



Province of Alberta

The 29th Legislature
Third Session

Alberta Hansard

Wednesday afternoon, May 17, 2017

Day 35

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Third Session

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Party standings:

New Democrat: 55 Wildrose: 22 Progressive Conservative: 8 Alberta Liberal: 1 Alberta Party: 1

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Legislative Assembly of Alberta

1:30 p.m.

Wednesday, May 17, 2017

[The Speaker in the chair]

The Speaker: Good afternoon. Please be seated.

Introduction of Guests

The Speaker: The hon. Member for Battle River-Wainwright.

Mr. Taylor: Thank you, Mr. Speaker. I'm really honoured to be able to introduce the amazing students from the Hughenden school in my riding. I would like the teacher and the students to rise as I call out the name Shawna Tainsh. Please join me in welcoming them to this Assembly.

Thank you.

The Speaker: Welcome.

The hon. Member for Edmonton-Decore.

Mr. Nielsen: Well, thank you, Mr. Speaker. It's a real thrill to be able to rise and introduce to you and through you to all members of this Assembly some of the most amazing students in Edmonton-Decore from the great school of Northmount. They are joined here today by their teachers Diana Coumantarakis and Justin Hume. I would now invite the teachers and all of the students to please rise and receive the traditional warm welcome of the Assembly.

The Speaker: Welcome.

The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Well, thank you, Mr. Speaker. It's a pleasure to rise today to introduce to you and through you to all members of the Assembly a large group of students from Rimbey elementary school. Rimbey, of course, is home to the famous couple Martha and Henry, made famous by Ralph Klein, and one of the greatest places in this province. They have a lot of chaperones with them, so in the interests of time I will not try to name them all and also because I probably would accidentally butcher some of these names. But I would ask if, on both sides of the gallery, the students from Rimbey could stand up with their chaperones and receive the traditional warm welcome of this Assembly.

The Speaker: Welcome.

Hon. members, are there any other school groups today?
The hon. Minister of Advanced Education.

Mr. Schmidt: Well, thank you, Mr. Speaker. I rise to introduce to you and through you to all members of this Assembly some friends of mine visiting from the MS Society. I ask them to rise and remain standing as I call their names. With us today we have Dr. Garry Wheeler, Julie Kelndorfer, Bob Macklon, Patrycia Rzechowka, Kevin O'Neil, and Gayelene Bonenfant. These people are tireless advocates for improving the lives of Albertans affected by MS, and some of them know first-hand what it's like to live with the disease. Whether it's dealing with the disease directly or assisting family, volunteering, leading, educating, spreading awareness, or fund-raising, these people all possess a passion and dedication to helping others that are truly inspiring and a great example for all of us in this House and across the province. I ask them all to please receive the traditional warm welcome of this House.

The Speaker: Welcome.

The hon. Member for Edmonton-Decore.

Mr. Nielsen: Well, thank you, Mr. Speaker. It's a real privilege to rise and introduce to you and through you to all members of the Assembly Mr. Stan Fisher. Stan Fisher has been contributing to the well-being of Albertans as a volunteer and a professional for over 40 years, most recently as president and CEO of the St. Michael's Health Group. Prior to that he served in senior positions with Chrysalis, the Wild Rose Foundation, and in both provincial and municipal government. His staff is with him here today to wish him well on his retirement from St. Michael's. I now welcome him and, of course, all the staff. Please rise and receive the traditional warm welcome of this Assembly.

The Speaker: Welcome.

The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to all members of the House today Troy Taylor and Mike Moze. As you may know, there is an upcoming rally at the Legislature to call on the government to investigate failures in the child welfare system, and both of these gentlemen are involved in that. Troy will be sitting in silence at the Legislature tomorrow morning and is here to watch question period today. He works with high-risk youth. He's founded an organization called Young Diverse Proud, working with youth in Edmonton. I ask him to rise – he has already risen – and ask that he receive the traditional warm welcome of this Assembly.

The Speaker: Welcome.

The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Mr. Speaker. It's indeed a pleasure to introduce to you and through you one of my constituents and a family friend of the Boyds, John MacArthur. John is a cattle producer in our region carrying on the tradition from his father, a long-time farmer. He's here today because he can't seed because unfortunately it's raining up our way. He's able to come to the Legislature today and will be representing Alberta Beef Producers and meeting with officials at their event tonight. So I ask members of the Legislature to welcome my constituent John MacArthur.

The Speaker: Welcome.

Members' Statements

Crime Prevention

Mr. Taylor: Mr. Speaker, this government is completely out of touch. Crime continues to soar, and this government just doesn't seem to care. Recently in Alberta there have been three stabbings, murders, and countless fentanyl overdoses, just to mention a few. My friend's son was a victim of a senseless home invasion where burglars broke in and beat him with a baseball bat, causing loss of vision, a cracked skull, and numerous broken bones. Many Albertans no longer feel safe in their own homes.

We have seen an increase in robberies and drug use due to the economic downturn, and we must make sure that criminals cannot take advantage of the lack of government response. Criminals are preying on potentially underserved communities, which in turn puts added strain on our police forces. When there is less law enforcement, crime increases. The minister should know that.

This government has spent the vast majority of its time in office pushing its radical ideology on Albertans rather than focusing on a serious increase in crime in our province. The minister seems to be reacting rather than governing, and it seems very evident in a recent

news release where they reported increasing enforcement by fish and wildlife officers to patrol public land and fine people for littering. Littering. Really, that's what the NDP government is focusing its efforts on. I can't imagine a more backwards priority in the wake of increased crime in Alberta communities. The unwillingness to take measures to protect the citizens of rural Alberta from criminal activity is shameful.

Wildrose is taking action. Last month we launched our Alberta Crime Task Force, which will listen to Albertans and find solutions to address rural crime. A Wildrose government will promote safe communities, strong families. In 2019 citizens will have their say.

Thank you.

International Day against Homophobia, Transphobia, and Biphobia

Connolly: Mr. Speaker, today is International Day against Homophobia, Transphobia, and Biphobia. As we work to end discrimination today, let us mark important milestones of the past because the fight for equality for LGBTQ-plus people began long before Canada legalized same-sex marriage. On May 20, 1999, the Supreme Court of Canada ruled, in its *M. versus H.* decision, that all couples, gay or straight, are entitled to the same spousal benefits and recognition as common-law couples. The court called on the provinces to fix their laws to recognize same-sex couples once and for all.

Of course, conservative politicians tried to stand in the way of progress. The Progressive Conservative government contemplated using the notwithstanding clause to challenge the court and ended up passing a bill in this Assembly to define marriage as only between a man and a woman. Even as their Justice minister warned that it had no legal effect, they did it anyway.

Another Alberta politician, Jason Kenney, has never apologized for what he said as an MP about the decision. In an article that spring he called the ruling "one of the most outrageous exercises of raw judicial power in the history of modern democracy." In Parliament he denounced the Supreme Court's decision as illegitimate. He said that judges can't change what he called a metaphysical reality and that, quote: marriage is marriage; it is between a man and a woman, and it can be between no others.

Mr. Speaker, that has changed for the better. LGBTQ-plus couples in Alberta now have the same rights as everybody else. As we work to fight homophobia, transphobia, biphobia, and all forms of discrimination against LGBTQ-plus people, we must remember that these struggles, which we have fought and often had to re-fight, always had opponents rooted in the conservative ideology. Jason Kenney and his conservative friends have stood in the way of progress at every opportunity.

Let us celebrate this day in history as a mark of success, let us take action to fight homophobia, transphobia, and biphobia everywhere we encounter it, and let us commit to never going back.

1:40

The Speaker: The hon. Member for Edmonton-Decore.

Stan C. Fisher, St. Michael's Health Group

Mr. Nielsen: Well, thank you, Mr. Speaker. I rise today to honour a very special man that I've had the pleasure of working with since I became the MLA for Edmonton-Decore, Stan Fisher, who will be retiring from his position as president and CEO of St. Michael's Health Group, a position that he has held for over 11 years. I'm very fortunate to have both St. Michael's Health Group Long Term Care Centre and Millennium Pavilion in my riding.

Stan has been a tireless advocate for his organization. As such, during his time with St. Michael's the organization has grown and sought after a location for long-term care and is regularly on the forefront of new approaches to seniors' and dementia care. I'm also proud to say that because of Stan's hard work and advocacy St. Michael's Long Term Care Centre will be getting a brand new kitchen for its residents.

Unfortunately, there isn't enough time in this member's statement to list all of Stan's achievements. I will mention that he has been honoured for his hard work, being the recipient of prestigious awards such as the Queen Elizabeth II Diamond Jubilee medal and the Alberta centennial medal.

Stan, you have been absolutely wonderful to work with, and it's an honour for me to represent your organization and your residents in this Legislature. I sincerely wish you the best of luck, and may you have a happy retirement. You will be missed by many.

The Speaker: Hon. member, my apologies. The order was confused. The Member for Calgary-Lougheed.

Mount Farquhar Summit Climb 2017

Mr. Rodney: Thank you so much, Mr. Speaker. Countless Canadian soldiers have lost their lives fighting for ours. So many others have returned home with life-changing physical injuries, and far too many have experienced mental, emotional, and spiritual tolls that have caused disastrous lifelong or life-ending effects.

That's why the Princess Patricia's Canadian Light Infantry Foundation and the Calgary Health Trust are pleased to announce the second annual Reaching the Summit for Mental Health and Wellness fundraising initiative, which is aimed at heightening awareness of veterans and their families who are suffering from the devastating consequences of depression, posttraumatic stress disorder, and other forms of mental illness. On Saturday, June 24, two groups of climbers will reach for the summit of Mount Farquhar while others will hike Cataract Creek trail. The climbing teams will again be led by Canada's first Mount Everest summiteer, Laurie Skreslet, and yours truly.

Mr. Speaker, I cannot tell you what an honour this is. During our climb on Mount Buller last year I was truly humbled to hear the heart-wrenching stories of these true Canadian heroes. During the inaugural event over \$71,000 was raised. I encourage all Albertans to offer what they can as we strive to reach the \$100,000 mark.

The event begins below Mount Farquhar, which was named after the first commanding officer of the PPCLI, who's credited with establishing the regiment's sense of duty, professionalism, and fighting spirit. A dedication will be made to Lieutenant Colonel Farquhar. I look forward to seeing my hon. colleague from Livingstone-Macleod there.

Now, for more information on how to get involved as a climber, hiker, or sponsor, please visit calgaryhealthtrust.ca, Reaching the Summit for Mental Health and Wellness.

I thank you, Mr. Speaker.

Multiple Sclerosis

Mrs. Schreiner: Good afternoon, Mr. Speaker. Today I rise in the House to remind all members about the devastating impact of multiple sclerosis. I rise to speak for everybody in the province because this chronic, often disabling disease of the central nervous system affects 1 in 400 Albertans, or almost 14,000 people.

Since its inception, in 1948, the MS Society has provided over \$160 million in research dollars in support of mitigating the impact of the disease on all Canadians. The core support of the MS Society

has been from tens of thousands of dedicated individuals, companies, and foundations within proud communities just like Alberta's across the country.

May is Multiple Sclerosis Awareness Month, and the campaign raises awareness of the fact that Canada has the highest rate of MS in the world. Similarly, it also serves to highlight that we have the best MS research in the world. The Member for Edmonton-Gold Bar introduced the passionate representatives of the MS Society who are here as guests today. They strive to shed light on the disease as well as the accomplishments of research.

Raising awareness is one step in ending the impact that MS has on fellow Albertans and Canadians alike. I know that the Member for Sherwood Park has been a strong advocate in support of MS research through her diligent participation in the MS bike ride. We all need to work harder to support this research because the unpredictable, episodic, and often progressive nature of MS makes it particularly challenging, and the physical, emotional, and financial impacts of MS last a lifetime.

Fellow members, I have heard from many of my Red Deer-North constituents who suffer from this disease. I hope that all members of this House will support the great work of the MS Society and the many people who support MS research.

Thank you, Mr. Speaker.

Government and Official Opposition Policies

Mr. Hunter: Mr. Speaker, it would seem that the NDP skipped the economics 101 class, so if you will indulge me, I want to spend the next couple of minutes going over a crash course in some of the fairly rudimentary principles that they missed.

Lesson 1. There is no such thing as a free lunch. When you get something for free – i.e., freely installed light bulbs – someone else ends up paying for it, and that somebody is hard-working Albertans. Mr. Speaker, the reality is that if too many people get on the gravy train, the gravy runs out. That's exactly what is happening in Alberta right now. Businesses, you know, the ones that create jobs, are leaving this province once and for all. Over \$24 billion of investment has fled since this government took office in 2015.

Lesson 2. Empower individuals to create their own prosperity through the vehicle of liberty and freedom. This path was best documented during the Reagan and Thatcher eras. It featured lower marginal tax rates, deregulation, and restrained government spending. These policies have created more wealth and prosperity than any other vehicle in modern history, full stop.

Lesson 3. Parkinson's law states that work expands so as to fill the time available for its completion. Between 2015 and 2016 Alberta's population expanded by 1.7 per cent whereas the public sector expanded by 7.1 per cent. That means that the public sector is expanding over 400 per cent compared to the expansion of population.

Lesson 4. No one spends somebody else's money as carefully as they spend their own. When you or I purchase something, price and quality are paramount. When the government spends, it is neither with their own money nor for their own consumption, and you can guess how efficient and effective that is.

Lesson 5. And I'm pretty sure I read this in an economics book somewhere. If you want a prosperous society, then don't elect an NDP government. Mr. Speaker, the NDP have chosen to increase marginal tax rates, increase regulations, and increase government spending. This has created less prosperity, liberty, and freedom. How is this making life better for Albertans?

Presenting Petitions

Mr. Hunter: Mr. Speaker, I rise to table a petition containing 645 signatures calling on the government to

order a proper and complete Heritage Resource Impact Assessment for the site and buildings that constitutes the former Raymond School of Agriculture, also known as the Raymond Care Centre, and to halt plans to demolish these important historic buildings until the public can fully understand the potential heritage impact of their destruction and the scope of what would be involved in preserving them.

Oral Question Period

The Speaker: The Leader of the Official Opposition.

Employment and Labour Code Consultations

Mr. Jean: The last two years have seen Alberta in the worst economic downturn since the 1980s, but you wouldn't know it from looking at the NDP's policy record. Instead of trying to do no further harm, as they should do, they have waged war on Albertans' pocketbooks and ruined investor confidence all over the world for this province. The latest misguided idea: to ram through labour legislation after just 36 days of consultation, where on Ontario's part it's been over two years, and they're still going. Does the Premier take pleasure in kicking Albertans when they're down, or is she that out of touch with how harmful her policies are?

1:50

Ms Notley: Well, you know, Mr. Speaker, I have to sort of begin by responding to the preamble there. Jobs were up in Alberta by 20,000 in March. Manufacturing in Alberta is up. Drilling is up. Car sales are up. Housing starts are up. Exports are up. The only thing not up is the Wildrose's strategy for talking this economy down, and Albertans deserve better.

Mr. Jean: From where the NDP has taken our economy over the last 18 months and the first year, Mr. Speaker, it wouldn't be that difficult to be up.

The absolute bare minimum this government could do would be to take some time to allow for consultation on their labour legislation. The way this government acts, consultation may indeed be just a four-letter word. We saw it with Bill 6, and now we are seeing history repeat itself with the labour legislation. When you rush legislation, Premier, you usually get it wrong, especially if you don't listen to Albertans. Will the Premier try to show just an ounce of goodwill and agree to consult on labour legislation over the summer? Yes or no?

Ms Notley: Well, thank you very much, Mr. Speaker. You know, what we know is that Albertans need fair legislation that protects families. Last week, for instance, we heard the story of Amanda Jensen, who was fired when she took time off work to care for her child with leukemia. We are the only province in this country where that kind of injustice could occur under our laws. Albertans have been waiting for decades for that injustice to be fixed, and we're not going to make them wait any longer.

Mr. Jean: If they've been waiting decades, why not wait a few months to get the legislation right? Thirty-six days isn't long enough. It's not long enough to talk to . . . [interjections]

The Speaker: Order, please.
Please proceed.

Mr. Jean: Thank you, Mr. Speaker. Thirty-six days isn't long enough to talk to all the concerned stakeholders in the province let alone fully consult with them. Let me be clear. It's obvious the fix is in with this review. If the Premier took the time to talk to real Albertans, small-business owners, families concerned about the economy instead of just the union bosses who sit on the NDP board of directors, they'd understand how misguided their policies are. Why does the Premier refuse to listen to everyday Albertans and fully consult with them? [interjections]

The Speaker: Order, please.

Second main question. Or second supplemental?

An Hon. Member: She didn't get to answer.

The Speaker: Oh yeah. That would be the part that I missed today, the answer. Yes. Thank you.

Ms Notley: Thank you, Mr. Speaker. I recall being advised that when you're standing, I shouldn't be, so I was just waiting there.

Mr. Speaker, the fact of the matter is that, as I said before, it is time for Albertans to finally get fair laws that protect them in their workplace. Do you know another thing? If an Albertan is actually sick at work – perhaps they're sick because they themselves are getting cancer treatment – if they try to collect the EI benefits into which they have paid, their employer can say: "You know what? Go get those benefits, but don't expect your job to be there when you come back." Albertans deserve the right to get the benefits that they pay into. They deserve to be treated with respect.

The Speaker: Thank you, hon. Premier.

Now it would be the second main question.

Mr. Jean: Did you hear that, Mr. Speaker? It sounds like a lot of excuses not to consult and listen to Albertans.

Family Violence Death Review Committee Report

Mr. Jean: Yesterday the NDP tabled a report that could save lives. The Family Violence Death Review Committee annual report was tabled almost a full year after it was given to the minister's office. There is absolutely no reason why this information should be delayed, yet the Minister of Community and Social Services did not release the report until he received repeated calls from the media. Ridiculous. This is unacceptable. Why does it take calls from the CBC for your minister to release a report that could save Albertans' lives?

The Speaker: Thank you.

Ms Notley: Well, you know, Mr. Speaker, I think it's important to first begin by saying that all Albertans deserve to feel safe in their homes, their communities, and their workplaces. With respect to the particular report that the member opposite is talking about, yes, it could have been tabled earlier. But it's also important to understand that the recommendations contained in that report were actually released publicly in 2015, Mr. Speaker. In the meantime our government has been working very hard to make progress on preventing family violence, and I look forward to talking about that more in answer to the member's next question.

Mr. Jean: Mr. Speaker, this minister's negligence is putting lives at risk. Now, this government may have forgotten Serenity, but we are not going to let them. Vulnerable Albertans deserve better. They deserve better from this government, and the NDP is leaving them

behind, full stop. How can the same disgraced minister that failed to turn over documents to the RCMP on the death of Serenity be trusted by the Premier when he failed to produce this vital report on family violence deaths?

The Speaker: The hon. Premier.

Ms Notley: Well, thank you very much, Mr. Speaker. In fact, I am exceptionally proud of the work that this minister has done on issues related to family violence. This government, under this minister's watch, increased funding to FCSS by \$25 million. They put in a \$15 million increase to women's shelters, an increase that those shelters had been asking for for three decades. They put \$11 million into family and community safety grants. We passed Bill 2. We've protected people fleeing family violence in their residential tenancy situations. We have done more in the last two years to support people than . . .

The Speaker: Thank you, hon. Premier.

Mr. Jean: Shovelling tons of taxpayers' money towards a problem does not solve the problem.

Mr. Speaker, the last time this minister showed negligence and completely failed in his duties, the Deputy Premier told Albertans that, quote, we have full confidence in him and his abilities. End quote. The Premier just said the same thing. Talk about déjà vu. It sounds like *Groundhog Day* all over again. I have no confidence that there are no other reports gathering dust in the minister's office that could save lives. Does the Premier still believe that the Minister of Community and Social Services is capable of doing anything other than delaying reports and giving half-hearted apologies to Albertans?

Ms Notley: Well, again, Mr. Speaker, the member opposite seemed to miss the point where I indicated that the recommendations included in that report were actually released in late 2015. But I think the member opposite should actually give some thought to whether he really wants to stick by that comment to people that run women's shelters, to say that finally, after 30 years, giving them what they need to help run their programs is shovelling money needlessly at a problem. I would like them to go out to women who are fleeing domestic violence and say that to their faces. [interjections] That is unacceptable.

The Speaker: Order.

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

Emergency Preparedness

Mr. Hanson: Thank you, Mr. Speaker. Communities like Calgary are nervously watching the weather, our flood season being in full swing, while remembering the devastation of 2013. Numbers from Environment and Parks' own website show that snowpack levels in the Bow River watershed are at or near record levels and far above the levels of 2013, that resulted in massive flooding downstream in Cochrane, Calgary, and High River. What is the Premier doing in collaboration with our communities to be ready for the potential of flooding if these conditions continue to worsen?

The Speaker: The hon. Minister of Infrastructure and of Transportation.

Mr. Mason: Thank you very much, Mr. Speaker. Well, recent reports indicate that there may be a risk of flooding in southern Alberta and in Calgary again. It's something this government takes

very seriously. We remember the devastation to people's lives and property during the last flood in 2013. Tens of thousands were forced from their homes, and there was over \$6 billion in damage. We're working hard to protect Albertans through the Springbank project and through a number of other flood mitigation projects to make sure in the event of another flood that people and their homes are protected.

The Speaker: First supplemental.

Mr. Hanson: Okay. Thank you. Lessons learned from Slave Lake in 2011, Calgary in 2013, and Fort McMurray in 2016 should be a wake-up call. Disaster can strike communities at any time. Communities like Calgary, Drumheller, High River, Sundre, and more devote significant time and resources to be prepared for these natural disasters, but their citizens should not be expected to act as provincial first responders. What is the Premier doing to improve the response time of the Alberta Emergency Management Agency so regular Albertans are not put in harm's way?

2:00

The Speaker: The hon. Minister of Environment and Parks.

Ms Phillips: Well, thank you, Mr. Speaker. You know, there's no question that the 2013 floods and last year the wildfire emergency situation in Wood Buffalo brought out the best in Albertans, and now our province, in particular on the flood in question, has redoubled our efforts to ensure that our communities are safe. We have much better river forecasting than we did prior to the 2013 flood. Our government has invested in that co-ordination with municipalities as well. There's a lot more public information, and there's a lot more co-ordination with municipalities on the question of river forecasting.

The Speaker: Second supplemental.

Mr. Hanson: Thank you. The 2012 report from the Slave Lake fire states that the sustainable resource development strategy should be a "high state of readiness" coupled with a multiministry approach. Albertans are counting on this government to not leave them in the lurch and to be ready when disaster strikes. In 2016 in Fort McMurray, four years after the recommendations, we did not experience a high state of readiness, nor did we see a multiministerial approach. First reaction from the province took days. Can the Premier say specifically what is being done today to make sure that our province is at a high state of readiness for fire, flood, and . . .

The Speaker: Thank you, hon. member.
The hon. Premier.

Ms Notley: Thank you very much, Mr. Speaker. I do take some issue, again, with the preamble that the member offered. In fact, last year with the tragic situation with the Fort McMurray fire, of course, the Alberta Emergency Management Agency immediately brought everybody together into the Provincial Operations Centre, where we worked across ministries in all ways in order to support the regional municipality of Wood Buffalo in their immediate response to an unprecedented disaster. Now, as the members opposite know, there will be additional reports going out which talk about how we can do better. We can always do better, and we're committed to that.

The Speaker: Thank you.
The hon. Member for Calgary-West.

Investigation into Serenity's Death

Mr. Ellis: Thank you, Mr. Speaker. Can any of us imagine losing a child under the most horrific circumstances and then being ignored when you ask questions about it? Today a brave, resilient family is with us, and they are seeking answers. I am honoured to be their voice. So far all of their information about Serenity's terrible fate has come from the media and the child advocate. They have asked me to ask this question: Premier, why are the ME's office, the Crown, and the department withholding basic information from Serenity's mother regarding the abuse of her children more than two and a half years ago?

The Speaker: The Minister of Justice and Solicitor General.

Ms Ganley: Thank you very much, Mr. Speaker. This tragedy has been extremely difficult on the family, I have no doubt, and on all Albertans. Everyone is working very hard to ensure we do the best to obtain justice for this little girl. It is true that the process did not occur as quickly as it should have done. We will ensure that in future we do a better job of moving forward in a more timely manner, but at this time we cannot prejudice any potential prosecution going forward until the investigation is complete.

Thank you.

Mr. Ellis: Serenity's mom has not only been kept in the dark about Serenity's death; this government will not even tell her about the investigation into the abuse of her other children, who were in care in the same home. Serenity's brother and sister are safe and back with their mother, and that should have been Serenity's future, too. The family will never be whole again because we all have failed them. Premier, will you look up into the gallery and tell Serenity's family and her mother watching online here today why you will not respect their wishes and call a public inquiry?

The Speaker: The hon. Premier.

Ms Notley: Well, thank you very much, Mr. Speaker. Like the Minister of Justice, of course, I need to begin by saying that all Albertans are very, very troubled and have been about the horrible circumstances that Serenity suffered up to 2014, including, of course, her tragic death in 2014. It is absolutely important that the police be allowed to proceed so that the matter can be addressed fully in the justice system. It is frustrating for all of us, but we can't compromise that because that would be yet another injustice.

The Speaker: Thank you, hon. Premier.

Mr. Ellis: Last fall the former minister assured this House that he met with Serenity's family and offered supports. In reality, no one from the NDP government has ever reached out to Serenity's mother or her mother's immediate family to offer condolences, information, or support. And it gets worse. The former minister's office called Serenity's mother to schedule a phone call, and he never bothered to call. Premier, your government's role in this is shameful. Will you apologize to Serenity's mother and her immediate family today? And what is this man still doing on your front bench?

The Speaker: The hon. Premier.

Ms Notley: Well, thank you very much, Mr. Speaker. You know, when we are asked in the role of government or we are compelled to take on the responsibility of caring for children, we have an incredibly important obligation to those children and to their families, and when we don't get that done right, we absolutely owe

them an apology – all of us do – because there are so many ways in which the work that we do to support these children and their families can and must be better. That’s absolutely true. There’s no qualification to that. It must be done better. But it’s also important that we make sure that the people who were responsible for Serenity’s death . . .

The Speaker: Thank you, hon. Premier.
The hon. Member for Calgary-Elbow.

Energy Resource Revenue

Mr. Clark: Well, thank you, Mr. Speaker. Moody’s says that Alberta’s deficit reduction plan relies almost entirely on higher oil prices, and they also say that this government isn’t doing enough to get us off the royalty revenue roller coaster. I couldn’t agree more. You know who else agrees? One of the four members of the NDP caucus who were in this House before the last election. Here’s a quote. “They’ve failed to take us off the boom-and-bust revenue roller coaster, and they’ve failed to save for a rainy day . . . That’s not leadership.” To the Premier: which one of your four incumbent MLAs said that on March 25, 2015?

Ms Notley: Mr. Speaker, there is no question that when oil was at \$100 a barrel, it would have been prudent for the people who were in charge at the time to put together a financial and fiscal plan that would have allowed for us to have more money in savings. When we became government, we watched as the international price of oil went to an unprecedented low. Right now, as much as the issues that the member opposite talks about are important, what’s important to us is standing with Albertans, having their backs, making life more affordable, creating jobs, and supporting those important programs that matter to their families.

Mr. Clark: Well, of course, it was you who said that, Madam Premier. I’m sure that you remember that well.

Here’s another one, Mr. Speaker.

This government has promised for years to get [us] off the [resource revenue] roller coaster, but here we are once again coming over the top of the rickety track, about to plunge down amid screams and white knuckles. We’ve been on this ride too long, Mr. Speaker, and it’s time the government got serious about getting off it.

Now, this is probably an easy one, but again to the Premier: which one of your members said this on November 26, 2014?

Ms Notley: Well, Mr. Speaker, I’m going to hazard a guess that it was the current Minister of Transportation. That being said, I think the key issue here is that over decades when overall we had very high oil prices, there is no question that there was an obligation on the part of the people who were in charge to save for a rainy day. Right now, two years into the biggest oil price drop in decades, to suggest that now is the time to start, by closing schools, throwing nurses and teachers out of work, by eliminating jobs, that is not the way to build an economy. What we’re seeing is green shoots that are looking very healthy, and that’s because we did a stimulative budget . . .

2:10

The Speaker: Thank you, hon. Premier.

Hon. member, I’m reminded that the questions in the House should really be to government policy and not necessarily a TV program. I’m sure that on your next supplemental you will consider that.

Mr. Clark: Why thank you, Mr. Speaker. Of course the Premier is right. It was the Government House Leader who said that.

Third try.

Why didn’t you fix this? Why didn’t you fix it so that you were protected from changes in oil prices? Lord knows, we all know that the price of oil goes up and [the price of oil goes] down. If the government doesn’t know that by now, there’s something really, really seriously wrong.

Again to the Premier, I want to know who said that on December 8, 2014, and I want to know if you know that the price of oil goes up, the price of oil goes down, and that it is a tragic mistake to wager Alberta’s future on the price of oil.

The Speaker: Hon. member, I just want to remind you again that it’s the current government policy that I think this question period is for.

The hon. Premier.

Ms Notley: Well, again thank you, Mr. Speaker. I suppose I can just answer as I have before. The fact of the matter is that we know that Albertans and the Alberta economy and Alberta families are facing an unprecedented challenge to their economic prosperity because of an unprecedented drop in the price of oil. There are different choices that you make when that happens in the short and immediate term. Our choice was to stand with Albertans. Our choice was to invest in jobs. Our choice was to invest in infrastructure. Our choice was to protect health care and education, because that is the path out of this problem.

The Speaker: The hon. Member for Wetaskiwin-Camrose.

Postsecondary Education and Health Care in Indigenous Communities

Mr. Hinkley: Thank you, Mr. Speaker. Constituents of mine in Maskwacis are concerned about opportunities to pursue postsecondary education at home. Given that our government is working hard to establish strong, collaborative relationships with indigenous peoples, can the Minister of Advanced Education please outline his plan to increase access to higher education in indigenous communities?

The Speaker: The hon. Minister of Advanced Education.

Mr. Schmidt: Well, thank you, Mr. Speaker. I want to thank the hon. member for his commitment to higher learning opportunities for his constituents in Maskwacis. Of course, affordability is at the heart of our plan for advanced education. That’s why we’ve maintained the tuition freeze for three years, and that’s why we’ve provided predictable and sustainable funding for every university and college in the province, because we know that when Albertans have access to higher education, they can make life better for themselves. That includes indigenous students at Maskwacis and all over the province. What wouldn’t help is cutting \$600 million from the budget of Advanced Education like the PCs proposed to do or untold billions that the . . .

The Speaker: Thank you, hon. minister.
First supplemental.

Mr. Hinkley: Thank you, Mr. Speaker. Given that we know that education is a key component in building strong communities and lifting people out of poverty, to the same minister: how are you working to ensure indigenous Albertans are well represented at postsecondary institutions across the province?

The Speaker: The hon. minister.

Mr. Schmidt: Well, thank you, Mr. Speaker. Again, we know that good jobs begin with a good education, but we know that for some Albertans, including indigenous learners, accessing postsecondary education can be a challenge. We've taken steps to address that, including \$7 million in scholarships for indigenous students in high-demand programs. The indigenous careers award and indigenous graduate award encourage more indigenous Albertans to pursue studies in fields such as business, education, health science, and graduate studies. I just want to remind the House that the big cuts the opposition are proposing would slam the door on opportunities to indigenous students and all other students in this province . . .

The Speaker: Thank you, hon. minister.
Second supplemental.

Mr. Hinkley: Thank you, Mr. Speaker. Given that health care delivery and the quality of health care are important pillars of indigenous well-being, to the Minister of Health: what is the Ministry of Health doing to improve access to health care for residents of Maskwacis?

Ms Hoffman: Thank you very much, Mr. Speaker. I am very proud that last year Alberta Innovates and AHS announced a partnership with Merck Canada to give Maskwacis moms better prenatal care closer to home. I have to say that in terms of the hospital visit we had in Wetaskiwin very recently, it was an excellent opportunity for us to see all of the good work that's happening to work with community. While members in the opposition are calling for deep, brutal cuts that would definitely undermine health and well-being of Albertans, including those who live in this community, our government has got their back. We're working to make their lives better. We're not going to fire teachers and nurses and make their lives far worse.

The Speaker: The hon. Member for Drayton Valley-Devon.

Addiction and Mental Health Strategy

Mr. Smith: Thank you, Mr. Speaker. Yesterday we heard from Ministry of Health officials that implementing the recommendations of the Valuing Mental Health report has consisted of forming committees: an executive committee, an advisory committee, and four integration committees, whatever those would be. Minister, people are dying while your ministry forms committees to form more committees. Albertans need action, not more talk. What are the tangible actions you will take to combat the mental health crisis, and what is your timeline?

The Speaker: The hon. Minister of Health.

Ms Hoffman: Thank you very much. We know that mental health problems and struggles with addictions are serious problems in our communities. Mr. Speaker, 1 in 5 Albertans will grapple with this at some point in their lives, and 1 in 10 Albertans over the age of 15 will struggle with alcohol and drug dependency. That's why we're working to make sure that we increase opportunities for safe consumption services. I'm certain that these are going to save lives, and we're going to keep making sure that we have every opportunity. I hope that the members opposite support us in this because lives are too precious to gamble on whether or not substances are safe, and we need to make sure that we're keeping all Albertans safe.

The Speaker: First supplemental.

Mr. Smith: Thank you, Mr. Speaker. Given that the Auditor General called for an action plan to implement the mental health and addiction strategy, but the department cancelled the last meeting of the advisory committee because they had no meaningful next steps – they apparently sent a newsletter instead – and given that the committee is supposed to develop the next steps and given that 343 people dying from overdoses last year seems to be pretty meaningful, what does this minister have to say to the families of these Albertans, who want action instead of cancelled committee meetings and newsletters?

The Speaker: The hon. minister.

Ms Hoffman: Thank you very much, Mr. Speaker and to the member for the important question. We are expanding services, consistent with the mental health review recommendations, in Lethbridge, Medicine Hat, Red Deer, Calgary, and in other parts of the province. In Budget 2017-18 we're allocating over \$80 million to help Albertans coping with mental health issues and substance use. I wish the members opposite would step up and actually support these kinds of recommendations, that put money where it needs to be to save lives, because these strategies are proven to work. That's a 64 per cent increase over Budget 2016. Because we know that Albertans dealing with these issues need support, we're there for them, and we are fighting to keep them alive.

Mr. Smith: Spending money without an action plan recommended by the Auditor General: hmm.

Given that one person a day is dying of a drug overdose in Alberta and given that the department could not identify the top three deliverables of an action plan to address the crisis and given that we urged this government to declare a public health emergency and given that forming endless committees and then cancelling meetings does not get the right people in the right place at the right time with the right action plan to save Albertans' lives, when will the minister follow the example of B.C. and declare a public health emergency?

Ms Hoffman: Mr. Speaker, I have to say to the families who are in the new eight-bed youth detox facility in Red Deer: spending money is a priority; making sure your children have somewhere safe to detox is a priority. And you know what? These types of investments are important. This isn't throwing money; this is saving lives, and I'm not going to apologize for that. We're going to keep making concrete actions, and we'll be happy to update the House in the days to come about additional steps. Our government funds 37 mental health capacity building initiatives, with 64 communities across this province targeting mental health and addictions prevention and promotion programs. These are saving children's lives, and I'm proud to invest in these kids and their communities.

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

Serenity and the Child Intervention System

Mr. McIver: Thank you, Mr. Speaker. Given that two days ago in question period the Children's Services minister promised that the children in care minister's panel will be able to learn about the circumstances surrounding the abuse and untimely death that Serenity suffered while in care and given that I am on that panel and have not yet received news concerning that promise, to the Premier: when will your minister fulfill that promise she made two days ago, and what actions will she take to make sure the panel members

know what is coming so that we can learn about Serenity and make changes?

The Speaker: The hon. Minister of Children's Services.

Ms Larivee: Thank you, Mr. Speaker. Clearly, there are changes that need to happen within the child intervention system in this province. Everyone in this House is aware of that, and certainly Serenity's story brought that to the forefront. There have been many children over the years who, unfortunately, suffered tragedy within the child intervention system. We need to learn from all their stories. We need to look at what recommendations will lead to real change. We're very committed to taking action in terms of Children's Services, and we'll continue to provide as much information as we can that will certainly not compromise the criminal investigation as we move forward.

2:20

Mr. McIver: Promise broken so far.

Given that in question period this week the Justice minister said that the Crown is in discussion with the RCMP on investigation of Serenity's case and given that no arrests have been made, which leads us to believe that either the arrests are coming or the investigation has failed, and given that children are still residing in the home where Serenity suffered so much, to the Justice minister: since the Children's Services minister will not do her job by removing the children currently in that home, will you do your job and protect those children by removing them or at least by removing the adults responsible?

Ms Larivee: Thank you, Mr. Speaker, the protection and the belief in the support and protection of children in this province is not a partisan issue. This is a long and complex situation that started before 2014 and obviously covered the leadership of a number of individuals within this House. We both made choices in terms of the well-being of children, and we both are committed to the well-being and safety of children in this province. I stand behind the decisions to protect these children and to keep them safe and will continue to monitor and ensure the safety of all children in this province.

Mr. McIver: The minister said nonpartisan and immediately laid blame.

Mr. Speaker, given that on May 11 in question period the Children's Services minister confirmed a criminal investigation is ongoing, which would give reasonable persons cause to believe that the perpetrators of Serenity's terrible abuse and death would create living conditions unfit for children to endure, and given that charges have not been laid more than two years after Serenity's death, to the Premier: will you promise a public inquiry to get to the bottom? You didn't answer the question the first time. Will you call a public inquiry so that we can find out?

The Speaker: The hon. Minister of Justice.

Ms Ganley: Thank you very much, Mr. Speaker. Of course, this situation has been challenging for the family, for Albertans in general, for all members of this House. I know that tragedies like this provoke strong reactions, but we absolutely need to let the criminal process play itself out before we make any more decisions. We will await the outcomes of those investigations. I have been in contact with the Crown. They are taking the matter very seriously.

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

Data Security in Public Bodies

Mr. MacIntyre: Thank you. News broke out last night that in December 2016 our Energy Regulator was hacked and shut down for two days, but on Monday the Service Alberta minister stated in this Legislature that "we are not exposed" and that she's "proud of our systems." The real shock, though, is that Alberta's Auditor General warned the NDP that our Energy Regulator was at risk of being hacked 10 months prior to the actual attack. Minister, what is there to be proud of? Why wasn't this warning taken seriously?

The Speaker: The hon. Minister of Service Alberta.

Ms McLean: Thank you, Mr. Speaker, for the question. Our government takes security very seriously and information security very seriously. Our systems are secure and well protected because we are constantly vigilant in protecting government information and systems. As the hon. member from across the aisle knows, we provide a cybersecurity framework and expertise to agencies, boards, and commissions so that they can keep their systems secure. Ultimately, this falls within their individual responsibility. ABCs are invited to a monthly security forum meeting that Service Alberta chairs, where cybersecurity issues are discussed. Service Alberta also has a website that links to cybersecurity standards, templates, program plans, policy advisory guides . . .

The Speaker: Thank you, hon. minister.

Mr. MacIntyre: The Minister of Service Alberta has been shirking her responsibility, claiming that agencies are responsible for their own operations. Given that the Auditor General's report states,
We recommend that the Department of Energy and Alberta Energy Regulator work together to determine whether a further assessment of threats, risks and impacts to industrial control systems used in provincially regulated oil and gas infrastructure would benefit Alberta,

Minister, why aren't the ministries working with vulnerable agencies and commissions as per the AG's recommendation?

The Speaker: The hon. minister.

Ms McLean: Thank you, Mr. Speaker.

Mr. Cooper: They don't take the AG seriously.

The Speaker: The hon. Opposition House Leader.

Ms McLean: Again, I will repeat my answer for the hon. member. Our government takes information security very seriously. That's why we provide our cybersecurity framework and expertise to agencies, boards, and commissions so that they can keep their systems secure. ABCs are invited to a monthly security forum meeting that Service Alberta chairs, where cybersecurity threats and issues are discussed. Service Alberta also has a website that links to cybersecurity standards, templates, program plans, policy advisory guides, and IT disaster recovery tools. We are available to assist all of our ABCs with cybersecurity . . .

The Speaker: Thank you, hon. minister.

Mr. MacIntyre: Given the Auditor General's damning findings that pipeline operators use industrial control systems to control pumps and valves and to detect leaks or other problems and that if the industrial control systems are not secure, they can be misused to cause damage to critical infrastructure like oil wells, pipelines, and refineries, resulting in harm to Albertans or the environment, to

the Energy minister: why didn't you instruct an Alberta government entity to assess risks to our energy infrastructure?

The Speaker: The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Mr. Speaker. I think the hon. minister previously answered the two questions on what is being done, and those apply to pipelines. Companies maintain their own systems, and we work with them on the systems, but at the end of the day the companies have their own systems, and we have ours.

The Speaker: The hon. Member for Bonnyville-Cold Lake.

Electric Power Prices and Transmission Costs

Mr. Cyr: Thank you, Mr. Speaker. When it comes to the Energy file, the NDP just doesn't get it. Day in and day out I have constituents, many already battling unemployment, bringing me outrageous power bills. Regular Albertans are concerned about the astronomical charges for power transmission, not power generation. The NDP is suing generators and capping the lowest component of their bills, which is retail, and doing nothing about the costly transmission line overbuild. To the Minister of Energy: what is this government doing to lower transmission costs for Albertans?

The Speaker: The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Mr. Speaker. Certainly, we're working on all aspects of the bills. We've capped the rate at 6.8 cents, and we're working with my ministry to look at transmission. To be clear, the transmission costs that we're speaking of now were done with the previous government, not with ours, but we are looking into how those costs can be managed going forward.

Mr. Cyr: Blaming the last government: that's shameful.

Transitioning Alberta's grid to 30 per cent renewables by 2030 and stranding our coal assets will only require more transmission lines, which means higher transmission fees for Alberta. Given that the new renewable assets will need to be built in areas of the province where they perform the best and given that our coal generators are located near coal and that winds are strongest near where the sun shines the brightest, why is the government pursuing a course that will make electricity more expensive for the good people in Bonnyville-Cold Lake?

The Speaker: The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Mr. Speaker. You know, one of the good things about having an overbuilt transmission line is that we won't need as much transmission when we're doing our renewables. I'm pleased to say that in all of our auctions, we're working with the ISO to look at where placements can be. A number of the coal facilities are already near good transmission lines, so there won't be much more cost for that.

Mr. Cyr: The NDP capping electricity retail rates at double the current price sends a signal to families and industry that they should expect electricity prices to double. Given that the NDP capped electricity prices at double so that they can hide the true costs of their costly renewables strategy with debt and given that this has had no effect but was put forward to stop the rising transmission costs, to the minister. My constituents can't afford their electricity bills now. How can they afford them when the NDP causes their bills to double?

The Speaker: The hon. minister.

2:30

Ms McCuaig-Boyd: Thank you, Mr. Speaker. You know, the system we inherited is an energy-only market, which causes price volatility. That's why we're capping the rates. That's why we're developing a capacity market. We want consumers to have stability and predictability in their system, and we also want reliability. That's what they're going to get.

Child Protective Services and Death Reviews

Mr. Rodney: All hon. members agree that Serenity's death was a tragedy. Every one of us needs to do everything possible to prevent a situation like this from ever happening again. The office of the Child and Youth Advocate does amazing work as it offers solutions to the issues that Children's Services faces. To the Premier. You have publicly stated that all of the Child and Youth Advocate's recommendations were accepted by your government. Can you please tell the family and all Albertans: have all of these recommendations actually been implemented yet?

The Speaker: The hon. Minister of Children's Services.

Ms Larivee: Thank you, Mr. Speaker. I'm thankful for the partnership we have with the Child and Youth Advocate in terms of his commitment and passion towards the safety and protection of our vulnerable children in this province. We worked very closely with the Child and Youth Advocate to understand the intent of the recommendations and to move forward. Some of the recommendations, obviously, are incredibly complex and will take years to implement, but we're making progress on them all in order to make this system better. That's why we have a Minister of Children's Services. That's why we had the panel. We're committed to working together to ensure that this system is better off than it has been for far too many years.

The Speaker: Thank you, hon. minister.

Mr. Rodney: Given that criminal record checks must be completed on all adults living in a residence where children in care are to be placed and given that the Child and Youth Advocate's report indicates that these checks were performed on the parents that Serenity was placed with but not on the adult children who also live there, to the Minister of Children's Services: what new directives have you issued to your department to ensure that criminal record checks occur on all adults in all care homes, as your department policy dictates?

The Speaker: The hon. minister.

Ms Larivee: Thank you, Mr. Speaker. Once again, I'm thankful for the team within Children's Services, who is very committed to protecting the children within Alberta. There's been much progress made over recent years in terms of ensuring that policy is implemented. We continue to provide the resources that those staff need to ensure that they are able to do the work that they're being asked to do. Absolutely, while money doesn't fix everything, money sure helps the staff to be there and to provide the services and resources that they need. We remain committed to funding the department in order to be able to implement the policy that they need to . . .

The Speaker: Thank you, hon. minister.

Mr. Rodney: Given that one of the major concerns with Serenity's case was the length of time it took to perform the autopsy and given that in 2015 1.75 per cent of autopsies took longer than nine months

to perform and given that Serenity's autopsy took a full two years to complete, which may well have compromised the criminal investigation into her death, to the minister once again: how many autopsies in Alberta take two years or longer to be completed, and what are your plans to deal with this on an urgent basis?

The Speaker: The hon. Minister of Justice.

Ms Ganley: Thank you very much, Mr. Speaker. We certainly know that the autopsy in this case did not move forward in a particularly timely manner. Obviously, there are some cases in which there are complications, but we will be looking very closely to ensure that we can expedite those processes. It's incredibly challenging, we know, for families who are waiting for the outcomes of these autopsies. We absolutely know. That's why we've made it a priority. That's why we've invested in hiring more medical examiners. We will absolutely be ensuring that those timelines come down.

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

Midwifery Services

Mrs. Littlewood: Thank you, Mr. Speaker. After my sister's experience giving birth to her first son, she pursued the services and care of a midwife for her second and third pregnancies. I meet more and more women in my constituency who are seeking midwifery services that are concerned that the demand exceeds availability. Given the vital care that midwives provide throughout pregnancy, to the Minister of Health: what is this government doing to support access to these primary care practitioners?

The Speaker: The Minister of Health.

Ms Hoffman: Thank you very much, Mr. Speaker and to the member for her important advocacy in this area. The government values Alberta midwives and their important role in the health of mothers and babies, and that's why this government has brought forward stable funding with year-over-year increases. We've already seen a 30 per cent increase in the number of midwife-attended births since we came into office, which I'm very proud of, and by the end of 2018-19 we'll see an almost 68 per cent increase compared to when we came into government. Ensuring that we have increased options for women who choose these ones is very important to us.

The Speaker: First supplemental.

Mrs. Littlewood: Thank you, Mr. Speaker. Given that the number of families receiving midwifery care is increasing and midwives are currently involved in about 5 per cent of all pregnancies in Alberta, to the same minister: how is this government working with stakeholders to ensure that midwives have the capacity to handle increasing interest and demand?

Ms Hoffman: Thank you again to the member for her question and for her advocacy on this very important matter, Mr. Speaker. Midwives across this province are the ones dealing with the front lines, and they understand our pressures. Even in this tough economy we've put our money where our mouth is. We've worked with our partners to support midwives. Stable and predictable funding has made it possible for AHS and the association to reach an agreement that will increase the number of midwives in our province and improve access to underserved communities. I might add that I'm looking forward to sharing some positive news about this in the hon. member's riding in the coming weeks.

The Speaker: Second supplemental.

Mrs. Littlewood: Thank you, Mr. Speaker. Given that rural families often have to travel long distances to cities to receive supports and are often forced to join wait-lists, to the same minister: what is this government doing to support rural or remote families in Alberta to address this serious inequity?

Ms Hoffman: Thank you very much to the member for this question. As a rural MLA it's important that we make sure that her advocacy helps not only the residents of her constituency but all residents, Mr. Speaker. That's why we're delivering on a commitment to provide midwifery care to more Alberta families than ever before. The agreement will increase the number of midwives practising in Alberta and includes a joint process that AHS and the association will use to determine where midwives can serve more underserved rural and remote communities. What's also important is that Mount Royal graduates can start their careers here in Alberta, something I'm so proud that our government is investing in.

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

Landowner Property Rights

Mr. Hanson: Thank you, Mr. Speaker. I'll ask the question that the Member for Fort Saskatchewan-Vegreville should be asking. Farmers and ranchers are stewards of their land. They are the ones that have laid out the investment. They are the ones that have done the improvements. They are the ones that have paid the taxes. They feel that they should have a say to any outside corporation accessing their land. To the Minister of Transportation. You used to be an advocate for landowners' rights when you were an opposition member. How do you justify supporting the opposite position now that you are in government? Or are you being overruled by the minister of environment?

The Speaker: The Minister of Transportation.

Mr. Mason: Thank you very much, Mr. Speaker. With respect to the hon. member, that's not a question about government policy, and I don't feel inclined to answer it.

The Speaker: First supplemental.

Mr. Hanson: Thank you, Mr. Speaker. That's going to look great on Facebook.

The Speaker: No preambles, please. Keep going.

Mr. Hanson: Mr. Speaker, given that the Farmers' Advocate . . . [interjections]

The Speaker: Order.

Mr. Hanson: . . . is cautioning landowners regarding unregistered landmen representing speculators . . . [interjections]

The Speaker: Hon. members.

Mr. Hanson: . . . and given that these companies are not being forthright with information that could affect landowners and their relationships with their neighbours and municipalities, what is this government doing to defend the rights of landowners to protect the interest that they have worked so hard towards?

The Speaker: The Minister of Justice.

Ms Ganley: Thank you very much, Mr. Speaker. Obviously, these questions are very complex and very interrelated. We absolutely know that it's the case that there have been long-standing issues with respect to the way property rights operate in this province. We will have more to say about it in the future. These are incredibly complicated issues. There are complicated interests on both sides of the case. This is something that needs to be taken seriously and handled in an appropriate manner, not for cheap political points. [interjections]

The Speaker: Order, please.
Second supplemental.

Mr. Hanson: Thank you, Mr. Speaker. Given that bills 19, 24, 36, and 50 were seen as an attack on the rights of property owners in Alberta and given that our Bill 204 sought to remedy some of the remaining issues but was defeated in this House, to the Minister of Transportation. You have previously campaigned to repeal these bills that trampled the rights of Alberta property owners. When can we expect any of the remaining problems of these bills to be repealed?

2:40

Mr. Mason: Mr. Speaker, we have consistently stood to protect the rights of landowners and all Albertans. People have a right to fair compensation of their land. They need a right to appeal. We've always stood for these basic principles. We continue to do that now. I was in this House defending those principles when the Wildrose didn't even exist, and I'm going to continue to do it long after they're gone. [interjections]

The Speaker: What a robust day we are having today. In 20 seconds we will go to the next agenda item.

Introduction of Bills

The Speaker: The hon. President of Treasury Board and Minister of Finance.

Bill 15 Tax Statutes Amendment Act, 2017

Mr. Ceci: Thank you very much, Mr. Speaker. I request leave to introduce Bill 15, Tax Statutes Amendment Act, 2017.

As you know, Alberta's economy and commodity tax statutes are typically amended every year. This is done in order to implement government policy decisions and make necessary changes that ensure our tax legislation remains aligned with the federal tax legislation. In addition to the technical and administrative amendments being brought forward this year, we are also proposing important changes that will affect the carbon levy rebate. The changes are specifically aimed at reducing the need for rebate amounts to be returned when a household's eligibility changes due to the death of a family member.

We heard from Albertans who were affected by this, and we've been working as quickly as possible to address it. As soon as we heard about this issue in March, we took action and directed the Canada Revenue Agency to halt these notices. Mr. Speaker, families who already received reassessment notices from the Canada Revenue Agency in these cases can disregard those notices. Those who have already returned the rebate will receive a repayment.

Mr. Speaker, this measure is also extended to the Alberta child benefit and the Alberta family employment tax credit programs as of January 1 of this year. The related amendments in this bill will

ensure that this issue is resolved across all three programs going forward.

Additional changes included in this bill include implementing a broader political contribution tax credit, as announced a couple of months ago in Budget 2017. Extending the political contribution tax credit to leadership campaigns and nomination races will help encourage more participation in the political process from Albertans.

Other technical amendments included in this bill will ensure that Alberta's tuition and education tax credits are not affected by recent changes in the federal legislation. Mr. Speaker, the federal government also passed several bills this year that amended the federal Income Tax Act that now require . . .

The Speaker: Hon. minister, are you just about there?

[Motion carried; Bill 15 read a first time]

Tabling Returns and Reports

The Speaker: The Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Mr. Speaker. I rise to table the requisite five copies of the document by Moody's Investors Service that I referenced in my question today entitled Moody's Highlights Continued Credit Concern for Alberta Despite Anticipated Rebound in Revenue.

Thank you, Mr. Speaker.

The Speaker: The Member for Calgary-Hawkwood.

Connolly: Well, thank you, Mr. Speaker. It's my pleasure to table today an article written by Carmen Wittmeier entitled Playing House: Politicians Cower as the Supreme Court Overrides the Natural Family Order, in which the leader of the Progressive Conservative Party is quoted as saying that the ruling on LGBTQ-plus rights is "one of the most outrageous exercises of raw judicial power in the history of modern democracy."

The Speaker: The Member for Calgary-Mountain View.

Dr. Swann: Thank you, Mr. Speaker. I have the appropriate number of copies of a letter submitted by a pediatrician encouraging the Education minister to establish a provincial policy for the management of type 1 diabetes in Alberta schools.

The Speaker: The hon. Member for Banff-Cochrane.

Mr. Westhead: Thank you, Mr. Speaker. During my speech on Bill 11 yesterday I referenced a document from the Canadian Nurses Association that I promised to table. When I went to print off copies of the document, I had trouble accessing the website, so I don't unfortunately have that with me today. As soon as I can access the website, I'll commit to tabling that.

Orders of the Day

Government Bills and Orders Third Reading

Bill 13 Securities Amendment Act, 2017

The Speaker: The President of Treasury Board and Minister of Finance.

Mr. Ceci: Thank you very much, Mr. Speaker. I rise today to move third reading of Bill 13, the Securities Amendment Act, 2017.

It's been truly touching to hear the stories that were delivered by hon. members during the debate on this bill. The stories of their constituents' experiences are exactly why we brought this legislation forward, Mr. Speaker. I hope that we will start to hear fewer of these types of stories as the bad apples and the wrongdoers are weeded out by the stronger investment protection provided by this bill.

Mr. Speaker, this legislation is another example of how this government is working harder to make life better for more Albertans by helping to ensure that their investments are safe through strong and effective enforcement measures. When wrongdoing is suspected, self-regulatory organizations will now have the ability to go after those offenders so that people have more confidence to invest in this great province's vibrant capital market.

We know that the securities regulatory landscape has become more complex, sophisticated, global, and more driven by technology than ever before. The proposed amendments were developed to support Alberta's commitment to ongoing reform by protecting investors and promoting a fair and effective Alberta capital market.

The Alberta Securities Commission is mandated to protect investors and the integrity of our province's capital market. A well-regulated and efficient financial system where investors are protected is essential for investor confidence while allowing for innovation. We must ensure that the securities regulatory system in Alberta not only continues to reflect the realities of current markets but that it is also aligned with international standards and regulatory reform. That's why we have proposed these amendments, to support our ongoing commitment to enhancing investor protection and promoting a fair and effective Alberta capital market.

The Alberta Securities Commission has statutory powers to compel attendance at and the production of evidence during both investigations and hearings. As I've mentioned, self-regulatory organizations such as the Investment Industry Regulatory Organization of Canada, or IIROC, and the Mutual Fund Dealers Association currently do not have this authority during investigations. This bill changes that.

2:50

These amendments extend the powers of self-regulatory organizations so that they can compel testimony and the production of evidence during an investigation. Providing these SROs with the same powers as the commission will strengthen their enforcement abilities and improve investor protection in Alberta.

In addition, these changes will extend immunity to the directors, officers, employees, and agencies of SROs from civil liability for the good-faith exercising of regulatory and delegated powers. Mr. Speaker, the people responsible for enforcing securities laws must be able to do their jobs without fear of being held personally liable. Protecting them from liability for carrying out their duties in good faith makes it possible to enforce the rules more effectively.

Finally, amendments to the Lieutenant Governor in Council regulation will ensure that the act is consistent and applies to all parties as intended.

In closing, Mr. Speaker, with these amendments we are ensuring that Alberta's securities regulatory framework reflects the realities of today's market and evolves with international standards and regulatory reforms. Our government is working to make life better for Albertans with practical changes that help strengthen investor protection in this province.

As I have mentioned previously, the amendments before this Chamber in the Securities Amendment Act, 2017, reflect the core principles which guide this government's approach to Alberta's capital market. These core principles are, one, a strong investor protection framework; two, continued market integrity; and finally,

ensuring that we have an efficient system for capital formation. Mr. Speaker, I believe that these are the right principles to guide both the government and this legislation when we consider changes to the Securities Act, and the amendments before this House in the Securities Amendment Act, 2017, are in alignment with those very principles.

If members are concerned about investor protection, if members are concerned with the long-term integrity of our capital markets, and if members want to ensure over the long term that we continue to have an efficient system of capital formation, then I strongly urge them to support this bill. This is good legislation, Mr. Speaker. This legislation has the support of industry participants, this legislation has the support of advocacy groups who support investor protections, and of course this legislation is fully supported by the Alberta Securities Commission.

On that note, Mr. Speaker, I'd ask all members of this House to support third reading of this important bill. Thank you very much.

The Speaker: The hon. Member for Edmonton-Ellerslie.

Loyola: Thank you, Mr. Speaker. I'm pleased to rise and support third reading of Bill 13, the Securities Amendment Act, 2017. The Alberta Securities Commission is mandated to protect investors and foster a fair and efficient Alberta capital market, as you may have heard me say in the House before when speaking to this bill and previously to a similar bill almost a year ago today.

As you've heard me say in the House – and I've echoed our Finance minister – the securities regulatory landscape has become more complex, sophisticated, global, and more driven by technology than ever before. Throughout the world regulators and legislators have to be nimble and act vigilantly while also allowing for innovation. Regulators and legislators must keep abreast of a landscape that is ever-changing and constantly evolving while at the same time being prepared to update our laws and regulations at regular intervals.

At a previous time when I spoke, I talked about crowd funding, how that's changing the landscape and how it's important for the Alberta Securities Commission to be on top of that and any changes that could potentially happen in terms of how we protect investors as we move forward.

I think it would be beneficial for all members of this Chamber to briefly review where we are and where we've come from over the past few years. Roughly a year ago this government announced that it would stand up for Alberta businesses and investors by backing our provincially led securities regulator to continue overseeing our capital markets rather than deferring this responsibility to a single national agency, and on that we all agree.

We made this decision after taking the time to fully understand the implications of regulatory oversight in our capital markets and the excellent leadership role of our provincial regulator, which has taken on the national stage. I'm proud to say that the Alberta Securities Commission has implemented many different guidelines and policies that have been adopted in other jurisdictions all across the country. For that, we must be proud.

As we made this decision, we set out three goals, the three principles that would guide the approach to our capital markets on a go-forward basis. Those were investor protection, market integrity, and an efficient system of capital formation. We all know that these goals are best achieved when our capital markets operate transparently, when regulatory standards are harmonized, and when we have effective, authoritative oversight.

All members of this House can appreciate that our capital markets are defined by the resource sector. It remains our belief that it only makes sense to have a provincially led securities regulator who

understands our province's unique needs. While I'm certain that this government made the right decision to continue with our provincially led regulator, that decision requires this government and this Legislature to regularly keep our laws up to date. The responsibility falls on us, and we will not defer that responsibility to Bay Street or Ottawa.

As members of this House know well, this government has been working consistently with our industry partners to ensure that our capital markets remain well regulated, to provide effective mechanisms through which companies can raise capital, and to ensure that our laws are up to date. Alberta and this Legislature must ensure that our securities regulatory system continues to reflect the realities of current markets and aligns with international standards and regulatory reforms.

To achieve this objective, the government has brought a number of amendments before this House to ensure that our capital markets continue to function effectively. Mr. Speaker, if I'm not mistaken, all of the previous amendments that this government has introduced received the unanimous support of this House.

As a reminder, members of this Chamber have voted in favour of legislation that our minister introduced to do a number of things. Those are to amend the definitions of a derivative, a reporting issuer, and a security; amending the amount of advance notice that a witness must be provided to appear at a Securities Commission hearing; making smart changes to halt-trade provisions; harmonizing provisions related to civil liability; and the list goes on, Mr. Speaker. The important thing here is that we all acknowledge how critical it is to continue updating legislation as required to keep our capital markets strong and that we do so in a fashion in keeping with our three key operating principles.

Mr. Speaker, with that very important context in mind, let me say a few words about the Securities Amendment Act, 2017, and steps this government is taking to continue ensuring that we have strong investor protection, we continue to maintain strong market integrity, and we continue to build the necessary institutional infrastructure to allow for an efficient system of capital formation. Let me also state that the proposed amendments that we have been discussing and that are part of the Securities Amendment Act, 2017, were developed in line with our key operating principles and in co-ordination with our industry partners.

Currently the Alberta Securities Commission has statutory powers to compel attendance at and the production of evidence during both the investigation and the adjudication phases. However, self-regulatory organizations such as the Investment Industry Regulatory Organization of Canada, or IIROC, and the Mutual Fund Dealers Association do not have this authority.

It is the view of this government and the Alberta Securities Commission and the vast majority of market participants that this needs to change. We need to ensure that self-regulatory organizations have the necessary authority to do their work like other self-regulatory organizations in our society. Providing self-regulatory organizations with the same authorities as the commission will strengthen their enforcement abilities and improve investor protection.

Let me be clear. The vast majority of market participants are honest and trustworthy, and they follow the rules. As members of this House know well, trust is integral to the integrity of our capital markets. When a few bad apples take action and swindle investors, trust can quickly erode. When overall trust erodes in our capital markets, it becomes incredibly difficult, if not impossible, to raise capital.

3:00

Therefore, the proposed amendments before you with respect to self-regulatory organizations are important for two reasons. First,

these changes will help protect individual investors and therefore improve investor protection. Second, and just as importantly, these changes are one step we can take to improve overall trust in the market and therefore help to improve market integrity.

Mr. Speaker, there are many, many more things that I could mention when it comes to the Securities Amendment Act, 2017, but I'm going to provide the opportunity for other members of the government caucus and perhaps even members across the way to speak to it.

With that, I want to encourage all members of this House to stand up and vote in favour of the Securities Amendment Act, 2017. Thank you very much.

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

Mr. Malkinson: Thank you very much, Mr. Speaker. It's a pleasure to get up today and speak on this act. You know, as the Minister of Finance and President of Treasury Board made clear in his opening remark, this government has laid out three key principles when it comes to approaching Alberta's capital market. Throughout this debate I have always said that the government is focused on, one, investor protection; two, ensuring market integrity; and three, ensuring that we have an efficient system for capital formation.

I think we can all agree that these are very worthy and laudable goals and should serve as useful guideposts when we consider this bill. I think through Committee of the Whole we spent a lot of time considering the various amendments and statutes. We discussed them at great length, and I think it was quite enjoyable for all of us here. With all of those amendments I always said that we should ask ourselves three main things. Does the legislation serve to enhance consumer protection? I believe that it does. Does the legislation serve to further improve market integrity? I believe that it does as well. Finally, will the changes in this bill continue to ensure that we have an efficient system for capital formation? I believe the answer to all of these questions is yes.

I'm glad we're talking about investor protection. As we talked about and as we were reading through the various, you know, amendments and new investigative powers that would come forward through this bill, I'd think of my grandparents. I think of parents that are saving for their kids, perhaps saving for a disabled child in a registered retirement disability fund. I think of every working Albertan who could have their savings wiped out by scandalous, surreptitious, fraudulent – all the fun words for no-good – investors in the mutual fund market. I think about those because I think that this bill is actually part of our continuing goal to make life better for Albertans, to protect Albertans from the nogoodniks out there in the finance industry.

You know, I think it's just like how we have our support for small business with lowering the small-business tax and how we've brought in our investor tax credits as another way that we are also helping Albertans by helping small businesses, that hire many Albertans.

The opposition has said on many occasions that they will undo everything we have done. The hon. Member for Strathmore-Brooks has mentioned at length that he would wipe all record of us off the face of the Earth. I wonder. Why would they want to undo the good of this bill? Why would they want to undo the protection for those grandparents who are going to an investor, who is supposed to be a professional, and trusting that person to invest their money wisely and, instead, want to get rid of the investigative powers that would allow justice to take its course and protect Albertans from those unscrupulous dealers? I don't think the opposition should do that, and I think they should explain that in their comments to this bill if they choose to speak to it.

You know, with everything that we hear in the newspapers, on TV, on social media, I'm really glad that we are actually taking concrete action to ensure investor protection, Mr. Speaker. In this bill there are proposed changes to authorities and capacities of self-regulatory organizations. Since we do love abbreviations in this bill, they're also known as SROs, like the Mutual Fund Dealers Association, also known as the MFDA, or the Investment Industry Regulatory Organization of Canada, also known as IIROC. For those of you who are car enthusiasts, that was also a fairly excellent Camaro made in the late '80s and early '90s.

Mr. S. Anderson: That's the best abbreviation.

Mr. Malkinson: The best abbreviation.

Mr. S. Anderson: Yeah.

Mr. Malkinson: I believe the hon. Minister of Municipal Affairs agrees with me on that one.

These organizations play an important role in our capital markets. These SROs have devolved authority from the Alberta Securities Commission, so it's incumbent on us to make sure that they have the best tools at their disposal to do their job.

[The Deputy Speaker in the chair]

The amendments, Madam Speaker, in the SAA, 2017, will also allow the SROs to have the same statutory powers as the ASC, which will improve their enforcement capabilities. Ensuring that SROs can compel attendance and ensure the production of evidence is critically important. It's critically important because it empowers these organizations to fulfill their mandate, which is investor protection. It's the protection of investors, which, we must remember, are everyday, hard-working Albertans throughout this province. When we create laws and rules which empower investors, that's good for capital markets. But when we create a disincentive for wrongdoers, scoundrels, as one could say, to operate in our capital markets, we improve the overall integrity of our capital markets.

Now, Madam Speaker, as we do our final consideration of this bill before us, I think it's worth reflecting on the questions I first raised in my opening, that I've talked about throughout this process, in second reading as well as extensively in Committee of the Whole. We must ask ourselves when we think of this legislation: does this legislation serve to enhance consumer protection? Does this legislation serve to further improve market integrity? Finally, will these changes continue to ensure that we have an efficient system for capital formation?

In my view, the answer to all three of these questions is, of course, yes. I believe that speaks to the thoughtfulness that the hon. Minister of Finance and President of Treasury Board and his staff and the government have put into this bill to make sure that we are there protecting consumers.

This is good, smart, and important legislation, Madam Speaker, and I'd like to take a moment before I finish off to thank all members of this House who spoke in support of this piece of legislation in the very fulsome discussion that we had on this very important but perhaps, as some people might think, dry piece of legislation.

Some Hon. Members: No. No.

Mr. Malkinson: I hear cries of no. I mean, it was amazing how great a discussion we had on this particular piece of legislation.

I'd also like to thank my colleague from Edmonton-Ellerslie, who spoke at length on this bill, as well as all other members of the House.

With that, I would like to encourage all members of this Chamber to support these critical amendments and proudly vote yea when we call the vote for third reading of the Securities Amendment Act, 2017.

Thank you very much, Madam Speaker.

3:10

The Deputy Speaker: Standing Order 29(2)(a) allows for five minutes of questions and answers. Does anybody wish to avail themselves of the opportunity?

Seeing none, I'll recognize the next speaker. I believe I have Calgary-Mackay-Nose Hill.

Ms McPherson: When you invest your life savings, you want to know that your money is being managed with integrity and skill. Albertans deserve this assurance when they're investing, and governments need to do everything they can to protect investors. Investment and the financial industry are critical to our economy and are an integral part of economic diversification.

In reading up on this bill, I was reminded of the Bre-X case in Calgary in the 1990s. In 1989 the company was listed on the Alberta Stock Exchange at 30 cents a share. Bre-X was a mining company, and they focused their exploration on gold in Quebec and diamonds in the Northwest Territories. Now, it was a slow start for the company, and the founder ended up with \$60,000 in credit card debt in an effort to keep the company afloat, and he saw an opportunity in the Busang site in Borneo. Who says this isn't exciting? This is a compelling story.

There were productive gold discoveries on the island, and early exploration showed some evidence of gold in the Busang. Exploration is expensive, and in investigating the case, it appeared that the agents of the company were salting core samples with gold. Busang was billed as the biggest gold deposit in the world.

I remember driving past the Bre-X office on 14th Street in the mid-90s. It was world famous by then and regularly showed up in the news stories. At one point Bre-X was valued at \$6 billion on the TSE and Bre-X stock reached a peak of \$286 a share, which was a long way up from the opening price of 30 cents. Now, who wouldn't want to invest in the largest gold deposit in the world? Who wouldn't want to be part of a fast-growing company that seemed to have no downside?

Bre-X began to encounter a number of stock-pummeling pitfalls, the most damaging of which was a partnership with the mining company Freeport-McMoRan. This was as a result of the Indonesian government compelling them to go into this partnership. Freeport did some of their own drilling tests, and they did not get the same results that Bre-X had been reporting.

Next, the Indonesian government reported that the Busang probably wasn't a gold-producing site, and there were other independent tests that confirmed that what was being reported wasn't right, that there wasn't the world's biggest gold deposit in the Busang, that indeed there wasn't likely any gold in the Busang.

Bre-X stocks fell, the company folded, and investors lost \$3 billion. Many people lost their life savings as a result of this spectacular fraud. Their lives were devastated. About the only good thing about this story is that it was adapted by Hollywood for a screenplay and movie that was loosely based on the story. It was kind of an okay movie.

This story illustrates the need for good regulation to protect investors from fraud. Albertans and industry both benefit when regulators have the tools they need to ferret out the bad actors. Regulation of the financial industry is spread across regulatory organizations much the same as it is in other provinces. This bill

would strengthen the abilities of self-regulatory organizations by granting them the authority to compel attendance and to produce evidence. That means that it puts some teeth into legislation for them to make people show up as well as to produce evidence and to be able to implement consequences if they don't.

I was happy to learn about the level of consultation with stakeholders, including the Canadian Association of Retired Persons, who shared a number of stories of the devastation people have experienced when they've been bilked out of their money.

I support this bill for two reasons, Madam Speaker. First, protection of investors' money is a huge responsibility, and it's addressed well in this bill. Second, a robust, well-regulated capital market is integral to our economy now and into the future, and our citizens and business community depend on it. I encourage all members of the Assembly to support this bill as well.

Thank you.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)? The hon. Member for Calgary-Currie.

Mr. Malkinson: Thank you very much, Madam Speaker. It's a pleasure to listen to my fellow Calgary colleague from Mackay-Nose Hill. You know, she spoke, actually, about a very interesting case in our history, the Bre-X scandal. I often remember my father, who was an accountant, talking about the Bre-X scandal. He, of course, became an accountant starting off in the '80s there, and he remembers the excesses of the '80s. I mean, most people think of that as sort of your Gordon Gekko, *Wall Street* type scenario. He spoke of Bre-X. That was a very big scandal in Canadian history, and I think the hon. member brought up a great point. It's a very perfect example of how when people are bilked out of their money, it has a very big impact on their finances. Oftentimes people think in these losses that it's just large investors or very wealthy individuals. But it also is regular, everyday Albertans. The hon. member went on talking about specifically a quote there – I believe it was from the retired people's organization – you know, talking about how this is very important to their members.

My question for the hon. member, if she would like to elaborate a little bit more, is thinking of: what would be the negative effects if somebody was to be bilked out of their investments, perhaps, if there wasn't this strong, investigative power that's in this bill? What effect might that have on those regular, everyday Albertans, and how would this bill perhaps protect them and perhaps make life better for them, Madam Speaker?

The Deputy Speaker: The hon. member.

Ms McPherson: Thank you, Madam Speaker. Thanks for the question. I think anyone who's nearing retirement age is looking for ways to maximize their return and minimize the risk, so they rely on investment advisers to advise them as to the smart places to put their money. Without a strong regulatory framework to prevent nefarious activity – there's always going to be risk involved in investing, but you can mitigate that risk to a certain degree by using someone who's experienced, very well qualified.

But if you happen to connect with someone who isn't well qualified, it could be absolutely devastating for someone's retirement. If you're nearing retirement age and you lose your life savings – I can't imagine the psychological damage that would do to somebody, to have a future that was fairly sure all of a sudden become a future that's completely unsure and to not know how they're going to pay for things, where they're going to live and what they're going to eat, at a time in their lives when they may not be able to work as much or for as much money as they worked for

before. Yeah, I can see that that would be an absolutely devastating experience for anyone.

I hope that answers the question.

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

Seeing none, any other speakers to the bill? Edmonton-Centre.

Mr. Shepherd: Thank you, Madam Speaker. It's a pleasure to have the opportunity today to rise and speak to Bill 13, the Securities Amendment Act, 2017. Admittedly, I would say that I tend to be much more of a words guy than a numbers guy. I did well in math in high school, certainly, but I've always been one to gravitate more towards words, English, that sort of thing, and away from sort of the numbers side of things. I did manage to get by in terms of budgeting and taking care of my own personal finances. For many years I operated as a musician, as a sole proprietor and as a studio engineer, so I had to do some budgeting and that sort of thing, but it wasn't a line of work that left a significant amount of money for investment, admittedly.

It took a little while before I did sort of decide that I was going to move on. I decided that I was going to go back to school. I had the opportunity to work in a number of positions where I began to accumulate a bit of a pension. Once I had that in place and then decided that I was going to move on from my work in a couple of those positions with the federal government and with the provincial government, then I found myself with sort of a large chunk of money that needed to be invested.

3:20

In 2015, actually, shortly after my opportunity to be in this House as the representative for Edmonton-Centre, I hired my first financial adviser. Certainly, it was helpful to be able to go through and sort of talk with friends and sort of get some good recommendations and find out who other people had worked with. I was able to sit down and have a very good meeting with a gentleman who I've now been able to sort of trust with my finances and to set up those investments for me.

It's reassuring, you know, to know that I have somebody who has that expertise, much the same as if I wanted to hire someone to renovate my home or fix my car or any of these other things which, I suppose, I could probably learn how to do myself if I had the time. But as I'm sure you're well aware, Madam Speaker, this is not a job that lends itself to a lot of free time for any of us in this House. Certainly, I appreciate the opportunity to avail myself of expertise to handle some of these aspects of life for which I don't have the time to dedicate myself.

I think that that's true, probably, for many Albertans. Certainly, I have some friends who I know have spent a good deal of time educating themselves about investment and securities and the different options that they have, and they personally enjoy doing some of that in their free time and doing some investment on their own. But I think there are many Albertans who require that sort of advice, require that sort of expertise and, as many have noted in speaking about this bill, who are, in fact, very dependent in a very important aspect of their lives, indeed, their financial future, their ability to retire, placing it in the hands of someone else and trusting that they are going to have their best interests in mind.

Certainly, Madam Speaker, this is in line with the other work that our government has chosen to do in terms of trying to make life better for Albertans. Shortly after our election, of course, we had our bill that we put through to tighten regulations on payday loans. I'll say that it's been incredibly encouraging to hear that that has begun, in fact, to have an impact and that we are seeing people

being able to turn to other financial options, that we are seeing reductions in the number of people that are caught up in the cycle of debt through that. We, of course, banned door-to-door energy sales. We have the bill that is before us now introducing new licensing for home builders.

Madam Speaker, this is all part of work that we are trying to do to ensure that Albertans can rest assured that when they are acting as consumers, they can trust that they are protected. They can trust that they have a mechanism by which they can get redress if they are wronged or indeed they are taken advantage of. So I really appreciate the work that our ministers have been doing on this, and I appreciate that the Minister of Finance has brought forward this bill now to ensure that the same will be true of investment and securities.

Now, of course, the securities regulatory landscape in Canada has been becoming increasingly complex. It's much more sophisticated. It's involved at a much more international and global scale than it has been in the past. Of course, as the complexity grows, so grows the need for more expertise and also so grows the opportunity for people to take advantage of that complexity, to take advantage for themselves and to take advantage of other people. Certainly, since the 2007 financial crisis we recognize that it's become even more difficult to sustain quality capital markets.

The challenge that we faced here in Alberta, then, was how we would deliver the right regulations to support investor confidence and still help to encourage investment, innovation, and economic growth here in Alberta and, of course, across Canada. The important thing is that we ensure that our securities regulatory system reflects the realities of today's markets and stays in step with evolving international standards and global regulatory reform initiatives and indeed the growth of technology because as technology grows and new opportunities make themselves available, then we need to find ways that we can work these things in as well.

This bill, of course, provides, then, that regulatory organizations have the same enforcement authority as the Alberta Securities Commission and gives those regulatory organizations the ability, as some have noted, to compel attendance and production of evidence so that they're better able to do their jobs and protect Alberta investors. It also offers at the same time protection from liability for the people who will investigate these cases when carrying out their duties in good faith.

Now, of course, Madam Speaker, it's incredibly important that we do everything we can to protect investors against the very few – and, of course, as many have noted, it is indeed few. We have many who work in our financial industries here in the province who have nothing but the best interests of the people that they serve in mind. What we are focused on here, as we have been with so many of these other bills which I spoke of which are looking to protect consumers, is identifying and eliminating those few bad apples who would spoil the bunch. So we must do everything we can to protect investors against those few people in the system who would take advantage.

We recognize that we have strong organizations in Alberta. We have the Alberta Securities Commission. They're mandated to protect investors and foster a fair and efficient Alberta capital market. Of course, that commission has some statutory powers already. They can compel attendance, as I mentioned, and the production of evidence during both the investigation and adjudication phases. However, there are also self-regulatory organizations like the Investment Industry Regulatory Organization of Canada and the Mutual Fund Dealers Association who don't have that authority. The proposed changes will now give those organizations that same authority as the commission's. That's going to strengthen

their abilities now to enforce and to improve investor protection amongst those that they serve and for those that they represent.

Now, of course, in most provinces across Canada provincial governments have delegated certain aspects of this authority to these sorts of regulatory organizations, providing much more efficient and effective regulation. That's something, of course, that then provides better protection for investors, and that's something that's essential if we want to have confidence in our markets. We recognize that confidence in the market is something that is essential for those markets to do well and to prosper. We recognize also, at the same time, Madam Speaker, that both in Canada and globally speaking, those markets are in fact changing. So here in Alberta we have to ensure that our system is going to align with these new international standards and the types of regulatory reforms that we're seeing in other provinces and, of course, around the world.

Another thing that these proposed amendments will do is to extend immunity to the directors, the officers, the employees, and agents of these regulatory bodies. Those amendments, therefore, will also clarify the conditions under which that immunity is granted to those organizations, which will make it possible, then, for those organizations to be able to conduct their enforcement more effectively, without having to be concerned about being found liable when they are trying to simply do work on behalf of the people of Alberta.

Now, of course, some of these proposed changes are just sort of housekeeping, just to ensure some clarity, better compliance with Alberta securities laws. We certainly heard from members in this House about the need to reduce red tape, to make things more efficient and to help government operate more efficiently, so there are some portions of this bill which are dedicated specifically to that as well. I certainly commend the minister for identifying those challenges and ensuring that those are corrected and modified to better serve Albertans.

Now, as the government was preparing these amendments, of course, there was some good consultation. Again I recognize the minister. He certainly has worked to consult on much of the work that he's done here. He certainly did a fulsome consultation before the last budget, touring across the province to speak with many Albertans about their concerns and thoughts.

Likewise, on this bill he ensured that there was consultation with the Alberta Securities Commission, the Investment Industry Regulatory Organization of Canada, good conversations with them to help draft these common-sense amendments, which, due to that consultation and support, have been recognized also by the Canadian Association of Retired Persons, which recognizes the value of having these protections in place for those they represent. Of course, Madam Speaker, that's somewhere that we all shall one day go, finding ourselves in that position of being retired, and certainly we want to be assured that we have the protections that we need in place to ensure that we will be able to retire with comfort and dignity and with good financial standing.

With that, I think that's more or less the end of my remarks. I certainly appreciate having heard from many of my colleagues, the other members, about the concerns, the issues that they've heard from their constituents and how these protections are going to help them. I look forward to hearing from a few others.

I thank you for the opportunity to speak in support of this bill.

The Deputy Speaker: Any questions or comments under 29(2)(a)?
The hon. Member for Calgary-Currie.

Mr. Malkinson: Thank you very much, Madam Speaker. I'd really like to, you know, thank the Member for Edmonton-Centre for

bringing forward his comments. I think that right at the beginning, where he was talking about how perhaps words were very much his forte in school and most definitely still are for those of us who, of course, intently listened to the hon. member in this House – but he was fine at math, too. I think that speaks to a good part of this bill. Like, when we think of the people we're protecting, we are not thinking that we are necessarily – people who get duped by these perhaps unscrupulous investors are citizens of Alberta who are, in fact, decently financially literate. Just like the hon. member said, these citizens rely on the expertise of professionals when they are making their investment decisions, whether it be as part of a business or for their own personal savings, and this act goes to creating some very large disincentives for those wrongdoers.

3:30

He went on to talk about, you know, that average citizens rely on those experts in the same way as if you're driving down the street and the battery light comes on in your car. If you've done a little bit of searching on the Internet, you know that it's probably your alternator or battery. Although both of those would be fairly easy to fix in one's driveway with a basic set of tools, perhaps that is not your forte, and you would rely on the expertise of your local mechanic. That local mechanic, of course, would very much appreciate the . . .

An Hon. Member: IROC-Z.

Mr. Malkinson: The IROC-Z, as the member said.

. . . IROC, the acronym as it relates to the Investment Industry Regulatory Organization of Canada.

That mechanic would also know another car-related reference, a Gremlin, which would be a great way to describe those bad actors in our investment community that we are trying to disincentivize here.

Trust, you know, is something that we require, that citizens expect from those financial advisers. This consumer perception is something that I think has long been ignored in Alberta. I mean, I remember reading an article – and I don't quite remember the name of it – that I think is quite relevant to the situation. It actually was talking about our hon. Minister of Treasury Board and Finance talking about how we in this government had been going after perceived deficiencies in consumer protection. The hon. Member for Edmonton-Centre I think talked about some of them being, I believe, payday loans. I'm going to ask him here in a moment to sort of elaborate on some of that.

It mostly reminds me of when we were in the election debate. We got asked the question: what, at the end of the day, is that final message? The thing that I always said, compared to the people I was running against, was: at the end of the day, I view the world through the lens of what is most helpful to everyday Albertans. I believe that this act is supportive of that.

With that, I would just ask the hon. member if he would like to comment a little bit further, perhaps, on how this bill would be helpful to those who are self-employed. Thank you very much.

Mr. Shepherd: Well, thank you, Madam Speaker, and thank you to the Member for Calgary-Currie for his comments and thoughts on this as well. I've certainly appreciated what he's had to say on this bill and his support as a cosponsor.

Certainly, as he said, you know, we need to always be thinking about what's going to be best for Albertans. How can we best ensure that they have the protections? Certainly, for myself here in Edmonton-Centre, I represent a respectable number of seniors. There are a number of seniors' residences. During our constituency week I was out on my sort of twice-a-year tour of seniors'

residences here in Edmonton-Centre. I believe that during that week there were about eight or nine that we visited, and that still left at least another half-dozen that we had yet to visit, so certainly quite a few, and then, of course, a number of seniors live independently in their own homes and condominiums, et cetera.

Certainly, we are aware that seniors can be a vulnerable population, particularly for people in the financial industry, as they're looking to, again, ensure their comfort and their security in their retirement years or as they're looking out for their children, ensuring that they're leaving something behind to help them as well. I'm very happy to see that this bill is offering protection in that respect.

That has been noted by Ms Wanda Morris, the vice-president of advocacy with the Canadian Association of Retired Persons. She said:

I've heard too many heart-wrenching stories of individuals who lost their life savings because they trusted the wrong person: an unscrupulous financial advisor. [These] changes will help hold wrongdoers to account. We welcome today's announcement as a critical step in bringing rule-breakers to justice and deterring wrongdoing, thus better protecting investors in this province. We look forward to additional, practical steps like this from the Government of Alberta.

Indeed, I appreciate what the Member for Calgary-Currie was noting about this and the protections it does provide for Albertans, that extra security that we have now in knowing of that expertise that each of us is able to access when we need to avail ourselves of it to plan for our financial future. We have that much more security, that much more protection, and the ability to seek redress when necessary should we encounter one of the few people that abuse this bill.

Thank you.

The Deputy Speaker: Any other hon. member wishing to speak to the bill? The hon. Member for Calgary-Northern Hills.

Mr. Kleinsteuber: Well, thank you, Madam Speaker. I rise this afternoon to speak to Bill 13, Securities Amendment Act, 2017. I followed this debate with great interest from the beginning, and I think that we've struck the right balance with this bill. The public needs to have the confidence in our financial system and needs to have the trust in investment dealers, advisers, and their representatives when they invest their money. The organizations that regulate the investment industry need the capability to regulate effectively. The amendments in this bill will give regulatory organizations the ability to compel attendance and production of evidence so that they are able to do their jobs and protect investors; secondly, provide regulatory organizations the same enforcement authorities as the Alberta Securities Commission; and finally, protect the people who investigate these cases from liability when carrying out their duties in good faith.

Madam Speaker, I'm confident that with the proposed legislation investors would be protected. It would recognize the work of many qualified and hard-working financial advisers in this province. This government has made a commitment to ongoing reform by modernizing and harmonizing the securities laws in Canada. This is becoming increasingly necessary because Canadian and international markets are changing fast. In Alberta we must ensure that our securities regulatory systems align with international standards and regulatory reforms. This bill will ensure that the amendments proposed will extend immunity to the officers, directors, employees, and the agents of these regulatory bodies. The proposed amendments will clarify the conditions under which immunity is granted to these organizations, which will make it possible for these organizations to conduct their enforcement more effectively.

Madam Speaker, as the government prepared these amendments, they consulted with the investment industry. The Alberta Securities Commission and the Investment Industry Regulatory Organization of Canada were both engaged with the development of these changes. Just to quote Stan Magidson, the chair and CEO of the Alberta Securities Commission, “Strong investor protection is a critical component of our mandate, and we support meaningful and practical regulatory advances such as this that can have a real impact on protecting Albertans from financial misconduct.”

Again, Madam Speaker, strengthening the enforcement powers of regulatory organizations is in the best interests of Albertans, the best interests of our investors, and it is in the best interests of our financial markets. I’ll be supporting this bill at third reading, and I hope that many members of this Legislature will join me and do the same.

Thank you.

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

Seeing none, any other speakers to the bill? Edmonton-McClung.

Mr. Dach: Thank you, Madam Speaker. I just wanted to add a few more remarks to comments that I made earlier about this piece of legislation, this proposed bill to protect Albertans in the investment field in the province. I know that as a government we are very concerned about improving the financial literacy of our province, and that’s certainly one education piece that we will be pursuing by other measures. Hopefully, with the review of the education curriculum that’s ongoing, that will be considered there.

Even given financial literacy and the sophistication of some investors in our province, investing is a very complex field. Even the most sophisticated investors perhaps will rely upon the evidence or the advice of professionals in the field more so than anybody else. It’s important that the rules governing those who give that advice are updated regularly and go a long way to making sure that unscrupulous people don’t involve themselves in the field.

3:40

I know that as a real estate agent, for example, I’ve had individuals who were perhaps helping their kids out, individuals who were professionals in their own right wanting to make sure that they provided a down payment for them for a house, yet when I found out where those funds were invested over a long period of time to help those family members purchase their home, I discovered that they had been told to invest them in unsheltered investments, which might have had a higher rate of return. However, had they been invested in a registered home ownership savings plan, those investments, those funds, could have been withdrawn and stayed within a tax-sheltered investment and repaid over a period of 15 years without losing the tax advantage of having them sheltered in the RHOSP.

Specific examples like that tell me that even sophisticated investors require the confidence that those people who are in the field are guided and governed by legislation which insists that they follow the proper training, legislation which makes sure that individuals who are in the field of providing investment advice know what they’re doing and that there is oversight in ensuring that they provide the advice that serves the best interests of their clients.

With that, I’ll conclude my comments.

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

Seeing none, are there any further speakers to the bill?

Seeing none, are you ready for the question?

[Motion carried; Bill 13 read a third time]

Government Bills and Orders

Second Reading

Bill 14

An Act to Support Orphan Well Rehabilitation

The Deputy Speaker: The hon. Minister of Energy.

Ms McCuaig-Boyd: Thank you, Madam Speaker. I’m pleased to rise to move second reading of Bill 14, An Act to Support Orphan Well Rehabilitation.

The cleanup of orphan oil and gas sites is a matter of concern for many Albertans. It’s certainly a concern when I go home, and I’m sure many of my rural colleagues on all sides of the House hear the same thing. This includes people like farmers, rural officials, environmentalists, those involved in the oil and gas industry, indigenous people, and, of course, all of us here in this House. Sometimes the operators of these sites might not exist anymore. They might have gone bankrupt or are no longer in the business. We’ve always followed a polluter-pay principle here in our province, and that includes operators’ responsibilities to deal with this concern. The expectation is that if you as a company go onto the land to get at the oil and gas, you will also clean up the site when you are done. Usually this is what happens but not always.

When the company that took the oil and gas out of the ground no longer exists, these wells are called orphan wells. Albertans have recently seen the worst economic downturn in over a generation, and the orphanage is full of sites without an operator to take care of them. This is why we have the industry-funded Orphan Well Association. This association is delegated the hard work of closing and reclaiming infrastructure from companies that no longer exist. Oil and gas companies that operate in Alberta pay into the orphan fund through a levy. This fiscal year the levy provides \$30 million to the Orphan Well Association to do this work. With this money they are able to close around a couple of hundred wells a year on average, but with the recent economic downturn the number of orphan wells increased faster than at any time in the OWA’s history, faster than the system was able to keep up with.

This presented us with the challenge of how to tackle this issue. Our government has made the argument repeatedly to our federal counterparts that Canada’s economic health is intrinsically bound to the health of Alberta’s energy economy. A few weeks ago the government of Canada responded to our call with a commitment of \$30 million in the federal budget. This money is to be put towards supporting provincial actions that will stimulate economic activity and employment in Alberta’s resource sector, and that is exactly what we are doing, Madam Speaker.

The government of Alberta is finalizing plans to assist the Orphan Well Association in the best way possible using that \$30 million. Right now the OWA is unable to use the orphan fund to do anything other than pay for the suspension, abandonment, and reclamation costs for orphan wells and sites. The law is also not clear as to whether the OWA could accept a loan to address the rapid increases in orphan sites that it has to deal with.

As the hon. members can see in the legislation, amendments are required to the Oil and Gas Conservation Act to enable a loan as well as to repay a loan. Our goal is to find a way to accelerate the good work the OWA is already doing while creating more jobs in the oil field and environmental sectors, thereby keeping skilled workers here in the province that we will need as the energy sector rebounds, and we need to do it in a way that protects the polluter-pay principle and in a way that does not disrupt the OWA’s current industry-funded annual program.

This legislation, Madam Speaker, will give the Orphan Well Association the tools it needs, tools that make business sense, and enable the OWA to achieve its mandate and reach these goals. We intend to work with the OWA to develop a plan for how additional dollars could be used. Details of how a program might look, things like dollar amounts, benefits to Albertans, and how it will work, will be made available very soon. No matter what, we will ensure that the OWA's annual program will continue to be funded by industry and will continue to use a risk-based approach for determining which orphan sites to prioritize and to protect Albertans. Most importantly, the polluter-pay principle and industry's responsibility for this issue will be maintained.

Madam Speaker, it is also important to point out that these legislative changes are only one small piece of the puzzle. Our government is dealing with the larger issue of old oil and gas infrastructure. For far too long the entire system for how we manage liabilities associated with the old oil and gas sites has not kept up with the challenging realities. Action is needed, so we are examining the entire system from top to bottom. This work is under way. We are talking with stakeholders to get their views on the issue and what can be done about it. That engagement started earlier this month and will continue for a number of weeks. I'm pleased to report that the early sessions have attracted a good turnout from a broad range of stakeholders, and the people's contributions have been thoughtful and they have been constructive.

Once government has collected these views, we will develop options for consideration. In working with industry, landowners, indigenous communities, and other stakeholders, we will develop a responsible plan to make lasting improvements to the system. That is the story for another day, though. Today we are here to discuss the need to take swifter action now to address the growing number of orphan wells.

I'm sure that keeping skilled oil field workers in Alberta and cleaning up more oil and gas sites is something that all members of this House can agree is a good thing for all Albertans, and for that reason, Madam Speaker, I am hopeful we can count on everyone's support.

Thank you.

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

Ms Babcock: Thank you, Madam Speaker. It's important in any conversation to be clear about what we mean when we use certain terms, and that is particularly true in any debate over orphan wells. Too often people use terms like "abandoned" and "orphan" interchangeably when they don't really mean the same thing. An abandoned well is a well that is no longer needed to support oil and gas development and is permanently decommissioned, meaning that the well is plugged, cut, and capped and is left in a safe condition. In other words, the term "abandoned well" refers to the stage in the closure process that the well is in.

In contrast, an orphan well is a well, facility, or pipeline where the licensee is unable or unwilling to pay the required closure processes. Usually this happens because the licensee has gone bankrupt, and there is no one else who is able to take on the responsibility for the cleanup.

Remediation and reclamation are the final two stages of the closure process. Remediation refers to cleaning up any contamination that may be present at a site, and reclamation is the process of replacing the soil and vegetation to return the site to an approximation of its original state. The idea is that theoretically the site can be used for farming or whatever activities originally took place on that land before a well was drilled there. Wells that are no

longer used for production but are not properly abandoned pose an environmental concern. These wells can become pathways for salt water and other contaminants that pollute groundwater and soil.

3:50

Madam Speaker, since oil drilling activities began here in Alberta, there have been approximately 558,000 wells drilled. Just over half of those wells, 285,000, are still deemed to be operational today, just over 100,000 of those wells are suspended, meaning that they are not currently active, and 81,000 nonoperational wells have been reclaimed and remediated. That leaves about 87,000 abandoned wells needing reclamation and remediation.

The Orphan Well Association has just a portion of those sites in its inventory. As of March 2017 they held 2,084 orphan wells that still need to go through closure activities, an additional 1,088 sites that require suspension, and 1,766 pipeline segments.

Orphan wells could pose financial and environmental liabilities for the people of Alberta. According to the Orphan Well Association the abandonment of orphan wells can cost anywhere from \$12,000 to \$700,000. The cost depends on the extent of contamination. In addition to removing tubing, zonal abandon, and surface abandon, which are required for every single well, many orphan wells require groundwater protection and casing leak repairs. Many historical orphan well sites require regular monitoring and maintenance. Madam Speaker, that's a lot of work.

But we didn't get here just over the course of this economic downturn. No, it's a problem that's been building up over a good number of years, and it's a problem that was neglected for far too long. Now, Madam Speaker, we have thousands and thousands of sites across the province that require urgent attention.

As I'm sure you know, Madam Speaker, the Peace River well is Alberta's most infamous orphan well. The well was drilled in 1916 by Peace River oils. That company did not find any oil. Instead, it tapped into a high-pressure aquifer flowing through a layer of highly unstable sand and gravel. Since 1916 enough salt water flowed out of the well and into the Peace River each day to fill an Olympic-sized swimming pool.

Though the Peace River oils company attempted to control the well several times, after the flow of water blew out a crater around the old cable tool rig and swallowed the derrick, the company lost interest in the well. In 1954, after the salt water had been flowing into the Peace River for nearly 37 years, the Energy Resources Conservation Board attempted to cap the well by drilling a relief well and closing it off with cement. Their efforts, however, were in vain. The board concluded that it lacked the technology to properly abandon the well, and 3,000 cubic feet of salt water continued to flow into the Peace River each day.

In 1988, after the well had collapsed into a crater, it was discovered that the salt water was contaminated with sour gas and toxic hydrogen sulphide. A burn tray was installed, but only some of the sour gas could be ignited and flared off. Most of the sour gas continued to dissolve in the salt water and flow into the Peace River. Through an assessment of the well it concluded that it had little impact on the Peace River as it was only .003 per cent of the river's flow.

In 2001 Environment Canada ordered the EUB to abandon the well. It was unclear, however, who was to pay for the cleanup as the original operator of the well, the Peace River oils company, was no longer in business. After the well was abandoned by its original operators, it became the property of the federal and then provincial governments. The responsibility fell on the Orphan Well Association. Throughout the years the EUB had spent over \$968,000 monitoring and maintaining that well site. In 2003 the Orphan Well Association spent over \$5 million to abandon the Peace River well. As the

amount was over half of the association's annual budget, the Orphan Well Association requested that the orphan levy be collected twice in 2003 to cover the association's unusually large expenditure for the year.

Madam Speaker, that is just one story of the thousands of wells here in Alberta that are left abandoned and/or orphaned, but, you know, there's another side to this. We also have a huge number of skilled oil field service workers ready and willing to do the important work that's needed here, and it's important that we get as many of them working as possible. We will need their unique skill sets for the upcoming economic recovery, but if we want them to be available to work, we need to keep them occupied in their chosen profession. The estimate is that this will incent about 1,650 jobs, approximately 550 jobs per year, direct and indirect.

The president and CEO of PSAC, Mark Salkeld, says:

While we absolutely agree well decommissioning is the responsibility of the licensee (generally [exploration and production] companies), economic circumstances and steadily increasing costs due to ever-improving regulations are causing this work to be delayed or postponed and regular activity has almost come to a standstill

due to our economic times.

Well decommissioning will help keep the expertise and intellectual capital that we have worked so hard to find and develop in Alberta so we're prepared when the turnaround comes.

He goes on to say, Madam Speaker, that they

believe it is in the interests of all stakeholders to accelerate well decommissioning activity especially during this challenging and possibly prolonged economic downturn and the federal and provincial governments are looking for infrastructure investments that will help stimulate the economy. Helping to address this issue positively impacts the industry, the economy, employment, the environment and the quality of life for all Albertans by:

- Providing much-needed jobs for oilfield services workers and keeping companies afloat;
- Providing infrastructure investment opportunity for federal government to boost the economy;
- Reducing the impact of the program costs through income taxes and fuel taxes as this type of work is labour and fuel intensive;
- Enhancing the oil and gas industry's reputation as a leader in environmental protection: preventing greenhouse gas emissions including methane and remediating environmental impacts from well operations.

Madam Speaker, the Orphan Well Association is an organization funded by the upstream oil and gas companies through the orphan fund levy. It has an independent board of directors with representation from the Canadian Association of Petroleum Producers, or CAPP, and the Explorers and Producers Association of Canada, EPAC, as well as one voting representative from the provincial government. We have to remember that the OWA has done a lot of good work over the years. They have decommissioned over 1,100 orphan wells, and they have reclaimed another 700 orphan wells. They've also taken on projects that would normally be outside their scope. To name another example, there was a well drilled in the 1980s to supply gas to a building in downtown Medicine Hat. It's known as the American Hotel site. The OWA took on the job of reclaiming this site due to the risk to public safety, and indeed public safety underpins everything they do. The OWA uses a risk-based approach to decide which wells will be cleaned up next.

But, Madam Speaker, it's not enough. We need to do more to reduce this huge inventory of sites that need abandonment, reclamation, and remediation. I hear about it all the time from my constituents in Stony Plain, and I'm sure my colleagues in this Assembly hear the same thing.

Madam Speaker, I would urge every member of this Assembly to please support Bill 14 as we move it through the House. Thank you.

The Deputy Speaker: Any other members wishing to speak to this bill? The hon. Member for Calgary-South East.

Mr. Fraser: Thank you, Madam Speaker. I rise today to speak to Bill 14, An Act to Support Orphan Well Rehabilitation. I just kind of want to make something clear. There seems to be a perception that orphan wells are the result of a government policy. Today we're seeing many more orphan wells because of the downturn in oil prices, which has caused companies to either go bankrupt or to have to abandon the well site, so that is part of the issue. There does need to be a mechanism to be able to clean this up.

As I understand it, the purpose of this bill is tied up with the \$30 million that the federal government is advancing to the province, money that was intended to help with the additional cleanup of orphan wells, which is a good thing. While I would have preferred to see a more substantial commitment, it's encouraging to see that the federal government is making some attempt to help with the issue of orphan wells. Extra money for orphan wells should also result in increased economic activity. As we know, there are crews out there with the appropriate skills to clean up these well sites, and they're eager to get started.

But I have to admit that I have some questions about the specifics of the bill. Firstly, what was the rationale behind giving the government the ability to loan money to the Orphan Well Association? I'm unsure why that would be a requirement to be able to allow this money to flow through from the federal government. I realize that we need some sort of mechanism to direct that money from the federal government to the OWA, but enabling them to accept and repay loans from this government seems an odd way to do that. Perhaps a cabinet member or a member of the government caucus could provide some explanation as to: why these specific amendments, which would allow for borrowing, and why was this the best way to do this?

4:00

The other question this raises is how it's going to affect the decision process for the OWA. I believe that the OWA has done some very good work on reclaiming wells, and there's no doubt that they have the expertise to address this issue. But I worry that if they're receiving money from the government under the loan model, perhaps the government will have the ability or some control over the process and the association and what wells get cleaned up. We want to see these wells reclaimed safely, with the least damage to the environment. The government might believe that their interference is going to be beneficial for this organization. I believe this is one of those situations where we have to let the experts guide our efforts, get that \$30 million to the Orphan Well Association, and let them do what they're best at. I hope we'll hear some assurances that this loan isn't being used to influence the direction of the OWA.

Other than those concerns and possibly some concerns as we hear more details about the plans for the \$30 million of federal money, I'm cautiously optimistic about this bill. I hope this means that we can move ahead in getting some crews out in the field working on these orphan wells.

Thank you, Madam Speaker.

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

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

Mrs. Littlewood: Thanks. Sounds great. Thank you, Madam Speaker.

Mr. S. Anderson: It does sound great.

Mrs. Littlewood: It does sound great. I'm very excited about this piece of legislation because it is going to help support companies, put people back out into the fields to work on well reclamation and remediation.

I'm just going to go back to the start of this, first, and just remind everyone that I'm talking about Bill 14, An Act to Support Orphan Well Rehabilitation. It's a great bill that discusses some issues that have been quite paramount in my constituency of Fort Saskatchewan-Vegreville. I know that we've had ongoing issues with wells that have not been remediated and wells that have been left to be taken on by the Orphan Well Association because of a lack of resources to pay leases, with landowners and companies that have also gone bankrupt.

I just want to go back to some terms of what exactly we're talking about when we're using certain phrases. Learning more about this, I realize how important it is to make sure that we're using the right words to refer to the right wells. An abandoned well is a well that is no longer supporting oil and gas development and that has been permanently decommissioned, meaning that the well has been plugged, cut, and capped and has been left in a safe condition.

I know that trying to answer questions about that by going online to the Alberta Energy Regulator has been quite difficult. If anyone has gone online to see how many regulations there are, it is quite hard to find answers for yourself that are clear because there is an amazing amount of information. I try to go to the very wonderful staff to help me in those endeavours because when you are looking for the different ways that they're capped, the different ways that they're remediated, you quickly see that there are far more definitions to talk about a well being reclaimed than only abandoned.

The term "abandoned well" is referring to that stage in the closure process that the well is in. Contrasting that, an orphan well is a well or facility or pipeline where the licensee is unable or unwilling to pay for the required closure processes. Sometimes a licensee has gone bankrupt. They've gone through the process of trying to find out if there is anyone that is ultimately responsible for that well, and after much due process it is found that no one has responsibility for it anymore, and it has become the responsibility of the Orphan Well Association.

Remediation and reclamation are the last two stages of the process. Remediation refers to cleaning up any contamination that may be present at the site, and reclamation is the process of replacing the soil and vegetation to return the site to an approximation of its original state. This is something that is incredibly important to farm owners and landowners. It can get in the way of just trying to do the common work of seeding or spraying or, you know, making sure that they don't have weed infestations that take over their lawn just because they can't come within a certain distance and be able to get their headers over a well. Actually, this weekend I will be visiting a farm where they have this ongoing problem.

Unfortunately, when the company goes bankrupt and they are having to do something like spray and the process has not gotten to the end to find out who was ultimately responsible for it, the landowner doesn't actually have the legal ability, because of liability issues, to be able to spray where the well is. So it can be very dangerous for those farmers sometimes, and they get very frustrated. They're just trying to make a living for themselves and their family, and they have these processes that get in the way of them just trying to take care of their land.

A bit of a recap, also, is that there have been over half a million wells drilled in Alberta in the last almost a century, and just over half of those wells, 285,000, are still operational today. Just over a hundred thousand of those wells are suspended, meaning that they're not currently active, and 81,000 are nonoperational wells that have been reclaimed and remediated. That's why we see these articles in the newspaper about 87,000 abandoned wells that need reclamation and remediation. We know that it has been a growing problem, with a drop in commodity prices world-wide. It has meant that the expenses to be able to draw resources out of the ground have become a losing proposition for some of these companies, so continuing to draw resources at a cost to them has become just that, a losing game.

Right now, as of March 2017, there are 2,084 orphan wells that will need to go through closure activities, including 1,088 sites that require suspension, 1,766 that are pipeline segments. Madam Speaker, it's a lot of work, but I know that with a lot of people that have become unemployed in this downturn in oil and gas, we have the expertise and the manpower and the companies that are looking at this as being a good way to manage responsible development, manage unemployment, and manage the environment. It's a lot of work, but I think that it's a good opportunity to be able to do some of that.

The number has been building up, and unfortunately the legislation that's currently in place was not built to address what would happen in the next downturn, and that's unfortunately where we are. It's time to look at how we fix these things going forward. This is one of the reasons why the government has announced that there will be a legal liability review I think it's referred to as, a liability management review, so that whatever actions the government takes to reduce the current inventory of orphan wells around the province, we will have a better approach that will make sure that we address the liability of these sites going forward.

4:10

In many cases, Madam Speaker, the question of liability for closure costs arises when an operator is getting ready to shut down a well, and by that point in time it may in fact already be too late. The operator in question could be running out of money and may be unable to afford the costs of abandonment, remediation, and reclamation. I know that in talking with people that have been doing this work, there's a wide expanse of costs that can be incurred to do this. It could cost in the tens of thousands of dollars, and for very complex remediations it could cost upwards of hundreds of thousands of dollars.

Madam Speaker, too often the burden of that liability is borne by others in the industry, through the Orphan Well Association. In many cases landowners are bearing a lot of this brunt as well, and I know that there are many stakeholders that are being engaged in this process, including the freehold mineral rights holders, that are worried about the potential liability for themselves and their families going forward.

Madam Speaker, the whole system really does need a thorough review, and I'm really glad to see that the provincial government and our Energy minister have moved forward and will be doing that. On May 10 our province announced that they'll be working with industry and experts to find better ways to protect Alberta and the environment by improving policies for managing old oil and gas facilities. I'm very pleased to say that this liability management review will go through a thorough consultation process and review, and I know that people on this side of the House really do believe that the best solutions are found when you engage people that don't necessarily agree around the table.

I know that I was just having lunch, actually, with a couple of friends this afternoon, and my friend Rick said that his mom always said that there were three sides to every story. I said: oh, there must have been three children in the family, then. He laughed because, apparently, I hit the nail on the head.

People are really wanting the government to move forward on this. These pumpjacks and wells create quite a sight on the landscape when you drive through rural Alberta, and we want to make sure that landowners are not being adversely impacted after the point at which they can't get economic benefit from that well anymore. I've had multiple people come into my office and call me because they haven't been paid in three years, and they're starting to deal with people that are coming onto their property to take assets away. I know of a farmer that is on the east end of my constituency where, apparently, the county, actually, engaged with a contractor that went onto his property and took the assets, but in taking those assets, actually took the farmer's own assets as well, mistakenly.

You know, understandably, the counties and municipalities have been very stressed in the downturn because things like linear assessment have gone down and they're looking for ways to recoup costs or revenue for their counties. This is one of those unforeseen circumstances, a knock-on effect, when we actually see what happens when push comes to shove, when something is failing.

So it makes me very, very proud to say that I'm part of the government that is actually going to be taking on this issue in a substantive way and making sure that we find a solution that looks to the future as opposed to just looking at how much money we can make today.

We need to look at this in a generational way. I'm sure that there are many things that we can learn in terms of how we utilize some of these assets for geothermal. Or if we have renewable energy infrastructure coming onto people's properties, how do we make sure that the legislation doesn't leave landowners with this infrastructure that's out on their land that is hampering their abilities to put food on the table and take care of themselves?

It's my pleasure to be part of a fulsome conversation and to have meaningful debate. I'm very glad that there will be representatives from the oil and gas industry, the oil field services sector, agriculture, landowners, freehold mineral owners, environmental organizations, lenders, insolvency professionals, municipal organizations, surety companies, and lawyers who represent landowners.

With that, I will conclude my remarks.

The Deputy Speaker: Questions or comments under 29(2)(a)? The hon. Minister of Transportation.

Mr. Mason: Thanks very much. Well, Madam Speaker, I was very much riveted by the comments of the hon. Member for Fort Saskatchewan-Vegreville, and I wonder if she had any concluding comments she wished to make.

Mrs. Littlewood: Thank you to the member for the question. I think that what I would like to talk about is the \$30 million that has been secured from the federal government in their recent budget. I think it shows some good diplomacy. It shows the ability of our government to be able to come to the table to look at how responsible development is done. You know, if they see this as a priority, it shows that we are trying to work in a collaborative way to put people's workboots back on and get them out into the field. The government is, I believe, working on options that would allow us to be able to use this money in the best way possible by assisting the Orphan Well Association.

I don't think that when the government leverages money in this way, it is necessarily a decision that would make the government

the one that is making the decision on how that money is spent. The Member for Calgary-South East, I believe, was saying that the government being able to backstop a loan for an arm's-length entity is somehow interfering with the process, which doesn't make any sense to me. The government allowed Alberta Treasury Branches to be able to credit another 1 and a half billion dollars to support small and medium-sized businesses to get business loans. The government wasn't making the decisions on what to do with that money, but it gave ATB the lending capacity to be able to actually support entrepreneurs in creating businesses. I think that is the role of government, to be able to provide that capacity to do things that are in the public interest and for the public good, especially when you're putting people back to work.

I think that there are also some notes here. Specifically, the Oil and Gas Conservation Act needs to be amended in section 70(1). That would set out the uses of the orphan fund and the powers, duties, and functions that are delegated by regulation to the OWA, and this will enable the OWA to pay back that loan. You can see that currently the OWA just is not legally allowed to accept the loan, and this will enable it to do that and to actually do some good work that, I think, most of us support.

With that, Madam Speaker, I will conclude my remarks. Thank you.

4:20

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

Seeing none, are there any other members wishing to speak to the bill? The hon. Member for West Yellowhead.

Mr. Rosendahl: Well, thank you, Madam Speaker. It's my pleasure today to rise and speak about Bill 14, An Act to Support Orphan Well Rehabilitation. In my constituency, of course, of West Yellowhead we have many oil and gas sites that need attention, and they're spread throughout the constituency as you travel through the different areas.

One of the things I really appreciate is the clarity that's been brought to this issue. Too often we talk about abandoned wells or orphan wells as if they are all the same thing, but, I assure you, they are not.

Madam Speaker, I am both shocked and impressed when I hear about the large number of wells that have been drilled since the activity began. Over half of those wells, or close to 285,000, as one of the other speakers has already mentioned, are still deemed to be operational today. That's quite a large number when you think about it. Drilling down further – excuse the pun; it's a term that's used in the oil and gas industry – just over 100,000 of those wells are not currently active, so they're either shut-in or just sitting there until the company decides what they're going to do with them, and 81,000 wells have been reclaimed or remediated. That's a huge number, but when you think about it, 87,000 abandoned wells require reclamation and remediation. That's a large number when you really look at the numbers that are spread out over the province.

Of these wells only a small portion of sites are actually recorded in the inventory of the Orphan Well Association. The thing is that there may be many more out there that they've lost track of over the years. Where is the paperwork and all that kind of thing when you're looking at these things and where they exist? As of March 2017, for example, 2,084 orphan wells still need to go through the closure activities. They're still not even closed.

In addition to that, there are more than 1,700 pipeline segments that need attention. I mean, you talk about the miles of pipelines that are buried out there in the land base and not only that but mention some that are sitting or laying about on the different sites

that I've encountered – when you think about it, Madam Speaker, the problem is huge.

I'm proud to be part of a government that is actually, finally, going to do something about it. It's long overdue when you really think about the scope of the problem and the fact that it hasn't been addressed over the many years. For far too long the problem, like I said, was allowed to grow. This has affected thousands of Alberta residents, people like farmers who have sites on their land or municipalities – it's been already mentioned – that have abandoned wells near different communities. They have to work around them.

This didn't happen overnight or even during the course of the last five years, when the economy was in its downturn. It's been building for many years. Of course, it's gotten worse now with the downturn in the economy, where some companies have gone bankrupt and that kind of thing, so then that's only increased or caused the problem to even grow. When you really look at it, we have thousands of sites across the province that require urgent attention, and that needs to be addressed in one way or another.

This is the thing. When you talk about the sites, the earlier drilling practices were that the camps and the offices in some cases weren't even near where the drilling activities occurred or near where the wellhead was. You had larger areas that were cleared off, so you had areas where the camp was set up and in some cases the offices and stuff because there was always a fear that if something happened at the wellhead, the workers would have some place to be for the camp and that kind of thing. They didn't want to have issues like that, so there was always this great area of infrastructure between where the camp was set up and where the actual drilling occurred, out near the wellhead. Of course, it was always large areas that were cleared off.

Of course, when they did that, in some cases they had sumps near the wellhead. What the sump was used for, of course, was the storage of the used drilling mud and contaminants that occurred, and some of the material was pumped in the sump. Of course, when they abandoned the site, the sumps were left. That creates a safety problem and also the fact that in some cases the sumps were near where the camp was as well.

When you look at all these issues, plus all this infrastructure that's out there, the roads and everything else that were used to connect some of the camps to the drilling sites themselves, not to mention the huge lines of pipelines that were put in to connect the wellhead to different collection points or batteries out on the land base: it's all classed under the definition of sites. So when you're talking about thousands of these, you're talking about a lot of area.

It's important to understand the terms "abandoned" and "orphaned." It's been mentioned already, but "abandoned" is permanently decommissioned. They're plugged, cut, and capped and supposedly left in a safe condition. That's not always the case. Casings can leak over time as they're left sitting there to rust and everything else. I've come across many over the time frame, being out on the land base quadding, hunting, fishing, et cetera. We've come across many that are seeping, or you can come across some that are stinking pretty bad. Of course, if you take the GPS coordinates for them and you can find, in some cases, information about the particular site, you can report it. Quite often, in some cases somebody will show up and deal with it, but consider the fact that it's supposed to be abandoned.

Orphan wells are wells, facilities, pipelines where the original owner or licensee is not capable of paying for the required closure process. In other words, they just left it. In some cases these aren't very good either. You know, like I mentioned about the downturn in the economy: well, that's reason number two why so many of them have gone bankrupt and just left them. They aren't able to

close the facility properly, aren't able to pay for remediation or reclamation.

4:30

This is where the Orphan Well Association comes into play. The Orphan Well Association, or OWA, is a not-for-profit organization funded by the oil and gas industry through the orphan fund levy, that's supposed to be collected and used for the work. It is run by an independent board of directors and has done a lot of good work over the years, which it has, but there's a lot more work that needs to be done out there.

Public safety is one of the key things that they are concerned with, and they examine the risk of every project to help determine which wells will be cleaned up. Of course, like I said, there's always a problem when you look at the infrastructure that's left with the issue of the abandoned roads, the issue of the abandoned sites, the abandoned sumps. In one particular case we encountered a situation where I drove across an abandoned site and sunk my entire truck into a sump. It took us all day to get it out of there, needless to say. The thing was abandoned, it was done, and it was supposed to be deemed safe. Well, it wasn't, and these kinds of situations exist out there.

In another case we saved a white-tailed doe that had sunk in a sump. She was in a pretty bad way by the time we found her, but we got her out of there, cleaned her up, and she was well on her way after that. Nonetheless, it's a hazard to wildlife, a hazard to the public or anybody that is just out there checking things out. That's, even more importantly, why we need to address these things.

Seven hundred orphan wells have been cleaned up to date, but it's not enough. We have another 2,000 or more that need attention. We need to do more to assist in that job, and we need everyone to recognize the seriousness of the situation. I hear all the time from my constituents – and I'm sure my colleagues in this Assembly hear the same thing – about the issues of the abandoned wells out on this land base.

At the same time, Madam Speaker, we also have a huge number of skilled oilfield service workers ready and willing to go to work. I think that we could use the expertise of these people to be out there and working on this project to clear this up or to at least start clearing it up. We need them and their experience and skills to help power the coming economic recovery, which is vital. It gets them back to work, and it helps with the economy. We also want them to be available in the near future, however, once the economy recovers in the oil and gas sector, for example.

There are several things that we can do. We can get them back to work right away and keep their skills and stuff to be used for that, but once the economy recovers, then we can use them to go back to work on new activities. That's why I'm proud to stand and support Bill 14, because it will give the Orphan Well Association the ability to act now, get those people to work, and clean up significant portions of the outstanding orphan wells.

As members of this House know, the federal government allocated \$30 million in its recent budget to support our efforts to reclaim the orphan oil and gas wells. This bill would help the OWA take advantage of that funding. Right now they aren't allowed to do that, nor is the OWA legally allowed to accept the loan. What we need to do as a Legislative Assembly is to change the Oil and Gas Conservation Act and change the allowable uses for the orphan fund and the powers, duties, and functions that are delegated to the OWA. These changes will allow the OWA to acquire a loan and will allow the government to provide support so that the OWA can do their job more effectively. It's important to really think about that as a way that we can move forward.

Thank you.

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

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

Dr. Swann: Thank you, Madam Speaker. I'm pleased to rise and speak to Bill 14 in its second reading, An Act to Support Orphan Well Rehabilitation. Something that we see recurrently in the history of Alberta is this ongoing challenge of meeting those environmental concerns that have been left from bankrupt or otherwise dissolved organizations.

The attempt by the previous government to provide through the Orphan Well Association fairly modest annual payments based on the licensing liability association regulations clearly has not met the need. It points again to other major liabilities that we and our children are facing around the oil sands and the tailings ponds, which are many more billions of dollars of potential liability because we haven't required appropriate bonding or set asides in the event of stranded assets or bankruptcies or abandonments by companies of these operations.

Clearly, this is going to take us into a more positive position in relation to these wells, and I'm pleased to see that the polluter pays principle will be front and centre in this. These will be loans. In fact, it appears – and this is my first reading of it, Madam Speaker – that there will be borrowing costs and interest associated with the loans. Very good news. I think we have to be consistent in our approach to the responsibilities of industry to meet their obligations under the act, and it would set a very dangerous precedent if it were anything but a loan.

The double benefit, of course, is that we have servicing companies that are going to be employed, in some cases after some period of time of being unemployed. So this is a win-win for the economy, for sustaining some of the jobs in the province, and for getting some appropriate cleanup. A long way to go; \$30 million isn't going to go very far in the long list of potential abandonments as is needed.

While I fully support it, I guess there are lots of questions still to be considered. One of them would be whether or not the Alberta government is planning to make loans through other sources to this fund or if the federal fund is the sole fund that is going to be provided for these companies to do the reclamation and rehabilitation work. If we are borrowing more money or putting more public liability at risk through loans, I think we would have to have a very serious discussion since there's already quite a lot being put aside in terms of borrowing by this government, and I would be very concerned if it was going beyond that. But there may be some other opportunities for providing loans to companies which I haven't considered but perhaps the government has.

So my only caveat is that we not put any more public dollars in Alberta in jeopardy through further loans and that unless we have some other means of – and I hope perhaps at some time in this next year we'll see some real amendments to the orphan well fund, that we'll look at issues around reclamation of the oil sands and the tailings ponds because we'll be dealing with the same issues over the next 10 years at a much higher level with respect to abandonment or reclamation and remediation in the oil sands and the tailings ponds.

4:40

But this is a good start. I mean, to give the government credit, we are moving forward on some of the most thorny issues that this province has faced for the last 20 or 25 years. I can congratulate both the federal government and the provincial government on taking what are quite necessary steps in particular at this time.

Thank you, Madam Speaker.

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

The hon. Minister of Finance.

Mr. Ceci: Thank you. I just want to stand and thank the member opposite for those kind words with regard to this government's action on orphan wells. He's right to recognize the federal government also on this issue because they have provided the \$30 million which will be used to take out on behalf of the Orphan Well Association a loan that they'll then use to address the situation with as many orphan wells as they are able to, with the \$30 million being able to service that loan.

The government of Alberta is not adding to that. The polluter-pay principle still remains fully intact, but the monies that we are making available are the extent, at this time, of the monies that are being contributed to address this problem. There are no provincial monies going into this. We are in a sense being the banker to assure that the Orphan Well Association can take down a loan and be able to address as many orphan wells as they can, paying that loan back with this money, the \$30 million.

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

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

Mr. Cooper: Thank you, Madam Speaker. I know this will come as a surprise to some inside the Chamber, but I will keep my remarks brief today.

Mr. Orr: It's not possible.

Mr. Cooper: Some would believe that that isn't possible, but I also know that he believes that all things are possible, so we will see if we can deliver on my promise today.

As an MLA that represents a large rural riding, orphan wells are certainly a very serious concern for a number of farmers and ranchers and a number of constituents all across the constituency. It's good that we are seeing some positive steps forward with respect to dealing with orphan wells.

As an Albertan I understand that there is an importance of maintaining our land, our air, and our water for future generations. As you know, Madam Speaker, you've heard me say in this Chamber before that I am a conservative, and that means we need to conserve things, which includes our land, our air, and our water. It is very, very important that we sustain our province's legacy because long after the oil and gas is gone, our land and our agriculture and other industries will remain. As an advocate, though, for our energy industry I know and understand that the industry also recognizes some of their obligations to Albertans to develop our oil and gas assets responsibly. While they don't have a perfect track record, certainly many, many of our producers and developers of our oil and gas do so in a very responsible manner.

I also know about significant amounts of work that the players throughout our oil and gas industry put into reclaiming sites, even sites that they're not necessarily responsible for. Alberta excels at energy site reclamation, and I'm extremely proud of our industry for adopting a polluter-pay mentality and taking responsibility and accountability for ensuring sites are left better than when the energy activity started.

Now, that's not to say that there isn't a very real challenge and concern around orphan wells, and that's not to say that our industry and others can't do more and shouldn't do more. That is one of the reasons why I will be supporting this legislation, Bill 14, at second reading.

That's not to say that we don't have some additional concerns. We have some questions that would be much more appropriate to answer at the committee stage. We certainly support the purpose and the intent of this bill. As such, I will be encouraging my colleagues to support Bill 14 at second reading.

It seems that the purpose of the bill would be to allow the OWF and the oil and gas industry, which funds the OWF, some flexibility, and of course this is very important. We do want to understand what the government's full intent is to do with the bill. We have some questions around why the OWF needs to be able to take out loans and exactly how those things are going to be applied. I know that we've heard from the Minister of Finance this afternoon a little about that, but we will be seeking some further clarification.

I know that my colleagues from Cypress-Medicine Hat and Innisfail-Sylvan Lake will also be providing some additional comments around some of their concerns and some potential amendments that may or may not be needed. But at this point I do look forward to supporting Bill 14 at second reading and continuing the debate through the process.

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

Seeing none, I will recognize the Minister of Advanced Education.

Mr. Schmidt: Thank you, Madam Speaker. It's a great honour for me to rise and speak to Bill 14, An Act to Support Orphan Well Rehabilitation, particularly because as a professional geologist I have spent 13 years working in both the private sector and in the public sector on the issue of abandoned well reclamation. So it's a particular privilege for me to speak to this matter here in the Legislature of the province of Alberta. I think it's an issue that doesn't get enough attention at this level, and I'm pleased to be able to speak to it today.

First of all, I want to congratulate the Minister of Energy on creating such a short bill. Madam Speaker, I think this may be the only bill in this Legislature that gets read completely from front to end by all of the members of the Legislature. I appreciate her brevity, but that doesn't mean that what's presented in this bill isn't a good thing for the people of Alberta. Good things come in small packages, and that's certainly what we see here with Bill 14.

I also want to thank our partners in the federal government for providing us with \$30 million to address the issue of orphan wells in the province of Alberta. I'm proud of the track record that this provincial government has on working with the federal government to support the energy industry in the province of Alberta. Not only have we gotten two pipelines approved, Madam Speaker, but we're also taking concrete action on addressing energy liabilities and environmental liabilities in this province, certainly something that we didn't see the Conservative government in Ottawa take any action on at all in 10 years and certainly something that we didn't see the previous Progressive Conservative government take a lot of action on over 44 years.

I'm proud of the incredible progress that we're making in such a very short time. I look forward to continuing to work on behalf of the people of Alberta to support our energy industry and also to protect and preserve the environment and make sure that our energy industry is developed and works in an environmentally responsible manner.

On this issue of environmental responsibility, certainly, any sound environmental policy is built on the polluter-pay principle, Madam Speaker, basically, the idea that people should clean up after themselves. Any child believes in the polluter-pay principle. I often have to arbitrate disputes between my own two children, Opal and Gus. I often walk into the living room and find a mess, and I

ask one of them to clean it up, and they are quick to tell me that it was the other's responsibility, that they didn't make the mess, so they shouldn't be responsible for cleaning it up.

4:50

That's certainly what underpins the polluter-pay principle, Madam Speaker, the fact that the people who made the mess are the ones responsible for cleaning it up. Certainly, the way that this bill is constructed, we have preserved that principle, that's fair, that those who have made the messes are cleaning them up and that the messes aren't left for the individual landowners, who in many cases couldn't afford the incredible costs that are associated with the cleanup of these liabilities.

My colleagues on this side of the House were very detailed in discussing how much these orphan wells can cost to clean up, certainly well beyond the capacity of any individual landowner to clean up. I don't know too many Alberta families who have an extra million dollars in between the couch cushions, who can afford to look after an orphan well once an oil and gas company has pulled up stakes and blown out of town and abandoned their environmental responsibilities.

It certainly shouldn't fall on the taxpayers of Alberta, Madam Speaker. We shouldn't be left on the hook for the bad practices of the energy industry. It's the responsibility of the government of Alberta to make sure that the energy industry cleans up its messes and doesn't make the people of Alberta foot the bill. They have certainly profited from these oil and gas sites. Let's not forget that. They have made good money on most of these sites in most cases, and it's only fair that they share the cost of cleaning up the sites. That shouldn't be funded by the taxpayers of Alberta.

You know, it's important to remember that the polluter-pay principle also preserves the reputation of the industry, Madam Speaker, and this brings us back to the concept of social licence, that we're fond of talking about here on this side of the House. Certainly, the energy industry recognizes that it has to generate social licence to continue operating on the landscape in Alberta, and that's why they've created the Orphan Well Association, that collects levies from all of the industry players so that there's money in the bank to clean up the messes that are left behind by the operators that go out of business or the bad actors in the energy industry.

Most of the actors in the energy industry see themselves as sound environmental stewards. I certainly know from my own personal and professional practice that many oil companies do want to do a good job when it comes to protecting the environment, but that's not the case in all cases. That's why they've recognized as an industry that they need to collectively look after the messes that they've created, and they've created the Orphan Well Association to look after those messes that are left behind. That gives the energy industry the social licence to continue operating on the landscape, because the people of Alberta and individual landowners can be confident that the energy industry will clean up its mess when it's done.

You know, I think it's troubling to see Conservative governments in Saskatchewan and past Conservative governments in this province willing to dilute the polluter-pay principle by just putting tax dollars directly into the remediation of these orphan well sites rather than the strategy that we've adopted here on this side of the House, where we have crafted a government program that preserves the polluter-pay principle but enhances the ability of the energy industry to clean up its messes.

The Conservative option is to just shovel taxpayers' money into the energy industry with no strings attached, let the bad actors off the hook, and send the bill to the people of Alberta. We certainly

don't believe that that's fair, but the Conservatives do seem to think that that's fair. That's consistent with their world view, Madam Speaker, of making sure that profits go to the private owners and that the losses go to the people. That's not something that we support as a New Democratic government, and I'm proud that we are not passing the bill for environmental remediation on to the people of Alberta.

You know, my colleagues have spoken to the importance of protecting the environment as a result of cleaning up these problem wells, and certainly the scale of the problem is growing. I know we've thrown some numbers around about the number of orphan wells that currently exist in the province of Alberta. The fact is that we don't know how many orphan wells are out there, Madam Speaker. The list continues to grow as operators continue to go out of business and we do the work of investigating whether or not there are any energy industry partners who are on the hook for the remediation.

Certainly, there are, you know, issues related to methane emissions, H₂S emissions that have been discussed, salt and hydrocarbons that can contaminate groundwater. I don't think I need to remind people about the important resource that groundwater is to the people of Alberta. There are approximately 150,000 people in the province of Alberta who rely on water from their own wells, and it's particularly important that we take concrete and immediate action to protect the groundwater resources of those people because in many cases nobody else is looking out for the protection of that groundwater resource. There is no comprehensive groundwater monitoring program on private landowners' wells. It's up to each landowner to monitor the quality of their wells, and in many cases, Madam Speaker, I can tell you that most landowners don't know what the quality of their well is from time to time, and they certainly don't know whether or not the well next door has contaminated their land, probably because they haven't even thought to look at it. That's why it's important for the Orphan Well Association to get started on this work because we certainly don't want private landowners' wells to be put at risk.

It certainly has been the case in the past. There have been some high-profile cases. I think of Rosevear, Alberta. The landowners there around an old gas plant had their wells contaminated by sulfolane because the gas plant operators let contamination flow unchecked for many, many years, and those people are still suffering the consequences of that irresponsibility to this day. I also think of the town of Fox Creek, where the municipality relies on groundwater primarily for its wells, and they're certainly very close to the energy industry. I think everybody wants to know that the energy industry is acting responsibly to protect the quality of the groundwater in that community as well.

My colleagues also touched on the importance of proper reclamation of these sites so that they're returned to equivalent land capability so that agricultural sites can be used again for agriculture and forested sites can be used for forestry. Certainly, that's something that we don't see enough of these days.

One of the final issues that I want to raise – it's been touched on a little bit – is the issue of jobs. Certainly, we're going to see people with oil field experience go back to work as a result of these investments by the Orphan Well Association. I'm quite proud as Minister of Advanced Education of the quality of the trades training that many of these people have received from our institutions. But

I also want to remind everybody in the House that it's not just the oil field workers who are working on the rigs and pulling tools who are benefiting from this work. It's also very highly trained professionals who are working in the area of reclamation and remediation. You know, agrologists, geologists, biologists, toxicologists, and engineers are all employed in the area of oil field reclamation, and certainly this kind of work allows people to have good, family-supporting, mortgage-paying jobs. It's important now more than ever to be able to support those kinds of jobs here in the province of Alberta in these tough economic times.

There's also a significant amount of innovation that happens in this sector in those fields, and certainly the U of A is at the head of groundwater studies in the province and, arguably, in the country. We also have institutions like Lakeland College and Olds College that do excellent jobs of training people in the areas of site reclamation. I'm quite proud as Minister of Advanced Education, of course, of the work that our postsecondary system does to support both the job training in this area but also the innovation in the area.

5:00

One thing that I do want to highlight, of course, is NAIT. Reclaiming sites, particularly in the north, is a particularly troublesome issue. There isn't a whole lot of research on reclaiming northern sites, peatlands and forest lands, and NAIT is certainly one of the world leaders in looking at issues of reclamation in those kinds of environments, Madam Speaker. I'm quite proud of the work that the postsecondary system does in this space. I'm looking forward to the opportunities of perhaps exporting the technologies and techniques and practices that come out of this research to other northern countries that are looking to reclaim their energy industries and their other industries that have impacted landscapes in northern locations around the world.

With that, I think I will conclude my remarks by saying that I'm quite proud of our government's ability to make sure that we're putting people back to work, to make sure that the energy industry is a responsible steward of the environment, all the while protecting the pockets of taxpayers, Madam Speaker, and making sure that those responsible for cleaning up their messes are, in fact, the ones who are actually doing it.

We talk about making life better for Albertans. This short but effective bill is clear evidence of how our government is working hard every day to make life better for Albertans. I'm quite proud to stand in support of Bill 14.

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

Seeing none, are there any further speakers to the bill?

Seeing none, are you ready for the question?

Hon. Members: Question.

[Motion carried; Bill 14 read a second time]

The Deputy Speaker: The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Speaker. I believe we've made good progress today, and I would move to adjourn until 9 a.m.

[Motion carried; the Assembly adjourned at 5:02 p.m.]

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