government can actually say, "We are raising this levy, and here is the intent; here is what we're going to do with that money," not that the money is just going to go into general revenues.

We need to be accountable. We need to be transparent. It needs to be reasonable. There needs to be a business plan. We haven't seen any of that so far with this bill. But you know what? Let's bring some limitations. Let's say that you just can't unilaterally start adding to the taxes.

A good example is something that we talked about over the last week, which is Bill 10. Bill 10 was getting rid of the debt limit that Alberta had. We were saying that there should be some accountability to taking on debt within the province. Now, you're saying: "Well, Scott, jeez, you know what? We'll be responsible

with regulations. We wouldn't want to start raising the levies that we've set here because we know better." Well, Bill 10, again, is a good example. We saw a 15 per cent of GDP cap set for Alberta four or five months ago, and last week we were already removing that cap. We didn't even extend it anymore. We didn't say: let's go to a higher number. We didn't say: well, let's examine what that number should be. It was: let's just get rid of it. That essentially is what this Bill 20 is doing. It is saying: trust us; we will set it at what we want, but we'll be responsible with it. That I find offensive, that we don't have any accountability for what these rates are actually going to be.

9:30

As a person that has read the federal Income Tax Act a lot, there is a reason why that book is this thick. It is to address and bring clarity and bring stability to governments across Canada. What happens if that clarity isn't there is that we end up with a lot of businesses taking advantage of the situation or, specifically, individuals starting to work outside the laws, which is why these things are being brought forward. Now, with regulations, these things can be changed very easily, and nobody would know. That's the problem. Nobody would know.

Now, in the end, you could raise the carbon levy against something very, very quickly, and because the industry that's affected doesn't want to get into a confrontation with the government that is moving Alberta in its own direction or ideology, then what happens is that they will actually not say anything because they're fearful that they are going to have some kind of reprisal. That is a concern. Suddenly we'll see businesses passing on this cost even though they have concerns. They will know that they are no longer competitive.

This brings it back to my original point. They know that they're no longer competitive with jurisdictions outside of Alberta, but because of the fear that they might have reprisals, they will do it anyway. They know that, in the end, they may not end up with a business. That is a concern. That truly is a concern. What we need to be doing is making sure that it is a playing field that is fair for everybody within Alberta. That includes the taxpayers: the residents, the businesses, the large companies. All of these stakeholders need to know that they can count on a structure that brings stability.

Now, it seems like every time we bring a bill forward in this House, there's something that has a component to it that brings instability to Alberta. The fact is that when we look at the amount of consultation that Alberta is doing when it comes to these bills, it is almost zero. Then what happens is that because we get these bills and we pass them within one or two weeks, there's not enough debate. Even when we do debate and move amendments like the one that we've got before us here that says, "Let's be responsible and put a limitation to what we are able to do by enshrining this in legislation," we see that the government is saying: "You know what? We know the direction we're going. It doesn't matter what arguments you bring forward. We are going to go in this direction." That is where the troubling part of all of this is. We end up with people having wonderful visits out on the front doorsteps, like with Bill 6. You know, the fact is that a lot of these things could have been prevented.

We see that a bill regarding the MGA review is being put forward. We have ministers going out to the communities within Alberta right now, and that's admirable. It's great to see that we actually have some engagement being done by the Ministry of Municipal Affairs. They're saying: "You know what? Let's table the act that we're looking to push through. We will give Albertans the ability to see it, to read through it and find out where they fit

into this legislation.” Then they’ll be able to maybe go back to the minister and say: “Have you considered this? Have you considered that?”

That is the concern here, that a lot of times what happens is that when we go through these things so fast, the unintended results are what we end up with. Now, I will say that when we look at the unintended results, they bring on instability, which brings unstable government, which, in the end, as I’ve mentioned multiple times in this House, brings unemployment. That is where my riding is right now. We’re seeing a ton of unemployment. We are seeing a ton of vacant houses.

Now, this carbon tax, or levy, whatever way the government wants to phrase this, is going to continue to bring instability, but by bringing in the fact that the companies can know that before these rates can just be changed on the fly, at least there’s going to be some warning of it, they’ll be able to voice their concerns to the MLAs where their businesses or corporations reside. That is where we’ve got a very fair system, where if we do have an increase in a levy, we can actually have the MLAs saying: “Wait a second. We need to do more of an economic study to make sure this is what we’re trying to do.”

Nobody wants to pay taxes. I will acknowledge that. We all will pay taxes. It comes down to: how are we being treated, and is it fair? With this loophole in the current Bill 20 legislation, being able to change something on the fly doesn’t make any sense. It creates the exact opposite of what we’re trying to do, which is to bring stability back to Alberta. That is what the government continues to say, that with Bill 20 we will have the social licence to do all of the things that we want to do. We can make more oil. We can get pipelines. We can do all these wonderful things. But you can’t do any of those things without stability. Stability is always the key. An unstable government is always an unfair government, and that is something that I will live and die by.

The fact is that when we start looking at that, we’ve got an ability right now to change these levies. Are we going to be doing the necessary research to ensure that we are not going to have these businesses leaving Alberta? I’ve already mentioned that we’ve had increases in several of the taxes within Alberta. Again, as I’ve said several times – you know what? I agree fully and wholeheartedly with the NDP that these tax increases were not a secret. This was on their website. This is just a fact. They were elected as government with many of these tax increases. Whether it was accidental or on purpose that they were elected is debatable, but in the end they were elected. They had it in their platform. But this carbon tax was not there. I will ask the question: how can we state that this is the crowning framework for Alberta? It wasn’t even in their platform?

9:40

My comment here is that the reason it wasn’t in their platform is because the government knew that Albertans wouldn’t accept a carbon tax. They wouldn’t accept that. They demanded a balance to the environment; that I will agree with. That is something that the NDP did bring forward. They were very adamant on that, and so was the Wildrose because it is important that we are in the environment and able to have future generations enjoy what we currently enjoy or what our parents enjoyed.

Now, to get back to this amendment, we need to be looking at ensuring that Albertans can see stability coming forward. With the tax increases that we’ve already seen, which, I’ve just said, were on the platform website, we still haven’t seen the repercussions from this. I’m hoping that the tax increases that the government has pushed through, which were clearly on their platform, are where they end, that we’re done with tax increases. I’m hoping that this

carbon tax is the last tax that gets implemented because, in the end, this is hurting my riding.

The fact that we have left a gaping hole in being able to raise this tax whenever we want is a concern for me. There is no way that we should ever have such a large-impact piece of legislation going through like this, with such a gaping loophole. It isn’t reasonable that we are looking towards making sure that Alberta is not going . . .

The Chair: The hon. Member for Calgary-Shaw.

Mr. Sucha: Thank you, Madam Chair. While we all sort of digest this amendment, I really feel it prudent that we go back and kind of discuss the premise around carbon pricing. You know, as we were talking about this climate leadership plan and as we were moving forward, I felt it prudent as a former business operator, who operated several different restaurants that made multimillions of dollars in revenue annually, to do a bit of homework and compare it to what is done in a lot of other nations. When I did some digging around carbon pricing, it’s not like we’re inventing something new that’s extraordinarily scary, that destroys the world. This is in place in 40 different countries and nearly 20 different cities and states. This covers a 13 per cent global emissions reduction, and this is citing the World Bank’s statistics that I’ve been able to pull up here. Forty countries. At the end of the day, if 40 countries are doing it, it seems like there must be some effective means about what is occurring here.

Now, I and many of the other members here generally speak about a very passionate member who used to sit in this Chamber. While there were certain policies of his that I respectfully disagreed with, there are many other merits and his business acumen that I actually respect immensely. I compare it to the great things that he did as a former chancellor of the University of Calgary. With pride I always say that he is a former Member for Calgary-Shaw. I’m speaking of former Alberta Treasurer Jim Dinning, who cited that carbon pricing is cost effective, meaning that it achieves emissions reductions at the lowest possible cost to the economy.

They cited in this report:

The Alberta government could have chosen to regulate emitters to use specific low-carbon technologies or to achieve a given level of emissions performance. But in fact, regulations cost more than a carbon price, because they reduce the flexibility emitters have to find the cheapest way to reduce emissions.

A carbon price encourages emitters to find innovative ways to avoid paying the tax, because the gain goes straight to their bottom line. In addition, a carbon price provides an ongoing incentive to find ways to reduce emissions, and this can be a powerful force for driving long-run innovation.

In my span as a former restaurant manager I had a very great opportunity to work for an American-based company at a very fortunate time. It was when California implemented their ways to reduce greenhouse gases. So the company took an approach, and they decided that across their company, internationally and nationally, they were going to put systems in place to reduce their output, to try to make sure that they could find cost savings. They built habitual changes. To me, in fact, it was a very engaging time to be at that restaurant because there are always so many different ways that you can reduce your emissions costs.

To throw back, I’m sure many of the members in this Chamber have looked at their energy bill. I remember that when my wife and I first bought our new house in the gorgeous constituency of Calgary-Shaw, we did a lot of things to try to reduce our outputs. We changed all of our light bulbs. We got that film where you use hair dryers to put it over your windows to try to reduce leakage. The challenge I had was that when we saw our bill the next time, we

saw a very small decrease, maybe a buck or two, and we were shocked. The reason is because the majority of our electric bills are service fees. So when we try to change the habits that we have, we don't see any return.

Now, going back to my time in the restaurants, one of the things that was very intriguing during that time that we were building on habitual changes was that there were a lot of stickers all over the place because we talked about firing times. Restaurants utilize a lot of natural gas. They use a lot of energy. You have light bulbs all over the place. You have restaurants that open – you know, you're usually there at 8 o'clock as you're opening at 11. One of the major habits that we all used to have going into these restaurants that we worked at was that you would walk in at 8 o'clock with your chef; you as manager would turn every light in the restaurant on even though there wasn't anyone in those spaces, and your chef would turn on every piece of equipment. He would turn on every stovetop, and you'd get going on your day, when in reality some of that equipment didn't need to be turned on for another three hours. There are also cases where you have your natural gas burners and you're leaving every single one of them on for a solid three hours when you only have five or 10 guests going into your restaurant. It's not very necessary, but the impact of doing this is so minute for these businesses that there is no incentive for us to really change our habits.

The thing that was very remarkable during this time was that we were able to find ways to really change our habits, whether it was changing our firing times so that instead of turning on the burners and the stovetops at 8 o'clock, we were turning them on at 11. That was three solid hours that we weren't pumping and burning natural gas through those lines. With our lights, instead of turning every light in our restaurant on at 8 o'clock, we were turning them on at 10, when our service staff got in to set up.

If you look at sort of the large scheme of things, in some cases we were reducing our outputs by 50 per cent, especially on a slower week. If you're to even look long term – because the restaurants that I operated could have been defined as a small business, so you have a small-business tax reduction, so we are going to be working towards finding our efficiencies – in theory, if I was to go back to one of my restaurants, we would actually be making more money next year.

You know, we have to find these ways to make sure that we work together to encourage these growths and changes because one of the major challenges that we really face with trying to tackle climate change is the convenience factor, and looking long term, I think there's a great opportunity for businesses to be those innovators that Jim Dinning talks about, for us to really lead the way. If you look at sort of the global spectrum of Alberta here, we have a lot of businesses that are founded or centred in Alberta.

9:50

Now, as we unroll this new climate change plan, it reminds me of the time that I worked for a U.S.-based restaurant, where because one state changed what they did, every restaurant across North America changed their habits. Since we have several Calgary- and Edmonton- and Alberta-based businesses, us changing our policy could potentially cause businesses across the nation and across North America and, potentially, across the world to change their habits and be ready for carbon pricing, which we are seeing start in several different jurisdictions, not only our own.

You know, I'm happy and look forward to seeing many fulsome debates, but I really felt it was important for us to pull ourselves back and look at the context of this entire thing here as well.

Thank you, Madam Chair.

The Chair: The hon. Member for Lacombe-Ponoka, followed by Calgary-Elbow.

Mr. Orr: Thank you, Madam Chair. I would just like to comment on the previous member's statement. Good for them. Great for them. I just need to point out, though, that that was done by private industry prior to a \$3 billion tax grab, without any pressure from the government to force them into changing their behaviour. They did it for good, solid economic reasons. They did it of their own free will. Business everywhere is trying to find ways to be like this. I don't understand what the point of adding a \$3 billion punitive tax to them is going to help. It just kills business in Alberta. Anyway, they were doing it on their own already. What the point of this is, I'm not sure.

But I'll get to the amendment. Madam Chair, do we have a number by which we're referring to this amendment? I didn't hear that.

The Chair: A2.

Mr. Orr: A2. Thank you very much.

Carbon pricing clearly is valid. It works. There's never been much question about that. The challenge that we have and the problem that we have is the fact that unilateral taxation is not. This is actually an amendment that simply asks the government to exercise some restraint as it moves forward. Without this amendment the government is giving itself too much power. In fact, it's a very undemocratic situation we're beginning to find ourselves in. I would like to remind the House that the whole point of democracy, the whole point of the evolution of democracy has been to limit the power of the Crown, especially, if you go back to all of the early documents and all of the early fights in Britain, in regard to taxation. It's a limitation on the powers of the Crown.

I'm not a constitutional lawyer, but I would almost begin to think that we are approaching a point here where there could be a constitutional challenge that this grants powers to the Crown of taxation without any proper accountability at all. Essentially, every time the government wants to increase its slush fund here, all it has to do is decide in council that, well, we need a little bit more money. There's no consultation. There's no discussion in the House. There's nothing. They just do it. According to democratic principle in order for the Crown to increase the taxation that it takes from people, it has to have the authority of the House. It has to have the confidence of the House. It has to bring that money bill into the House. It has to request permission of the House. It has to win the vote, and if it doesn't, the government falls.

Here we have a tax grab that just increases itself in incredible kinds of ways. I would like to remind the members that this, in fact, is a carbon levy, which is just another word, as we've seen, for taxation. We're having unilateral taxation here without going back to the House. The Crown is going back about 800 or 900 or a thousand years and abrogating to itself the powers of taxation without representation in the House, without the vote of the House, without even having to bring it forward into the House. It is extremely, extremely troubling that we should be going this far.

The levy table that we're talking about, that would increase the levy rates, is, in fact, a bill that is taxation. This is troubling. This is problematic. This is as antidemocratic as you could possibly ever become. This is a real question of the Crown abrogating to itself the powers of taking funds without having to even speak in the House about it. This is troublesome. Every time the government wants money, it just takes it.

Furthermore, I think that it should be understood in another way. The use of electricity, of fuel, of heating fuels is essential to our

lifestyle. We can't just turn off the heat in homes. We can't just tell people, "You can't have any fuel. You can't drive anymore" because then they can't get to their jobs. This becomes a job-killing spinoff. In labour negotiations we reserve some things as essential services and rightly so. We should. Some things are essential in life. The government needs to protect the essential services of power and fuel for transportation, heating people's homes. But having the unlimited ability to just tax without restraint is counter to every principle of this House.

Of course, we see that with this government moving in this way endlessly. We have a budget in which they have raised the funding incredibly. They've removed the debt ceiling. We had a debt ceiling in this province, but the government wants the power of unrestrained taxation, and here we see it in a second form. First, we remove the debt ceiling. Now we give them absolute powers to raise the levy fees, the taxation fees, that are assessed to people. We're not just talking about small amounts of money here. This isn't just small fees in Service Alberta. We're talking about \$3 billion, which rises from there in the years to come. This is utterly and completely undemocratic.

This carbon levy, this carbon tax, is a burden upon the people. As we saw yesterday, the word "levy" is synonymous with "burden." Tax burdens were the whole reason for battles in England and in parliament to create democracy, and it virtually created, actually, revolutions in that country. The years between 1780 and 1820, as I've said before, were times of great social reform in Britain. They were driven by higher taxation. It was the high taxation of the Crown upon the people that drove much of the social action that actually led to the creation of social action and labour unions and all kinds of things. Here we have a government that wants to raise billions in levy fees at whim of parliament, at the power of the Crown without so much as even bringing it into the House for discussion. I think it's not only antidemocratic; it actually pushes the edge of being anticonstitutional.

Furthermore, the government ties up burdens for all kinds of other people that it doesn't lift a finger to resolve itself. How has the government actually shown others by example that it's reducing its own carbon footprint? Has the government done anything to reduce the number of miles that are going to be driven by government vehicles? Is the government going to turn down the heat in government buildings? Is the government going to do anything real and actual that actually reduces the carbon footprint in this province, or are they just going to set heavy burdens that require everybody else to do it and continue on their merry way, raising taxes and making them pay for it?

They set carbon footprint targets for industry. Where are the carbon footprint targets for government expenses and government vehicles and government buildings? They tell the people to suck it up and change their behaviour. I have yet to see a government footprint baseline and government footprint targets to quit their own carbon emissions. There are no directives to reduce the heat or the mileage or anything. What about all the government ABCs? Has there been any direction to them to actually reduce their carbon footprint? How will this government change its own behaviour if they expect the people to change their behaviour?

We are here asking if the government would amend its arbitrary powers, arbitrary powers of the Crown to tax the people. We have here carbon zealots burdening the people without consultation in an antidemocratic way that they aren't even practising themselves. This is the ultimate in hypocrisy. There are all kinds of people that are going to suffer immensely in this.

10:00

In my own riding just this last week I have a charity that is shutting down. Loaves & Fishes is the charity. They are ceasing to

operate on July 1. They're transferring their assets to someone else. They've been there for more than 20 years. They provide meals, soup kitchens, school lunches for children, all kinds of other services. They have facilities there, but they're so stressed for finances and are now seeing all of these increased expenses that are coming at them. They're not going to be able to pay their carbon tax. They're not going to be able to pay the increased costs. They feed 350 students a day, and in the economic downturn their income has just been too difficult to get. They say that grants are tight, donations are down, costs are escalating. So they are shutting the doors. They're asking someone else to see if they can take it over. Maybe they can do it, because they can't do it anymore.

Here's a case where the government was contributing about 30 per cent through grants and contracts and getting a hundred per cent social benefit, but now we have a carbon tax that essentially pushes them to the tipping point, where they are not going to be moving forward on this. This is not social licence to tax charities, my friends, to push them into insolvency. They're already on the razor's edge, and now we push them on this.

The authority to give the government absolute, unrestrained, arbitrary, unlimited powers of taxation is completely and entirely and totally wrong. If I could see the government actually changing their own behaviour, I might be a little bit more inspired with this particular kind of a bill. This carbon tax bill is nothing but hypocrisy to the core. I don't see the government practising their own efforts.

They accuse us constantly of not doing anything. Well, I'd like to share with you that I, in fact, spent the money just recently to build a house. It's a smaller house. I spent the money to insulate it to more than double the code. I bought the very best windows possible. Every single light that I put in is an LED light. I did not even put natural gas into my house because I built it oriented to the sun; I get solar energy. I did this all without the need of shrill screaming by the opposition, without the need of a \$3 billion punishment tax to persuade me to do this.

People understand this, and to sit over there and say that we don't understand any of it is the ultimate in lunacy. I have probably done more than many of you have done, yet you accuse us constantly of not participating or understanding or being involved. I think you're the ones who don't understand, who don't participate, who just want to scream and yell, yet personally I don't see any leadership or example on the part of this government doing these things.

You know, global warming has been around for a long, long, long time. I remember being in grade school in 1960 . . .

An Hon. Member: What?

Mr. Orr: In grade school in 1960.

. . . and hearing that there was global warming.

I'd like to share a couple of numbers with you. They're kind of quirky little numbers. When I was born, there were 2.7 billion people in this world. If you multiply the population of 2.7 by its inverse or if you just square it, you end up with 7.2. The population of the world today is approximately 7.2 billion. What that means is that the population of the world in my lifetime has increased by 2.7 times, almost three times. If I am fortunate enough to live a few more years, it will be three times in my lifetime, and then for you to sit over there and say that we don't know anything about this – you know, the population of the world in my lifetime has essentially tripled. You don't think that has an impact on the world we live in? Of course. What do you think? Did you guys just figure this out? Is that why you're so panicked? I mean, this has been going on for years and years.

It's the shrill finger pointing and the chicken clucking and all the rest that discredit your entire message, your entire thing. If you

would take a more balanced, sensible approach – there are many people, including the businesses that have just been outlined, including individual people, who are doing everything they can. A \$3 billion punishment tax just to try and win your political points doesn't win you any friends or any support in this province. No wonder many of the people in this province look at you and feel like that.

On top of it, I don't know if any of you have been outside this last winter. We just had the warmest winter we've had in years. Everybody loves it. So what does that tell you? Is the world getting any warmer? I mean, this has been going on for – like I said, since 1960 I've known this, and you sit over there and say that we're deniers. You're the deniers. You're the ones who don't get it. [interjections] Glad you're waking up. Glad you're waking up.

I think you've just discovered a reality, and all of a sudden you're panicked. What needs to happen is sane and sensible and realistic solutions, but a \$3 billion tax grab, rushed through, that punishes everybody in this province is not a helpful solution, especially when business and individuals are already trying to do it.

Thank you.

Mr. Clark: Wow. That is a tough act to follow, my friends. I'm not sure where to begin. I'm not sure if that's an argument that climate change is real and human caused or that climate change is real but not human caused. I'm not clear on that. Perhaps I'll have to go back and read the Blues, and we can determine for ourselves later.

You know, I wanted to pick up on the comments by the Member for Calgary-Shaw. I want to indicate that I am speaking in favour of this amendment. I think that there's some merit to putting some brakes on future increases to a carbon tax.

The arguments made by the Member for Calgary-Shaw really were around the need for a carbon tax in general, speaking about Mr. Dinning and his comments recently. I don't think, on this amendment, certainly from this seat, that we are in any way, that I am in any way questioning the need for a carbon tax. I've said it before, and I'll say it again: I support a carbon tax in Alberta. I'm not sure that I support this carbon tax. I think we need to not selectively read the comments of Mr. Dinning either. It's important to read the entire article and his comments around carbon taxation. The fundamental economics that he's talking about I absolutely agree with and I embrace. If you want to incent innovation, if you want people to avoid a cost, you make it cost more. That is really what Mr. Dinning and what the Ecofiscal Commission are talking about, and that is a carbon tax but not necessarily this carbon tax.

Why I support this amendment is that I think it's a good compromise. I think what it allows is for this government to pass a carbon tax with some assurance – and we will be bringing further amendments. I will be bringing a further amendment myself, hopefully this morning. But this as a part of a suite of amendments, I think, could get me onside with actually supporting this carbon tax.

One of the challenges Albertans have is a worry that passing this carbon tax with a government that through regulation could raise this carbon tax at will at some undetermined future date creates concern in the minds of Albertans. If any future increases to the carbon tax needed to go through the Legislative Assembly, I think that's a good compromise and builds trust, builds trust of Albertans that this carbon tax, in fact, will not have unintended consequences. It also allows us, which I think is the intent of the government by scaling in the carbon tax first at \$20 and then at \$30 a tonne, to figure out exactly what this tax is going to look like in practice, how it actually works.

Some of the concerns we've heard from our friends in Wildrose, some of what I would frankly say are more fantastical concerns,

that I don't think are likely to happen – I don't think that the world is going to stop spinning. I'm fairly confident that on January 1, 2017, the sun will still rise, and I think there will still be economic activity. But I think it's a fair question: what if? What if things don't go according to plan? What if this isn't as successful? I think Albertans deserve some opportunity to really understand what this particular tax means for them and to have some assurance that the tax rate will not go up beyond \$30 without a proper review by the Legislative Assembly. As the legislation is written now, via an order in council Executive Council can simply, with a stroke of a pen, increase the carbon tax. That's what this amendment addresses.

10:10

There has been talk, in fact, if you read the Leach report, of indexing the carbon tax over time. Now, I imagine that what the government envisions through the way their legislation is currently written is to in fact index and incrementally increase to ensure that the carbon tax keeps up with inflation and cost of living. But if that's the case, put that in the legislation. I don't see it in the legislation. I will stand to be corrected if it's in there. Regardless, I think it's important that any future increases to the carbon tax are brought before the Assembly so that all Albertans have an opportunity to debate that and not simply passed by an order in council, which is why I support this amendment.

Thank you very much, Madam Chair.

The Chair: Any other speakers to the amendment? The hon. Member for Calgary-East.

Ms Luff: Thanks very much, Madam Chair. I just want to rise and clear something up for the House. I appreciate all of the points that have been made, and I appreciate the opposition's desire to ensure that if changes to these rates need to be made, they would need to come through this House in order to do so. I just want to assure the House that that is in fact currently the case in the legislation.

On page 79 of Bill 20 there is a table that sets out the carbon levy rates. It has one column that says "Carbon levy rate for 2017" and then another one that says "Carbon levy rate for 2018 and subsequent years." The rates in this table, being in the legislation, in the schedule, cannot be changed without amending the act. That would require bringing an amendment proposal back to the Legislature. So in order to change the rates that have been set out – \$20 a tonne in 2017, \$30 a tonne in 2018, continuing into the future – we would have to bring the legislation back. It would have to be opened up, and we would have to have another discussion in the Legislature.

With respect to section 79(1)(e), which was discussed in the amendment, about having the ability to change rates in the regulations, we've confirmed with Treasury Board and Finance officials that this regulation-making power does not apply to carbon levy rates. Basically, the carbon levy rates are there in the legislation, page 79. If you want to change them, we have to come back to the House to do so. So I would say that this particular amendment is unnecessary. As it is unnecessary, there's no point in passing it, so there we go.

I do appreciate the opposition members' desire to tell us that they believe climate change is happening now. I appreciate that. However, I would ask them to go a step further. If you believe that it's happening – and I also appreciate that you've been doing things in your own homes to, you know, make sure that you're using energy efficiently. I know that many of us on this side do, so that's fantastic, but that's not enough. It's not enough to reduce our emissions.

Mr. Taylor: What?

Ms Luff: Well, individuals – we have to do it as a whole society, and we're not doing it.

If you believe that climate change is real and that we want to preserve the environment and that we want to do something about it, my question to you is: what do you propose to do about it? There is broad-based consensus in the economic and scientific community that a carbon price, an economy-wide carbon price is the most efficient way to do this. It's the most effective. It's the most efficient. It's going to have the effect that we want, which is to reduce our emissions, which will help us combat climate change, which will help us adjust our economy in Alberta, adjust to what is a new global economy.

We are dealing with a situation in the economy where we are moving to a carbon-constrained future, and we cannot – we absolutely cannot – continue to do things at the status quo if we want our economy to adapt and diversify and for people to be able to have jobs moving forward. We need to do something to allow our economy to adapt. By saying, “We believe in climate change, but we don't want to do anything about it,” you are not helping.

In summary, I would ask the opposition – okay. You believe that climate change is happening. Well, do you want to reduce emissions? Do you want to reduce emissions? Then, if you want to reduce emissions, do we want a more competitive, more efficient, less carbon-intensive future? We live in a particularly resource-based, trade-exposed economy, so in order to minimize carbon leakage and enable us to access markets, we have to show leadership in climate change. This is what we are doing. We are creating jobs. We are reducing emissions. We are making Alberta healthier for Alberta's children.

The amendment is not necessary. You have to open it up. We don't need it. It's already in there.

Thanks very much.

Mr. Hanson: Just very briefly, that clause is not clear. It does give the government an out. If you truly believe that that legislation is already in there, then you should have no problem at all voting for this amendment, which clarifies that. If we really want to do something about climate change, we should be taking our industry standards and bringing them out to the rest of the world and helping them get up to Alberta's standards.

That's all I have to say.

The Chair: Any further speakers to amendment A2?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A2 lost]

[Several members rose calling for a division. The division bell was rung at 10:16 a.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Aheer	Hanson	Rodney
Clark	Jansen	Schneider
Cyr	Loewen	Stier
Gill	Orr	Taylor
Gotfried		

Against the motion:

Anderson, S.	Hinkley	Piquette
Bilous	Horne	Renaud
Carlier	Littlewood	Rosendahl

Carson	Loyola	Sabir
Connolly	Luff	Schmidt
Coolahan	Mason	Schreiner
Dach	McCuaig-Boyd	Shepherd
Drever	McKittrick	Sucha
Eggen	McLean	Turner
Fitzpatrick	Miller	Westhead
Ganley	Miranda	Woollard
Goehring	Payne	
Totals:	For – 13	Against – 35

[Motion on amendment A2 lost]

The Chair: We are back on the main bill.

The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. You know, there's been a lot of discussion in this House, or some discussion in this House last night, anyway – and it's certainly something that we talked about previously, under the last amendment – about the importance of the perception Albertans have on this particular initiative, on the carbon tax, and, I think, the merits of a carbon tax as a whole.

I've said it before, but again for the record I'll state that I am in favour of a carbon tax. The Alberta Party this past weekend, at our policy convention, in fact, voted in favour of a carbon tax as part of an overall suite of initiatives to ensure that Alberta has a sustainable and economically prosperous future, especially as it relates to electricity generation. This is something that I know is on the minds of not only many Albertans but many around the world as we try to grapple with human-caused climate change. How do we here in Alberta as an emitter but also as innovative, thoughtful citizens address those challenges? How can we truly lead in this area?

While I clearly have said that I am in favour of a carbon tax, one of the most important principles of a successful carbon tax, I believe – and I will make a case here this morning that I believe the evidence shows that for a carbon tax to be successful, it should be truly and genuinely revenue neutral.

With that, I would like to move an amendment, Madam Chair. I will hand this out now and wait for the table to get a copy before I proceed.

The Chair: This will be known as amendment A3.

Go ahead, hon. member.

Mr. Clark: Thank you very much. I move that Bill 20, Climate Leadership Implementation Act, be amended in schedule 1 in section 3 by striking out subsection (2) and substituting the following:

- (2) The revenue from the carbon levy may only be used
 - (a) for initiatives related to reducing emissions of greenhouse gases, supporting environmental innovation and supporting Alberta's ability to adapt to climate change, subject to the requirements set out in subsections (3) and (4), or
 - (b) to provide tax rebates, tax credits or adjustments related to the carbon levy to consumers, businesses, and communities.
- (3) For the fiscal year ending March 31, 2017, the revenue from the carbon levy directed to the initiatives outlined in subsection (2)(a) shall not exceed 50% of the total revenue collected in that fiscal year and the revenue directed in the subsequent 4 fiscal years to the same initiatives shall be reduced to the following levels:
 - (a) 40% of total revenue collected in 2017-18;
 - (b) 30% of total revenue collected in 2018-19;

- (c) 20% of total revenue collected in 2019-20;
 - (d) 10% of total revenue collected in 2020-21.
- (4) For the fiscal years commencing 2021-22, and thereafter, there shall be no revenue from the carbon levy directed to initiatives outlined in subsection (2)(a).

I will unpack that for you. Just for those of you following along at home on Bill 20, I'm talking about section 3, starting on page 11. It's a long bill, and hopefully that will help.

Really, what we're driving at here – and I would argue that the amendment discussed and defeated last night was to in fact strike subsection (2)(a) entirely, which is probably preferable, where we would make the carbon tax revenue neutral out of the gate. This, I think, is a compromise and, I would hope, something the government would seriously consider, which would gradually make the carbon tax revenue neutral, allow the government to provide direct transfers and to support infrastructure-type projects or other initiatives but to only do so for the first five years of the carbon tax and wean the government's reliance off this over time.

Now, some may say: but, hon. member, shouldn't we be doing things like supporting environmental innovation and an ability to adapt to climate change, et cetera, by doing things like green transit and that sort of thing? While I absolutely, unequivocally support those sorts of activities, I don't believe that the carbon tax is the appropriate way to fund those sorts of activities. I believe that things like transit especially are initiatives that ought to be funded out of the existing capital plan.

What this does is that it enforces fiscal discipline on the government. It avoids the temptation, either real or perceived – and I would argue in this case it's real – for the government to borrow from the carbon tax, to use the carbon tax, to lean on that to fund what really ought to be core government programs. It resists that temptation. In reality it resists that temptation. In the perception of Albertans it's equally and, I would even argue, perhaps more important that Albertans then believe that the carbon tax is not a tax grab. Now, remember the frame that I'm coming at this from. I believe a carbon tax is a good thing. I believe it's time. I believe it's the right tool, but it has to be deployed the right way.

If Albertans don't have faith in the carbon tax, it's going to become a real mess. It's going to become a mess for this government, and there's a risk that what happens here in Alberta will be the same thing that happened in Australia. Australia implemented quite an aggressive carbon tax. A government subsequent to the more left-leaning government, the Labour government, that implemented the carbon tax, a much, much more conservative government, was elected as a result of backlash to that government's carbon tax. Unfortunately, as a result, they've scrapped it entirely, and now Australia is seen as a global laggard on climate change and carbon emission. That's a problem. I don't want my province to be in that position. As a result, I would genuinely encourage this government to consider supporting this amendment.

10:40

Now, I want to talk briefly about some argument for why a revenue-neutral carbon tax makes a lot of sense, and I'll refer again to the School of Public Policy briefing paper, volume 9, issue 15, April 2016, by Kenneth J. McKenzie entitled Make the Alberta Carbon Levy Revenue Neutral. It makes the case that I have made now, that

a price on carbon emissions . . . (at least partly) reflects the social costs of emissions. Viewed through this price lens, the carbon levy plays an important role in incenting firms and individuals to change their behaviour and move towards less carbon intensive activities.

I'm sure we all agree, and certainly the government side would agree, that that is the objective of a carbon tax. Those are good things. That's what we want.

He talks about:

The second lens . . . of a carbon tax [being] a part of the broad revenue system. Viewed through this tax lens, a carbon tax is not a very good, or efficient, way of generating revenue . . .

I think that's really important for the government to understand, and that is the driving purpose behind my intent here to make this carbon tax revenue neutral.

. . . the carbon tax is applied to a narrower base than . . . [other] taxes. Moreover [those] carbon taxes interact with other taxes in the economy, exacerbating the economic costs associated with those taxes . . .

I want to talk about the economic costs of corporate income tax, and I want to talk about the economic costs of personal income tax.

. . . research shows that the total cost to the economy of raising an additional \$1 in revenue through the corporate income tax in Alberta is \$3.79 . . .

I'll pause there for a minute. What that means is that every dollar increase to corporate income tax has a negative impact 3.79 times higher. That's not good. For personal income tax the negative impact of each dollar raised through personal income tax is \$1.71.

These taxes . . . impose higher costs on the economy than they [generate] in revenue.

That's a negative impact on the economy, corporate and personal taxes.

So if we swap the carbon tax revenue for reductions in personal and corporate tax revenue, that's a net positive to the economy just simply in a straight economic frame, but it has the dual benefit of incenting reductions in carbon emissions and creating a frame where innovation can happen. Let me tell you that if this province is good at one thing, it's innovation. We have a tremendous entrepreneurial culture. We have tremendous technical people, tremendous engineers and scientists and academics and finance folks, who know how to pull that all together. This is a tremendous opportunity for this province. I see that a carbon tax done right can be a tremendous opportunity.

I want to talk briefly about what that actually means in terms of impact on GDP. The Ecofiscal Commission has done a report where they evaluate the effects on GDP growth of various carbon tax options. By far the greatest negative impact on gross domestic product in Alberta is transfers to households. That has a negative impact of .12 per cent of GDP. Comparing that to a corporate tax reduction, it has only a negative .02 per cent impact on GDP. A corporate tax cut has by far – by some measures some would say that it's six times less of an impact on gross domestic product than to use the carbon tax transfers to households. Personal income tax cuts are also better than transfers to households as are investments in clean tech and transitional support to industry. The essential point is that the cut to corporate income tax is by far the best use of carbon tax revenue.

Let's talk, then, about carbon emissions reduction and what we actually expect to achieve, because one may wonder: all right; if we're cutting corporate tax, does that, in turn, increase carbon emissions? Of course, we don't want that. Well, the good news is that cutting corporate tax has very little – actually, if you look at the report, you need to really zoom in on the bar graphs to determine which line is higher. The cuts to corporate income tax actually result in exactly the same or perhaps even greater greenhouse gas emission reductions by the year 2032, direct actual reductions in emissions. The household transfers, corporate income tax, and personal income tax reduction in greenhouse gas emissions are essentially identical. There are substantially more actual reductions

of emissions than spending the money on transition support for industry. Technology investment has a slightly higher greenhouse gas emission reduction.

Now, emissions lost from competitiveness or carbon leakage: that would be either individuals or industry choosing to operate in a different jurisdiction yet continuing to emit, which I think, obviously, is an unintended consequence that we really want to avoid. The corporate income tax, in fact, is better than household transfers in that regard, but it's really not material. If you look at this chart – and I'm happy to share it with anyone who would like to see it – it is not a material difference. They are essentially the same thing.

What I'm saying is that if we're going to do a carbon tax, let's do it the right way. By using carbon tax revenue in a truly revenue-neutral way, we will find that we not only reduce carbon emissions; we have the least impact, the least negative impact on our gross domestic product and therefore on our economy.

Let's talk about British Columbia and their revenue-neutral carbon tax. In their budget they produce a very helpful, very simple, very transparent one-page summary of how British Columbia's carbon tax revenue is spent. In fiscal 2015-16 they forecast to collect \$1.2 billion in their carbon tax revenue, and they're going to offset that through personal income tax cuts, broken down by low-income climate action tax credit, that they're spending \$192 million on; reducing their personal income tax rates by 5 per cent in the first two brackets – that will use \$283 million – a northern and rural homeowner benefit; a B.C. seniors' benefit; a small-business venture capital tax credit; a training tax credit.

The general corporate income tax rate has been reduced to 11 per cent from 12. The small-business tax rate has been reduced through the course of the carbon tax from a high of 4.5 per cent in 2008 to 2.5 per cent. The corporate tax small-business threshold was increased from \$400,000 to \$500,000, which means that that lower corporate small-business tax rate applies on the first \$500,000 of earnings, not the first \$400,000 of earnings. A digital media tax credit, a training tax credit, scientific research and experimental development tax credit, film incentives, production services tax credit enhanced and extended from an earlier tax credit: again, this is a very transparent, very clear, very straight line from the higher tax that British Columbians pay at the gas pump. Those of you who have travelled to B.C. know what I'm talking about.

That's exactly what the experience is going to be here in Alberta. On January 1, 2017, Albertans will see a 4 and a half cent increase per litre and then a 6 and a half cent increase per litre on January 1, 2018. That is something that they see every single day and that has a direct impact on their pocketbook. Probably, if all goes according to plan, that will in fact impact the choices they make and will have, I would hope, a positive impact on carbon emissions, and that's the goal of this.

If this government can say, "Good news; I am also going to reduce your personal income tax so at the end of the day you keep more of that hard-earned money," Albertans will understand. They'll say: "You know what? I understand what we're doing here." What we're doing is that we're shifting a tax burden from one hand to the other because it's been determined that not only are there societal, social, moral benefits to reducing carbon emissions, but there's also an economic benefit in doing so. It makes sense. We want an incentive for people to work hard. That's a good thing. That's why people come to Alberta, why they stay in Alberta, that tremendously competitive tax rate.

On the corporate tax side I think it's remarkable to note that the least impact on our economy is through corporate tax reductions. I have a real concern that this government has raised corporate taxes from 10 to 12 per cent and, in so doing, I think, has chased away

investment. Now, we don't need to be reducing that perhaps even back to 10 per cent, but what if we were able to reduce it by a single per cent? What if we were able to make Alberta's large corporate tax rate tied for the lowest in the country? What if we were able to do that without a negative impact on the economy, in fact, perhaps even a positive impact on the economy? We reduce the risk of tax leakage, of companies choosing either to relocate or to file their taxes legitimately and legally elsewhere in Canada where there's a lower tax rate. At 12 per cent that's a risk. It's a real risk.

10:50

Many, many, many accountants make a very good living ensuring that their clients legitimately and legally file their taxes in the lowest cost jurisdiction. For a long time Alberta benefited from that. That is no longer the case with a 12 per cent corporate tax rate. What if we were able to use the carbon tax to reduce the corporate tax rate by even 1 per cent? What I think you will find is that that actually increases the take of corporate taxes in Alberta because it will generate more economic activity. It will result in more companies choosing to file their taxes in Alberta even if the economic activity is the same, but I think that it would ultimately benefit Alberta.

This, my friends, is a win-win-win. It's good for the province, it's good for the economy, and it's good for the Earth. I think that it's good for the government to be able to say: "Not only have we made this carbon tax revenue neutral over time, but we listened to an argument from the opposition. We looked at this amendment, and we said, 'You know what? That does make some sense.' We were thoughtful in how we implemented the carbon tax." Let me tell you, it's sure going to make it a lot easier for me to support your carbon tax.

I'm in favour of a carbon tax in principle. I'm not sure that I'm in favour of this particular carbon tax as it's written because I don't think you've taken the opportunity to benefit Alberta nearly as much as you could have. There's a real opportunity here to do the right thing, not just to accept an opposition amendment for the sake of accepting an opposition amendment but to really be thoughtful about whether or not the carbon tax, as laid out in Bill 20, is in fact the very best it can be. I don't believe it is. There are some elements of this that I really like, but there are elements of this that need fixing. What I suggest that this amendment does is that it fixes a big problem with this carbon tax.

With that, Madam Chair, I will return to my seat. I look forward to the debate and discussion and really, truly encourage the government to adopt this amendment and to move forward on it.

Thank you very much.

The Chair: Any other hon. members wishing to speak to amendment A3? The hon. Minister of Advanced Education.

Mr. Schmidt: Thank you, Madam Chair. I'm pleased to rise to speak to amendment A3. There are a couple of things that I have concerns about with respect to the amendment that's before the House here currently. One is the rate at which the Member for Calgary-Elbow is proposing to phase out the amount of revenue that the government is able to spend on initiatives outlined in section 3(2)(a). He's proposing that after five years none of the carbon levy funds that the government collects can be spent on any of the initiatives related to reducing emissions of greenhouse gases, supporting environmental innovation, and supporting Alberta's ability to adapt to climate change.

My primary concern with this amendment, Madam Chair, is that I think that this phase-out is much too fast. I'm referring back to Dr. Leach's Climate Leadership report, where he says, "Successful

implementation of these [kinds of] initiatives . . . could yield emission reductions of . . . up to 3 MT/year by 2030.” He is suggesting that we spend money on initiatives related to reducing greenhouse gas emissions over a period of 15 years in order to achieve real carbon emissions reductions. If we were to adopt this amendment, I think that we would limit the government’s ability to spend the money necessary to achieve the reductions that Dr. Leach set out in the climate leadership plan.

I don’t share the Member for Calgary-Elbow’s optimism that if instead of directing the money towards greenhouse gas emissions reductions, we targeted corporate income tax reductions, that would necessarily reduce greenhouse gas emissions as much as the three megatonnes per year. I know that he quoted from the Ecofiscal Commission, and if he were to read the report that they produced in April of 2016, Madam Chair, of course he would see that their recommendations for what to do with the carbon levy fund recommend that personal and corporate income taxes actually be a lower priority than transfers to households and spending on greenhouse gas emissions reductions. I would refer the member to that particular document for that.

Madam Chair, the other issue is, of course, to make sure that those who can afford to pay for these emissions reductions are the ones who are asked to pay for them, right? We are, of course, a progressive government, and I remember during the election campaign that the Alberta Party also ran on a relatively progressive platform. Unfortunately, it seems like they’ve abandoned that since they’ve been elected. Regardless, the idea around introducing these income taxes with the transfers that we’re proposing is that it shifts the burden of paying for the carbon reductions from those who can least afford to pay to those who can most afford to pay, right? Progressive income taxes are something that is broadly supported by the people of Alberta.

When I walk around my riding and I talk about our climate leadership plan, people are very excited about the fact that we have a government here in Alberta that’s finally taking action on addressing climate change. They are looking forward to the government using the carbon levy revenues to actually undertake these kinds of initiatives, that are outlined in the legislation and that the Member for Calgary-Elbow doesn’t want to spend money on after 2021. I would suggest that if we were to adopt this amendment, we would be offside with the opinion of the majority of the people of Alberta because they want the money that we collect, this revenue, to be spent on these kinds of initiatives.

Broadly speaking, Madam Chair, the people of Alberta are in favour of government revenue collected from this levy being spent on energy efficiency programs, being spent on community energy initiatives. You know, the people in my riding are looking forward to seeing solar panels and windmills on rooftops and in fields all across the province, and if we adopt this amendment, we won’t achieve those things. Instead, we will continue to give the corporate tax giveaways that the people of Alberta voted clearly against in 2015.

For those reasons, because this amendment before us would severely limit the ability of the government to achieve the emissions reductions that Dr. Leach set out in his report and because it reverses the progressivity that we have built into the carbon levy program, I urge all of the members in this House to vote down this amendment.

The Chair: Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you very much, Madam Chair. My apologies to the Member for Calgary-Elbow, who brought forth the amendment, but while we recognize the attempt to compromise

here with an ideological government bent on amassing a virtually unlimited slush fund, we cannot support even a phased-out slush fund. That said, if this government can’t even limit themselves to this generous allotment, they simply show just how greedy they are.

Thank you.

The Chair: The hon. Member for Calgary-Elbow.

Mr. Clark: Well, thank you. I want to address some of the issues that the Minister of Advanced Education took with my amendment. You know, we absolutely need to be spending money on green initiatives – absolutely, we do – and we need to be doing that in a way that is transparent for Albertans and very clear to Albertans. One of the great concerns I have with this particular bill is that we have \$3.4 billion to be spent on, quote, other initiatives, which the Member for Vermilion-Lloydminster last night very eloquently pointed out is precisely, to the dollar, exactly how much we’re spending over the next five years on health facilities. On health facilities we have a very detailed outline in the capital plan of specifically what projects are going to happen, how much money is going to go to each one, where they are, and Albertans are clear on what those benefits are.

11:00

I’m really, genuinely – and I hope you take this in the true and sincerest sense in which it is intended – trying to help you succeed with the carbon tax because I believe a carbon tax is a good thing. It’s the right thing to do for Alberta. It’s the right thing to do for the world. I disagree with the Wildrose opposition. I don’t think you’re trying to create a giant slush fund, but the perception of Albertans is that that’s exactly what you’re doing.

It is incumbent on the government to answer these questions before the bill is passed. Like you did with medical assistance in dying, show us the regulations. What are you going to spend the \$3.4 billion on? What is Energy Efficiency Alberta going to specifically do for Albertans? How are we going to create incentives for renewable energies? What are you going to spend that money on? When are you going to spend it? Who are you going to spend it on? Does it mean that this government is going to get directly involved in business? Are you going to reregulate the electricity industry to compel renewable energy production? There are so many questions.

You know, with some of the language that was used by the minister, I worry. She talks about corporate tax giveaways. It’s a clear indication of the anticorporate and, I worry, anticapitalist bias of the people in that caucus. When you use language like that – those are your words, not mine – you can see how members on this side and, more importantly, the people of Alberta would get the sense that you’re out to get those evil corporations as opposed to trying to make Alberta truly better by trying to work in true partnership, a sense, from this NDP government, that government knows best: “Trust me. The money will just come from somewhere.” My huge concern with this government is that there’s very little sense of where the money actually comes from.

Why would investors, both within Alberta or from outside Alberta, the rest of the country, and the rest of the world, anyone or any institution, put money into Alberta to generate economic activity and to create jobs? There is a sense over there that money just happens, that investment just happens: don’t worry; those rich folks will just take care of themselves. Well, you know what? If we don’t create the right frame for economic activity in Alberta, those companies and that investment will go somewhere else. Right now there are billions of dollars – billions of dollars – on the sideline waiting to invest in renewable energy somewhere. Those dollars

don't necessarily need to flow to Alberta if we don't create the right frame.

I have so many questions on renewable electricity. We absolutely ought to have renewable energy built in this province. We have tremendous assets. We have a lot of wind, and we have a lot of sun, in southern Alberta especially. There's a lot of opportunity. We have opportunity for geothermal production here. If there's anything we know how to do in this province, it's how to drill a hole in the ground. We can do those things. If we get it right, there's great opportunity. But how? When? We're being asked here to pass Bill 20. What I'm trying to do is narrow the focus of the bill to ensure that Albertans have faith that we get this thing right on renewable energy.

How much government support is going to be required to incent the over \$8 billion in private-sector investment required to overcome the coal retirements? By the way and for the record, I'm on the record as being in favour of eliminating coal-fired electricity in Alberta. It's time to do that for all the reasons that we've heard outlined in this House. But if we don't get it right, with the proper mix of gas and renewables, we will not achieve the objective without either compromising Alberta's electricity grid or costing Albertans millions if not billions of dollars.

How do you ensure that we don't jeopardize the reliability and competitiveness? How much support will you provide to natural gas fired generators or cogen or something else to provide that baseload? How will you manage that coal retirement bulge between 2025 and 2030? The federal regulations will still see six coal-fired plants on stream by 2030, but most of them are going to drop off a cliff, if you will, after 2025. What happens? Are you just sort of crossing your fingers and saying, "Well, that's nine years from now; we'll figure it out"? These are important questions that we need answers to before we can support this bill.

What about those coal PPAs, those power purchase agreements? I worry that this government is about to file suit against the PPA companies returning their power purchase agreements against advice of counsel, which is saying: look, we're going to spend hundreds of thousands if not millions of dollars on fighting these PPAs being returned, even though we know we're going to lose, just so the government can save face. Is that really what you're going to do?

Will the carbon emissions from this plan actually meet our Paris commitments? This government hasn't been clear on that. We don't know. We know they're going to reduce carbon emissions – we hope – by 2030. Will it actually get there? Will we need more? How are you going to actually measure, physically measure, and report carbon emissions? Have you done modelling on the economic impacts, good and bad, of a carbon tax? If you've done that, will you release the details to Albertans so we can all see it?

What is the role of Energy Efficiency Alberta? What specific programs are you going to deliver? Are Albertans going to get a rebate to buy a Tesla? Are we going to get rebates to retrofit windows or put geothermal energy in our home? When is that going to happen? That's \$645 million, \$45 million of which is going to be spent in this fiscal year. What's that for? How can we support the bill if we don't know that?

How are you going to achieve that 30 per cent renewable energy target? What if 26 per cent is the sweet spot where costs are not too high, reliability is still there, and we still achieve carbon emission reduction? Does that make sense? Or are you locked in on 30 per cent because it's a nice round number? What if 28 per cent makes more sense? What if 35 per cent is possible? Is that a hard-and-fast number? How do we know? That's the problem.

Back to the amendment. What I am trying to do through this amendment is increase the faith of Albertans in this legislation. By

saying that Albertans will be rewarded by reducing personal and corporate tax and by having the economics to back it up, that's going to help this bill be seen as more palatable to Albertans, and it will make this government's job easier to sell the merits of this bill.

Thank you, Madam Chair.

The Chair: Any other members wishing to speak to the amendment?

Seeing none, I'll call the question.

[Motion on amendment A3 lost]

The Chair: Moving back onto the bill, the hon. Member for Calgary-North West.

Ms Jansen: Thank you, Madam Chair. I'm rising today to speak about the climate leadership implementation, and I was very glad to see something put forward. I will say this: I agree wholeheartedly that we need to act on emissions. Our caucus fully accepts the science of man-made climate change. We believe that climate change is real, it's happening now, and we need to have a plan in a province that is a high emitter.

You know, one of the things that concerns me a little bit when we all stand to speak in this House is that oftentimes there is a level of intolerance in the conversation – and it happens on both sides – but the idea that opposition folks in here would question Bill 20 is not akin to questioning the science of climate change. It is a conversation for those of us who think that carbon pricing should be a policy in Alberta – in fact, Alberta was the first jurisdiction in Canada to do that already – not a conversation about whether we think there should be carbon pricing but a conversation about Bill 20 and whether we think Bill 20 actually hits the mark.

You know, in that conversation I think one of the things that I have struggled with – and, of course, the Member for Calgary-Elbow put it very eloquently as well – is some of the issues around outcomes. We and Albertans have to have confidence that the tools are in place to measure the outcomes, and this bill, of course, has to definitely deal with the questions that we have now. You're assuming that this bill takes care of all the questions that Albertans have, and those of us on this side still feel that there are questions. Are we having a conversation about greater efficiency, are we having a conversation about reduced utilization, or is this a blend of both? Is this bill dealing with both of those things?

11:10

Now, I would argue that a conversation about greater efficiency is a hugely important conversation to be having right now and also a conversation about fairness. Does this bill make sure that everyone is sharing the burden of responsibility for carbon emissions? That's another question that I'm not sure we have answered. You know, when we talk about a cap on private vehicle emissions or power plant emissions or, you know, as the Member for Calgary-Elbow mentioned, we talk about reducing income tax, we're talking about fairness. Any piece of legislation we talk about here has to strike a balance. So when we stand to talk about where we think that balance hasn't been met, we are not disputing whether we should have a bill that deals with climate leadership. In fact, we welcome a bill that deals with climate leadership. It's whether this bill is effective in doing it the way it needs to be done in this province.

Certainly, you know, I've had concerns about the fact that the majority of people who are getting a rebate in this province don't realistically have an incentive to reduce their emissions at all. Sixty per cent of people get a rebate in the province but only after the Alberta government creates a huge bureaucratic infrastructure to

collect and then redistribute this money. You know, it just doesn't seem exactly – I'm not sure what the word is – efficient. It's cumbersome to the people receiving the rebate and expensive for those who are paying the freight on that. Sure, you're getting money back, and if you spend less on, say, fuel for your vehicle, it's a double win, but I'm not a hundred per cent sure that's going to be the end result here.

I think that with some amendments this is a workable plan. I'm not standing here and saying that this is a terrible plan and walking away without any opportunity to say: hey, we have some amendments, and we are honestly here to sit at the table and to help make it better.

You know, when we talk about – I think that the Member for Calgary-Elbow mentioned it – coal, certainly that's a concern for us. I absolutely agree we need to move away from coal-fired electricity, but we also need to make sure that we focus on making sure Albertans' power bills aren't an undue hardship as a result. That's what we talk about when we talk about balance. The carbon rebates will be a very cold comfort when electricity rates explode. So the question is: are we seeing something here that tells us that electricity bills will be kept at a reasonable rate? I'm not sure that that question has been answered here, too.

Was a cost-benefit analysis done? Was it done before the decision was made to move forward? If so, where is it? Why can't we see it? The cost of implementing renewables is high. What is the economic impact of the early phase-out of coal? All of these are questions that we are struggling with here, for those of us who absolutely embrace the idea of a climate leadership implementation but just wonder how this plays out.

Yes, we are moving to a low-carbon future. Yes, it is a great thing, but we need to do this with a sensitivity to the balance that keeps our province healthy. We need to be responsible stewards of the environment, yes, absolutely, but we also need an energy industry that knows it has the support of our government and the acknowledgement that the standard of living we enjoy here in Alberta is a result of that industry.

So we are offering up amendments, and we hope that you will consider the amendments and take them seriously because they are brought forward with the idea that we want to be at the table for this discussion and that we want to make good things happen.

To that end, I have an amendment, and I'm going to give everyone a chance to eyeball it.

Madam Chair, should I sit for a moment?

The Chair: Just give me a half a second to sort out the amendment.

This will be amendment A4.

Go ahead, hon. member.

Ms Jansen: Thank you, Madam Chair. I will read the amendment, first off, that you all have in front of you. I move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 1 by adding the following to section 79:

Minister to report

79.1(1) In this section, "Climate Leadership Plan" means the Government's Climate Leadership Plan announced on November 22, 2015.

(2) No later than 15 days after the commencement of the first sitting in 2019, the Minister shall lay a report before the Legislative Assembly that includes a cost impact assessment of the carbon levy established under this Act and an update on the current status of emissions in the province and how this compares to the emission reduction targets identified in the Climate Leadership Plan.

Review of Act

79.2 Following the tabling of the Minister's report under section 79.1, and no later than January 1, 2020, a committee of the Legislative Assembly must begin a comprehensive review of this Act and the regulations made thereunder and must submit to the Legislative Assembly, within 6 months after beginning the review, a report that includes the committee's recommendations for amendments to this Act, the regulations made under this Act or any other enactment.

Basically, this amendment calls for the minister to do a full analysis of the carbon tax one year after it's implemented, and it also calls for a legislative standing committee to fully review the carbon tax and to present recommendations two full years after the tax is implemented.

We can stand here all day talking about what could possibly happen down the road. "What if we don't do this amendment? What if we don't do that amendment? What if we haven't changed things? What if we go the way of, you know, word for word, what the government wants to do?" But if it's in the legislation that we have to do an analysis a year from now, we have the opportunity then to look over everything that's happened and to say: "Aha. This isn't working. Here are the unintended consequences. Did we think about those? Is there a point now at which we can amend, going forward, to deal with those unintended consequences?" It is important to make sure that the legislation we pass in here is doing the job it's intended to do, to make changes if that legislation isn't working or if it ends up disproportionately affecting certain groups of Albertans. That's a conversation we are tasked with taking part in all the time in this Legislature because that's our job.

Our caucus is bringing this amendment forward because we believe that climate change is real. It requires action. We need to deal with it. We understand we have a bill here – we have looked very carefully and thoughtfully at this bill – and we have come up with amendments that we feel make the bill stronger. We are realists, we are pragmatists, and we know the government is intent on passing this legislation. We want to help make that legislation better. The government has accepted amendments like this one on Bill 5. They are common sense. They do absolutely nothing to dilute the bill. That is not their intent. We think there is no reason why the government and opposition would not be able to support this reasoned look back a year and two years from now.

Thank you, Madam Chair.

The Chair: Any other members wishing to speak to amendment A4? The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. You know, I hadn't talked to the hon. member before she presented this amendment, so I didn't know it was coming, but this is a brilliant idea. I think it's exactly what we need. I would really hope that the government, again, does give this some thought.

What we're trying to do on this side of the House is make this a better bill and improve the chances of it being successful, because success on carbon reduction, action on climate change, is important for our province. I think it's, hopefully, important to the government as well. I think it's important on the face of it. It's important because that's what we're trying to do in this Assembly. I genuinely believe that all of us on this side, all of us in this House, those of you on that side of the House, those of us on this side, are all here because we want Alberta to be a better place. I really think that this legislation comes from your desire and your perspective. Your world view: I believe those are the words that have been used in this Chamber.

11:20

But, you know, in all sincerity, you're trying, I think, in your own minds, to do the right thing, and if Albertans don't believe that, you're not going to be successful. This amendment helps Albertans believe that you're doing the right thing because you've put in a thoughtful review, once the act has been put in place, to look back formally, to bring it back before the Assembly in the full view of Albertans, and say: "What works? What doesn't? What intended consequences have worked? Which haven't? What unintended consequences have we learned about, positive and negative?"

When you are bringing in a change this monumental, the risks of unintended consequences are severe, and there have been some real concerns raised on this side of the House. Some of them, I think, are legitimate, some of them perhaps a little fantastical, but we don't know. It's a vacuum. We have no idea. You have no way of defending what might happen, what may be possible, because it hasn't happened yet. Why don't you take the opportunity to pass this amendment, to put this review in place, so those of us in this Assembly and future Assemblies can review this important piece of legislation to make sure it's actually doing what you think and what you claim it's going to do?

Thank you, Madam Chair.

The Chair: Any other hon. members wishing to speak to the amendment? The hon. Member for Battle River-Wainwright.

Mr. Taylor: Thank you, Madam Chair. I'm just looking at this amendment, and, you know, it seems to be a reasonable amendment when I take a look at this because we're putting in place this full cost analysis. The member sitting next to me – well, the member that usually sits next to me – had talked in depth about a cost analysis. What had the government done for a cost analysis to go ahead with this? How is it going to impact things like hospitals and schools and businesses? What I like about what's happening here is that it puts in place the review of a full cost analysis on this carbon levy or tax, whichever way you want to look at it, and this whole process when you bring in such a major bill, that's going to affect all Albertans.

This seems to be, to me, a very reasonable, very thoughtful approach to what we should be looking at here. It's got:

A cost impact assessment of the carbon levy established under this Act and an update on the current status of emissions in the province and how this compares to the emission reduction targets identified in the Climate Leadership Plan.

And it shows a sunset clause, that we have to go and review it after that period of time, and if it's not working, then there's a way to stop something if it's a bad bill that comes in.

For these matters, yeah, I can support what they've got on here. Thank you.

The Chair: The hon. Member for Calgary-Lougheed.

Mr. Rodney: Thank you so much, Madam Chair. I want to thank the hon. member, my fine colleague for Calgary-North West, for bringing forward a really common-sense sort of amendment. I would like to hear if there is any opposition. So far I have not heard that. Perhaps in the spirit of all-party co-operation this is an amendment that will be received with the intention in which it was given and eloquently stated, as I may suggest, by the hon. Member for Calgary-North West. I appreciate the previous speakers from the Wildrose and also from the Alberta Party, as is often the case, speaking very clearly.

Rather than taking the time of the House to go into many, many details that I would love to go into – I'd like to see this pass – I will

simply mention a few quick points. I believe and I've experienced over four terms that it's of the utmost important for any government on any bill to have a mechanism in place for every plan simply to determine whether policies in theory are actually succeeding in practice. With something as important and as fundamentally changing as this is, we need to determine whether after two full years the carbon tax is working after it's been put in place.

It would provide for the minister, whoever the minister happens to be, this government, other governments, to investigate what's been done, what's working, what's not. Let's face it, folks – and you don't have to take it from this side of the House – it's something that all Albertans are going to be very curious about. With often the best of intentions, they want to be able to see. If we talk about new and different ways of doing things and continuing to move towards a transparent sort of not only government but society, there should be nothing stopping us from doing that. Even puppy-monkey-babies, on those silly commercials, know that this is a no-nonsense sort of thing.

Additionally, having a committee of the Legislature – and I would not encourage any of those three stakeholders I mentioned earlier to be part of the committee – will allow us to go back to the bill and see what can be done to make it better. That is the intention of this bill, and I encourage, with great respect and friendliness, all members of this House to get together and vote for this common-sense amendment.

Thank you.

The Chair: Any other hon. members wishing to speak to the amendment? The hon. Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you very much, Madam Chair. Many speakers on this side have talked about the need to do a cost impact assessment. In fact, we heard that from a lot of municipal leaders at the first MGA meeting last night in Two Hills. They're very concerned about the fact that an assessment was not done, that affects them and reduces their ability to raise funds. All it is: it is really going to cost them money without any real thought as to where they're supposed to come up with the oversight.

We would have preferred that the cost assessment would have been done prior to this bill being introduced rather than in 2019, but that being said, the bill is about accountability, and we do support accountability in government.

My other comment on this amendment is that it suggests that there's a target. All that I can really find in Bill 20 is that it is actually going to result in an increase in carbon to big industry, and I don't really see any reduction plans or specific targets in here that would show a reduction. So we really don't have anything to measure against.

What I do see in the bill are a lot of tax rates, penalties, assessments, warrants for entering property, that kind of thing. I don't really see anything about targets other than the implementation of climate leadership in the title.

That being said, we will be supporting this amendment because it does provide some accountability to this government, and I believe we really do need that here. Thank you.

The Chair: Any other hon. members wishing to speak to the amendment? Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Chair. Yeah, I'd like to speak in favour of this amendment also. I think this is a minimum requirement for a bill of this magnitude. Actually, the minimum should have been that this was done before the bill was brought in, but obviously this government is bound and determined to pound

this through. I can't imagine why the government would not support this amendment also.

We're talking about a cost impact assessment "no later than 15 days after the commencement of the first sitting in 2019." By then, Madam Chair, we should have lots of time to have figured out what the impact of this is. I think Albertans would deserve to know what the impact is of such an enormous tax on each and every Albertan.

Of course, it also talks about "an update on the current status of emissions in the province." Now, this government talks about science all the time. This would be just pure science. What did we accomplish with this? What is the status of the emissions? This is just common sense.

11:30

Again, it's about analysis. It's about accountability. When you bring in a bill of this magnitude, that's the bare minimum requirement. Really, this is just a little bit of accountability. The analysis should have been done before. We shouldn't be waiting for analysis after. We should have at least some idea of the direction this bill is going to take the province of Alberta.

Of course, this bill is going to create an enormous slush fund for the government, so they have to be held accountable for that, for how that money is spent. Madam Chair, if the government can't do at least this, then I think that obviously would raise even more bells and whistles for Albertans.

Now, when we look at all the other things that this bill can cause as far as trouble for industry and jobs in Alberta, you've got to realize, Madam Chair, that there are a lot of industries in Alberta that rely heavily on natural gas. Food processors, for instance, rely heavily on natural gas for the processing of food. Any time they're working with, say, you know, potatoes or sugar beets or anything like that, where they have to take all that moisture out of the product – of course, we talk about value-added product all the time in this House.

Here in Alberta we would like to take the raw product from the agriculture industry, value add, process it here, but of course this carbon tax doesn't lend itself to encouraging businesses like that to operate here. It's actually a discouragement. It'll only help to drive away these businesses and this investment in Alberta. Should they want to expand their operation, they have to now decide: "Okay. We have a new fiscal environment to work in right now. This is a huge change. Do we make the investment here, or do we make the investment elsewhere, outside the province?" A lot of these large corporations already have their offices outside of Alberta. They chose to have their businesses here in Alberta based on the fiscal reality at the time they set up the business.

We have an enormous advantage here in Alberta. We have cheap natural gas and lots of it. Of course, there are other jurisdictions that have lots of natural gas, too, but we have it right here, and it's clean burning. It's the best energy that we have right now as far as a nonrenewable resource. Why would we want to tax that so heavily and risk driving even more business and more jobs out of Alberta? I don't quite understand that.

Now these companies are going to have to decide not only whether they're going to expand their businesses here or their plants here or whether they want to build a new plant or a new company that might want to come in – "Do we go to another jurisdiction or not?" They can also decide now, some of these companies that have an opportunity to import products from outside of Alberta, either partially or fully produced – what are they going to do? Are they going to choose to do that, to import their products into Alberta because it's not economically feasible to do it here in Alberta? Really, we have no evidence that this cash grab will be effective at carbon reduction.

Now, we talk a lot about diversification. Everybody wants to see an economy that's diversified. Everybody wants to see that. But why can't we leverage what we have here in Alberta to diversify the economy? I always call it, like, killing the goose that lays the golden eggs. We have the goose laying the golden eggs. We have this enormous energy sector here with all the infrastructure to produce this wealth for our province. We can do it two ways. We can take those golden eggs, the revenue from this resource that we have, and we can use that to help diversify the economy, to help create opportunity for corporations to come in and invest in Alberta, create jobs, replace these jobs that we're losing now. Or we can kill the goose. We can crush the most important sector in our economy and then sit here and try to decide: where is the money coming from now? Where is this tax revenue coming from now?

I see that the other side, of course, are laughing and rolling their eyes and everything. I find that offensive, Madam Chair, and I think the people of Alberta feel the same way. We have an enormous problem in this province, over 100,000 job losses, not including the people that are contractors, who don't have the option of collecting unemployment and are sitting at home, not working right now. So we can sit here and laugh about that, but I don't think that they're laughing. I don't think the people of Alberta are laughing at all.

Madam Chair, again, I will be supporting this amendment. The best thing the government could do would be to do the assessment before. They could send this to committee so that we could gain as much information as we can from experts so that we and Albertans can make an informed decision. But the government has chosen not to do either of those, so I think the absolute minimum Albertans could expect from this government on this, if they seem like they have no other agenda but to pound this bill through, the least they could expect is to have an analysis afterwards to find out what it actually did and to show a little bit of accountability.

Thank you, Madam Chair.

The Chair: The hon. Member for Edmonton-South West.

Mr. Dang: Thank you, Madam Chair. I rise today to speak to the amendment introduced by the hon. member. I think it's really important for us to note that when we're talking about the Climate Leadership Implementation Act, we're looking at a piece of legislation that's gone through thorough public consultation and was developed by economists and people who really do understand the Alberta economy. It's a made-in-Alberta solution that we can be proud of because it's going to diversify Alberta's economy. It's going to create jobs in Alberta, over 3,000 jobs. That's why people like Michael McSweeney, the president and CEO of the Cement Association of Canada, are saying:

Premier Notley and her government have shown leadership in ensuring the Alberta government consults in a meaningful way on climate change with industries across the province. This will ensure that climate policies are designed and implemented correctly from the start and thus can protect the competitiveness of industry and the integrity of the environment. Our environment and our economy needs a price on carbon.

Madam Chair, when we look at these quotes and we look at what people have said about the Climate Leadership Implementation Act and how the act was developed by economists that have suggested things like investing \$645 million in the Alberta energy efficiency programs and investing in the economy and revenue recycling throughout our programs, we can be very proud of what this plan accomplishes and how we're going to be moving forward with this.

Of course there's going to be ongoing assessment, Madam Chair. Of course we're going to be reviewing the policies and ongoing matters, but really what we're doing as we move forward is that we've created a plan that will meaningfully reduce emissions in

Alberta. What it's going to do is to recycle the revenues from the reduction of those emissions, and it's going to create meaningful renewable energy programs in this province.

All these things taken together are something that we can look at and say that there was absolutely thoughtful and thorough economic analysis put into this because we had Dr. Leach on the panel, because we had Linda Coady on the panel, because we were endorsed by people from industry, from NGOs, from both sides of the aisle, from the economy, and by people like Jim Dinning, the former PC Finance minister.

11:40

Madam Chair, when we look at all these pieces together, as a whole, we can see that the Climate Leadership Implementation Act as it stands is absolutely a good way to diversify our economy, will absolutely create 3,000 jobs in the long term, will absolutely invest over \$6 billion in the economy over the next five years, and will rebate to two-thirds of Albertans a partial or full rebate on what they're paying on the carbon levy.

Madam Chair, we look at this diversification piece, we look at the Climate Leadership Implementation Act, and we can see that there was very thoughtful and very thorough economic analysis done. This is a plan that isn't just put together and hobbled together; this is a plan that's been well thought out, that from the beginning has been designed with economic analysis in mind, that's been designed to make sure that we would diversify our economy. It's been designed to make sure that we would create green jobs in Alberta, that we would put Albertans back to work, that we would help develop a new industry in Alberta, that we would help develop and foster existing industries in Alberta.

Madam Chair, this plan is a way that we can be proud of our economic and our environmental reputation on a global scale. It's something that makes us proud to be Albertans, and we can put this forward as a piece of legislation that will really further the environmental interests of Alberta and the economic interests of Alberta.

I think that there are a number of things in this amendment that aren't necessary because of all the very thorough economic analysis that's already been done. We've already seen very in-depth analysis and consultation with over 25,000 Albertans and hundreds of people in focus groups through the Climate Leadership report. Because of all this, I must implore all hon. members to please vote against this amendment.

Thank you, Madam Chair.

The Chair: The hon. Member for Chestermere-Rocky View, followed by Calgary-North West.

Mrs. Aheer: Thank you so much, Madam Chair. I would like to speak in favour of this amendment. It seems clear. Based on the lack of acceptance of any of the other amendments, we know the road that we're travelling here. I would just suggest that collaboration is key here on a bill of this magnitude. I'd highly recommend that as we go forward, there's some active listening to what's being said on this side of the House to try and help this bill be better.

I'd like to bring up a point of the hon. Member for Calgary-North West, something that resonated with me specifically. You said: it is doing what it is intended to do. I'd like to expand on that. We're talking about accountability, transparency, and something that the hon. member from across the way just mentioned, something to be proud of. Truly, if that is the intention of this House and of the government, wouldn't you want to show what you've achieved? Truly, wouldn't you want the opportunity to say, "These are the

goals, this is what we did, and that's how we did it," and to have those metrics? You are setting the bar for new metrics on an aspect that has never been seen so far with a climate action plan: your plan, your metrics, for the first time at this level.

I would love to know why you would not want to take an amendment that, seriously, gives you the opportunity to show all of Alberta why this worked or, even better, why it didn't so that it can be improved upon. Isn't that the point? Isn't that why we're all here in the first place, for heaven's sake? I'm absolutely mortified that you wouldn't take – this is your ability to say that you did the right thing or, even better, to admit that you were wrong and to fix it. For heaven's sake, like, this gives you an actual way of showing your metrics and what you created.

I'll go to the initiatives here. Maybe I don't have them all, but I'm going to go through a few things here. I've heard this: spearhead innovation of cleaner technology. Isn't that what you want? Wouldn't you like to know where you started, where you went, and how you ended up?

Let's go to another one: invest in cleaner choices. Well, that's wonderful, but I would think that Albertans would want to know how you did it, where you went, how you got that information, what we can learn from that, and improve from there. I've heard in this House a thousand times: we must do better. Okay. Then let's show better or, if you didn't, give Alberta the opportunity to help it be better. That's called collaboration, something that is highly, highly being missed in this discussion right now.

The third thing, leaders in energy efficiency. Show some leadership. Take responsibility for the decisions you're making in here right now, and show us some metrics in a year. It's a year after it's implemented. That's all Albertans are asking for. Show some leadership, show that you made the right decision, and show Albertans that this works. That's called transparency.

The fourth thing is cutting-edge clean technology. Well, just in case you didn't know, we have an excellent record already. Perhaps you could take some lessons from the record that's already presented, go from there, build on what's already there, bring some new ideas forward, and show Albertans what you did. That's called accountability.

The fifth thing is to pursue a low-carbon infrastructure. What plan have we seen so far where that is coming forward? Where is the plan? All we're asking for, all this amendment actually asks for, is for you to show where you started, how you got there, and how we can improve. Take it to heart. The government has that responsibility. It is your job.

That's all I have to say. Thank you so much.

The Chair: The hon. Member for Calgary-North West.

Ms Jansen: Thank you, Madam Chair, and thank you to the Member for Chestermere-Rocky View for saying it so well. I wasn't going to rise and respond to the comments of the Member for Edmonton-South West, but I was trying to wrap my head around what he said in response to my amendment.

Now, let's keep in mind for a moment that this amendment is simply a call to do an analysis of this carbon tax a year from now and then for a legislative committee to review it two years from now. If what I'm understanding is correct, the Member for Edmonton-South West said, in a nutshell: the reason we're not even going to consider this amendment is because our legislation is so good that we don't have to look at it a year from now. That was sort of my take-away. I'm not sure if that was anyone else's take-away. I would say this. If that is the only argument against this amendment that you can come up with, you're kind of going for the bronze here.

You know, there are a number of us standing here and saying: “Yes. Let’s talk about climate leadership. We’re happy to be a part of that conversation. But – hey – how about this? Because we have concerns, let’s turn around a year from now and do an analysis and see if it’s hitting the mark where you say that it’s going to hit the mark.” But then you turn around and say: “Guess what? This bill is so good that we don’t care what happens on the other side. It’s so good that we don’t have to listen to a word you say.” It just sets off all sorts of alarm bells for me because I’m sure there is at least one person on the other side of this Chamber who actually thinks that makes sense. Why don’t you prove you’re not a whipped caucus, and why doesn’t someone stand up and say: “Hey. Actually, we’re okay with doing an analysis of a piece of legislation we brought forward a year from now and taking a look to see if it works?” How about that?

The Chair: I’ll recognize Calgary-Elbow, followed by Lacombe-Ponoka.

Mr. Clark: Thank you, Madam Chair. I think the Member for Calgary-North West said it very well. My challenge to the Member for Edmonton-South West and to this entire government is: how do you know? The best decisions are made with good evidence.

Now, I think there’s good evidence that a carbon tax makes a lot of sense, but what if this doesn’t have the intended consequences that you want it to have? What if? Each and every one of you on the government backbenches or even the front benches feels that we should just simply take it as an article of faith that this is going to work. How do we know? Once this has been in place for a year, what if it isn’t working the way you thought it would work? How will Albertans know and be able to trust that you’re not simply ramming through legislation? And you’re just going to sit there reading Facebook or tweeting or doing whatever you’re doing while we raise objections or ask questions that I think are legitimate questions.

11:50

The Official Opposition accuses the government all the time of not consulting Albertans, of ramming through legislation, of just sitting there quietly while we waste our time and our breath on commentary in this House. I don’t want that to be true. I want this place to work. I really hope the government does, too. This is the sort of amendment that I think – let’s just talk politics for a moment. If you’re able to walk out of this House and do a press briefing afterwards and say, “You know, we thought about this amendment, and we accepted some opposition amendments, and we wanted to make the bill as good as it could be; we listened to the opposition because they represent an awful lot of Albertans, too; look at us; aren’t we a thoughtful government,” isn’t that a stronger position? Doesn’t that make this a stronger bill? On the face of this amendment it makes it a stronger bill. On the political side, by accepting this amendment, that’s also a win for you. So, Brian Topp, if you’re out there listening, please, this is a good idea. This is a good idea. Politically I can make that argument, but on the face of the amendment, it’s far more important than the politics. On the face of the amendment this is a good idea, to review the legislation.

I’ll ask you again: what’s the downside? Each and every one of you: listen to your heart of hearts on this one. As private Members of the Legislative Assembly of Alberta you represent the people who elected you to do the right thing for them and the right thing for the province. This is not a difficult amendment to pass. This is not fundamentally changing the intent of the bill. This is not changing the flow of dollars. This does not change the material impact of the carbon tax. All it does is that it brings it back to the

Assembly after a year to ask a very fundamental, simple, and important question: does it work? What have we learned? Albertans get an opportunity to hear that debate in the full view of the Assembly and in the public. That’s what we should be doing in this Assembly.

So I’d ask you to please reconsider and support this amendment. Thank you.

The Chair: Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Chair. This is an opportunity for the government once again to try to embrace the concept of accountability. If there’s anything about this government that’s become a pattern, it’s that they will not be accountable. I find that absolutely baffling for a party that presents itself as wanting to be a new face of government, new accountability, openness and transparency, but every time we have an opportunity to do that, they take exactly the opposite path. I mean, we had the opportunity for them to embrace a little bit of personal accountability with the debt ceiling. It didn’t take long for them to completely retreat from that and end up taking the path of no accountability whatsoever. Here we have in this bill the same situation with permission, authority, freedom to raise the burden of the levy rate. They won’t be accountable for it. They just voted down that amendment.

So here we have another opportunity. I mean, this amendment makes complete sense. It’s so obvious. The one thing we’ve asked for again and again is some sort of economic impact assessment, some sort of actual measurement of emissions. If we can’t have it before, surely, at least, we could have it after. I would like to suggest that what the government should be doing now is building some baselines to be able to include the actual emissions, even of the government footprint, so that they can begin to show people they’ve actually reduced some emissions. Here’s another opportunity to make themselves accountable to the people, but they’ve rejected every single amendment in that direction, and here they’re about to reject another one, it seems. They’re speaking against it.

This bill has huge inequalities, but they refuse to even consider any of those things. Now we hear them saying that the bill is so perfect that they don’t need to even look at it after. Will they allow the opportunity to confirm the effectiveness of their own bill, or are they just going to continue in intransigence about all of this? This is a massive tax appropriation by the Crown, without allowing any debate in the House over it in terms of the rate that’s raised. They refuse to accept all the amendments. Truly, I mean, this pushes democracy back hundreds of years. This is taxation without representation.

If we can’t at least have the debate before on some of these things, why will they not allow it after the fact? It’s a great amendment. I can’t imagine why anyone wouldn’t support it. It’s an opportunity for the government to show themselves to the people of Alberta, that they actually do believe in democracy, that they actually are willing to come forward and be seen and be known and be transparent in government. Or not.

Thank you.

The Chair: Hon. members, pursuant to Standing Order 4(3) the committee will now rise and report progress.

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for West Yellowhead.

Mr. Rosendahl: Madam Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports

progress on the following bill: Bill 20. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in the report?

Hon. Members: Aye.

The Deputy Speaker: Opposed? So ordered.

The hon. Deputy Government House Leader.

Mr. Carlier: Thank you, Madam Speaker. I rise to adjourn the House until 1:30 this afternoon.

[The Assembly adjourned at 11:56 a.m.]

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