



Province of Alberta

The 29th Legislature
Third Session

Alberta Hansard

Thursday morning, April 20, 2017

Day 24

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta

The 29th Legislature

Third Session

Wanner, Hon. Robert E., Medicine Hat (ND), Speaker

Jabbour, Deborah C., Peace River (ND), Deputy Speaker and Chair of Committees

Sweet, Heather, Edmonton-Manning (ND), Deputy Chair of Committees

Aheer, Leela Sharon, Chestermere-Rocky View (W)
Anderson, Hon. Shaye, Leduc-Beaumont (ND)
Anderson, Wayne, Highwood (W)
Babcock, Erin D., Stony Plain (ND)
Barnes, Drew, Cypress-Medicine Hat (W)
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (ND),
Deputy Government House Leader
Carlier, Hon. Oneil, Whitecourt-St. Anne (ND),
Deputy Government House Leader
Carson, Jonathon, Edmonton-Meadowlark (ND)
Ceci, Hon. Joe, Calgary-Fort (ND)
Clark, Greg, Calgary-Elbow (AP)
Connolly, Michael R.D., Calgary-Hawkwood (ND)
Coolahan, Craig, Calgary-Klein (ND)
Cooper, Nathan, Olds-Didsbury-Three Hills (W),
Official Opposition House Leader
Cortes-Vargas, Estefania, Strathcona-Sherwood Park (ND),
Government Whip
Cyr, Scott J., Bonnyville-Cold Lake (W)
Dach, Lorne, Edmonton-McClung (ND)
Dang, Thomas, Edmonton-South West (ND)
Drever, Deborah, Calgary-Bow (ND)
Drysdale, Wayne, Grande Prairie-Wapiti (PC),
Progressive Conservative Opposition Whip
Eggen, Hon. David, Edmonton-Calder (ND)
Ellis, Mike, Calgary-West (PC)
Feehan, Hon. Richard, Edmonton-Rutherford (ND)
Fildebrandt, Derek Gerhard, Strathmore-Brooks (W)
Fitzpatrick, Maria M., Lethbridge-East (ND)
Fraser, Rick, Calgary-South East (PC)
Ganley, Hon. Kathleen T., Calgary-Buffalo (ND)
Gill, Prab, Calgary-Greenway (PC)
Goehring, Nicole, Edmonton-Castle Downs (ND)
Gotfried, Richard, Calgary-Fish Creek (PC)
Gray, Hon. Christina, Edmonton-Mill Woods (ND)
Hanson, David B., Lac La Biche-St. Paul-Two Hills (W),
Official Opposition Deputy House Leader
Hinkley, Bruce, Wetaskiwin-Camrose (ND)
Hoffman, Hon. Sarah, Edmonton-Glenora (ND)
Horne, Trevor A.R., Spruce Grove-St. Albert (ND)
Hunter, Grant R., Cardston-Taber-Warner (W)
Jansen, Sandra, Calgary-North West (ND)
Jean, Brian Michael, QC, Fort McMurray-Conklin (W),
Leader of the Official Opposition
Kazim, Anam, Calgary-Glenmore (ND)
Kleinsteuber, Jamie, Calgary-Northern Hills (ND)
Larivee, Hon. Danielle, Lesser Slave Lake (ND)
Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND)
Loewen, Todd, Grande Prairie-Smoky (W)

Loyola, Rod, Edmonton-Ellerslie (ND)
Luff, Robyn, Calgary-East (ND)
MacIntyre, Donald, Innisfail-Sylvan Lake (W)
Malkinson, Brian, Calgary-Currie (ND)
Mason, Hon. Brian, Edmonton-Highlands-Norwood (ND),
Government House Leader
McCuaig-Boyd, Hon. Margaret,
Dunvegan-Central Peace-Notley (ND)
McIver, Ric, Calgary-Hays (PC),
Leader of the Progressive Conservative Opposition
McKittrick, Annie, Sherwood Park (ND)
McLean, Hon. Stephanie V., Calgary-Varsity (ND)
McPherson, Karen M., Calgary-Mackay-Nose Hill (ND)
Miller, Barb, Red Deer-South (ND)
Miranda, Hon. Ricardo, Calgary-Cross (ND)
Nielsen, Christian E., Edmonton-Decore (ND)
Nixon, Jason, Rimbey-Rocky Mountain House-Sundre (W),
Official Opposition Whip
Notley, Hon. Rachel, Edmonton-Strathcona (ND),
Premier
Orr, Ronald, Lacombe-Ponoka (W)
Panda, Prasad, Calgary-Foothills (W)
Payne, Hon. Brandy, Calgary-Acadia (ND)
Phillips, Hon. Shannon, Lethbridge-West (ND)
Piquette, Colin, Athabasca-Sturgeon-Redwater (ND)
Pitt, Angela D., Airdrie (W),
Official Opposition Deputy Whip
Renaud, Marie F., St. Albert (ND)
Rodney, Dave, Calgary-Lougheed (PC),
Progressive Conservative Opposition House Leader
Rosendahl, Eric, West Yellowhead (ND)
Sabir, Hon. Irfan, Calgary-McCall (ND)
Schmidt, Hon. Marlin, Edmonton-Gold Bar (ND)
Schneider, David A., Little Bow (W)
Schreiner, Kim, Red Deer-North (ND)
Shepherd, David, Edmonton-Centre (ND)
Sigurdson, Hon. Lori, Edmonton-Riverview (ND)
Smith, Mark W., Drayton Valley-Devon (W)
Starke, Dr. Richard, Vermilion-Lloydminster (PC)
Stier, Pat, Livingstone-Macleod (W)
Strankman, Rick, Drumheller-Stettler (W)
Sucha, Graham, Calgary-Shaw (ND)
Swann, Dr. David, Calgary-Mountain View (AL)
Taylor, Wes, Battle River-Wainwright (W)
Turner, Dr. A. Robert, Edmonton-Whitemud (ND)
van Dijken, Glenn, Barrhead-Morinville-Westlock (W)
Westhead, Cameron, Banff-Cochrane (ND),
Deputy Government Whip
Woollard, Denise, Edmonton-Mill Creek (ND)
Yao, Tany, Fort McMurray-Wood Buffalo (W)

Party standings:

New Democrat: 55

Wildrose: 22

Progressive Conservative: 8

Alberta Liberal: 1

Alberta Party: 1

Officers and Officials of the Legislative Assembly

Robert H. Reynolds, QC, Clerk

Shannon Dean, Law Clerk and Director of House
Services

Trafton Koenig, Parliamentary Counsel

Stephanie LeBlanc, Parliamentary Counsel and
Legal Research Officer

Philip Massolin, Manager of Research and
Committee Services

Nancy Robert, Research Officer

Janet Schwegel, Managing Editor of
Alberta Hansard

Brian G. Hodgson, Sergeant-at-Arms

Chris Caughell, Deputy Sergeant-at-Arms

Paul Link, Assistant Sergeant-at-Arms

Gareth Scott, Assistant Sergeant-at-Arms

Executive Council

Rachel Notley	Premier, President of Executive Council
Sarah Hoffman	Deputy Premier, Minister of Health
Shaye Anderson	Minister of Municipal Affairs
Deron Bilous	Minister of Economic Development and Trade
Oneil Carlier	Minister of Agriculture and Forestry
Joe Ceci	President of Treasury Board and Minister of Finance
David Eggen	Minister of Education
Richard Feehan	Minister of Indigenous Relations
Kathleen T. Ganley	Minister of Justice and Solicitor General
Christina Gray	Minister of Labour, Minister Responsible for Democratic Renewal
Danielle Larivee	Minister of Children's Services
Brian Mason	Minister of Infrastructure, Minister of Transportation
Margaret McCuaig-Boyd	Minister of Energy
Stephanie V. McLean	Minister of Service Alberta, Minister of Status of Women
Ricardo Miranda	Minister of Culture and Tourism
Brandy Payne	Associate Minister of Health
Shannon Phillips	Minister of Environment and Parks, Minister Responsible for the Climate Change Office
Irfan Sabir	Minister of Community and Social Services
Marlin Schmidt	Minister of Advanced Education
Lori Sigurdson	Minister of Seniors and Housing

STANDING AND SPECIAL COMMITTEES OF THE LEGISLATIVE ASSEMBLY OF ALBERTA

Standing Committee on the Alberta Heritage Savings Trust Fund

Chair: Mr. Coolahan
Deputy Chair: Mrs. Schreiner

Cyr	McKitrick
Dang	Taylor
Ellis	Turner
Horne	

Standing Committee on Alberta's Economic Future

Chair: Mr. Sucha
Deputy Chair: Mr. van Dijken

Carson	McPherson
Connolly	Orr
Coolahan	Piquette
Dach	Schneider
Drysdale	Schreiner
Fitzpatrick	Taylor
Gotfried	

Standing Committee on Families and Communities

Chair: Ms Goehring
Deputy Chair: Mr. Smith

Aheer	Miller
Drever	Pitt
Hinkley	Rodney
Horne	Shepherd
Jansen	Swann
Luff	Yao
McKitrick	

Standing Committee on Legislative Offices

Chair: Mr. Shepherd
Deputy Chair: Mr. Malkinson

Drever	Nixon
Ellis	Pitt
Horne	van Dijken
Kleinsteuber	Woollard
Littlewood	

Special Standing Committee on Members' Services

Chair: Mr. Wanner
Deputy Chair: Cortes-Vargas

Cooper	Nixon
Dang	Orr
Jabbour	Piquette
Luff	Schreiner
McIver	

Select Special Ombudsman and Public Interest Commissioner Search Committee

Chair: Mr. Shepherd
Deputy Chair: Mr. Malkinson

Ellis	Pitt
Horne	van Dijken
Kleinsteuber	Woollard
Littlewood	

Standing Committee on Private Bills

Chair: Ms McPherson
Deputy Chair: Connolly

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

Standing Committee on Privileges and Elections, Standing Orders and Printing

Chair: Ms Fitzpatrick
Deputy Chair: Ms Babcock

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

Standing Committee on Public Accounts

Chair: Mr. Cyr
Deputy Chair: Mr. Dach

Barnes	Malkinson
Fildebrandt	Miller
Fraser	Panda
Goehring	Renaud
Gotfried	Turner
Littlewood	Westhead
Luff	

Standing Committee on Resource Stewardship

Chair: Loyola
Deputy Chair: Mr. Hunter

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

Legislative Assembly of Alberta

9 a.m.

Thursday, April 20, 2017

[The Deputy Speaker in the chair]

Prayers

The Deputy Speaker: Good morning.

Let us reflect. As we come to the end of our week and prepare to head back to our home constituencies, let us reflect on the good work we've accomplished here together these past weeks. May we return refreshed and energized for the important work that still remains to be done.

Please be seated.

Orders of the Day

Government Bills and Orders

Second Reading

Bill 9

Marketing of Agricultural Products Amendment Act, 2017

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

Mr. Rosendahl: Thank you, Madam Speaker. I'm pleased to rise today and move second reading of Bill 9, the Marketing of Agricultural Products Amendment Act, 2017.

The main objective of the bill is to empower our province's agricultural producers by allowing a vote on their commission's service charge model. The Marketing of Agricultural Products Act, which we commonly call MAPA, was always intended to empower Alberta's agricultural producers and their organizations to set the directions of their own industries.

One key part of MAPA is that it enables our province's agricultural commissions to collect service charges, also known as check-offs, to fund their operations as well as activities that benefit our broader agricultural industries. These activities include product marketing and promotion, trade missions to maintain and build market access, and support for industry research. However, in 2009 the previous government amended MAPA to make all service charges refundable for any members who requested refunds. This forced our wide range of agricultural sectors into all adopting the same model for their check-offs. We know that a one-size-fits-all approach doesn't make sense in today's diverse agricultural industry.

The purpose of this amendment to the Marketing of Agricultural Products Act is to restore MAPA to its original intent by allowing commissions to work with their memberships to determine whether they want their check-off dollars to be refundable or nonrefundable. The Minister of Agriculture and Forestry has heard from commissions and individual producers who want the commissions to have the flexibility to make this choice and not have the service charge model dictated by government. Our government wants to empower agricultural commissions and their members with autonomy, showing our deep respect for them to be able to work with their producers to figure out which service charge model works best for them. Many commissions and producers may want to keep things the way they are with the refundable model. Some commissions may choose to consult their member producers and discuss changing to a nonrefundable model.

This amendment is not about one model being better than the other but about giving commissions back the flexibility. At the end

of the day, this decision will result from agricultural commissions and their members. If a commission chooses to make a change to its service charge model, they will have to conduct a plebiscite of their members to ensure producers are consulted. Our clear expectation is that any change must follow a fair and transparent process. That allows the opportunity for producers to voice their opinions.

The Alberta Agricultural Products Marketing Council, which was established through MAPA and provides oversight of agricultural commissions, would work with each commission to determine specific plebiscite requirements, ensuring they would be appropriate to the size and nature of each specific sector. The government is here to support producers, commissions, and our province's marketing council in ensuring this process includes opportunities for all voices to be heard. But we are not here to dictate how every sector should shape their service charge models. This amendment would also bring us closer in line with other jurisdictions across the country, with Alberta being the only province with mandatory refundable service charges.

I ask for the support of all members of the Assembly for Bill 9 to restore this flexibility and autonomy to commissions in our agricultural sector. Thank you, Madam Speaker.

The Deputy Speaker: Hon. member, can I confirm that you are moving second reading on behalf of the Minister of Agriculture and Forestry?

Mr. Rosendahl: Yes. That is correct.

The Deputy Speaker: Thank you.

Any other hon. members wishing to speak to the bill? The hon. Member for Grande Prairie-Wapiti.

Mr. Drysdale: Thank you, Madam Speaker. It's a pleasure to get up to speak on this bill this morning. Before I start, I'm just a little unsure with the rulings in this House lately. I want to be up front and say that I own a farm. I've been a farmer all my life. My brothers farm, my relatives farm, and my family has been farming in Alberta for a hundred years, so I'm not sure if I'm in conflict here or not, but unless you rule otherwise, I'm happy to speak to the bill. I won't apologize for speaking up for Alberta agricultural producers. In the meantime, unless you rule differently, it's a pleasure to speak on this bill.

I'm going to support the bill. I think it's absolutely the right thing to do. I want to congratulate the minister for bringing it forward. You know, it's a pretty simple bill. It just gives the commissions the power to change whether their check-offs are refundable or not, and they have to do it with a producer plebiscite, so the producers in Alberta will have a say whether their check-offs are refundable or not. I think it's absolutely the right thing to do. I support it, and I encourage all my colleagues in the House to support this bill as well.

Thank you, Madam Speaker.

The Deputy Speaker: Thank you, hon. member.

I gather that some of the conflict rules are related to if you have a fiduciary interest. All the farmers I know: I don't think they make much money, so I don't think there's any danger there.

Any other hon. members wishing to speak to the bill? The hon. Member for Little Bow.

Mr. Schneider: Thank you, Madam Speaker. I appreciate the ruling that you gave. I myself am an agricultural producer. I've got the same problem. In fact, we checked with the Ethics Commissioner yesterday to make sure because I didn't want

anything I said in this House to be something that someone else could take a shot at, et cetera, et cetera. I think we all know where that was heading.

Anyway, I rise today to discuss the upcoming changes to the Marketing of Agricultural Products Act, commonly known as MAPA. Now, Bill 9 would see MAPA return to the same state it was prior to Bill 43 being passed in 2009. The proposed amendment to MAPA is to allow the producer membership as a whole to choose via plebiscite either a refundable or nonrefundable service charge model for the commission.

Alberta's seven marketing boards operate under a supply management system. This often occurs through national organizations. The boards set and negotiate a price, and they have a nonrefundable service charge model. The Marketing of Agricultural Products Amendment Act, 2017, applies to only Alberta's 13 agriculture commissions. This legislation does not apply to the marketing boards. These 13 commissions represent a variety of crop and livestock commodities and currently use a refundable model.

It's no secret that the Wildrose believes in letting grassroots members determine their direction. Having grassroots determine how things go is what the entire Wildrose organization is all about. That is what I believe this amendment actually returns Alberta's commissions to. Through a plebiscite the commissions can allow members to self-determine the model for service charges, or check-offs, as they are also often called. This puts the decision back into the commissions and into their members' hands. Although the commissions do require all producers of regulated products to be members, some commissions have provisions where producers who produce on a smaller scale can be exempt from the commission, something like a bee producer or sometimes potato growers that don't grow enough products for sale. This can then exempt them from the provisions of the related commission.

9:10

Members on this side of the House understand the role these commissions play. We have members of the beef, barley, pulse, canola, and wheat commissions represented right here. In my own instance I commit to check-offs every time that I sell spring wheat, every time I sell canola, peas, or barley. Certainly, when I was involved with the cattle industry as a cow-calf producer, I had a check-off each time I sold cows or calves. Through check-offs deducted from my grain cheques, each time I deliver grain to the elevator, I'm automatically a member of all kinds of research and development organizations. I don't have to sign a membership card or pay a fee or even show up at a meeting. If they have taken my check-off, I'm automatically a member of that organization.

As a producer you may be trying to determine if you need micronutrients for your crop. There are mountains of information to find on subjects like that due to research that's been done. Trying to figure out what might be the best time to sell your canola? The Alberta canola commission has ICE canola futures on that page. Many commissions have current market outlooks on their websites. Not sure what damage Fusarium in a wheat crop could cause? Well, the Alberta Wheat Commission has a funded research page that will give you all kinds of info on that subject. When my grain is hauled or cattle is sold, the check-off helps pay for research of all kinds, and that is value added to the membership.

You know, with the money received from check-offs each year, you're funding some pretty impressive research. In fact, it's so impressive that the Canada Revenue Agency will give you an investment tax credit through the scientific research and experimental development program. Each year the feds take a look at organizations that are actively involved in research for their

commissions. Then the CRA has some criteria that has to be met, and spending on research has to meet those conditions, but when the air is all cleared on that, the CRA allows a tax reduction from your income on that particular crop.

Now, it's understood that each commission assesses and collects service charges, and as of 2009 and Bill 43 these service charges are refundable. That means that members can indeed apply to have these charges returned to them. These groups operate in a self-funded model, where service charges assessed and collected from members are often the main source of income for these operations and include research and marketing as well as day-to-day business costs. Investment in programs through service charges is designed to benefit all producer members, including those who request refunds.

While some detractors equate this funding to a tax on their livelihood, many commissions that have a refundable system in place report that the refund rate percentage is in the single digits and that this is a nonissue. Others feel that going to a nonrefundable model would take away the only form of protest that members had, and that was to withhold funding to the commission by applying for a refund. While we've certainly listened to both sides of the argument, the fact remains that there are still mechanisms in place to ensure that members are represented. It may be through lobbying members to vote a certain way and making your opinion known, but options do exist.

While it is never perfect – and it's never going to be – democracy is still the best option, in my view. That's why allowing a plebiscite to change the funding model or to remain with the status quo is so important. Each commission will be able to determine the method and rules around the individual plebiscites or if there is even desire by members to hold one.

Madam Speaker, MAPA established a government-appointed provincial agency called the Alberta Agricultural Products Marketing Council. This marketing council provides advice to the minister on Alberta's marketing boards and commissions to oversee their operations and administer regulations under MAPA. It is this body that will oversee the plebiscite and work with the commissions to ensure the entire process is transparent and completely above board. The power to determine the direction that each commission will ultimately take will reside in the membership. It is they who have the power to initiate change or not.

This amendment to MAPA brings our legislation in line with all other jurisdictions. They all have legislation in place which enables the producer bodies as a whole to choose their respective service charge model. It's time we returned Alberta to this model, and this is why I'll be supporting this bill.

Thank you.

The Deputy Speaker: Standing Order 29(2)(a) comes into effect if anyone has questions or comments.

Seeing none, are there any other members wishing to speak to the bill? The hon. Member for Fort Saskatchewan-Vegreville.

Mrs. Littlewood: Thank you, Madam Speaker. It's my pleasure to stand up and respond to this bill, in support of Bill 9, Marketing of Agricultural Products Amendment Act, 2017. It's an important step to do at this time because, of course, the beef industry along with other industries is looking for ways in which they can better support their producers in areas such as research, such as trade discussions with other jurisdictions around the world.

Of course, a lot of those things do require resources. The Alberta Beef Producers, for example, take in approximately \$7 million a year in check-off fees, but something like fighting the country of origin labelling, otherwise known as COOL, was something that

cost \$6 million. It was something that was done in the interests of all beef producers in Alberta to ensure that trade markets remain open for our Alberta producers with other places like the United States. [A cellphone rang] Sorry; I'll just let the member address his phone.

When we see something in the order of 34 per cent of check-offs being refunded from an amount of \$7 million, it's a sizable amount of money. It's \$2.4 million that are withdrawn. The research and the trade discussions that are undertaken by Alberta Beef Producers are something that benefits all members. In the event that a member doesn't believe that the commission is fulfilling what their needs are, they can take their money out, but the producer commission still works for that member regardless of whether their money has been left in or not.

I have had constituents that have come to my office feeling like the system hasn't been fair. While this doesn't make it nonrefundable, what this will do is actually put that vote back in the hands of the producers. There are other measures of accountability such as if 20 per cent of the members of that commission come together and ask for a plebiscite or for something to be addressed, then they can also use those mechanisms of accountability to ensure that their voices are being heard. This is something that has come from many small and medium producers that are in my constituency that believe in the work that is done on their behalf. They want to see the research that is going on around the world in terms of efficiency, in terms of finding that sort of cutting-edge research that actually propels their industry forward on a world stage.

It's interesting to read back in history on the Bill 43 that was passed a number of years ago, about eight years ago, about this issue. Really, there just were not a lot of commissions and members that were asking for it. I have some material from a press release that came out from the Potato Growers of Alberta that was saying that they didn't believe that the Alberta government was understanding the value of their commission, that they didn't believe that this was something that was actually asked for by their industry. Also, there was a press release from the Alberta Beef Producers at the time that was saying that the government was ignoring democracy, that they saw the bitter irony of having democratically elected MLAs in the Legislature making decisions that would take away their own democratic process of having a vote on something like whatever their check-off model is. In going through the *Hansard* from different members, from members such as who is now the hon. Minister of Transportation and of Infrastructure, at the time when he spoke about it, he was talking about the need to have power not just concentrated in the hands of large producers.

9:20

Unfortunately, that can be one of the implications of taking check-off fees back into a company. It's based on a per head model, so while you have lots of people that might have 400 head, if you have a company that has 100,000 head, it tends to displace the power of how those check-offs are impacting the industry as a whole.

This is something that is very important to many in the industry like the potato commission to make sure that the research dollars are available to leverage. One of the things that I have heard about in multiple meetings with different agricultural producers is that they want there to be those dollars available to leverage on a 2 to 1 ratio or a 5 to 1 ratio of the actual returns that they get in the end, the actual value of the scientific research that can be done at places like the University of Alberta. This is something that will restore the autonomy back to industry groups if it is something that the groups want to do. That's just the thing. It doesn't make it

nonrefundable; what it does is that it just gives the power of that decision back to the producers.

I had the great opportunity to go to an Alberta Beef Producers meeting in Smoky Lake with the Member for Athabasca-Sturgeon-Redwater and to talk to local producers in his area and in my area – the zone is quite large – and talk about what it is that people want to see going forward. The power of the membership is that they can have producer-driven conversations on what they want and ensure that there is good accountability and have that strong local voice. We have zones across Alberta where the producers come from many different parts of the sector. They can talk to their directors, and they can elect directors at their groups to make sure that they are the ones that step forward and want to be that voice for change as a director or who just has that good involvement with their group at a local level to be addressing their needs.

Alberta currently is the only jurisdiction in Canada that has a mandatory refundable model for commissions. This is something that will bring us closer in line to the rest of the country. I know that in looking at the conversation that happened eight years ago, there were not a lot of members that were even speaking in favour of taking this democratic ability away from the groups. They weren't really talking about why it was something that was important except for talking about choice, but to truly have choices is having a vote, so I'm very pleased that this is the direction that this bill is going in.

It will require, still, a plebiscite for changes to happen in a commission if that's what they choose, but just like other members were saying, it's true that there is no one-size-fits-all approach. The agriculture industry in our province as well as the rest of the world continues to become more diverse as climate changes and as food preferences change, so we have to have models that change and morph with it to actually respond to the needs of producers.

With that, I will just encourage all members of the House to vote in favour of the bill. Thank you.

The Deputy Speaker: Under Standing Order 29(2)(a), questions or comments? Under 29(2)(a)?

Mr. Strankman: Yes, ma'am.

The Deputy Speaker: Go ahead, hon. member.

Mr. Strankman: Thank you. Thank you for the opportunity. It's with great interest that I take umbrage at the comments coming forward here because I, too, have direct interest in our family farming operation. Madam Speaker, to your position, I guess I would call it, in regard to the potentiality of conflict of interest, I too want to make it publicly known and known in this Chamber that I'm pleased and proud of my associations directly with agriculture. I do take great pride and stock in that I do provide food for Albertans coming forward.

To the Member for Fort Saskatchewan-Vegreville: she talked on many subjects, and I'm happy to do a back and forth. I have a series of questions here. The member specifically talked about international trade and country of origin labelling and how that potentially could be affected by this, the bill coming forward, which I think is progressive and open minded. But the member did talk about COOL, or country of origin labelling. I don't know if the member is aware of an organization in the U.S. called R-CALF. R-CALF has considerable concerns about the check-off organizations that we do have in Canada. The member also mentioned potato growing and such like that.

I was wondering if the member could give us some understanding of how this may or may not affect international trade based on the opinions of an American-based organization like R-CALF. Also, I

was also wondering if she could table any information to confirm the comments that she made about the different levels of displacement of power. The member talked, Madam Speaker, about some organizations that may have, like, 400 head and other organizations that may have 10,000 or even up as high as 100,000 head. She talked about the displacement of power based on those organizations. The member was talking about a check-off based on a per head basis, but in the case of potato growers was she talking about a check-off based on a per-acre basis?

We also have wheat growers, of which I'm one, and barley growers and such like that who pay a check-off on a per-tonne basis, but the tonnage is based on an acreage of production.

I was just wondering if the Member for Fort Saskatchewan-Vegreville could give us some background on her understanding of those relationships. It is important with a prominent bill like this that's come forward that we don't create any disruptive international trade barriers.

Thank you, Madam Speaker.

The Deputy Speaker: The hon. member.

Mrs. Littlewood: Thank you, Madam Speaker, and thank you for the interest. The potato growers pay 7 cents per 100 pounds sold for processing; they pay 2 cents for each 100 pounds of culled potatoes sold for processing; \$25 per harvested acre of potatoes produced for table use; \$35 per certified harvested seed acre; and .75 per cent of annual gross income sales or transfers of plantlets or potatoes derived from an undertaking consisting of a facility or operation of one or more laboratory greenhouses.

For the year – I think this was for 2015 – they collected approximately \$1.4 million and saw a refund basis of approximately 5 per cent, which meant \$70,000. That's \$70,000 that gets refunded that is then not able to be put towards things like leveraging scientific research for that industry.

9:30

In the case of COOL, the commission uses the fees that are paid to them for a number of things like making sure that the trade barriers are not something that preclude their producers from having a level playing field in other jurisdictions. That is something that they worked quite hard to take off.

The Deputy Speaker: Thank you, hon. member.

Speaker's Ruling Conflicts of Interest

The Deputy Speaker: Before we continue on, I just want to clarify for members of the House that the role of the Speaker is not to make decisions regarding conflicts of interest. That is something that rests strictly with the Ethics Commissioner, and the Speaker does not decide if somebody is in a conflict. The Speaker may have a role in bringing forward the Ethics Commissioner's decision to the House, but the Speaker does not make that decision. Just so that you are aware.

Debate Continued

The Deputy Speaker: Are there any other members that wish to speak to the bill? The hon. Member for Athabasca-Redwater-Sturgeon.

Mr. Piquette: Thank you, Madam Speaker. It's Athabasca-Sturgeon-Redwater. It's my privilege to rise in the House today to speak in favour of Bill 9. This is something that I know that I've

heard from producers in my area on, you know, particularly members of the Alberta Beef Producers but not only them, where they thought that the previous administration had made a bit of a wrong step back in 2009 in changing a system that had been working well for the majority of producers.

Now, of course, the whole point of the Marketing of Agricultural Products Act in its original conception: it was intended to empower Alberta's ag producers and their organizations to set their own directions. That's why it was set up. It wasn't something directly run through Agriculture. It was something where producers had their own say, and it's kind of important, when it comes to key decisions about their organizations, that that be respected. Since 2009 that hasn't necessarily been the case.

Pretty key to these organizations is, of course, check-offs. Now more than ever these funds are critically necessary for them to be able to adequately fund their operations and to do research to benefit the broader industry and, of course, then, all of us. These activities – and I know other members have alluded to that – would include marketing, promotion, trade missions to build market access, support for industry research, and ongoing outreach and education efforts. It's one thing that I know I've been happy to be a beneficiary of, the work of members of, in particular, the Alberta Beef Producers up in my area, that have been more active, to educate us on some of the concerns that they have and to do it in a really I don't know if I could say rural kind of friendly way. I know that I had a great opportunity some months back to have a delicious Alberta beef dinner – actually, they even do recipes with Colin Campbell, who's the vice-president of one of the zones in my riding. He's part of, you know, the discussion.

This is something that is kind of important to respect. I mean, since 2009 you've had a wide range of sectors that have been forced to adopt essentially the same model for their check-offs. This sort of one-size-fits-all approach doesn't really make sense in industry today. It's really important to restore MAPA to its original intent. This is something that I know the minister has heard from many different quarters on, from both commissions and individual producers. I think this is sort of a good middle way, right? I mean, it's not imposing a particular solution on any particular check-off organization. Rather, it's giving them the flexibility to make that choice for themselves and not have the service charge model dictated, well, by us.

Now, of course, there are producers out there and there are commissions that are still committed to having the refundable model. I mean, that's something where if a majority of their members believe the same thing, they can keep things essentially the way they are whereas there are other organizations where it's not quite the same situation, where a majority of members might well want the opportunity to go back to the nonrefundable model. It just sort of depends on where they're at in the industry.

I've heard a lot from producers where they really resent – I guess I'm trying to think of a diplomatic way of saying it. I mean, it sort of comes down to the whole problem of the free ride, where they feel like you have some members of the organization that are, you know, asking for the refunds, but they're able to benefit from the research, from the marketing, and from the advocacy efforts that their associations provide without actually providing funds to support that. For those that do provide those funds, they find that not only kind of irksome, but they also find it where it leaves these organizations sometimes with perhaps not enough funds to be able to fulfill their mandates.

It's particularly important – I know that other members have alluded to this today – in this very uncertain time. We have a very export-oriented agricultural industry in most sectors, and we're facing a very complicated international environment, where you

have other governments, you know, heavily subsidizing their producers. I mean, I know that members alluded to some American organizations. You have some organizations that are pushing hard for backtracking on the advances we made with the country of origin labelling.

Then, of course, we have the challenge of climate change both in the kind of research that's required to adjust agricultural operations to keep them efficient and also to be able to meet climate change goals. I know that people in the industry and people that are interested in the industry, you know, are gratified to see that there have been some really pretty interesting developments on changes to husbandry practices, changes to feed, and all the things that are leading us to our goals. But these things require money, they require research, and then they require education. These are all things that these check-off organizations I know provide.

The Member for Fort Saskatchewan-Vegreville was happy to accompany me to Smoky Lake, actually, partly because, I think, most of that zone is in her riding and not mine. But it was a very interesting event in that all those different aspects were combined in one regional meeting. There were presentations on best practices in shipping, there were presentations on – actually, there was a lot of different information. It really went down the whole gamut: updates in research, updates for education, discussions on advocacy. I found the whole thing very helpful.

It's difficult to see how our industries could flourish the way that they have without robust organizations such as these working. To be able to give these organizations the type of flexibility where, if their membership so decides, they can make sure that all the members of the organization contribute to it, when it's appropriate: I think that's all very good.

Considering that it seems we have unanimous consent so far, it's a very good sign that we're taking a step in the right direction with this. Well, I guess that most members have already made their minds up, but if there are any members wavering on this, you know, unanimous support for this bill would, I think, send a great message to our producers.

With that, I'd like to rest my comments.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)? I'll recognize Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Speaker. I appreciate being able to talk about this and ask a question to the hon. Member for Athabasca-Sturgeon-Redwater. I just want to say, first of all, that I do believe that I am in favour of this bill; however, there are some concerns that I have. I also want to state that I'm not a farmer or rancher, so in terms of being able to speak about this bill from that perspective, I don't believe I have that right or ability.

But I do want to ask the hon. member about the issue of being able to balance a democratic right for producers to be able to vote for this check-off or not or receiving the check-off back or not versus the importance of property rights. I'll give you an example. You talked about how some of the members of these commissions feel like other members were getting a free ride. From what I understand, if you are a producer and you want to sell your product elsewhere, you have to be involved in one of these commissions. In order for you to be able to sell your goods, being mandatorily required to be part of this – a little bit of your freedom is being taken away. So your right of property, the ability of property, can be affected by this mandatory compulsion to be involved in this commission.

9:40

Again, I don't think that any bill is perfect, and I believe that this bill is allowing that democracy, and I think that that's very

important. I applaud the agriculture minister for bringing that forward. However, for that member or for that producer who feels he or she is not getting the benefit of that check-off, they could be under the tyranny of the majority, be required to have to pay this. So it affects their property rights, their ability to produce what they believe is in their best interest. This is the only concern that I have with this bill.

We have seen it, actually, in this House, where the tyranny of the majority decides for an individual what the consequence is going to be. In the event that someone felt like they just didn't agree with one individual, the majority could vote against that individual. This is why in our western society we have a balance between democracy and the rule of law, that individuals have certain freedoms that we need to balance, and I think that it's extremely important for us to make sure that we get that proper balance.

Again, I just want the member to maybe give us a little more information and provide a little more detail on what he thinks is the proper balance in terms of what this commission is mandating individual producers to do versus their, I guess, right in our country for property rights.

Thank you, Madam Speaker.

The Deputy Speaker: Athabasca-Sturgeon-Redwater.

Mr. Piquette: All right. I'd like to thank the hon. member for a very interesting question, one that's, I'd say, fairly weighty for this early in the morning. It's a question that, of course, we as human beings have been debating in various forms for millennia. So I'm not sure if I'm going to be able to wrap this up with a nice bow on it, but, you know, I do want to recognize that I think the member is absolutely correct, and I think it's something that applies to every decision that we make in this House. There's always going to be that tension between individual autonomy and the well-being of the group. The question is: well, where do you draw that line?

I mean, we do have a guide, I guess, of sorts. Well, I shouldn't say of sorts. We do have a very firm guide in the Canadian Charter of Rights and Freedoms, and where that line is drawn is what's called "reasonable." So what's reasonable and demonstrably just? [Mr. Piquette's speaking time expired] Oh. Thanks.

The Deputy Speaker: Any other hon. members wishing to speak to the bill?

The hon. member to close debate on behalf of the minister.

Mr. Rosendahl: Thank you, Madam Speaker. I've got to thank everyone who spoke on this bill this morning. I move to close debate on second reading of Bill 9.

Thank you.

[Motion carried; Bill 9 read a second time]

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: I'd like to call the Committee of the Whole to order.

Bill 9 Marketing of Agricultural Products Amendment Act, 2017

The Chair: Are there any questions, comments, or amendments with respect to this bill? The hon. Member for Barrhead-Morinville-Westlock.

Mr. van Dijken: Thank you, Madam Chair. I want to thank you for the opportunity to speak in Committee of the Whole on Bill 9, Marketing of Agricultural Products Amendment Act, 2017. The saga continues.

I must divulge here that I did grow up on a farm; I am a farmer. In my younger days, in the '60s and '70s, the whole discussion around marketing boards, marketing commissions, and the establishment of a marketing council and all of that was a very hot topic around the kitchen table with friends and neighbours and family as I grew up. Those discussions were always very passionate and very much about trying to get to the bottom of who we were going to allow to decide for us and how we would establish a system that allows it to work in the best interests of the industry, the farms, yet not give up the freedom to choose how we market our products. Those are ongoing today again.

I remember back in 2009, when Bill 43 was introduced. The government of the day felt it was important to allow four of the industries to have the same rights to a refundable service charge that nine of the commissions already had. What we're finding today is that we see that we have possibly nine of the commissions that never had the opportunity for nonrefundable service charges wanting us to adjust to a position – well, I would suggest it's all 13 of the commissions we're considering here – to a system that would give the producers, the members of those associations, those commissions, the opportunity to have their say through a democratic vote, through a very fair and transparent process.

The Marketing of Agricultural Products Act essentially established the Alberta Ag Products Marketing Council, which is an agency operating for the ministry, for the Minister of Agriculture and Forestry. As we move forward on this, I believe that the marketing council is essentially charged with ensuring that these decisions and these processes, that the commissions will go forward with if they choose to, are conducted with a very fair and transparent mechanism, in a fair and transparent way, so that all producers are properly represented in that they have a fair representation of their concerns within that.

When the marketing council and the minister, essentially, have to make their decisions on, "Is this fair, and is this transparent?" one of the things that will possibly come into it is what the definition of a fair process is. I'm not sure that there's any indication in this at this time of what the minister of the day considers fair, but there is concern that possibly 50 per cent plus one would make the change for everything. That's 50 per cent plus one of members of the association as opposed to two-thirds of members of the association and commission. Is that fair? I guess that's up to interpretation. At the same time, 50 per cent of membership might be responsible for only 20 per cent, 25 per cent of production. So then the conversations go around – and I remember these conversations as a child – well, how is it fair that 50 per cent of the members get to decide when they only produce 10, 20, 25 per cent of the product?

9:50

So I suspect the saga will continue even after today. I believe that we are improving it today but that those discussions will continue on, and we'll continue to try and evolve to where we can land at another place that can be interpreted as treating all people fair, all producers, in trying to come to a system that will work for each producer in those commodity groups.

Like I said before, you know, in 2009 there were nine commissions that already had the choice of a refundable service charge. I'm not sure what the history on that is, whether that was how the marketing council decided to set those commissions up, but at that time they already had that in place. I would suspect that they would at that time have been able to change if their memberships

so wished. Essentially, in 2009 we had the beef, the pork, the lamb, and the potato growers getting the option to have the refundable. The way their commissions were set up was that they didn't have that option. They were essentially nonrefundable. They couldn't have even voted to go nonrefundable, from the way I understand it. So in 2009 it changed to what we are currently at, and now we are looking to move into a situation where we let the producers and the members of the commissions make the choice of: do they wish to move to a refundable or nonrefundable service charge?

I believe that is the proper direction to go at this time, so I am in favour of Bill 9 as we are putting it forward today. But I do have questions with regard to indications on fair and transparent, how the minister would view that, how those regulations would come into play. I do believe that memberships should determine what direction their associations and their commissions go. I am concerned that we are now in a position where we have the marketing council, again, making a decision based off of their interpretation of the process being proposed by each commission on how to move forward.

Then, also, there are always the concerns that the industry has to then decide how they implement their service charge. Is it every time the animal is sold that they're charged the service charge? I believe the lamb commission ties it in with their identification tags, where you pay a service charge whenever you purchase those identification tags. So that's a one-time thing, for each animal essentially. Is there any indication as to: will there be some mechanism, or are we essentially leaving it in the hands of the commissions to try and figure out what that fair service charge is?

I do believe that part of the discussions back in the day – I was in the hog industry at the time, and I have produced beef over the years. But part of the discussion at that time was that for the beef animal, when you sold the calf, you paid a charge. When you sold that feeder animal, feeder steer, you paid the charge. Then for the finished animal you paid a charge. So that may be paid three, four, five times during the lifetime of that animal. I guess the commissions have to try and find a way to allow it to be fair, where each producer feels like they're being treated equally in the whole process. It's all about finding policies that work for everyone and trying to find that balance.

One other question I do have is with regard to moving forward as the commissions make a decision. You know, some have made a decision, I believe, already, where they will stay to the refundable check-off unless they're lobbied by their members to move to a nonrefundable check-off. My question would be: moving forward from there, can the commission at any time in the future bring it back to the table for a vote? So if they decide this year or next whether or not they're going to go to the nonrefundable, is it, then, in two years' time after that where they have the option to have another vote? Is that going to create a certain amount of divisiveness within the industry, where we're going to have the different producers and the different organizations – in the beef industry you have the cow-calf producers, you have the feedlot operators, and it can become very divisive because their interests don't totally align at any given time. If I could get some clarification on the process moving forward, whether this is something that the minister sees as ongoing, where the commissions continue to have the opportunity to have a vote at any time moving forward.

I think those are all the questions I have at this time. I'd like to thank the minister for bringing this forward. I do think this is an improvement on what we have. It puts the onus back to the industry and the decision-making back to the industry. But, again, the saga will continue because the talks around the kitchen table will be very passionate on how we move forward and how to best represent all producers.

Thank you, Madam Chair.

The Chair: The hon. Member for Fort Saskatchewan-Vegreville.

Mrs. Littlewood: Thank you, Madam Chair. I just wanted to use the notes that I have here about situations that would require a plebiscite vote because, of course, that is what would be required to change the structure for how producer groups use their check-off fees. So this is saying what situations require a plebiscite vote. Under sections 16 and 24 of the Marketing of Agricultural Products Act a plebiscite vote is required to establish a marketing board; amend the regulation of a marketing board if the amendment relates directly to the control or regulation of the production or marketing, or both, of a regulated product under the plan; terminate a marketing board or commission that was established pursuant to a plebiscite of the producers; terminate a marketing board or commission that was in operation immediately before July 27, 1987; determine, if the marketing council considers it appropriate, the opinion of the producers under the plan as to whether the plan should be amended, continued, revised, or terminated.

Then there are the criteria for conducting a plebiscite. Once the plebiscite request has been recommended by the marketing council and approved by the Lieutenant Governor in Council, the marketing council is required to arrange to conduct a plebiscite, and then the marketing council, by regulation, with the approval of the minister, must determine what constitutes (a) an eligible producer, (b) a sufficient number of eligible producers, and (c) a sufficient portion of the total agricultural product that is marketed or is capable of being produced by the eligible producers. When a sufficient number of eligible producers have, one, voluntarily registered with the marketing council in order for a plebiscite to be held and, two, the eligible producers registered for conducting the plebiscite market or are capable of producing a sufficient portion of the agricultural product, then a plebiscite would be held. Both criteria must be achieved in order for the plebiscite to be valid.

10:00

To date, the marketing council's decision on how many producers must register and what portion of production is required in order to meet the minimum requirements for a plebiscite has been based on several factors, including previous plebiscite requirements; recommendations from the marketing board, commission, or industry as to what they think would be sufficient numbers; the level of importance associated with the proposed change and plebiscite; the number of producers producing that product; the amount of production and concentration of production; and the ability to contact producers.

There have been a number of plebiscites in the past, including, in the year 2000, the pork board's. There was a plebiscite to become a commission and split from the Western Hog Exchange, where 20 per cent of producers was the minimum number of producers that would need to be registered, and 30 per cent of production was required to be registered. In that vote there were 73 per cent that were in favour.

Also, in 2002 there was the milk plan to become a marketing board, where 25 per cent of producers would need to register and 25 per cent of production. In that specific example, 50.5 per cent of producers had registered along with 50.7 per cent of production, or 335 million litres of milk, that they represented. When they did that vote, they voted 91.8 per cent in favour.

It's also worth adding that producers currently do have a mechanism to ask for redress in their marketing commissions, where 20 per cent of producers can petition the marketing council. MAPA, section 21, considers petitions from producers under a plan whereby producers request that a plan be amended, continued,

revised, or terminated, and a marketing council shall only accept a producer petition where the petition (a) clearly states the intent, (b) is signed by at least 20 per cent of the producers under the plan, (c) sets forth the name, address, and signature of each petitioner, and (d) is submitted to council within 12 months from the date the first petitioner signed the petition.

Thanks, Madam Chair.

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

Mr. McIver: Thank you, Madam Chair. I appreciate the opportunity to rise on this bill. First of all, I'd like to say that I support it. I think that taking advice from my colleague from Grande Prairie-Wapiti, who's forgotten more about farming since he woke up this morning than I'll ever know, is a pretty good source of information for me.

But I have to say that I was interested in some of the comments from some of the members on the government side. For instance, they talked – and I agree with this – about providing autonomy for producers, which is a very good idea. I have to say, Madam Chair, that it is in sharp contrast to Bill 6. To the government's credit, I'll compliment them for improving their line of thinking, but I will remind them that it's exactly the opposite of what they did in Bill 6, which is to take away the autonomy. Also, I heard a government member talk about: one size doesn't fit all. Again, I couldn't agree more. Again, that's in sharp, sharp contrast to Bill 6, where apparently, with WCB, one size, they decided, does fit all. It's good that they've learned something since Bill 6, and there's still time, in my view, before they fully implement that, to reverse course and correct that.

So I will compliment the government on this bill, and I do that without reservation, but I will do that along with a recommendation to the government that they actually expand the learnings that they seem to have shown in this bill across the other pieces of legislation, including the labour bill, where one size is going to fit all and without much consultation to get people to agree with it where they come forward. If they would use the more clear thinking that they've used to come up with this bill and apply it to the rest of the work that the NDP government does, that would be to Alberta's benefit.

I'm happy to support this bill and hope that the government will indeed use their clearer level of thinking that they've had in creating this bill and apply it to other things that they do.

The Chair: Any other questions, comments, or amendments with respect to this bill? The hon. Member for West Yellowhead.

Mr. Rosendahl: Yes. The important thing is that we've got to consider that these amendments will return to producers the freedom of choice – and that's what's important here – so that the producers can choose what they want. That's the main message of this thing. It's important we consider that, that we return that freedom of choice to them so that they can choose what they want to do. That's the whole idea of this bill. It returns that important aspect and gives producers that ability to choose.

I just wanted to add that. Thank you.

The Chair: Any other questions, comments?

Mr. van Dijken: Just some more comments with regard to – thank you to the Member for Fort Saskatchewan-Vegreville for bringing up some of the details for the questions that I was asking. I'm just going through the Marketing of Agricultural Products Act. You know, we talk about section 21, that it's in the hands of producers, but then at the end of the day, it is actually in the hands of cabinet.

I'm trying to find it back here, but under one of the previous sections it's in the hands of cabinet as to the very definition of a producer. Then we get into a discussion about, "Is that definition going to be a producer eligible for that year, or is it a producer that produced the product in the last five years maybe?" those types of things. So it will continue to evolve.

I do believe that we're moving in the right direction here, where we do have the producers decide. But I do believe that we're going to have ongoing discussions, and the minister has to be very aware of this – I'm sure he is – with regard to the nuances of how to implement in a way that all producers can feel that they're being heard and that their concerns are being raised.

The member did allude that in 2000 we had a plebiscite in the hog industry. I was happy to be part of that and was a member of the founding board of the Western Hog Exchange. Yes, the producers at that time did vote. Pretty much three-quarters of the eligible producers voted in favour of moving in the direction that was being proposed at the time.

Yes. I just found it, section 16.

(2) The Lieutenant Governor in Council may exempt a proposed plan from the operation of subsection (1) . . .

Then further on:

(3) . . . the Council shall . . . [with] approval of the Minister determine what constitutes

- (a) an eligible producer,
- (b) a sufficient number of eligible producers, and
- (c) a sufficient portion of the total agricultural product that is marketed or is capable of being produced by the eligible producers.

There are going to need to be decisions made as to how to keep this fair. I haven't produced a calf for I'm going to say 20 years, more than 20 years, 25 years probably, yet when did I no longer become a calf producer? When I sold my cows, or when I divested of the facilities that allowed me to be a calf producer? You know, that's the kind of nuance that will come forward. I haven't been a hog producer since 2008, yet I own facilities that I could raise hogs in today, so am I currently a hog producer? What is the definition of the hog producer? There are points in time where hog production can be very – we're cleaning out a herd or a situation like that where they're not actively selling a commodity, yet they can be actively participating in the industry.

10:10

These are just nuances I bring up just to alert everyone to the fact that we're not done. You know, it is going to continue to evolve. I trust that the minister is going to be moving forward in a way that recognizes the will of the producers and tries to move forward in as fair a manner as possible.

I'm sure there are going to be certain unintended consequences that come out of this, that we're going to learn as we go again. Actually, in 2009 there was kind of a sense of: oh, I think we might have landed somewhere here where, yeah, this is fair. But we're finding out that, no, we're moving now in the direction where it's putting it in the hands of the producers, where it needs to be, and the membership decides.

The Chair: Any others? The hon. Member for Fort Saskatchewan-Vegreville.

Mrs. Littlewood: Thank you. Just to quickly respond, I mean, what this is is enabling legislation. Those decisions on how the marketing council determines who an eligible producer is: that's not changing. What is changing is just putting the power of the vote for how the model is in place or could be in place in the future, that democratic right, back into the hands of the producer.

The Chair: Any other questions, comments, or amendments with respect to the bill?

Seeing none, are you ready for the question?

[The clauses of Bill 9 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? That's carried.

The hon. Member for Banff-Cochrane.

Mr. Westhead: Thank you, Madam Chair. I move that the committee rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

Ms Sweet: Madam Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports the following bill: Bill 9.

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

Hon. Members: Aye.

The Deputy Speaker: Opposed? So ordered.

Government Bills and Orders Second Reading (continued)

Bill 10 Appropriation Act, 2017

The Deputy Speaker: The hon. Minister of Municipal Affairs.

Mr. S. Anderson: Thank you, Madam Speaker. On behalf of the Minister of Finance it's my pleasure to move second reading of Bill 10, the Appropriation Act, 2017.

This act will provide funding authority to the offices of the Legislative Assembly and the government of Alberta for the 2017-18 fiscal year. The schedule to the act provides amounts that were presented in greater detail in the 2017-18 government and Legislative Assembly estimates, tabled on March 16, 2017. These estimates were subsequently debated by standing committees and voted on in Committee of Supply.

Madam Speaker, Budget 2017 makes practical changes that will make life more affordable for Albertans. Our budget supports a reduction in school fees for kindergarten to grade 12 students. This will deliver real relief to Alberta families, from the cost of busing to instructional supplies and materials, when they send their children to school.

For postsecondary students we are extending our freeze on tuition to the third year in a row. Young adults will be able to pursue a career in their chosen field without being priced out of a good education.

This government is also committed to reducing electricity costs for Alberta families. We are capping electricity prices to ensure stable and affordable power over the next four years. This will give families more certainty as they plan their household budget. Our budget includes measures to help Albertans reduce their carbon footprint and energy costs. Energy Efficiency Alberta will deliver a variety of programs and services for energy efficiency and small-

scale renewables. These are just a few of the ways Budget 2017 helps make life more affordable for Albertans.

The changes we're making could not come at a better time. We know that Alberta families are still feeling the impact of the recession. People are worried about their jobs and making their rent or mortgage payments. They wonder if they can afford to keep their kids in hockey or dance classes. Budget 2017 is making life more affordable for them by helping them with everyday costs.

The budget also continues our plan to build a diversified economy and get people working again. We are coming off a couple of tough years, marked by low oil prices and extraordinary circumstances like the Wood Buffalo wildfire, but we have a plan to get Albertans working again.

Budget 2017 continues government's commitment to build and improve modern infrastructure. Our capital plan commits \$32.8 billion during the next four years. This will build health care facilities, schools, and other public institutions where Albertans can access the services they need. Keeping our interchanges, bridges, and highways in good working order will ensure that goods and services can be moved efficiently. Efficient transportation networks are essential for Alberta's export-based economy. Investing in building projects will create and sustain thousands of good-paying jobs for Albertans.

We are also bolstering our economy with tax credit programs to attract and keep investment dollars here in Alberta. Our government is into its second year of our \$250 million investment to support job creators and encourage business capital investment. As part of our plan we're encouraging business innovation and investment in our province. This includes building green infrastructure and other initiatives such as supporting Energy Efficiency Alberta as outlined in our climate leadership plan.

Over the next three years \$5.4 billion will be fully reinvested to reduce emissions, save energy, diversify the economy, and to help households, businesses, and communities adjust to the carbon price. The leadership our government is showing on the economy and environment will take time for the full effects to be felt. It's not going to happen overnight, but we know that our plan to get Albertans working again sets the foundation for economic recovery.

Alberta families can be assured that the programs and services they rely on to help them through the rough patch will be there for them. This budget contains an important promise to protect and improve services Albertans rely on. Last year saw significant caseload growth in income supports, AISH, and other support programs for our most vulnerable. This is directly correlated to the economic downturn. We had a choice as a government to either make deep cuts to the government programs and services that Albertans rely on or protect these programs and services. Our government is choosing to be there for Alberta families, especially during these tough times.

We are also committed to finding savings. We have a plan to gradually reduce the deficit year over year and return to balance by 2024. This will be achieved by keeping spending increases below population plus inflation growth. We're committed to finding \$200 million in savings this year. That's on top of the \$250 million in savings we realized last year and the \$500 million we'll save over two years from the physicians' compensation agreement signed in November 2016.

We're putting an executive compensation framework in place for 23 public agencies, which is expected to save nearly \$16 million a year once fully implemented. We're continuing the salary freeze for political staff and managers in government departments and public agencies. These measures along with others outlined in the fiscal plan will help us along our path to balance.

Madam Speaker, to summarize, Budget 2017 is our government's plan to support job growth and build a diversified economy. It's a promise to protect and improve the services and supports that make a difference in the lives of Albertans, and it is our pledge to lay the foundation for returned economic growth. This year our province will see a return to economic growth, and we'll get there through leadership in climate change, building critical infrastructure, and supporting job creation while protecting the services and programs that help Albertans most.

I along with my government colleagues look forward to implementing Budget 2017 and making the lives of Albertans better. I urge you to support this bill today.

I now move that we adjourn debate. Thank you.

[Motion to adjourn debate carried]

10:20

Bill 8

An Act to Strengthen Municipal Government

The Deputy Speaker: The hon. Minister of Municipal Affairs.

Mr. S. Anderson: Thank you, Madam Speaker. I request leave to give second reading to Bill 8, An Act to Strengthen Municipal Government.

After years of hard work, consultation, forward thinking, and relationship building, this bill is the third and final round of legislative amendments under the MGA review that we're aiming to put in place before the elections this fall. A comprehensive review of the Municipal Government Act started in 2012. The first set of amendments was tabled as the Municipal Government Amendment Act, 2015. This bill dealt with consensus issues and was unanimously passed in March 2015. The second round of amendments was tabled in May 2016 as the Modernized Municipal Government Act. This legislation addressed more complex and wide-reaching changes like the shift from competition to collaboration between Alberta municipalities.

Our government committed to open and accessible consultation with Albertans on the Modernized Municipal Government Act, and we took the time to do it right. Last summer our government held 21 sessions across the province to hear directly from Albertans about what matters for their communities. There are so many people across Alberta who care about their communities, who want to see smart planning and growth where they live, and who are active participants in their local governance. We heard from these people about how our government can make practical changes to make their lives and communities better. So we made some of the changes in the form of 40 additional amendments to the Modernized Municipal Government Act last fall before it was passed unanimously in December 2016.

Today is about the rest of what we heard, which included new ideas for how the MGA can support sustainable and collaborative communities. We heard these ideas from municipal leaders, families, young people, school boards, indigenous communities, small businesses, and industry. We took those ideas back to all Albertans last fall, and we heard strong support for nearly every policy proposal. We also held meetings with municipalities, school boards, indigenous communities, business, and industry to further discuss these ideas before developing this bill.

With this bill we are delivering on those ideas that we heard from Albertans. Let me tell you about a few of these ideas and how they became the amendments before us today. A key focus of the MGA's modernization is community collaboration. We believe that all Albertans benefit when municipalities are good neighbours, working together to provide services and strengthen the economy.

Over the last year we heard from leaders in many First Nations and Métis settlements that they want to see better relationships with their neighbouring municipalities. We are therefore extending the spirit of municipal collaboration to include Alberta's indigenous communities.

The amendments tabled today would require that municipalities give First Nations and Métis settlements the same notification opportunity to comment on statutory plans that is provided to all other adjacent municipalities. These changes would set a Canadian precedent to build stronger relationships between municipalities and First Nations and Métis settlements. We are also empowering municipalities to enter into agreements with indigenous communities. These changes are a small but significant step to strengthening relationships between indigenous communities and municipalities.

We're also aiming to make political life more accessible for women and Albertans with young families. These amendments would enable councils to make parental leave bylaws for councillors. We heard this great idea from the city of Edmonton, and I need to give credit to Councillor Bev Esslinger and Mayor Don Iveson as two of the key people in making this happen. Our elected councils need to better reflect the communities they serve, including young people, new families, and women. Half of Alberta's population are women, but right now in Alberta women only make up 26 per cent of municipal councillors, and 23 per cent of municipalities in this province do not have a single woman on them. Our government also wants to encourage young women and men to get involved so their voices can be heard, and having a child or wanting to have a family as a locally elected official is something that we would support with this change.

As you know, our government is committed to building schools to serve our young and growing province and to protecting and improving education for Alberta students. The education of our children is incredibly important to the well-being and prosperity of our communities, and schools are at the hearts of our neighbourhoods. We heard from municipalities and school boards that we can do better in how school sites are planned and serviced for communities. That's why this bill proposes that municipalities and school boards enter into joint-use and planning agreements to work together on integrated long-term planning for school sites and facilities. This will be good for students, for families, and for all communities.

These amendments and the rest of An Act to Strengthen Municipal Government are designed to make life better for Albertans no matter where they live. I encourage Albertans to go online, see the amendments and how they reflect the ideas we heard, and follow the debate as the bill moves forward. These latest amendments to the MGA will make our communities stronger and more sustainable. To develop this bill, we listened to Albertans. We are acting on what we heard, and we are working to have a modernized MGA and its regulations come into effect before this fall's municipal elections.

I'm proud to present for a second time Bill 8, An Act to Strengthen Municipal Government. I move that the bill be read a second time. Thank you.

The Deputy Speaker: Any other members wishing to speak to this bill? The hon. Member for Livingstone-Macleod.

Mr. Stier: Thank you, Madam Speaker, and good morning, everyone. It's a pleasure to be here today to speak to Bill 8, An Act to Strengthen Municipal Government. I'd like to thank the minister for his remarks this morning. As always, enlightening as they were, we certainly have a lot of work to do here. We noted that there were

44 items in this bill, again, only a couple of months after we had a bill that was almost quadruple that size. Anyway, we're going to do our best in the limited time we have to try to present some information this morning during second reading.

While Bill 8 is not nearly as robust as the Modernized Municipal Government Act, that was debated in the fall, by my count it looks like there are about 50 different proposals in Bill 8, as I've just said. I'd love to discuss every one of them this morning, but that simply isn't possible, so I'll look to do my best to focus on about 10 of the major priority items we've identified and look forward to continuing the discussion during future stages of the debate.

In a previous life I had the honour of serving as a municipal councillor on the MD of Foothills council, which many in here may know, and I enjoyed my time there immensely and had the opportunity to work with some amazing people there. I look back on that time with a lot of pride, actually. There were an awful lot of interesting developments that took place that close to a major city, which I benefited from, for sure. It was a great experience.

Another of the important things I learned during that time was the value of the associations that represent the municipalities in this province.

The Alberta Urban Municipalities Association [or AUMA] represents urban municipalities including cities, towns, villages, summer villages and specialized municipalities and more than 85% of Albertans. It is a dynamic and evolving association, advocating the interest of members to the provincial and federal orders of government and other stakeholders.

The other association, representing Alberta's rural municipalities, is the Alberta Association of Municipal Districts and Counties, of course, or AAMD and C, which describes itself on its website as "an independent association comprising Alberta's 69 counties and municipal districts. Since 1909, we have helped rural municipalities achieve strong, effective local government."

These two grassroots organizations do amazing research and amazing work in policy development and, due to the many overlapping areas of focus, often collaborate. I valued their insight during my time as a councillor and continue to value their insight and input today in my role as an MLA representing my constituents here in the Legislature and as the Official Opposition's critic for Municipal Affairs.

While both the AUMA and the AAMD and C were consulted and provided feedback to the government during the development of Bill 8, I think it's important to include, therefore, some of their feedback for the record here in the Chamber this morning. I'll clarify, though, that the AUMA and the AAMD and C submissions I'm going to be referencing here were referring to the document that was sent out by the department called Continuing the Conversation, which was released in November, just after the last amendments to the MGA were done under Bill 21.

I'd like to start with the 5 to 1 ratio issue because it is a very controversial issue that was dealt with before and that we're going to get into a bit again this morning. I won't spend too much time on it, really, but one of my esteemed colleagues is planning to speak on the topic in more detail a little bit later today. Essentially, in Bill 21, which was passed in the fall, they established this linkage between residential and nonresidential tax rates. Since the MGA was first amended, way back in the mid-1990s, there has been a growing divergence between the property tax rate a municipality charged on nonresidential property and the tax rate it charged on residential property. In almost all cases this difference was not really that large, you know: 1 to 3, 1 to 4, something like that for the most part. However, in about a dozen municipalities the divergence had then grown in excess of five times the rate being charged on a residential property.

Bill 21 actually established a cap that prevented this gap from exceeding a ratio of 5 to 1. Essentially, with Bill 21 a municipality's highest nonresidential property tax rate could no longer exceed five times the rate of the municipality's lower residential property tax rate. As I mentioned, for most municipalities this presented no problem as they already fell below that limit for the most part. However, in the case of, I believe, 19 or 20 municipalities their ratio at the time Bill 21 was first introduced exceeded the 5 to 1 setting. Bill 21 therefore allowed municipalities that exceeded the ratio to maintain whatever their current ratio was, be it 5 and a half to 1 or 11 to 1. However, it prevented the municipality from going beyond that in the future.

10:30

What Bill 8 seems to be proposing to do is bring those municipalities that exceed the ratio in line with the 5 to 1 ratio only after three months of passing Bill 21, which allowed those jurisdictions to be grandfathered into the formal rule. We don't know why the government is suddenly changing their stance on this, but it was quite a surprise to get that. It doesn't outline any sort of timeline for this to be done, either. It leaves all of that to regulation, apparently, and we all know here in the House that we don't debate regulations, unfortunately.

All I will say at this point, anyway, as we're going to go into it in detail later, is that there are a lot of reasons why a municipality structures their tax burdens the way they do and that there are often legitimate reasons why certain municipalities feel justified in setting the higher tax rates in the way that they do. I think that the AUMA and AAMD and C have some good insight on this, and I'd like to put up a couple of quotes here. The AUMA states in their submission that the AUMA "supports providing the Minister with the authority to exempt a municipality indefinitely from the 5:1 ratio." Likewise, the AAMD and C states in their submission that "the AAMDC supports the ability for municipalities to be exempt where appropriate or extenuating circumstances require it."

I'll end my comments on this particular topic now by reiterating that I suspect the municipalities that exceed the 5 to 1 ratio have legitimate reasons why. Likewise, if the government feels that it needs to bring all municipalities in compliance with the 5 to 1 ratio, it should provide the details and the proposed timelines within the legislation itself so that all MLAs have a chance to debate it and discuss it.

Let's move on, Madam Speaker, to intermunicipal off-site levies. This one here is a proposal to enable municipalities to jointly implement off-site levies for eligible projects that provide benefit to both municipalities. Bill 21 actually expanded the types of infrastructure that could be funded through off-site levies to include libraries, police stations, fire halls, and recreation centres. It also established that the percentage of the benefit would dictate the amount a municipality could collect from a levy. For example, if a new development was determined to derive 30 per cent of the benefit from a proposed recreation centre, the municipality could collect up to 30 per cent of the cost of the recreation centre from the levy it charged the developer.

AUMA states in their submission:

Permitting intermunicipal off-site levies between jurisdictions would allow for a more coordinated regional approach and allow neighbouring municipalities to share a common philosophy, and better support development of projects.

They also go on to say that

consideration must also be given to how an appeal would function for an intermunicipal levy, the process in cases where a municipality does not wish to contribute/participate, and the mechanisms each municipality has in order to access appeals.

Very important comments. I would concur with the AUMA, actually, on that, that the details around how these levies are going to work need to be established in the legislation because, as I've said before, we don't get into regulations, but these are very important circumstances that need to be debated.

When it comes to the AAMD and C on this, they state that "intermunicipal off-site levies should be voluntary only and should not be imposed by one municipality on another." With that I'm in total agreement as well. If the government's goal is to indeed improve intermunicipal collaboration, then off-site levies must remain voluntary. I look forward to the minister providing a lot more detail over the course of the debate on the issue that this brings to rise, and hopefully we can get some details on this for our municipalities.

Madam Speaker, I'd also like to speak a bit on conservation reserves. This was a new one that came up with Bill 21, and it's the ability for a municipality to establish one of those. It was to address an issue that municipalities were facing when they were dealing with developments that often as not may have included some areas where environmental reserves were already being considered. You know, there was also an extra capability with Bill 21 to take extra lands, but in this case those lands that were to be dedicated in that regard as conservation reserves would require compensation to the developer. That's what happened in Bill 21.

The issue that the reserve hoped to solve was for an area that was developable but was identified as having environmental significance such as wildlife corridors, significant tree stands, or other environmentally significant features that the municipality wished to conserve. Since these areas were developable areas, the municipality was responsible for providing that they would give appropriate compensation to the developer.

The proposed changes now, though, in Bill 8 will allow reimbursement of purchase costs to be considered during the annexation processes and that those funds must be used for conservation purposes, exempt conservation reserves from paying municipal taxes, clarify that municipalities may include conservation goals and objectives in their statutory plans, and allow municipalities the ability to reclassify a conservation reserve if substantive changes occur that eliminate lands' conservation values. For example, when a tornado or something comes in and there's a significant riparian area that's destroyed, that kind of thing could come into play in that circumstance.

The AUMA is

supportive of this change as it will ensure that the municipality that derives benefit from . . . reserve lands are the ones who pay for it; however, limiting the amount to what the municipality originally paid for the land should be removed and municipalities should have the ability to negotiate remuneration.

We certainly agree with that. There should be some sort of a negotiation put in place in such a situation.

In the AAMD and C's response to the proposed change, they say that they "will ensure that this tool is effective through shifts in boundaries." So it sounds like they will want to make sure that there are regulations in there when boundary shifts occur, that this conservation reserve topic is taken into account, which we certainly support.

Taxation of provincial agencies is another item that's come to the forefront. The government is proposing an amendment that would make property held by provincial corporations taxable for the purpose of property taxation. AUMA says that they're "supportive of adding these properties to the municipal tax base to compensate municipalities for the services the municipality provides (such as water, sewer, and fire protection)," et cetera. Likewise, AAMD and C say that they are "supportive of adding these properties to the

municipal tax base.” While both AAMD and C and AUMA were supportive of the changes proposed in Bill 8, they want to see the property tax exemptions set out in the Financial Administration Act and the MGA, you know, including in there Alberta Health Services, housing management bodies, schools, colleges, and universities, be removed.

I’d like to now move to the electric energy exemption regulation elevation that is in Bill 8, which proposes to enable the minister to exempt certain properties from education property tax where they are used for or in the generation of electricity. On this particular proposal there are a few questions. I know that a long-time complaint of municipalities has been that they are ultimately responsible for the education property tax that the provincial government mandates the municipalities collect on a province’s behalf. Whether they are able to collect the tax from property owners is of no concern to the province. This results in the municipality holding the bag if a property owner refuses to pay or is unable to pay their property taxes.

I appreciate that this appears to partially deal with the issue, but if the province is planning on dealing with all the electricity generation, then I can see the value of this amendment. That being said, I would like the minister to explain how this is not just another example of this government hand-picking winners and losers. Furthermore, if the minister could explain how this is not a poorly hidden attempt at subsidizing solar and wind electricity generation, I would appreciate that, and I’m all ears.

Now I’d like to move back to off-site levies again this time, Madam Speaker, but going towards where they relate to provincial highways. Bill 8 is proposing to enable off-site levies being collected for a municipal road project that connects to provincial highways. Furthermore, when a municipal statutory plan comes within 1.6 kilometres of a provincial highway, the plan must be referred to the Minister of Transportation for review and comment.

10:40

The AUMA has a comment here on this which is worth while. It says that they

[do] not support municipalities collecting offsite levies to pay for the provincial transportation system. The system should be funded through provincial revenues not local fees and charges.

The levies may manipulate the prioritization of provincial infrastructure projects and distort property prices in some communities.

I think that’s an important quote to note.

AAMD and C, on the other hand, “supports the proposed change,” but also in their case they were directing a request in the summer of 2016 regarding this to Municipal Affairs, and they’re waiting to hear a response. However, they do share AUMA’s concern that this provision could result in the prioritization of provincial infrastructure where a municipality had the ability to subsidize a portion of the cost.

Moving on to enforcement of ministerial orders now, Madam Speaker, Bill 8 is proposing to grant the minister additional remedies to address municipalities that are in noncompliance with an order by the minister. The proposal is to provide the minister with the same powers as are currently available to address noncompliance with an ALSA regional plan. In addition, Bill 8 would clarify that an order of the minister remains in effect while a review by the court is under way and furthermore requires that the minister receive 10 days’ notice of anyone intending to apply for injunctive relief against the decision of the minister.

The AUMA raises a number of concerns with this proposal, including:

The Minister should not be able to suspend authority to make bylaws/resolutions or withhold money from an entire council for the actions of an individual councillor.

AUMA also goes on to say that

- suspending a council’s authority to make resolutions or bylaws may be problematic when the council is unable to pass a bylaw that is necessary for the operation of the municipality (e.g. tax rate annual bylaw)

and that

- withholding money payable to a municipality may also be problematic when a municipality has contractual obligations that rely on grants to be funded, which may lead to legal or financial repercussions if funds are withheld.

So there seems to be a recognition by the AUMA that there’s a very strong problem in this suggestion in Bill 8, and I look forward to hearing about that.

The AAMD and C also adds in their submission that the powers to suspend a council’s authority to make resolutions and bylaws should be reconsidered to ensure that municipalities have the decision making authority to allow for continuous operation of [their] duties.

Another great bit of information there to consider.

Both of these associations, therefore, are raising legitimate concerns with the government’s proposed amendments on this issue. However, I understand there are cases where the minister must act to ensure that a municipality is not operating in an irregular, improper, or improvident manner and that Albertans expect their elected officials to fulfill their duties with the dignity and respect that their role as an elected representative demands. I know I must sound like a broken record, but I look forward to the minister providing further details on this proposed amendment as well so that I can make an informed decision on the overall bill.

Madam Speaker, I’m going to have to end my comments here. It’s difficult because there’s so much more to say and there are so many topics in this bill and there are so many significant issues, as I’ve outlined, and so many concerns by the two most important associations in the municipal world, the AUMA and the AAMD and C. I look forward to hearing from all members in the Assembly as we continue this debate in the upcoming weeks on that, and my colleagues will be speaking more about this in the next hour or so this morning.

Thank you.

The Deputy Speaker: Any other hon. members wishing to speak to the bill? The hon. Member for Little Bow.

Mr. Schneider: Thank you, Madam Speaker. I’m proud to rise today to talk about the proposed changes to the Municipal Government Act and more specifically the proposed changes to create mandatory joint-use and planning agreements, or JUPAs for short. This amendment will require creating mandatory JUPAs between municipalities and school boards. There is general support among major stakeholders on both sides for this amendment but not without some concerns. As with any piece of legislation that comes through the House, the devil is generally in the details, and there are several areas where more detail is needed.

AUMA, as my colleague just spoke about, the Alberta Urban Municipalities Association, for instance, is generally supportive of this amendment as they have long advocated for greater co-operation between school boards and municipalities. They have a particular interest in regard to school reserves and the planning and servicing of schools and the disposition of school property and school reserve sites. AUMA is also advocating for increased

transparency when dealing with where future school sites are located.

AAMD and C – of course, that's the Alberta Association of Municipal Districts and Counties – believes that the amendment to require a joint-use agreement between municipalities and school boards will result in avoiding conflict provided these agreements are enforced and kept current. While supportive, I share their concerns about the parameters of this joint-use agreement as it deals with committee accountability and membership. This needs to be reviewed to ensure that the governance is appropriate and municipal representation is of proper proportions. Terminology needs to be clear to differentiate between a joint-use agreement, which speaks to the utilization of a facility, versus joint planning.

It is paramount that municipalities need to retain the authority to follow their own planning needs. This is especially important to those municipalities that have to deal with multiple school boards including Catholic, public, francophone, or charter schools. Consideration of these circumstances needs to be addressed.

Furthermore, provisions must also address a municipality's ability to repurpose surplus school sites as there have been instances where a municipality's access has been restricted in prior situations. It's also vital that certain provisions should be made that require joint-use agreements to address how reserves are collected in one municipality, will be used to contribute to school site acquisition and development in another municipality to which the first municipality sends its students. That may sound off the wall when we come to a city, but in rural Alberta this is a fact in a lot of places.

AAMD and C also expressed concern by identifying problems around the future of school sites where a school was never built. These lands are often held by the school authority with a market valuation despite the lands being initially provided to the school authority by the municipality at no cost. AAMD and C believes a process should be in place for school sites that are no longer to be used for such purpose to be returned to the municipality at no cost. Madam Speaker, this will all be rendered moot if there is no mechanism in this joint-use agreement that includes the province as an active partner or participant in these agreements. The province is, of course, central to any of the infrastructure decisions regarding school sites and, as such, must be part of the process from the beginning.

Since we are now on the topic of how important the province is to ensuring any joint-use agreement is successful, it's a bit disconcerting to see the lack of any funding to initiate these new responsibilities. Given that this government is responsible for making everything more expensive with their ill-conceived carbon tax, it's troubling that the province has downloaded the bulk of the responsibility for administration of this amendment onto municipalities and school boards without any funding whatsoever to follow. These are the same school boards and municipalities who have come forward with numerous examples of how the carbon tax is making things harder for their citizens: heating costs, increased costs for busing, that hurts municipalities and hurts school boards. The province wants them to do more with less, all the while taking more money from these boards and municipalities and, furthermore, requiring them to do all this planning without any additional funding. I cannot help but wonder: how does the province expect municipalities and school boards to do all this without adequate funding?

Madam Speaker, I sat as a rural municipal councillor for six years. We had a cordial relationship with the school board in our county, but we really didn't require regularly scheduled sit-down meetings. This new addition to the MGA will require school boards and municipalities to meet and put together mandatory joint-use plans. I'm not saying that there's anything wrong with sitting down

and meeting. Exchanges of information are always important. However, this will cost both the municipality and the school board money in order to complete such a document at a time when an increase in taxes for both entities is taking much-needed money out of their coffers.

10:50

For municipalities alone, they have also had several mandatory agreements downloaded onto them by the provincial government, municipal development plans and intermunicipal collaboration frameworks. For those that do a tight three-year timeline has been put on the completion of these now statutory documents. These documents are not a simple process for municipalities, especially smaller municipalities like several of the ones in my riding. It's become a troubling theme with this government, one that sees it put forward legislation without, seemingly, a thought of the result. As my colleague from Drumheller-Stettler is fond of saying, this government never considers the unintended consequences of its actions.

Now, as we continue to discuss this bill, I would ask that we all bear in mind the diversity of municipalities in this province, especially in terms of size. We have the city of Calgary with about 1.2 million, Edmonton with a population of 900,000. The numbers are close. We have other cities such as Red Deer and Lethbridge with around a hundred thousand residents each. Then there are large counties in this province like Parkland, with 30,000 people; smaller ones like the county I come from, which has about 6,800 residents. This province has more than a hundred towns and around a hundred villages, which often only have a couple hundred people. The village of Carmangay, in my riding, has 367 people. The village of Milo, in my riding, has 122 people. The reason I'm bringing this forward is because I want to point out that the government cannot always treat all municipalities the same. Each have vastly different levels of capacity. Small municipalities obviously don't have access to the same number of staff with administration and planning as a bigger city or county does.

I think that's why I support the AUMA and the AAMD and C's request that the province provide the funding to develop additional resources to assist the municipalities with these new challenges. I'm hoping the government will soon provide details on how it is they'll be helping smaller municipalities comply with these requirements. Are we talking about a financial grant to each village to help them put together and administer these JUPAs? Perhaps a small sum of money to be used by the municipality is most effective at getting the job done. Will every municipality get the same amount of money, or how will the funding be determined? Will funding be based on population? Another question is whether there are multiple municipalities and school boards having to work together. Is that a possibility? Those kinds of questions haven't been answered.

You know, is this government not planning to provide any financial support to municipalities? Will they, instead, provide assistance by posting instructions and templates online as suggested by the AAMD and C? Will the government be setting up a helpline that municipal staff and school boards can call on when they need this resource? I have no doubt these resources would be helpful. I'm positive, Madam Speaker, that municipalities are hoping for more details and guidance in this area, and I expect the sooner, the better. Municipalities need these details as soon as possible so that they can begin making arrangements, especially since the government is moving this bill forward as we speak.

While I'm generally in favour of municipalities and school boards setting up these joint-use agreements, I hope that this government will provide boards and municipalities with more

details and address the concerns that have been expressed by stakeholders and here in this Chamber.

Thank you, Madam Speaker.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)?

Seeing none, are there any other members wishing to speak to the bill? The hon. Member for Lethbridge-East.

Ms Fitzpatrick: Thank you, Madam Speaker. It is my privilege to rise and speak and join the debate in this Legislature on Bill 8, An Act to Strengthen Municipal Government. I speak in support of this bill. I will begin by saying that I am so pleased with the amount of consultation that has occurred and how the amendments are based on the feedback received from Albertans and stakeholders through the discussion paper *Continuing the Conversation*. This is a good segue into my comments on several areas of the act on which I feel compelled to provide comment.

The first is the area of collaboration. This area is exactly what my city and county are already doing. I've several examples I'd like to point out to you. Lethbridge and Lethbridge county have already collaborated to develop a new intermunicipal development plan, and they're collaborating on an airport master plan. Lethbridge also provides various services to the county from time to time as they are needed. I'm really delighted to see this bill as it affirms the collaboration that is already happening between our municipalities.

Another piece on the collaboration spectrum is a requirement for municipalities to have joint-use agreements with school divisions regarding the allocation and use of school grounds and fields. Personally, I feel Lethbridge has been the leader in this area. This has been a well-established practice in Lethbridge since 1959, long before many in this room were born.

The next piece I will speak to is that Lethbridge has already begun engaging our neighbours in the Blackfoot Confederacy in our new municipal planning that's under way. I believe this fits with the new requirement to notify adjacent indigenous communities when proposing new municipal development plans or area structure plans. What a great step between the Blackfoot Confederacy and my city.

The next area I will speak about is parental leave, an area which is near and dear to my heart. This proposed change would enable municipalities to establish a councillor parental leave bylaw and amend it to exempt councillors from disqualification when absent under the provisions of a local parental leave bylaw. I am very pleased with this proposed change which would open the door for more women to step forward and run in municipal elections.

During consultation Alberta Urban Municipalities Association, AUMA; the Alberta Association of Municipal Districts and Counties, AAMDC; Calgary; and Edmonton were all in support of this addition. In fact, AUMA president Lisa Holmes has personally called for this to be mandatory for all municipalities. Many women such as myself have stayed away from being more involved in municipal politics, in fact, any kind of politics. For me, it was because I was raising a family, and for a number of years it was as a single parent. This was a huge barrier for me as I am sure it was for many others. Because of our own experiences in being the caregiver and breadwinner within our families versus the previously more traditional family dynamic, it provides us with a much different perspective on governance and action. Our well-honed skills in multitasking lead us to look for more efficient ways of organizing and completing tasks. These are definitely an asset when looking at municipal responsibilities and intersectionality of those responsibilities. Areas such as applying an environmental or

family responsibility lens when making decisions really do come from a different perspective with that kind of experience.

That leads me to the next area about which I would like to speak, and that is: fostering environmental well-being. The proposed change in the bill is supported by our two largest cities. It is also supported to a great degree by my city, Lethbridge. The Lethbridge city council has identified this in its strategic plan. It is compatible with the approved waste diversion strategy for the industrial, commercial, and institutional sector and the city's decision to implement curbside recycling.

11:00

The final piece on which I would like to comment is the imposition of a maximum property tax ratio between nonresidential and residential property taxes. This would be a nonfactor for my city, Lethbridge, because the ratio applied in Lethbridge is 2.39 to 1, which is well below the maximum ratio of 5 to 1 that's being proposed. At this point I have to say that I am so proud of the progressive mayor and council we have at the helm in Lethbridge and also the reeve and council in Lethbridge county.

Now, I would like to point out that the MGA review began in 2012. Bills amending the MGA were introduced by government in 2015 and 2016. The Municipal Government Amendment Act, 2015, Bill 20, was passed unanimously on March 24, 2015, and the Modernized Municipal Government Act, Bill 21, was passed unanimously on December 6, 2016. Bill 21 was then reviewed by Albertans and stakeholders during the summer of 2016, and they provided very fulsome feedback on this bill. I think this has been very successful because this process has been both transparent and comprehensive. This is a wonderful example which shows how our government is listening to Albertans, and because of this, we are making lives better for Albertans.

I support the amendments in this bill, that strengthen municipal collaboration and environmental well-being, and I am so very proud of how the municipalities in my region are already leading the way in these areas.

Thank you.

The Deputy Speaker: Any questions or comments under 29(2)(a)?

Seeing none, any members to speak to the bill? The hon. Member for Calgary-Hays.

Mr. McIver: Thanks, Madam Speaker. I appreciate this opportunity to rise and speak about Bill 8, entitled An Act to Strengthen Municipal Government. I want to congratulate the government on some of the things in this bill. There are certainly some positive things, and I'm happy to acknowledge that. I will start with one that could be seen as window dressing, but I don't see it as that. I see it as important. The collaboration with indigenous communities, particularly with the reserves, I think is a very positive thing, and it must be. The only reason that some might consider it window dressing is because with the First Nations, of course, we can't force them to collaborate. But extending the friendly hand of government and Alberta municipalities to First Nations and indigenous communities I view as a very positive thing, so that is certainly something I support.

In my view, members of indigenous communities are a hundred per cent Albertan, the same as any other Albertan. The more that we can work together, I see it as a benefit for indigenous people on an equal footing with nonindigenous people. I thank the government for this particular encouragement for municipalities to reach out and have that collaboration and that sense of community and working together. I don't think that's an extra. I think that's something that is positive and, in my view, very much welcomed.

The enforcement of municipal orders that is in the act certainly requires 10 days' notice of intent to apply for injunctive relief against a decision or order of the minister. We'll see how that plays out. I'm not going to criticize it. I just think it's something that needs to be monitored by the government to make sure that there are no negative or unintended consequences.

Parental leave. I think that particular area of the act is welcome. It's certainly clear that municipalities before now could have put in a parental leave policy if they wanted to. In some ways it's a nonchange, but I suppose in another way it's legislative encouragement for municipalities to consider that.

I'm happy to see that the government is looking at the catchment area contributions, which will provide municipalities with increased flexibility to use a catchment area contribution structure that would support land dedication and development parameters with respect to the assembly of parks and school sites. Again, I would encourage the government to monitor that to make sure that there are no unintended negative consequences, but there's certainly the opportunity for good things to come out of that.

Now, the mandatory joint-use planning agreements is an area that municipalities have said that they have some concerns with. I know that a lot of municipalities already have joint-use planning agreements. Certainly, when I was with the city of Calgary, we had one with parks and the school boards, and it was a positive thing, in my estimation, although not without wrinkles. There was probably the odd unpleasant meeting over some of the issues involved; nonetheless, providing that platform or that place for the parties to come together, the municipality and the school boards, could be seen as a positive thing.

The same could be said for the off-site levies changes in the legislation. It's nice that intermunicipal off-site levies are available again so that municipalities that choose to work together to build a seniors' lodge, to build a recreation centre, an arena, whatever it happens to be that both municipalities agree on, have a framework for them to work together and both contribute to. I see the potential for good things to happen there, but again I would respectfully caution the minister and the government to monitor that and make sure that no unfortunate disagreements grow out of what I truly believe is a well-intended section in the act.

Again, I'm looking at some of the contributions from AAMD and C and AUMA, which I think are voices that need to be paid attention to here. On the AUMA website it says, "While the Bill contains a number of promising policy changes, there is still some uncertainty on their applicability and feasibility since much of the detail is not yet known and, similar to other MGA Bills, will be specified in a future regulation."

Unfortunately, this a habit that this government has of passing legislation and saying: trust me on the regulations. I don't trust this government on the regulations. I'm sure they'll get some of them right, and other ones I'm sure they won't, and I would be much more comfortable if the government actually disclosed all or most of the regulations at this point before passing the legislation so that municipalities actually knew what was coming down the pike in changes that they will have to live up to.

AAMD and C and AUMA have both made comments that they want the government, when they require municipalities to meet certain regulations or certain requirements, to provide funding to do that, which I think is a reasonable requirement and, certainly, one that was asked for at the time that I spent eight years on the AUMA board. It's been pretty consistent from the AAMD and C side, too, that when the government downloads responsibilities and requirements onto municipalities, they ought to actually also download the dollars to pay for the meeting of those responsibilities

and requirements. I think that's a reasonable request of the municipalities and something that, in my view, the government should consider.

11:10

It's a concern that I have heard from some municipalities that in areas where the government is enforcing the 5 to 1 ratio, it takes away some of the autonomy of municipalities to do that. I have to say that my personal view is that 5 to 1 is probably a bigger ratio than there should be. Having said that, I think it's more important to respect the fact that municipalities are duly elected bodies, and if they put the taxes out of whack with what the people in the municipality agree with, then the people in the municipality will give themselves a new council or new council members at the appropriate time once every four years.

My concern, again, with the limit, the 5 to 1 ratio, is that while in principle I think it in most cases probably would be considered a reasonable ratio, it does impinge upon the duly elected nature of municipal councils. I think that respecting their independence is important, particularly when one considers that the set and body of persons who elect municipalities across Alberta is exactly the same set and body of persons that elects people to this Chamber, to this Legislature. So when you consider that whatever authority we have comes from the people, I think it needs to be acknowledged that the authority for municipalities comes from exactly the same source as the authority for us in this Legislature in terms of who votes to choose who gets to exercise that authority. That's why I'm always concerned when the government impinges on the ability of a duly elected body to make decisions that are clearly within the authority of that duly elected body.

Now, the AUMA has acknowledged the province's depiction of the bill as being the "finishing touches," which I suppose is a legitimate concern because some of this is coming – well, let me just use their words. "Depiction of this Bill as being the 'finishing touches' before the municipal election is disappointing since many issues have not been resolved." That is why one thing that is disappointing to me as well is that this Legislature is being asked to vote on something that we don't really know what the net effect on municipalities will be because so many of the regulations that will be attached to this have not yet been disclosed.

Again, this is the continuation of a very bad habit on the part of this government, and while I intend to vote for this legislation, it's not without concern. It's not without concern as expressed by municipalities, by AAMD and C and AUMA, and our party, the PCs, will continue to stay in touch with AUMA and AAMD and C and advocate for the government to listen to them, though it seems they're hell bent to not fill in the blanks on what this legislation will really mean once the regulations are added to it, and for the government to correct that habit in the future and to not take the attitude, which, in my view, is somewhat demeaning to municipalities, to say: just trust us; it'll all be fine.

I think a much more productive, a much more constructive, a much more collaborative approach with municipalities would be to show them a set of the regulations that the government intends to bring forward for comment because some of those regulations, if they were to be changed on the advice of municipalities, actually might require the government to come back and change the legislation again. It would seem to me much more co-operative and much more efficient and, really, better manners for the government to do that ahead of time.

So there it is, Madam Speaker. I will be supporting the legislation but with the proviso that while there's probably more good than bad in there, there are issues the government has yet to resolve. I hope that the government will take the advice not only from the

opposition but from Alberta municipalities to co-operate better in the future before they bring legislation forward.

Thank you.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)?

Seeing none, are there any other members wishing to speak to the bill? The hon. Member for Athabasca-Sturgeon-Redwater.

Mr. Piquette: Thank you, Madam Speaker. I'm privileged to rise in the House today to speak in favour of Bill 8. This is a bill that I've been very privileged to have been a cosponsor on the amendments for, well, it seems like a long time. Now, Otto von Bismarck is credited with saying that to retain respect for sausages and laws, one must not watch them in the making. I'm not sure how they made sausages in Germany last century. I've seen sausages being made, and I still enjoy them. I've been able to watch this law and amendments get made, and I think this is – and I think I'm not alone in this – really the gold standard for consultation and transparency and collaboration among stakeholders in developing legislation that serves all interested parties effectively.

Now, I've been privileged as well to attend several of the consultation sessions in communities last summer. I was able to attend the consultations in Two Hills, in Lac La Biche, in Athabasca, and in Rocky Mountain House. I thought that these consultations were a model of how this kind of thing should be done. You know, in that, I'm kind of speaking as a former educator, where you're always keen to make sure that you don't just have a few loud voices dominate these proceedings. How these things are structured is really critical in that. With that, I'd have to once again commend Municipal Affairs for just the fantastic job that they've done in facilitating these consultations.

I think that speaks to the reason why it once again looks like we have a good chance of coming to unanimous support for this bill. I guess it speaks to when you do your consultations properly and effectively, although you're always going to be in a situation where there are going to be compromises – I mean, that's just the nature of politics in general – at least you know that you're on firm ground when you make those types of changes.

I do want to once again also extend credit to the previous administration, when they began this process in 2012, for choosing this type of model. I mean, I think it was well chosen. But I also think this speaks to why Albertans made the choice they did back in May of 2015. Now, the previous administration had gone forward with some of the consensus recommendations in March, but they left a lot of the more problematic issues still on the table. I think it took a fresh government, one not afraid of rolling up their sleeves and doing the heavy lifting needed for some long-overdue changes, to bring this process forward to where it is today.

This is something that's critical. I mean, previously the MGA hadn't been reviewed since 1994. You know, a lot has changed since that time. This is particularly important because, speaking as primarily a rural MLA, the MGA is really central to the continued viability and sustainability of a lot of rural municipalities. I mean, it's no secret that we're facing some pretty serious challenges in some of these municipalities. I think it really speaks well to the ministry and my colleagues in that seeing this crisis – well, I mean, a slow-moving crisis but a crisis nonetheless – they were left with decision points on kind of where you can put this balance. So you have a balance struck between competition and collaboration among municipalities and also a balance between sort of a top-down approach versus a bottom-up approach.

11:20

I'm gratified. I think our government has struck the balance kind of in the right place. Instead of dictating to municipalities exactly how, in detail, they're meant to interact with other municipalities, we've provided them with the process and the tools to be able to work out agreements that are going to be able to work for all of them. So we're able to get the synergies and efficiencies working, you know, where you've got overlapping services, overlapping areas of concern. Instead of dictating – and it's always dangerous because you don't see everything from Edmonton, right? People on the ground see a lot more, and they're able to make those types of decisions for themselves. But at the same time sometimes they do need a little bit of encouragement. Once again, I think it's striking the right balance, and I'm glad to see that we've maintained that through this process.

Now, I didn't want to reply directly to some of the concerns brought up by the opposition on second reading. There will be plenty of opportunity, I think, in Committee of Whole, but there is just one little one, and I'd like to just speak directly to that. Generally speaking – and I've spoken about this in earlier iterations of this – I think the opposition has been doing its job in holding us to account on this legislation.

However, you know, the idea that there's a lack of trust between the government and municipalities and particularly between AAMDC and AUMA is not something that I've seen reflected in my own experience whatsoever. In fact, the opposite seems to be the case. They seem to be, from the individuals that I've spoken to, very happy with how this process has been unfolding, how responsive and open the government has been in dealing with their concerns going forward as well as the recognition that we have kept our promises about the consultation over the regulations and that we've listened and made adjustments where it's been necessary.

I think this idea that there's a lack of trust is a bit of a red herring. Maybe in Committee of the Whole there might be information that comes out that could make me revise that. But at this present time it's just not something that I'm seeing, and it's not because I haven't been talking to people. Of course, I did go to the consultations. As well, I've been to many AAMDC events, had an opportunity to speak directly with their board, and I represent quite a few municipalities in my own riding, too, and that's something that we've been talking about. I mean, of course, there are always going to be concerns. There are always going to be questions when there's change. But when you have that trust – and I think this is a trust that's earned – we're able to work together to, you know, kind of get through those to a better outcome for everybody.

Once again, I think this bill is really kind of a good model for how work should be done, this legislation. I guess in another way it speaks fundamentally to the strength of Albertan democracy where, you know, in all the discussions I've had with people and when people bring up their objections, the different viewpoints are coming from different places, where people are viewing popular interests a bit differently. Of course, we see the world from where we are, not the way the world is necessarily, and this is true of this. But what I want to say about this is that these concerns have been brought forward based on people's sincere understanding of the situations in their community rather than self-interest or sort of a narrow parochialism. I think that's something that speaks well for our continued future as a vibrant democracy. So I'm happy about that.

Particularly to this set of amendments, you know, I don't want to go over too much of what my colleagues have spoken about, but some of it is just too good to not highlight again. In particular, the amendments affecting indigenous communities, that the hon.

member just talked about, are definitely not window dressing. It's another step in restoring balance to a relationship that for far too many years has been one of neglect and one of ignorance. Far too often when you have these reserves and these Métis settlements, it's almost as if there's a wall separating the community outside from the community inside when it comes to discussion and deliberation and participation. Now, that wall exists there, but it doesn't exist in any sort of a real sense.

I'm really appreciative of how our Ministry of Municipal Affairs and our Ministry of Indigenous Relations have understood, you know, that we can't prosper when we have large elements of our community that are being excluded. It's absolutely critical to the future of indigenous peoples in Alberta and people in Alberta generally that we collaborate going forward and that we facilitate communication and co-operation. I think this is a really important step in doing so. So I think this is great.

Other new amendments coming forward that I think are really welcome and do strike that right balance are around providing opportunities for municipalities to be able to provide parental leave. Now, coming from a small rural community myself, one of the critical requirements of smaller communities is being able to effectively include young residents, that when you have young families coming into your community, they feel that they have a stake there, that they're not excluded by, you know, sort of the old boys' network that runs a lot of these communities. If you don't make those types of provisions to make participation in municipal government more accessible for these individuals, they don't step forward, and that's one less tie to keep them with the community. That's just absolutely, fundamentally critical so that when we do attract young families into our communities, they stay and raise their families there and continue to contribute.

The other issue, of course, when you have municipal leaders that are very similar in their background, their age, and their gender, is that they don't know what they don't know, right? You unintentionally can have quite poor decision-making because that diversity just isn't at the table. So any steps that municipalities can take to provide for more diverse people at that table, the better the decisions are going to be for their communities. I think this is critical. Well, it's always critical on a basic-equity-between-people level, but it's critical to just simply good governance to be able to have these types of provisions. I think this is very forward thinking, and I'm glad to see that there's substantial support for this.

I guess I could wrap up my comments for now, just to reiterate that I think that these amendments speak directly to our central mandate as a government to make lives better for Albertans. No matter where they live, I think that this set of amendments, with the whole process, is a big win for rural Alberta and is going to set the stage for continued vibrancy and sustainability in the years to come. In fact, I think this is a historic occasion for this province.

I'm kind of slightly disappointed that there is nobody up in the galleries watching, but I guess it's one of those things where you – I think this is maybe some of the frustration that BlackBerry has been having in trying to do its marketing, right? I'm a big BlackBerry fanatic, as I know many other members here are as well. Part of the frustration they have with their marketing is that when you have good security, nothing happens. I think part of the reason why this set of amendments hasn't been getting the level of public... [Mr. Piquette's speaking time expired] Well, anyway, thank you, Madam Speaker.

11:30

The Deputy Speaker: Under Standing Order 29(2)(a) any questions or comments for the previous speaker?

Seeing none, are there any other members wishing to speak to the bill? The hon. Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Very good. Thank you, Madam Speaker. It's always a pleasure to get up to speak in the House and today on Bill 8. It's always nice to stand up to speak after my colleague from Athabasca-Sturgeon-Redwater. I'd just like to point out a couple of things. First of all, Bill 8 is An Act to Strengthen Municipal Government. There are a few things I'd like clarification on.

But before I get into that, I'd just like to make some comments on comments that were made about your not getting any negative feedback from municipal councillors or reeves or anything like that. I'd just like to remind you that that's probably the result of politeness and diplomacy, not necessarily wanting to tell you the truth. I have sat in joint municipality meetings with you in Smoky Lake, in that area, where they've chewed on you pretty hard, so I know that you've been beaten up a few times. I'd also like to point out, you know, the AAMD and C and the AUMA conferences where the panel of ministers has been booed, where the standing ovation that was attempted only had MLAs and NDP staffers standing up. Everybody else did... [interjections] I was there, too.

An Hon. Member: At my panel they stood. Maybe yours didn't.

Mr. Hanson: Absolutely, they didn't. I guarantee you that.

Anyway, I'd like to get some clarification on the taxation of provincial agencies because I'm not really clear on where we're going. It's been kind of bouncing around a little bit. What I've got is from the Municipal Government Act review. It says:

What's currently in place: A recent decision by a Composite Assessment Review Board... has overturned a long-standing practice that properties leased by provincial agencies are subject to property tax.

Then it goes back down, and it says:

What this means: This change requires provincial agencies, as defined in the Financial Administration Act, to support the municipalities in which they operate in consideration of the municipal services they receive (such as fire protection) through property taxes.

It goes on to say:

Properties that are associated with health regions that receive financial assistance from the province, housing management bodies established under the Alberta Housing Act, schools, colleges, and universities will continue to be exempt.

Now, we've heard from both AUMA and AAMD and C that they would like to have those exemptions stricken from there.

I'm just going to give you one example, the small town of St. Paul, population of anywhere between 5,000 and 6,000 people. We have five schools. I mean, I'm bragging a little bit because these things are great to have, right? We have students from all over the county that are bused in there to these schools. They have a huge footprint, with their playgrounds and all that stuff, which is all wonderful stuff, but it takes up quite a big footprint in the town. We have a college. We have Portage College in town, right on Main Street, and again it's a huge asset to our community. We have a courthouse and a provincial building that cover I want to say two square blocks right in the centre of town.

You know, this legislation and this particular part has a significant effect on the town of St. Paul. We also have a major RCMP detachment, AHS facilities. We have a hospital. We've got clinics and AHS nursing facilities as well. You know, if we're just talking about one small school or something in a small town, it may not be that significant, but when you put all of these things together, the five schools, the college, the courthouse, the RCMP detachment, all the traffic that comes in with that, which is great for

the businesses in town as well – you know, I'm not going to say anything against that – when all of these buildings are exempt from paying any municipal taxes, it can be quite a burden, that has to be spread around onto the regular taxpayers and small businesses in town.

I'd just like some clarification on whether some of these are going to be pulled out or whether the government is going to reinstate the grants in lieu of taxes, which used to cover this, that were pulled out, I believe, in 2015. If we could get some clarification on that so we can pass that on to our town council, that would be great. Like I say, you know, I'm bragging a little bit about St. Paul, but there are a lot of other communities in Alberta that face the same type of impact from the provincial buildings that are in town.

What else would I like to cover? The electric energy exemption regulation. I just want some clarification on that because currently it says: to elevate the policy regulation directly into the MGA, thereby enabling the minister by order to exempt certain components of properties from education property tax where these components are used for or in the generation of electricity. The clarification that I'm seeking is whether this is specifically industrial, or does this count a small business or a larger business that, you know, covers the roof of their building with solar panels or, in the same case, a resident that puts up solar panels? I just want some clarification on that because I think it could get fairly complicated.

Then while I have the floor here, I'd just also like to touch base on the 5 to 1 tax ratio because it does affect communities up in my area, specifically the county of Lac La Biche and north. They're currently sitting at about, I believe, 7.3 to 1 with their industrial. What we have to take into account is that it's fairly sparsely populated other than the centre of Lac La Biche itself, but we do have a lot of industrial development up in that area, so what we don't pass on to the shadow population that comes is the taxation. The population of Lac La Biche is around 3,000 people. Especially back in 2013-2014, when we had heavy industrial moving through there, we had camps, you know, people staying in camps. There was a lot of infrastructure that was being used by oil and gas. If it's equipment being hauled, water being hauled, or oil tankers, all the equipment that goes to Fort McMurray runs right through the county, whether it's highway 63 or 881.

All of these things combined: this is why these municipalities have to have this differential in taxation because you can't just keep passing this on to the poor guy that's living in town or on an acreage outside of town. It's very important that we take those guys into consideration before we change this. They were quite surprised to hear because they had been told and promised that that was going to be grandfathered in. It is far worse when you take into consideration the municipality of Wood Buffalo, where, you know, they're up into the 12 or 13 to 1 ratios.

To get back down to a 5 to 1 ratio, you either have to drastically cut the industrial or drastically increase the residential in order to get to that, and I think it's very unfair to – you know, these municipalities are basically the driving force of our province. Everybody in the province benefits from the oil and gas industry, and these communities are the ones that live in it and have to put up with the added cost to their infrastructure: the roads through town, sidewalks, all that stuff. It all takes a bit of a beating, especially with some of the heavier traffic. I'd really like to see that being reconsidered by the minister and the government.

That being said, I think I will adjourn debate on Bill 8 for the time being. Thank you.

[Motion to adjourn debate carried]

Bill 10 Appropriation Act, 2017 (continued)

The Deputy Speaker: Any other hon. members wishing to speak to Bill 10? The hon. Member for Calgary-Foothills.

Mr. Panda: Thank you, Madam Speaker. Today I rise to speak to Bill 10, the budget appropriations. Looking at the government's record in making Albertans' lives miserable and unaffordable, I can't support this bill. If you look at the recent tax hikes and excessive regulatory burden and the carbon tax, that they never campaigned on, and the 100-megatonne cap on oil sands development and the electricity mess and the coal phase-out and the attack on farmers and on and on and on, with this government's record I can't truly support this budget. There are portions of it, however, like child care support and support for the justice system which the good people of Calgary-Foothills would like me to support, but overall the budget is not creating the jobs that this government promised. It's actually killing jobs.

11:40

That said, I mean . . . [interjections] I know I hear some noises on the other side. I can talk in detail about a particular file I follow, Economic Development and Trade. I have done budget estimate reviews with the minister, and I asked so many questions. I didn't get any response here. I can share some of that with the members that were not present during the estimates. Specifically, you know, about Economic Development and Trade, while the minister is out there promoting Alberta as a place to invest, back here at home I'm seeing all kinds of dubious programs, corporate welfare, and a department that lacks transparency with respect to the programs that have a dubious reputation of creating jobs.

This year, Madam Speaker, Economic Development and Trade plans to spend over \$354 million in operating expenses, and there is \$2.34 billion in capital being transferred in large part to Alberta Innovates Corporation and \$50 million in financial transactions. In the financial transactions this year is the transfer of \$50 million to Alberta Enterprise Corporation, AEC, so this Crown corporation can actually invest the money into venture capital funds. Apparently, Alberta has a lack of venture capital, so instead of investing directly in businesses, the government invests in venture capital funds that invest in Alberta businesses. That all sounds good, but the results tell us a different story. In fact, Alberta has lost money on these venture capital funds 5 out of 6 years since the Enterprise Corporation has existed, and it has required an annual operating subsidy and recapitalization, an investment of good money after bad.

The largest funded line item in Economic Development and Trade's – EDT, I'll call it – estimates is the transfer to AIC, Alberta Innovates Corporation. I tried to ask the minister, along with my colleagues, who also asked some questions, detailed questions about what's going on over at Alberta Innovates Corporation, but because the minister has conveniently hidden or not published AIC's 2017 business plan, he blocked and stonewalled every question we asked. I bet that as soon as these appropriations are approved, Bill 10 is approved here, the magical missing document will appear again, but he doesn't want to share with us during estimates.

We did manage to find out that components of AIC will be funded as follows: health solutions, one of the four Innovates corporations in AIC, gets the biggest funding, \$71 million; technology futures gets \$65 million; energy and environment gets

\$28 million; and bio solutions gets \$12 million; in total \$176 million for these four Innovates.

When I asked how many non taxpayer-funded jobs Alberta Innovates created last year, the minister indicated that he does not track that information. In fact, the minister used weasel words to project Innovates onto the entire industry, a very slick way of avoiding the question, Madam Speaker. It's unacceptable to me and my caucus colleagues here. We need to track the number of jobs Innovates is creating in the private sector, especially when the ministry is spending \$176 million. When the minister goes off on a tangent bragging about creating 20,000 new jobs but can't point to the exact source of the job creation or tie Alberta Innovates to those jobs, that's a big problem, Madam Speaker. He's bragging about creating 20,000 temporary jobs – no one knows where they are because they don't track them; they can't tell me, at least – while a hundred thousand Albertans are looking for work. Most of those were good-paying jobs lost in the oil sands because of this government's policies. I asked so many times: how do we get those Albertans back to work? I didn't get any answer in the OQP sense.

Now, let's talk about the CARES program, which is the community and regional economic support program. This year there is \$10 million for program delivery support in the estimates for CARES and about \$30 million over two years. The minister indicated that he has 63 out of 88 applications approved for \$4.83 million in funding in the first round. Again, the minister did not know how many jobs had been created to date by CARES even though the program seems to be designed to employ management consultants.

Under program delivery support in the estimates he's responsible for the export expansion package. There is a \$3 million program that had 102 export support fund grants approved totalling more than \$640,000 for 2016-17 alone. On the trade mission to China companies received approximately \$40,000 towards their involvement in the mission. Those are the people that accompanied the minister to China. Again, when asked about the number of jobs this program created, the minister had no idea.

With respect to the export readiness program, where seminars, events, and workshops were held and access to the Alberta Innovates microvoucher program was provided, again the minister had no idea how many jobs were created.

Then the minister talked about the Alberta investment tax credit program, and he said:

As of March 31 of 2017 there were 126 eligible business corporations, two venture capital corporations. By sector 87 per cent were research, development, commercialization of proprietary technology and products and processes.

The minister also indicated that EDT does not release the names of the companies that are receiving AITC and CITC funds. Those are supposed to be the flagship programs of this EDT ministry, but they don't want to release the names of those companies that are receiving those funds. They are not posted. People want corporate welfare, and then they cry uncle if their name shows up for competitive purposes. That's a blatant lack of transparency, Madam Speaker, of all the things this government speaks about. Again, the minister had no clue as to how many jobs AITC and CITC had created to date.

Madam Speaker, recently when I asked about the 100,000 well-paid jobs that were lost in oil and gas, the minister naively tells me to tell those oil sands developers to apply for funding from AITC and CITC. Those are billions of dollars of projects that oil sands developers were investing before. This \$5 million tax credit that the ministry is talking about doesn't even apply to those oil sands developers, but that was his answer. I was so surprised to hear that. There is a common theme here. The minister has no clue about how

many jobs his programs are creating, which is not acceptable to Albertans.

11:50

When we look at the minister's expenses, the ministry's support services are up over \$1.3 million largely for strategic policy and corporate services. At \$75,000 a contract – just hypothetically, about \$75,000 per contract – that works out to 18 consultants or shadow bureaucrats that might be or could be hired in this part of the department.

In economic development the ministry is actually down over \$3.5 million despite offering \$10 million for the CARES program.

Now, talking about trade, investment, and attraction, there is \$3.5 million in savings from economic development, and that gets moved here to fund the export expansion programs and add trade policy capacity. It's laughable, Madam Speaker, that the export expansion programs are funding translation services for Asian languages and some other languages for Alberta's private sector when the minister does not even have Alberta's promotional website available in other foreign languages. So our own government website is not giving any options for other foreign languages, but we are funding the private sector for translating. It should start first with the government.

In the innovation and science part of the department, Madam Speaker, technology partnerships and investments are up by \$1.5 million. Alberta Innovates Corporation is up by \$6.6 million.

Finally, we have \$10 million for innovation and technology from the climate leadership action plan, the carbon tax slush fund that even painted Economic Development and Trade with its brush, Madam Speaker, that green slush fund.

There you have it: \$354.18 million in operating expenses, \$2.34 million in capital, and \$50 million in financial transactions and the minister cannot point to one private-sector job created from one dollar of spending in his department. He has no clue.

Even with our international offices, Madam Speaker, some of which I recently visited on my own – I did my own trade mission at my own expense to India and Japan. I was trying to debrief the minister based on my observations. For more than three months I couldn't get an appointment with him. I'm still waiting for an appointment. Some of those offices are really providing good service, and they were providing excellent reports and performance measures in the department's annual report despite having achieved 44 economic outcomes facilitated. I asked the minister about the economic outcomes facilitated: what does it mean? He couldn't define that for me. Could he say if those were 44 jobs or 4,400 jobs? The minister did not know. He didn't have any clue.

Giving the minister over \$356 million to blow this year while being unable to point to specific jobs he has created from last year's money can only mean one thing. Wildrose does not trust this minister with the money he wishes to spend and cannot support his plans.

That said, Madam Speaker, that's just one department. This government is overseeing a \$50 billion budget for Albertans, and they can't tell us where they created a single job in the private sector. They couldn't. I've been asking them. I have been asking them. Some of those backbenchers sat on the committee, and they heard the minister not able to answer. That is just one department, but that is the pattern, and that's the template of this government.

Now, on this side of the House I have caucus colleagues who are the critics for various portfolios. I'm sure they'll bring up their points in the debate here. They had interesting things to say during their budget estimates.

Having said that, Madam Speaker, this government is unable to create jobs, so actually they're not making life better. They're

making life miserable for Albertans. They're making life unaffordable for Albertans with all their tax hikes and all. In my city of Calgary Mayor Nenshi says that he has to increase property taxes because of this government's ideological policies.

Mr. Sucha: Not true.

Mr. Panda: He's on the record.

Having said that – I don't want to take too much time – although there are parts that my colleagues here would like to support for child care and the justice system, overall this budget is not good for Albertans. So I won't support it, and I ask all my colleagues across the aisle to not support this budget.

Thank you, Madam Speaker.

The Deputy Speaker: Any other members wishing to speak to the bill? The hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Speaker. I rise to speak to Bill 10, and it is an honour to be able to talk to my colleagues in this House and to talk about the money the Lieutenant Governor in Council has requested this elected Legislative Assembly approve. As Her Majesty's Loyal Opposition's shadow minister for Transportation I will address the spending in that role.

Madam Speaker, there's a lot of spending for the Transportation ministry this year. On page 6 of this eight-page bill we see Transportation having an operating expense of over \$1.7 billion. Contained in this is \$32.2 million to run the minister's office, the deputy minister's office, communications, and strategic services. This is largely salaries for hard-working public servants, servants of the Alberta public working on behalf of everyday working families, and I applaud their efforts. Then we have \$28.2 million in here for programs, services, and support and \$35.7 million for traffic safety services. We all know how important it is to promote being safe on Alberta's highways. There's \$2.3 million in here to support the Transportation Safety Board. If anyone in this House loses their driver's licence for drunk driving, you'll be appearing before this board to get it back. The same if you want to open a short-line industrial railway: you will have to come talk to these fine people.

Next we come to a bone of contention across Alberta, provincial highway maintenance and preservation. In the constituencies we routinely get letters about the cuts to highway maintenance, which has been cut \$46 million from three years ago. It now stands at \$254 million. There is less crack sealing being done. This is a recipe for disaster, Madam Speaker. Water gets into the cracks, freezes, thaws, repeats, and you get potholes. In some cases, like the Member for Grande Prairie-Smoky said, you even get grass and flowers growing up through the cracks in major provincial highways like highway 43. Plant roots cause damage to provincial highways. All of this damage only means higher capital expenses and early rehabilitation expenses.

We have even heard how bad the highway maintenance is out there from the minister. The minister in estimates indicated that he is extending the contracts for highway maintenance contractors for two years while a review is conducted to try and get value for money. One of his highway maintenance contractors, Carillion, bid so low on the contract that they couldn't make ends meet and needed an increase in payment for services for the next two years. That makes you wonder, Madam Speaker, what kind of an outfit a unionized Carillion is if they need more money when other providers like Volker Stevin don't. All told, the highway maintenance and preservation budget is over \$358 million this year to look after the largest number of roads per capita of any province in the country.

The government saw well to maintain the assessment and support systems for provincial highway maintenance and preservation at \$21 million, and I applaud them for that. They also managed to eliminate the minister's slush fund, the capital for emergent projects. I also commend them for that.

Municipal transit and transportation grant programs jumped almost five times in value.

The Deputy Speaker: I hesitate to interrupt, hon. member, but pursuant to Standing Order 4(2.1) the Assembly stands adjourned until 1:30 this afternoon.

[The Assembly adjourned at 12 p.m.]

Table of Contents

Prayers	683
Orders of the Day	683
Government Bills and Orders	
Second Reading	
Bill 9 Marketing of Agricultural Products Amendment Act, 2017.....	683
Bill 10 Appropriation Act, 2017.....	690, 700
Bill 8 An Act to Strengthen Municipal Government	691
Committee of the Whole	
Bill 9 Marketing of Agricultural Products Amendment Act, 2017.....	687

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

For inquiries contact:

Managing Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875