



Province of Alberta

The 29th Legislature  
Fourth Session

# Alberta Hansard

Wednesday evening, May 9, 2018

Day 27

The Honourable Robert E. Wanner, Speaker

## Legislative Assembly of Alberta The 29th Legislature

### Fourth Session

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Jabbour, Deborah C., Peace River (NDP), Deputy Speaker and Chair of Committees  
Sweet, Heather, Edmonton-Manning (NDP), Deputy Chair of Committees

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Anderson, Wayne, Highwood (UCP)  
Babcock, Erin D., Stony Plain (NDP)  
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Yao, Tany, Fort McMurray-Wood Buffalo (UCP)  
Vacant, Fort McMurray-Conklin  
Vacant, Innisfail-Sylvan Lake

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New Democratic: 54   United Conservative: 25   Alberta Party: 3   Alberta Liberal: 1   Progressive Conservative: 1   Independent Conservative: 1   Vacant: 2

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## Legislative Assembly of Alberta

7:30 p.m.

Wednesday, May 9, 2018

[The Speaker in the chair]

**The Speaker:** It's a wonderful evening. Please be seated.

### Government Bills and Orders Second Reading

#### Bill 11

#### Lobbyists Amendment Act, 2018

[Adjourned debate May 2: Mr. Hunter]

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

**Loyola:** Thank you, Mr. Speaker. It's always a pleasure to rise in the House and comment on legislation. I'm going to keep my comments relatively short here.

We can all agree that lobbying, the process of lobbying is not a bad thing, but we can also all agree that Albertans deserve to know who is actually lobbying their government. Of course, the main aim of the amendments that are being presented right now, in fact, is that we want to have an open, transparent government. That means that Albertans indeed know who these stakeholders or lobbyists are that are actually trying to influence decisions that the government is making. We're confident that the proposed changes will increase transparency without creating additional barriers to government access on issues that matter. I mean, it's really important for the stakeholders in our society and, of course, organizations to be able to have access to the government so that they can give their opinions on pieces of legislation that we're considering.

I was really happy to participate in the actual review of the Lobbyists Act through the Standing Committee on Resource Stewardship. We appreciate the commitment and the hard work that all members contributed towards the review of the Lobbyists Act. We can't forget that the Select Special Ethics and Accountability Committee was part of that as well, which I had the privilege of sitting on. Of course, all of the information that was done by the members of that committee was then passed on to the Resource Stewardship Committee for further consideration.

I truly believe that members on this side of the House, members on the other side of the House that participated on both of those committees had ample opportunity to be able to reflect on the issues that were brought before the committees, the Select Special Ethics and Accountability Committee, of course, as well as the Resource Stewardship Committee. We really think that we struck a good balance here to be able to provide that openness and transparency that Albertans are looking for and rightly deserve from their government.

I would highly suggest that all members on each side of the House vote in favour of this bill. I'll leave it at that, Mr. Speaker.

Thank you very much.

**The Speaker:** Under 29(2)(a)?

**Mr. Strankman:** Yes, Mr. Speaker. Thank you, sir. It's a fine spring night to be discussing ethics, accountability, and democracy, particularly with the Member for Edmonton-Ellerslie, with his previous experience regarding democracy and its presentation in a new democratically governed area. I'd ask if the Member for Edmonton-Ellerslie could expound upon his previous depth of experience in regard to the demonstration of democracy,

particularly beyond his experience on the Resource Stewardship Committee and the special ethics committee.

**The Speaker:** The hon. member.

**Loyola:** Thank you, Mr. Speaker, and thank you to the member for the question. As I've mentioned in the House before, my family and I fled the violence that occurred on September 11, 1973, in the nation of Chile. We all know that on that very day there was a ruthless dictatorial regime that decided to bring an end to democracy in the nation of Chile. Of course, it had an incredible impact on many Chileans that ended up having to flee from the nation at that time. I can tell you as a fact that Chileans ended up going all over the world as a result of what happened on that day.

For that reason, transparency and openness of government and making sure that they follow democratic process, that people in society feel that they have a way of connecting with their government and making sure that their government is truly representing what their aims are and especially their values – that is the goal of this Alberta NDP government, making sure that we're doing things like implementing a \$15 minimum wage, things that people have actually requested from this government, making sure that we're implementing the pilot program for \$25 a day daycare.

We all know that families in this province find it very difficult to find affordable daycare. That's something that I've heard substantially from constituents in my own riding. It's really important that we remember that women feel the brunt of this, unfortunately, because they're the ones who are saying to themselves: well, if I go to work and more than half of my wage ends up going to child care, I might as well just stay at home.

As a result, we have an incredible number of these very capable, intelligent, and giving women here in the province of Alberta that feel forced to actually stay at home rather than join the workforce. We all know that once they do join the workforce, well, that's a contribution to our great province here. Of course, I've heard it said by many that for every dollar that we invest in daycare, we actually see \$1.65 in return through the actual revenue through income tax that ends up coming back to the government.

These things that we're hearing from Albertans, the things that they want their government to do: this is what true democracy is really all about. How we're providing access and opportunity so that we can move forward together as a province: this is what true democracy is really all about.

For me it's so important, coming from the history that I've come from, that we listen to Albertans, that we're out there on the doorsteps listening and consulting with people, hearing what they have to say. Of course, that's what this Lobbyists Act is really all about. Perhaps in the past – and I can't speak in all instances, you know – stakeholders seemed to have the ear of the previous government, I would say, more so than the actual constituents. The MLAs, the cabinet ministers, the people that they were here to represent were hearing more from particular lobbyists, and the process wasn't necessarily as open and transparent as Albertans would want it to be.

This is really important. These amendments that we're making right now are truly important so that we can make sure that we have a strong democracy here in the province of Alberta as we continue to move forward, so that we can continue . . .

**The Speaker:** The hon. Member for Lacombe-Ponoka.

**Mr. Orr:** Thank you, Mr. Speaker. I rise to speak to Bill 11, the Lobbyists Amendment Act, 2018. I'm pleased to say that I think it's an important bill. Lobbying is truly part of the conversation that needs to happen between citizens and government at various levels,

so I think it is an important act. I realize that the act did go through the process of the Standing Committee on Resource Stewardship. Quite frankly, I think more bills should go through that process. They would probably come out as much better bills if they did. When they get rushed and that committee process gets skipped, too often things go awry.

I think having the bill put through the committee was an excellent process and has resulted in some good steps. Many of the recommendations actually came in that process from the office of the Ethics Commissioner, who has the authority to administer as well as enforce the Alberta Lobbyists Act and the Alberta Lobbyists Act general regulation as well. As I move forward, just for shortness I'll refer to the office of the Ethics Commissioner as the OEC, just to keep it simple.

7:40

This piece of legislation does make a variety of changes to this act, and I will be supporting it. As I've said, I think it's a good piece of legislation. However, I think there are some questions yet that could be asked, some follow-up questions from the committee work. Some of what was recommended there and picked up and some of what was recommended and not picked up is interesting.

Most of the recommendations from the OEC are based on improving transparency and reducing confusion for lobbyists who have to file returns with the OEC and comply with the regulations. I do believe that accountability is essential to a healthy democracy. There need to be clear checks and balances put in place to ensure that the interests of the public really do come before government, that they are heard, and that the public is given a fair opportunity to speak but not an unfair opportunity to influence. We are certainly in favour of supporting any measure that improves transparency and accountability and that relationship, as I've spoken of.

One of the OEC's recommendations that I guess you could say was partially successful was the recommendation to remove the 100-hour threshold altogether. That's been partially acted on. Instead of removing it, though, the threshold has just been reduced from 100 to 50 hours, and then as well the prep time was included in the 50 hours, which didn't use to be the case before. I would be interested to know, I guess, why the 100-hour threshold wasn't just removed altogether since that's what the OEC had asked for and suggested. But what we've got is an improvement, no doubt. I guess my question is: is the OEC satisfied with the way this has come out? Will this be workable for them? I think that's important.

I think another area of related concern might be: what impact will these changes have, particularly on the smaller organizations, the smaller groups that previously didn't fall under the Lobbyists Act? They will now, and quite frankly many times the paperwork, the bureaucratic process, all of the steps that have to be complied with are much more difficult for smaller groups. I would hate to see that this has the unintended effect of just really pushing the lobbying efforts onto just the big professional organizations, even the professional lobbyists. I think the closer you come to grassroots, the better off we are. I guess that's a concern that I would have and something that I would want to make sure was not happening.

As well, I'd like to just comment on the piece about contingency fee payments. I think this is an important piece. The OEC recommended that consultant lobbyists should not be allowed to accept clients on a contingency basis; in other words, essentially have them on retainer. They felt that lobbyists should be facilitators and not have remuneration attached to success. I think the intention of attaching payment to success in a way defeats the effect of this whole thing. The point is that they should be acting with the utmost of integrity and transparency, and when their fee depends on how successful they are, then the motivation to maybe use methods that

aren't entirely transparent, the motivation to do whatever it takes to get paid is somewhat challenging, I think. So I guess that's a bit of a concern for me.

I also want to comment on the bit about grassroots communication. I think this is important. Grassroots communication now falls within the definition of lobbying. It refers essentially to when organizations try to communicate with the general public or with individuals. Not having been a member of the actual committee that discussed this, I do have a real question here on, I think, something that needs to be a concern to all of us in this modern day and age. I don't really see anything in here in that regard, particularly with regard to the grassroots communication out to the general public.

With regard to Internet, social media, the use of computer bots, as we all know, around the world, beginning in the U.S. and other places, there have been massive, massive efforts to sway public opinion, to influence voters and policy-makers. I think there needs to be some thought given to: are we aware, and are we setting up the kind of regulations that will protect us from some of the influence and influence peddling that happen in the social media world? We have some of that already happening here in Alberta, where, quite frankly, officials of all types are being heavily lobbied via social media and e-mails and other things, sometimes not always with integrity, sometimes, in fact, in the name of other officials and other individuals when those other officials and individuals do not even know that their name has been attached to that.

I think there are real challenges and concerns in this whole area of digital communications and, particularly, lobbying at the grassroots level. How do we keep that honest? How do we keep that truthful? How do we know who's even doing it? How do we make sure that the kind of people that appear to be speaking to individuals are actually the people that it appears to be? In many cases it's not. I think this is a really sort of – I don't know what word I want to say – the cutting edge of the reality of our world. Although “cutting edge” has the implication often of being positive and where we should be going, this is the wrong direction. It's cutting edge in the wrong way.

We really need to be thinking about: how do we address and incorporate into the definition of lobbying and even the regulations of lobbying with regard to digital and even anonymous communications and, quite frankly, even communications that may come from outside of our country? These things are very real in our world and something that I think needs to be addressed. Maybe a further review of this act at some point will be required in order to do that. I raise that as a very serious question that has not been addressed and, I think, really does need to be addressed. Probably the sooner the government is thinking about it and looking into it with a very close magnifying glass, it would be a very good thing.

There are a couple of things that the OEC did ask for that did not make it into the bill, and maybe some explanation in regard to some of those things would be helpful. The recommendation that current semiannual registration filing should be changed to annual did not make it into the bill. I just wonder why, if that should be in there. It would certainly cut down on the work of the OEC. I don't know that it would necessarily cut down on their ability to actually monitor or not because there are other kinds of things that would take care of that. An important question, I think.

The OEC also asked that the registrar be given the authority to refuse to accept a return when the filer has not paid the administrative penalty. Again, I think there does need to be some penalty involved, and I think that needs to be backed up. It seems like maybe it's not being backed up in this case.

I'm also concerned about the fact that the OEC recommended changes to be made to the section that exempts nonprofits. There

are some very large nonprofits in our country. As society evolves toward more nonprofits and nonprofits in some cases being a different kind of organization that even takes on the work that in some cases used to be done by private companies, I think that it's important that nonprofits, quite frankly, if they're going to lobby, should have some reporting requirement. I think that's a loophole. I think that nonprofits do often engage in lobbying. Some of the very large ones, quite frankly, are very aggressive about lobbying. They have full-time paid staff. They raise a lot of money, and they spend a lot of money on their lobbying efforts, and that they should have a free ride raises questions for me. I would much prefer to see something in that regard.

I realize that maybe there was a concern, as I mentioned earlier, about the smaller nonprofits and the burden that would put upon them, but the reality is that if they're not actually actively engaged in lobbying, it probably wouldn't be of a concern to them. I think that's an important piece and something that should be considered as well.

Let's see. What else here? I think I'll leave it at that for now, Mr. Speaker. Thank you for the opportunity.

7:50

**The Speaker:** Any questions for the Member for Lacombe-Ponoka under 29(2)(a)? The Member for Grande Prairie-Smoky.

**Mr. Loewen:** Thank you very much, Mr. Speaker. Yeah. I just wanted to get the member to expand a little bit. He talked about, of course, transparency and accountability and how important it is that we have that when it comes to lobbying. I think this is essential to a healthy democracy, to make sure that we have these checks and balances, to make sure that the interests of the public come first.

He talked a bit about the small groups, and I think that there's definitely some concern that small groups, even though they may be trying their best to comply with regulations such as these, may be kind of slipping through the cracks. I think our hopes are that they won't find themselves in a situation where they're on the wrong side of the regulations because, of course, these larger organizations that are more professional lobbyists, that sort of a thing, have the personnel to take care of these regulations and make sure that they're in compliance and track things like how many hours of lobbying they're doing and prep time and that sort of thing. For some of these smaller groups, you know, they may have a hard time keeping track of what each member of the group might be doing at different times, depending on their organizational structure. I think that's kind of a concern as far as how these organizations are going to keep track of this and make sure that they are on the proper side of the legislation.

They could have problems navigating the system, too. I think that sometimes we in the Legislature here become, I guess, somewhat used to dealing with paper and dealing with different parts of the government and the different paperwork that has to be done. Though we might not enjoy it any more than anybody else, we still have to work with that. Some of these organizations may be the same. You know, if you have organizations with people that aren't necessarily computer savvy or used to dealing with bureaucracy and different regulations, again we just want to make sure that they don't fall through the cracks and find themselves on the wrong side of regulations. They may be just simply advocating their concerns to government regarding an area of special interest but not really in a professional way or in a calculated way. Obviously, when you have situations like that, you don't want to have these smaller groups burdened by any kind of investigation or something into their activities if really they meant no harm or just maybe weren't up to date on everything.

Again, the larger groups, of course, the professional lobbyists, I mean, are used to a system similar to this. Of course, the dropping from 100 hours of meeting time to only 50 hours, including prep time: I mean, that is a substantive change, but it's something that these larger organizations probably won't have too much trouble calculating and figuring out. Some of these smaller groups, where they're just volunteers, they're just helping on the side, they're spending a little time in the evenings working for their organization, and they meet a time or two a year with an elected official: of course, that would come into play as far as lobbyists if they were there to, you know, give the government an idea of what they would like to see happen.

I guess, some of the concerns that the member brought up were along those lines, and I just want to maybe have him discuss it just a little bit more as far as making sure that we don't have the issue of these smaller groups ending up in trouble for something that they may not have known.

**The Speaker:** The hon. member.

**Mr. Orr:** Yeah. Thanks. I think it is a valid concern. I've already raised it, and I guess, you know, that raises one of the other recommendations from the OEC that wasn't actually picked up. The OEC had asked for the opportunity or to be given the ability to issue interpretive bulletins, advisory opinions as sort of standing and official documents. I think the ability to issue those kinds of documents would actually go a long ways to helping the smaller groups understand what the rules are, what the regulations are, what the interpretation of various regulations is. So I think that if the Ethics Commissioner had been given that authority, it would have gone a long ways to helping people who don't really do this on an everyday basis understand where the paths lead and what the complexities are and what's safe to do and what's not appropriate to do because some of them, quite frankly, might make mistakes entirely out of innocence. I mean, it's never any excuse in the law, but the reality is that it could happen, so issuing those kinds of bulletins and interpretive opinions would, I think, be very helpful.

**The Speaker:** Thank you.

The hon. Member for Drayton Valley-Devon.

**Mr. Smith:** Thank you, Mr. Speaker. I rise today to speak to Bill 11, the Lobbyists Amendment Act, 2018. You know, there's a lot to like about this bill, and I believe that it raises the issues that we need to consider in a democracy when it comes to this whole process of lobbying and trying to get the ear of the government and trying to have an influence on policy that the government is bringing before a Legislature and before the people.

Mr. Speaker, I think that anybody that's listened to me over the last few years in this Legislature knows that I'm a strong defender of democracy. I believe that it's the best form of government that we've been able to have, and I'm particularly fond of the version that we have in this country. I believe there's a great deal that we can be proud of in this Legislature and in all of the Legislatures across this country.

I know that I have said at various times that occasionally I travel down to the United States, and I can remember being engaged in a conversation with a couple of ladies that I had bumped into. They asked me what I did, and I said that I had just finished being a teacher after 30 years and I had now started a new career as a Member of the Legislative Assembly of Alberta. They paused. "Oh, you're a politician." I said, "Yeah," and they said, "Well, you know, when did you get elected?" So I started talking about how I had started to run for political office a year before and started selling memberships and how I'd raised a grand total of \$29,000 to run my

campaign. They stopped, and they looked at me. They said, "Do you realize that the governor of California, the person that lost in the last election, had to raise \$64 million, and they lost?" I said, "You know, I think that one of the values of having the system of democracy that we have is that very normal and very average people have the opportunity to participate and to run for office and to be elected to public office in this country." I can't express how important that is to my vision and my understanding of democracy.

Mr. Speaker, I know that you're wondering: well, how does that fit into this bill? I believe that it does because I think that we can look down south and I think that we can see how much big money runs the political system down in the United States and how often it's hard for politicians to stay away from that big money and how that big money can be intertwined with lobbyists and with that whole issue of trying to get the ear of the government. I believe that there's a lot to be said for this bill before us and how it begins to address this concept of lobbying.

Now, I can remember being in my classroom and having the kids in grade 12 go through and look at this whole idea of lobbying, and one of the things that we would do is that we would look up – for instance, I can remember that on a regular basis *Maclean's* would come out with a poll that would look at the top 10 lobbyists at the national level. We would look at the types of organizations that were lobbying the government on a regular basis. Many of them had to deal with the economy. Many of them had to deal with sectors of our economy, whether it was mining or forestry or oil. But there were always a few in the top 10 that dealt with some sort of a social issue or an environmental issue, where you could see those groups that had met with the government many, many times. Then we would talk as a class. We would take a look at who some of those lobbying groups were and some of those individuals were. We would look at some of the methods that they would use, and we would talk about some of the legal and illegal methods, and we would look at the pros and the cons and whether we should be straying into the illegal or not. And we would come to an understanding that, in some ways, this is a two-edged sword because when you lobby, you are simply exhibiting and using to the fullest extent your right to freedom of speech and your right to come into contact with the people that make decisions within government.

8:00

As private citizens you have the right to lobby and you have the right to try to get the ear of the government, but at the same time, that can't be to the disadvantage of the person or the people of this country and of this province, that Joe Average person. I can remember that we would often send my kids home thinking and ask them to come back the next day and be prepared to talk about many different kinds of issues. One of them might be: to what extent should lobbying be controlled in a democracy?

Well, I bring this up because one of the main reasons that I rise is to speak in favour of this legislation because I believe it increases accountability. Accountability in a democracy is essential. It's essential if you're going to maintain a healthy democracy anywhere in the world. Now, there need to be checks and balances in every democracy. Some of those checks and those balances to the power that we have here in this Legislature are the interest groups and lobby groups because they help to point us back to the interests of the public and that the public should always come first.

Now, we all know that there are caricatures out there of big money and lobbyists that represent big money. To be honest, I believe that is probably a caricature. It's more based on the activities, perhaps, of American politics than I think it is on Canadian. My experience with lobbyists in Alberta in the three or

so years that I've been in this Legislature has actually been very positive. We might not always agree, but they come with a position that they're articulating, and it allows me to be able to listen and to hear and to question and, in some cases, to become educated on a particular issue.

I know that as we've looked at the marijuana laws and as we've started to look at the legalization of marijuana and what the impact is going to be and whether we should have stores and how we're going to have those stores, as we've had constituents come in and businesses come in, it's been an education for me. It brings a greater understanding of whatever the issue is.

This specific piece of legislation amends the Alberta Lobbyists Act, which is the piece of legislation that regulates lobbying in Alberta and the lobbying activities in Alberta. I believe that it brings a balance of free and open access to the government but also that it's the public's right to know about who is actually accessing government and who is actually meeting with your elected officials or with the bureaucracy within the government. While at the same time that allows them to be able to provide information and education to the government, it is also a check on that power through transparency and accountability.

Now, this legislation makes a variety of changes to the Lobbyists Act, and these changes come about as a result of, as we've said before, the recommendations to the Standing Committee on Resource Stewardship and based on recommendations, in many cases, from the office of the Ethics Commissioner, plus other stakeholders. Many of these recommendations, Mr. Speaker, come from the Ethics Commissioner, as I've just said, and they're based on trying to improve the transparency and reduce the confusion that sometimes comes around lobbying and lobbyists that have to file returns with the Ethics Commissioner regarding their activities. This is good.

As I've said many times and I'll continue to say into the future, increased transparency is always a positive step in a democracy because it allows the citizens of this state to be able to know what their government is doing and why they're doing it. I'm sure that all of the various lobbyists across Alberta probably welcome this piece of legislation because there is going to be a reduction in the confusion, hopefully, involved in filing their returns with the Ethics Commissioner.

Well, this legislation defines two main types of lobbyists. The first is a consultant lobbyist. They are likely the type of lobbyist that first comes to mind when you consider it and think of it as a profession. They're individuals who are paid to lobby on any kind of specific issue on behalf of a particular client. Now, the chief purpose of these individuals is to lobby. Currently the consultant lobbyists are automatically required to register with the office of the Ethics Commissioner.

The second type of lobbyist revolves around organizational lobbying. These individuals lobby for a group, an organization that they work for or that they may own or that they are a partner in. Currently organizational lobbyists are required to register if they have combined with anyone else in their organization and they lobby for more than a total of a hundred hours in a year.

The main difference between the organizational lobbyist and the consultant lobbyist is that lobbying is not the sole purpose for the organizational lobbyist. They obviously belong to an organization. They represent perhaps a business or a group of businesses, so it's wider than just simply a lobbying effort.

Now, this legislation changes the threshold for the number of hours in a year that an organizational lobbyist would have to cross in order to be required to register with the Ethics Commissioner. Instead of the previous 100 hours, the number is now 50 hours, and this is where I perhaps have some concerns, Mr. Speaker. My



concern is that maybe there'd be an overburden with paperwork on some of the smaller organizations who've not previously fallen into the Lobbyists Act. Because you have a 50-hour threshold before registry is required, you now have a lower threshold, and that actually includes the prep time that they have. So 50 hours of lobbying, including prep time, as you can probably see quite easily, is not a lot of time.

This will increase the number of individuals and the number of organizations that will now be responsible for registering as a lobbyist. That means that there's going to be more paperwork for these organizations, including semiannual returns. Now, for example, an advocate group such as a local chamber of commerce could quite easily cross this threshold. If this group has 10 people who are all involved in the process of lobbying and each person takes two one-hour meetings in the course of a year, well, there's your 50 hours, and they would be required to register. This same organization could have five people in a meeting, where they are preparing to meet with a government official, and if that meeting is one hour long, which is not unusual, they have just burned 10 per cent of their 50-hour threshold with one single meeting. So there's some concern there.

In other jurisdictions prep time is not included in that lobbying effort. It's not included in the hour threshold. You know, for example, in British Columbia the threshold is 100 hours, not including prep time. In Ontario their threshold is 50 hours, but again prep time is not included.

I guess that does beg the question, you know: why was that threshold not just removed altogether? It's going to become a problem for many organizations. It would be nice for this Legislature to consider whether or not we should make some amendments towards that issue with regard to the thresholds and the prep time. I think it would and could make this a little better law. I would just like to make sure that in our efforts to decrease the confusion and increase the transparency, we are not creating an extra level of red tape and regulation for small organizations that are just trying to bring forward a position that represents their small organization or their small group.

**8:10**

My other concern with the 50-hour threshold, including prep time, is that it could potentially impact those who become advocates because of personal circumstances. You know, it's not unusual, especially when we're dealing with something like our own kids, for parents to get involved in advocacy for their children; for example, a parent who's asking the government for increased wheelchair access for public buildings because they have a child or a loved one who requires a wheelchair. You know, I just had an organization, a school group, that wants to build an all-inclusive playground. The people that are involved in that committee are all parents advocating on behalf of the children that they love. If you've got a child who's experiencing a specific medical condition of some sort and they would like to raise the awareness of the need for treatment options for others experiencing that same condition, then perhaps these restrictions on time and prep time could be a problem.

**The Speaker:** The hon. Member for St. Albert. On 29(2)(a)? Please proceed.

**Ms Renaud:** It was interesting to listen to the member talk about the importance of disclosing money in politics. Certainly, I think it's important. I'm just curious if it bothers you at all that contrary to the grassroots guarantee that your leader would be clear and open about who funds him – I'm just curious how you feel about when

he ran to take over the PC Party. I think he spent about \$1.5 million and raised about \$2 million before the writ, a lot of that going to a PAC, so he wasn't required to share that information with Albertans, although he did promise to. Of course, later that sort of changed. So I'm just wondering how you feel about that, working for somebody who doesn't quite walk that talk.

**Mr. Nixon:** Point of order, Mr. Speaker.

**The Speaker:** Point of order is noted. Go ahead.

### Point of Order Relevance

**Mr. Nixon:** Again, the NDP may want to laugh when the Opposition House Leader rises on a point of order. They can act that way. That's fine. That's their decision. But, Mr. Speaker, that clearly had no relevance at all to the topic that we're talking about, and it was a clear attempt at a personal attack on another member. I'd ask that you'd encourage members to stay on the topic of the legislation we're debating.

**The Speaker:** Hon. member, I might note that the Deputy Government House Leader has a opinion as well, I see.

**Mr. Feehan:** Thank you, Mr. Speaker. Clearly, in these kinds of situations there's always some leeway given for somebody to express some of their context before they actually get to the point of their question. It happens all the time in the House. In fact, I've been here in the House where a full five minutes was used in creating context without actually arriving at a question. To stop the process, as it was less than a minute, seems a little premature. You did offer a warning. The speaker clearly was preparing to wrap up the context so they could proceed, and I think if we allow that to happen, I'm sure we'll see a question at the end of that.

Thank you.

**The Speaker:** In fact, I did caution the member, and she declined to speak. However, not only to that member but to the others: please stay on the subject matter that's at hand, and when you are making context, make it more brief and less directed at individuals. I'm seeing some shaking of heads, but I would like to move on.

Hon. member, please proceed. Do you have a question or an additional comment?

**Mr. Smith:** Mr. Speaker, I think that we've already had a conversation about how appropriate that question was.

Thank you very much.

### Debate Continued

**The Speaker:** Under 29(2)(a), anyone else to the Member for Drayton Valley-Devon?

To speak to the bill, the hon. Member for Drumheller-Stettler.

**Mr. Strankman:** I was looking around there for a minute, Mr. Speaker, because the Member for Strathmore-Brooks has had an interesting day in the Chamber. He even commented about being near a twilight zone, I think, or something.

Thank you, Mr. Speaker, for the chance to speak to Bill 11, or, as my notes say and my assistant put down, "Bill one one," so that I would not forget that, the Lobbyists Amendment Act, 2018. This bill speaks to accountability and transparency, a theme that we've heard a great deal of varying remarks on in the Chamber as we go forward.

Mr. Speaker, I too have some personal experience going forward, and I'll try and relate it to that. Depending on the timing, I'd be

happy to entertain some questioning under 29(2)(a). I know that quite likely the Member for Edmonton-Ellerslie might take an opportunity to question me on some of our varying experiences of the effect of democracy in different regimes.

**The Speaker:** Hon. member, the same principle as before: keep going on subject. Thank you.

**Mr. Strankman:** Thank you, Mr. Speaker. I'm getting to the point about democracy and the lobbying of that because of personal experiences of varying natures. This bill is getting to that.

You know, we've heard comments about the varying amounts of dollars involved, and some people think that dollars relate to democracy. Dollars do relate to the presentation of it in some cases but not always, because the people have reason to move forward. As we go forward, I'd like to try and hit the mark regarding this. There are unquestionably a lot of different perceptions on accountability and transparency, and those terms are completely subjective.

I'd like to share, if I could, Mr. Speaker, a personal situation I had in relation to my activism and my lobbying. In fact, not unlike the Official Opposition leader, I too travelled to Ottawa at one point in time to appear at a standing committee in regard to federal legislation which was effected unequally across the province, and I did so on my own time, on my own expense. Simply to travel to Ottawa by jet travel is three hours each way or four hours depending on the tailwinds. From where I live, it's three to four hours, depending on traffic, to travel. So it takes one day each way to go forward with these sorts of things. So sometimes the limitations – how do you value that to simply get from a rural position to have an opportunity to voice your democratic opinion?

Mr. Speaker, this situation involved, as I say, travelling to Ottawa and commenting with many other elected members, in fact, who were already there at government expense. When you make your presentation to the standing committee, it takes some time. As I'm telling you and telling other members, it takes prep time simply to get there, never mind the commentary required. You know, I have some umbrage putting an exact value on this because third-party organizations do this all the time.

We've talked about consultant lobbyists, we've talked about organizational lobbyists, and we've talked about the contingency fees required for that. We've also talked about grassroots communication. How would you define grassroots communication as we go forward and at what cost, Mr. Speaker? That's an extremely difficult thing to figure out. You know, the government in some realm – I can understand their concerns when you have many thousands of organized union labourers who are forced to give some portion of their wages and dues to the membership of an organization that may or may not lobby exactly in their direction. Sometimes then we get into a grey area, an area of perception, so there's lots of debate back and forth.

We've received also some valuable insights from the office of the Ethics Commissioner. This is how it could be done, and it could be done more often. Could you imagine how much easier the government's lives would have been had they taken this approach to the Enhanced Protection for Farm and Ranch Workers Act? There was a lot of miscommunication and missteps and, frankly, bad decisions and making more bad decisions, and this could have been alleviated with open and transparent processes. There was no reconciliation. There was no explanation to the number of people that actually lobbied for these changes. But the government decided in a relatively inexperienced fashion as a new government, and that's fair. Everybody is allowed to make mistakes.

But when it comes to democracy, it's a blunt instrument. It's handled awkwardly at many times, not unlike the situation where the Member for Edmonton-Ellerslie actually had to flee his country. I still live and he does, too, the Member for Edmonton-Ellerslie, Mr. Speaker, in a country that did at one time incarcerate farmers for selling their own grain, in a free country. How can the Member for Edmonton-Ellerslie defend something like that? I would appreciate a 29(2)(a) question from him explaining his opinion on that and requesting that information from me. That's talking about lobbying to change a piece of legislation. That's what I did, and that's what was done and happened at the time.

8:20

I'd like to take a positive note on this bill, Mr. Speaker, talking about the elimination of gifts from lobbyists. Kudos to the government for adding this measure. I think everyone in this House has probably been in a situation where you're in a meeting with a lobbyist or a stakeholder group or speaking in a public function where somebody gives you a gift, not knowing that that may or may not be above certain limitations. Now, it's thoughtful, but it tends to be awkward because sometimes you have to ask the person who is giving you a heartfelt gift: is this over \$50, or what's the value of this? They don't understand that they may be putting you in a compromising position. It gets uncomfortable and weird trying to accept it, so I'll take that gift if it's only the value of a glass of water or something under \$50. How do you, on the spot, deal with those sorts of things? It's completely awkward. But it's important also for the sake of optics and correct conduct, absolute correct conduct, to not necessarily accept onerous, large gifts from others because we are elected officials.

Certainly, as members of the opposition we have a different ability of perception from lobbyists coming forward to us complaining about actions of the government. The government is in a position of power, Mr. Speaker. They can approve or deny or change legislation going forward, so it's a bit of a benevolent dictatorship in some regard going forward. So it's an unfair advantage in acquiring their time, different from us as opposition members.

I think everyone agrees that in many ways this can be seen as inappropriate, especially to a governing body as opposed to an advisory body, if you would call us that, Her Majesty's Loyal Opposition, Mr. Speaker. It's an important role that all of us play in this Chamber. But as we go outside and as we go into the separation between church and state, if you will, this being the state and the church being the political parties that we all belong to, that, too, also becomes a separate entity.

I'd like to say that these new rules will bring the giving of gifts more in sync with the rules outlined in the Conflicts of Interest Act as it pertains to those gifts. A great benchmark, Mr. Speaker.

From my notes here, as I go forward, I've discussed the potential ambiguity, though, when the matter pertains to a thing like lobbyists hosting meetings with greetings and receptions. There have been plenty of MLAs – and you may know that federally, Mr. Speaker, people have expensed \$16 glasses of orange juice, to the great chagrin of the taxpayers that pay for those abuses to their dollars.

The Member for Vermilion-Lloydminster may remember when I questioned him in the Chamber about the expensing of \$180 tuxedos that his staff used in a meeting, an interdepartmental meeting. Mr. Speaker, I think some members of the Clerk's department might remember the day when I actually took the liberty of renting my own tuxedo. Fortunately for me, the Speaker of the day did not call it as the use of a prop, but I know full well that the Member for Vermilion-Lloydminster remembers that day in the Chamber.

Mr. Speaker, if I remember correctly, in the office of the Ethics Commissioner's original recommendations they suggested restricting lobbyists from offering a gift of more than \$100 to public office holders to prevent lobbyists from offering high-valued gifts, which is great. It makes sense. But it still allows for various industry associations to host information sessions for many MLAs.

I know that many of the members opposite last night attended a hosted session by a lobbying agency for the irrigators of Alberta. I found it and I know that other members found it highly educational. So, Mr. Speaker, is that an infringement on these rights? It's hard to know because I don't know and I'm quite sure the members opposite who attended don't know what the lobbyist organization was paid to allow those irrigators to meet with us going forward. I see one of the members – I believe it's Lac La Biche – shaking his head in agreement, so I think he, too, would understand that there may be some questions there or understand that there could be some questions as to what the money was that was spent in that regard.

Another concern I have is around the proposed legislation bringing the reporting threshold for lobbyists from 100 hours of meeting time to only 50 hours. That would be including prep time. Mr. Speaker, I primarily covered that in my earlier, introductory comments. I know that for those consultant lobbyists who are not necessarily sometimes familiar with all the subject matter at hand, as I was in regard to my volunteer activism role – I'm fully versed on the infractions or the inadequacies of the federal legislation. I was lobbying and appearing, actually, at federal standing committee meetings to hear. Fifty hours of lobbying: you know, in the case of the federal situation, that doesn't even hardly get you to Ottawa and back.

In the case of Edmonton, in relation to where I live, it is three and a half hours one way. I know that the Member for Peace River takes considerably longer, and Grande Prairie is similar. It will be onerous in some cases for a number of individuals and organizations, who will be responsible for registering as lobbyists so that their effective action is not completely disqualified or they don't get the member that they're meeting with into some form of trouble. It could be quite burdensome on small groups, Mr. Speaker. It could create a whole bureaucracy of required paperwork although a lot of it nowadays is electronic. Still, you know, some people may be doing this in absolute good nature and without malice, but then all of a sudden they find themselves offside to go forward with this funding.

As we found last night, there are many irrigators, for example, who pool their resources to meet with us as MLAs. Then it becomes a quandary as to how you're going to separate that out for each individual organization. Even though they are jointly irrigators, each of them was representing many different organizations. So there's a technical issue based on interpretation, Mr. Speaker. I'm not singling out that one organization, which I view as a valuable organization, but I'm talking about similar organizations with the same name but who are legally different entities. If that's going to be covered in this legislation, it needs to be dealt with.

Mr. Speaker, I'd like to go on and talk about grassroots communication, trying to understand how volunteer grassroots communication could be affected or licensed. How do we license or unlicense free speech? If these people want to voluntarily get together and speak on any subject, whether it be anything from health care to agriculture to transportation ... [Mr. Strankman's speaking time expired]

Thank you, Mr. Speaker.

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

Under 29(2)(a)?

Any other parties who would like to speak to Bill 11?

Seeing and hearing none, do you wish to close debate, hon. minister?

**Ms Gray:** Thank you very much, Mr. Speaker. I appreciate the comments that I've heard from my colleagues on the Lobbyists Amendment Act, 2018, and I look forward to continuing the discussion as we move into Committee of the Whole.

Thank you.

[Motion carried; Bill 11 read a second time]

8:30

## Bill 10

### An Act to Enable Clean Energy Improvements

[Adjourned debate May 2: Mr. Cooper]

**The Speaker:** The hon. Member for Rimbey-Rocky Mountain House – it's such a size.

**Mr. Nixon:** You're almost there, Mr. Speaker.

**The Speaker:** Yeah.

**Mr. Nixon:** We can't forget about the beautiful little town of Sundre down south. But you got the rest of it down pat, for sure.

It's my pleasure to rise and have a conversation today about Bill 10, Mr. Speaker. I have to say that it's great to be here this evening. I'm sure you feel the same way. It's interesting that we find ourselves in the same place over and over in this Chamber, not just sitting in the same place, though some of us move to different locations, but discussing often the same type of theme when it comes to legislation that this NDP government brings forward. I think Bill 10 is no different, unfortunately, than some of those themes that we've seen with some of the legislation this government has brought forward.

Often it appears that this government is behind on bringing legislation forward, that they panic as they're going into session, and we end up seeing legislation that is sometimes coming off the photocopiers moments before it arrives. It doesn't even have time to be bound or sent to these places. Then what we see is mistakes that happen because of that speed. Then we come back, and we see some consequence because of that mistake. There's some push-back on the government, and the government then comes back to this Chamber and brings other legislation off to the next sitting, trying to fix all the mistakes that they made in the last batch.

There are a few examples of that, particularly when it comes to reforms to our election system. This government repeatedly over the last several sittings has brought forward bills. Some of the content is good, that we agree with, on our election system. Then they went too fast, didn't consult, didn't work with Albertans, with the opposition, with others and then had to come back in the next sitting right away and fix mistakes in their own bill that they just passed several months before.

I'm starting to become concerned the more that I review Bill 10 and talk to constituents and stakeholder groups. People that have an interest in the content of Bill 10 are starting to realize that this, sadly, Mr. Speaker, is starting to appear to have some mistakes inside this legislation. I know the Minister of Municipal Affairs is laughing right now. Over the course of this evening I'm sure we will talk about some of those mistakes, particularly some of the comments that he has made already in debate on this bill. After research, since the last time that we debated portions of this bill, we've been able to find out that there are some mistakes with what the minister has even said inside this Assembly on this piece of

legislation. Maybe the minister doesn't know, and that's fair. I guess that's part of what the process is all about.

As such, Mr. Speaker, I believe that we are in a position where I need to move an amendment to be able to address that. I have the appropriate copies for the pages, and I will send them to the table and wait for your permission to continue.

**The Speaker:** We identify this as amendment REF.  
Please proceed.

**Mr. Nixon:** Well, thank you, Mr. Speaker. I move that the motion for second reading of Bill 10, An Act to Enable Clean Energy Improvements, be amended by deleting all the words after "that" and substituting the following:

Bill 10, An Act to Enable Clean Energy Improvements, be not now read a second time but that the subject matter of the bill be referred to the Standing Committee on Alberta's Economic Future in accordance with Standing Order 74.2.

Now, Mr. Speaker, the reason that I move this referral amendment is for some of the reasons that I've already articulated in my preamble to the amendment. We have a situation where it appears that this legislation the minister is bringing forward has been poorly thought out, has missed some key issues that we want to discuss with him. The number one issue right now that I think is a problem with this bill and why it should go to committee is that again this government is asking the members of this Chamber, specifically this cabinet is asking the members of this Chamber, both on the government side and on the opposition side, to just trust them to get the details of this legislation right at a later date. [interjection] This is a pretty standard procedure. I know the Minister of Municipal Affairs is laughing about that.

**Mr. S. Anderson:** That's not true.

**Mr. Nixon:** That is where it is. They're asking MLAs to trust them because the details of this program will come forward later in regulations. They will not be debated. They will not be voted on by MLAs.

**Mr. S. Anderson:** Yes, they will.

**Mr. Nixon:** The minister suggests they will, but they're not in here. That's where it will happen at another time. Thus, it should go to committee.

Another interesting concern that we have with this legislation that shows why it should go to committee is around that the requirements of the disclosure of PACE property tax to prospective buyers in this legislation is left to regulations, just like I said, Mr. Speaker. Nothing in this legislation in itself ensures transparency when selling a property with a PACE property tax.

Considering that PACE programs, Mr. Speaker, are not common in Canada and it's unlikely that Albertans know that they've even existed for some time, this is a problem. It's also unclear how a PACE property tax will affect an owner's ability to obtain a mortgage. Now, considering the likelihood of interest rates increasing and the new, more onerous stress test proposed by the federal government for mortgages, this is a problem. When the minister was asked questions about that last time we were in the Chamber on this bill, he was unable to answer, again showing that this legislation is not ready to go forward.

Bill 10 exempts – this is an interesting thing – municipal borrowing associated with the PACE program from counting against the municipality's debt limits. Now, Mr. Speaker, debt limits are in place to ensure the viability of Alberta's municipalities. I represent lots of small municipalities, and viability is extremely

important. I can tell you that for our counties – the minister represents a county, at least one, I think, Leduc county. The counties have lots of concerns on this issue, the viability of some of the smaller hamlets and towns inside their communities, because ultimately the county ends up in those situations. Now, how this will impact that debt limit is extremely concerning and something this minister has not addressed. Currently a municipality's total debt cannot exceed 1.5 times the revenue of the municipality. The municipality's debt servicing costs cannot exceed 0.25 times the revenue of the municipality. This could affect the debt limit of the municipality. That is a serious issue which would again show why this needs to go to committee.

Again, Mr. Speaker, we continue to see this government bring forward poorly thought out legislation at a rapid speed and then say: "Hey, trust us. We got this all taken care of. It's going to be okay. We're going to go back, and we're going to fix it with regulations." Well, our experience – I'm sure you would agree – is that that has not worked out very well for Alberta. It has not worked out very well for Albertans. A prime example of that is Bill 6, one of the most famous pieces of legislation of this Legislature. We still have not seen the regulatory side of it finished because, as the opposition pointed out, the bill was a mess. A mess. How do we know that's not the same with this piece of legislation based on what we're seeing? The minister appears not to have been ready to bring it to this place.

The government has said that they intend for Energy Efficiency Alberta to be the administrator of the PACE program, not municipalities, but Energy Efficiency Alberta is not mentioned in the legislation, and all administrative positions are being left to the regulations. Again, when I started out talking today, Mr. Speaker, the minister was laughing when I said that this would all be decided in regulations. Again I just provided another prime example of where this will be decided in regulations. Another prime example of where this bill falls short and that not enough information has been provided to this House is that this minister has not shown this House that this bill is worthy to be passed or ready to be passed. This bill has fallen short. It should go to committee to make sure that he has it right.

**8:40**

Nothing in Bill 10 prevents municipalities from deciding to administer the program themselves, another hole in this piece of legislation that the minister seems to have missed and that needs to be addressed. Is this another piece that the minister expects the opposition to just trust him on, that he will deal with in regulations, Mr. Speaker, given the track record of this government and their complete inability to legislate on most issues effectively and the fact that they have to continue to go back to this Chamber to fix previous legislation that they've done in very short periods of time? It clearly shows that the minister is not ready to bring this piece of legislation here.

Now, according to the NDP government's PACE information website on how PACE works, it states:

Once a PACE program is established, property owners would take the following steps to access the program:

1. Owner decides to make a clean-energy upgrade
2. Owner signs agreement with municipality
3. Municipality installs and pays for upgrade
4. Owner pays back municipality through property taxes
5. Property owners save money on energy bills, reduce emissions and contribute to a green economy.

Wow. The word "municipality" was in there an awful lot. That was on the NDP's website. This minister has stood in this House already on this bill and told this side of the House that municipalities have nothing to do with it, but the website says that

they do. So is the website accurate, or is what the minister said last time that we talked about this bill accurate? Another good reason why this needs to go to committee and shows again that the minister is not ready to take this to this place.

The minister said that Energy Efficiency Alberta will be administering the PACE program. Energy Efficiency Alberta is not even in the legislation, Mr. Speaker. Municipalities will have nothing to do with it, but then the minister's website associated with this program says "municipality" in, like, three or four of the steps, and it also doesn't mention the Energy Efficiency Alberta website at all.

I know that the minister gets upset by that, but those are the facts. You can go look at it. I'm sure, based on the reaction from the minister this evening, that that website will be down soon. But don't worry; it's there. The point, though, is . . . [interjection]

**The Speaker:** Hon. members, calm it down.

Direct the comments to me. Keep going.

**Mr. Nixon:** Mr. Speaker, the point is that I brought this referral forward because the minister is not ready to bring this legislation to this House. The things that he has brought forward inside this Chamber, through you to him, are not what the facts show.

It's frustrating to continue to see this government in a rush to bring forward legislation, try to jam it through, try to get it fixed. You know, that's frustrating for us to have to be here through the process. But who cares about us at the end of the day? What matters is the Albertans that will be impacted by this. It matters to my towns, something like 24 or 25 towns and counties that I represent, that will be impacted by this and to the constituents that live in my communities who will be negatively impacted by this because this minister brought forward legislation to this House that was not ready to be here.

Then when he tried to address the questions from this side of the House, he got it wrong. That's okay. I don't expect the minister to know everything. But the problem with this, particularly, is the fact that he said that municipalities basically couldn't be in any way negatively impacted by this or would have no role in it, and you have a website that says it, Mr. Speaker. The website says it. The legislation and the website don't even mention the Energy Efficiency Alberta organization. But they talk about municipalities: owners sign an agreement with the municipalities; municipalities install and pay for the upgrade; owners pay back the municipality through taxes. It sure sounds like the municipalities have a lot to do with this process, I would think. It does not make any sense for the minister to say that municipalities will not be impacted by it.

We're starting to hear from municipalities, that they have some concerns with this. The minister says that all municipalities that he has heard from, or most that he's heard from, I believe he said the other night, are not concerned. It appears that that may have been the case even a few weeks ago. I don't know. But it ain't the case now as people begin to look through this actual legislation this minister has brought forward because they're starting to realize that there are possible serious negative impacts to our communities and to the people who are in them.

Because this minister is not able to answer this yet, because this minister continues to just ask this House to trust him – and we don't – and pass this legislation, this bill should go to committee to make sure that they've got it right. This government across from me should stop punishing Albertans because of their incompetence and start making sure that they bring proper legislation to this place in the future.

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

**Mr. Loewen:** Thank you, Mr. Speaker. I think we've had a pretty clear indication here tonight. We've seen the minister, heard the minister, of course, howling over there on the other side, protesting the truth, the facts that are written on the website that are clear and plain. I think my colleague clearly described what was going on here. You know, as I look through it, too, it talks about the next steps.

If Bill 10 passes:

- the government would consult with municipalities, lenders, real estate associations and other stakeholders to develop a guiding regulation in the summer of 2018.

So here we have another situation where this government says: pass the bill, and then we'll consult. But, of course, they're saying that they're consulting all the time. They're saying that these municipalities are more than happy with what's going on, but obviously that's not the case. Obviously, they want us to give them the blank cheque that they usually ask for in this House, and then, of course, they're going to come up with the regulations afterwards. Well, Mr. Speaker, I don't think that's our duty here representing the people of Alberta, to pass legislation with no regulations, no ideas. They can't even get their story straight between what they have on their website and what they say in this House.

Mr. Speaker, I think this is very clear, and my hon. colleague has pointed this out very clearly. It's on the website. It clearly says these things, and, of course, the minister is still grumbling over there about the facts.

**The Speaker:** Hon. member, stay away from words like "grumbling." Keep going. Do you have a question for the member?

**Mr. Loewen:** Yeah, I do, actually. I would like my hon. colleague to carry on with his comments on this because obviously there's a severe lack of congruency between . . .

**Mr. Nixon:** Point of order, Mr. Speaker.

**The Speaker:** Point of order.

#### Point of Order Parliamentary Language

**Mr. Nixon:** I rise on 23(h), (i), and (j). The hon. Member for St. Albert is heckling across the room at the member, who is trying to get his question out, to: spit it out. It's unbecoming of this place for the member to say – she can deny it all she wants. That's what she said. All of us heard it. She should stand up and apologize and withdraw that comment.

**The Speaker:** Hon. member, it's important that I heard it, and I didn't hear it.

#### Debate Continued

**The Speaker:** Please continue, Member for Grande Prairie-Smoky. Are you ready?

**Mr. Loewen:** Thank you, Mr. Speaker. I'd just like my colleague to continue on with his comments on this, clearly stating the difference between what's on the website, what the minister is saying, and what he's grumbling about even right now. He can continue on with pointing out the incongruences between what the minister says. The website clearly says that municipalities would install and pay for upgrades on private property. I mean, that's a pretty bold statement of an expectation for municipalities to do as opposed to what the minister has said. If my hon. colleague would like to carry on in that vein, that'd be great.

**The Speaker:** Rimbey-Rocky Mountain House-Sundre.

**Mr. Nixon:** Well, thank you, Mr. Speaker. I think that the hon. Member for Grande Prairie-Smoky has a great point. I think he has understood and articulated the core problem with this legislation and the core point of why it needs to be referred to committee. There are several other issues, and I'm sure you're going to hear about them over the next little bit from other members inside this Chamber who have some concerns with it.

But at the end of the day, this minister said that Energy Efficiency Alberta will administer it. Energy Efficiency Alberta is not mentioned on the website or in the legislation anywhere. It says that municipalities will not administer it, really will have almost nothing to do with it, but then when you go on the PACE website, it says that owners sign an agreement with the municipalities, municipalities install and pay for upgrades, and owners pay back municipalities through property taxes.

I know I can hear the minister heckling away at me, Mr. Speaker, but this is what it says. This is what it says. I hear the Minister of Infrastructure heckling away. This is what this says. This is it. There's nothing to heckle or shout me down about while I speak. This is what this website says. This website says that. The minister said that it was Energy Efficiency Alberta that would administer it, but the website says something different. That's something alone right there that needs some clarification, I would say.

8:50

But it also goes back to the core point, that the minister's intent is to bring legislation here and say: trust me; I'll keep care of it during the regulatory stage. The municipalities that I represent don't trust him. They don't. Never mind that I don't trust them. The municipalities that I represent don't trust them. They want to make sure that we have this legislation right, that we're not going to be back here in a few months trying to fix another bill the NDP has messed up. The government gets really upset about that being pointed out, but with the track record like theirs when it comes to legislation, it has to be pointed out. What this government does is that they bring forward a bill, come back a couple months later, fix it, come back a couple of months later, fix it, come back a couple of months later, fix it, come back a couple of months later, fix it, because they can't get it right, mainly because they won't talk to anybody. That's their biggest problem. They won't talk to anybody.

This should be referred to committee, and I thank the hon. Member for Grande Prairie-Smoky for indicating his support of my referral amendment. I look forward to hearing much more vigorous debate through the evening.

**The Speaker:** Hon. Member for Lacombe-Ponoka, REF, the referral amendment, is what you're speaking to?

**Mr. Orr:** Yeah.

**The Speaker:** Thank you.

**Mr. Orr:** Mr. Speaker, I have a different series of concerns about this bill and why it should be referred. I'm speaking to Bill 10, An Act to Enable Clean Energy Improvements, which is referred to as PACE. My concerns are that while the PACE website says that this is meant to help Albertans make clean energy improvements, save money, et cetera, et cetera, I really fear – and I'll demonstrate this as I move through – that the unintended consequence may be, in fact, for many families and individuals that it will not help them; it will in fact harm them in significant and serious ways.

The reason I go there is because this is about borrowing money. This is about adding debt to families, adding debt to individuals.

Now, debt is a great tool. Debt is a tool. I come from a construction industry. Tools can do great work, and tools can also do great damage. This is a bill that needs to take some time considering: what are we pushing upon our people? What are we leading them to? The use of tools, whether it's physical tools or debt tools, requires knowledge and training and clear safety procedures. That's why we have OH and S in the world I come from. Why do we push, in this case, a potentially dangerous tool of debt without giving people adequate training, preparation, warning, or instruction? That's where this is going.

[The Deputy Speaker in the chair]

Debt is debt is debt. I've said it before that we live in a society that is too often endangered by debt. Debt added to taxes is actually one of the highest priority forms of debt. While we all look with excitement at the toys we get to bring home on debt and credit card debt, then too often we get the after Christmas hangover and spend the next six months trying to pay off the debt. Hopefully we do get it paid off, or it gets carried forward next year and gets added, to be even higher.

There are concerns about the form of this debt. First of all, who's going to manage it? It's not clear. There are concerns from mortgage companies about how this impacts the process of discerning how much capacity a person has to pay. We have very strict and very clear rules in this country about how much a person should be allowed to borrow – there are limits to that – for the protection of the people, but now we're adding another system of debt that may in fact short-circuit that. The stress test for mortgages today went up in Canada, and now we're going to add another level of debt that will probably not be subject to stress tests. Or maybe it will be. If it is, then more and more people are going to be disqualified from buying a home, not even be able to do it.

Unfortunately, this whole thing follows a pattern from California. The whole PACE idea originated in California. It's something that has been in use there since about 2008. Interestingly enough, we have from April 12, 2018, in the *Los Angeles Times* a lead article that states: *Lawsuits Filed against L.A. County, Lender over the Green Energy Program*. It's not just a single lawsuit, Madam Speaker. It's a class-action lawsuit. This is a serious problem. Homeowners have taken on PACE debt, not quite realizing the implications of it, and now they can't afford to pay for it. They can't afford to keep their homes. They're afraid of losing their homes. They can't afford to pay their regular bills. Unfortunately, this is turning into a very bad experience in some jurisdictions that have had it for a good amount of time already. It turns out that it's all related to debt and the way that debt is handled, the way it's introduced to people or not introduced to them, the lack of clarity, the lack of rules around it. This kind of debt becomes a lien on their house, which means that their house will be lost when it's filed against. There's a lack of adequate consumer protections with regard to this kind of debt.

We have a government that wants to say that it's always out there to protect the consumer. Well, I want to say to you that this piece of legislation is not yet ready in terms of protecting the consumer. The consumer is at risk here. It's happening already in other places. This thing needs to be looked at very, very carefully, which is why it needs to go to committee, have some time to learn from the experience of others, and make sure it's better.

The challenge is that it's the low-income people, the elderly, and those who don't speak English as their first language that are the most at risk and are having the biggest amount of trouble with PACE-related debt in the U.S. This is something that needs to be carefully administered, carefully thought about. What it does is that

it produces inadvertently excessive debt-to-income ratios. People are left with very little money to actually live on after they pay off their loan or pay their loan on a regular basis. As I said, it's not just one person. This is a systemic problem. There are many people involved in this.

Some of these people are saying that if somebody had told them in the first place what this actually involved, they wouldn't have gotten involved in it. The problem is that the people who are pushing it are not actually under the rules that lenders and bankers and mortgage brokers are under in terms of how they deal with customers for customer protection. In many cases what's happening is that, actually, the contractors are showing up at people's doors, giving them a quick whatever, promising them a government rebate. They sign on, and they have no clue what they're getting involved in. They don't know what the interest rates are. They don't know what the repayment schedule really is. They don't understand what the complications and repossession realities might be if they don't make their payments.

In Canada today, with most of the banks, you can actually have your monthly mortgage rate forgiven for a period of time. You can go in and talk with them. You can work things out. This is different. This isn't subject to any of those rules. Then there's the whole issue of the fact when large numbers of people, as is happening in Los Angeles county now, begin to run into trouble with these things. What's actually happening is that the Los Angeles county has had to set up a reserve fund to cover the borrowers' missed payments, and the county is now on the hook for people who are not making their payments. This is debt that the lenders have pushed out. In fact, the article points out that in many cases this is a very similar kind of action and behaviour that happened in the U.S. subprime mortgage crisis that brought down many of the big banks and all the rest of it.

The same kind of practices are happening here, where contractors, who have no accountability, no experience, and just want to make a sale, serve as de facto mortgage brokers and push this stuff out, and it's creating a crisis. It's not helping. The contractors, quite frankly, are not legally required to determine if a customer is qualified to take on the loan. It's not their responsibility. They're not even accountable for it. Of course, the payment loan brokers that are behind it just rubber-stamp what the contractors do without responsibility to follow any guidelines. So now we have a class-action lawsuit coming off the ground over all of this.

This is a very problematic idea. I get that it's meant to try and help people. It's certainly meant to advance the green agenda. But when you do it at the cost of the ordinary people, put people at risk, you don't have their back. You're not helping them in that regard. We need to be very, very careful about this. This bill absolutely needs to go to referral.

**The Deputy Speaker:** Any questions or comments under Standing Order 29(2)(a)? Grande Prairie-Smoky.

9:00

**Mr. Loewen:** Thank you, Madam Speaker. I was listening to the Member for Lacombe-Ponoka talk about, you know, how this lending situation is and how it's not the same as going to a bank and borrowing money. Basically, what's happening with this situation is that it looks like they're looking more at property-based lending versus income and credit scores. Of course, there's a reason why lenders use income and credit scores. Things can change within a household's income over time, and of course banks will look at that and understand that, okay, maybe this family or this couple, seniors for instance, may not be able to afford to pay this back. It might put

them in a situation where they can't afford to pay their other bills, their necessities of life.

The member brought that up very clearly. I just want him to expand on that a little bit because I think it's so important to realize that based on the situation we're in with this government, where they bring this bill forward that obviously they haven't had time to properly think through and properly prepare for – I mean, they have a website that directly contradicts what's being said. They've got the briefing notes that contradict everything else. We have just a situation where this government has brought this forward without a whole lot of thought and a whole lot of planning.

Of course, they think that we should just pass it here and they'll just come up with all the regulations afterwards. They think that's a great way to do business, but unfortunately I don't think that's what Albertans are expecting us to do here today. I don't think they're expecting us to come here and just say, you know: "Yeah. This looks okay. You fill in the blanks afterwards, and we should be happy." I don't think it's the case that we should be doing that. I think that we owe it to Albertans and we owe it to the people we represent to make thoughtful decisions and make informed decisions.

Of course, to make informed decisions, you need information. Obviously, this is deeply lacking in information. There are so many contradictions that obviously this wasn't prepared properly. This was thrown out there in a panic, I guess, to – I don't know – maybe get out for the summer break quicker or whatever they wanted to do. They haven't consulted properly with the municipalities. You know, it says right on the website that the municipalities will install and pay for these upgrades. Well, I don't know about the municipalities of the other MLAs in this House right now, how their municipalities feel about it, but I'm pretty sure mine would be thinking twice before they started to install and pay for upgrades on private property.

I'd just like to have the member maybe take a little more time and talk about that a little bit more. Thanks.

**The Deputy Speaker:** Lacombe-Ponoka.

**Mr. Orr:** Thank you. My concern really is to protect the consumers. You know, I guess maybe the reason this jumps to the forefront of my mind at this point in time is that just a couple of days ago, last weekend, in my riding at a meeting a gentleman came up to me. He held out his phone, and he had a Google map on it with a whole bunch of different points plotted on it. It was central Alberta. He said to me: "Do you know what those are?" He said: "Every one of those is a foreclosed home in central Alberta. I'm a property manager. I manage foreclosed homes for the banks." He said: "We're up substantially over what we were a year ago. All of those places are homes that I look after now that the bank owns." And he says: "Get this. I'm only one of 40 property managers in the central Alberta region. There are 40 more people that have other cellphones with other lists of homes on them that are foreclosed."

Now, if you go and add a PACE debt tax burden on top of these houses, how many more houses and homes are we going to have foreclosed? How many people are going to be thrown out of their houses? How many families are going to be broken apart over the stress and the anxiety of having signed on to an additional debt burden that they didn't properly understand? They didn't know what the implications of it were, and it's going to lead them into an extreme level of crisis.

My concern is that we need to think this through really carefully to protect consumers. This is a form of legislation that, literally, when it comes to how this debt is rolled out, how consumers are liable for it, falls through the cracks. As I said before, we have very

clear debt and lender legislation and rules in this country for the protection of the consumer, but as soon as we introduce something new and novel, it falls through the cracks, and it puts consumers at risk. I think we need to be very, very careful about that.

Thank you.

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

Seeing none, any other speakers to the amendment? The hon. Member for Calgary-Fish Creek.

**Mr. Gottfried:** Thank you, Madam Speaker. Thank you for the opportunity to rise to speak to Bill 10, An Act to Enable Clean Energy Improvements. I thank the Minister of Municipal Affairs for bringing this forward. I do think he's brought forward some important legislation. An opportunity, I think, to introduce renewable energy into consumers' homes is a good idea.

[The Speaker in the chair]

However, the legislation which he is bringing forward is another sign here. Although that minister actually had a track record once upon a time of consulting, I think this is a case where we do not have enough robust consulting with some of the people that should be brought into the picture before we leap forward with this legislation. You know, I think that we have an opportunity here with Bill 10, An Act to Enable Clean Energy Improvements, to do some good, but I think the minister has missed the mark on this one because there are long lists, which I'll get into as we discuss this, of people that they have not consulted, experts that have not been consulted. We've seen this before, Mr. Speaker.

Bill 20 enables municipalities to pass a bylaw creating a property assessed clean energy, or PACE, program, which provides a mechanism for property owners to finance energy efficiency, renewable energy, and water conservation projects or upgrades on their home properties. This program does so by allowing the repayment to be collected through the property owner's municipal tax. Sounds really nice. We're hearing here, of course, that we're not sure how that's going to be done or even who's going to be doing it. It might sound like a great idea, and there's nothing wrong with green technology. We all believe in the opportunities to save money for households and also to bring renewable energy into our households.

But if you aren't looking for ways to save money on energy bills, I'm not sure why you like lighting your money on fire, which could be the case with this program, especially considering this government has taken every conceivable opportunity to make electricity and home heating more expensive for Albertans. So I guess if they want to have a greater rationale, I suspect we're going to see that, Mr. Speaker, in the future people may be running for programs like this because they're going to see their electricity bills spike because of some other bad decisions made by this government. I just don't think taxpayers should have to pay for these upgrades, though, in the way that we see these upgrades and these upticks in the costs. I'm a little concerned here, and I think this really indicates why we need to have further consultation on this legislation.

Now, the municipality already collects property taxes, so there could be little or no additional costs on municipalities to add this PACE program, but they've told us that they don't want to administer them. We as provincial legislators need to make sure we spare municipalities from additional burdens, which they would then pass on to their taxpayers. Again, as we all know, there's only one taxpayer, Mr. Speaker.

Energy Efficiency Alberta, it sounds like, is administering the plan, so the municipalities don't have to be responsible for those costs, but it's nowhere, again, in the bill. We're told that it's going

to be in regulations, but I've got a wonderful orange piece of PowerPoint presentation here that tells us that they're in there, Energy Efficiency Alberta or another administrator. I'm going to tell you here that that concerns me, another administrator. We've heard from other members here how those other administrators have been positioned in some of the lawsuits in the States as predatory lenders. That frightens me. We're going to protect that in the regulations? I think we'd better do our homework on this one, Mr. Speaker.

You know, we've also talked about some of the lending institutions, and I'll get into that later. Lending institutions may or may not be a key to this program as well. Who's going to do the lending? We'll talk about that as well.

Mr. Speaker, who wouldn't want to have solar panels on the roof and put electricity back on the grid and maybe have some more upgrades or have their hot water heated by solar, maybe have a windmill in their backyard? People used to have windmills. You know, we got those from Holland, and they used to pump water for people. They used to work on the prairies before we had electricity. Maybe you have appliances or machines drawing a lot of current, driving up your power bill. PACE could help replace those. I think they've replaced some light bulbs already. What a great idea. Maybe you're trying to protect a wetland on your property in order to conserve drinking water, or maybe you have home needs, you know, your home needs an energy audit to find the leaks and then renovations to keep the heat during the winter. Of course, PACE can help. It's going to fix all of these things for everyone, but at what cost?

You know, it concerns me when I look at some of these bills, and, Mr. Speaker, I look at a long list of things here. But we've heard from people that there's predatory lending. I think about the seniors. You know, what we see in the presentation from the website is that financial barriers will be reduced. That sounds like a good thing. But we have seniors on fixed incomes that could be the subjects of either predatory lenders if that's not controlled properly in regulations – we don't even know what they are – or contractors that may or may not be well regulated. We all know that this government has actually taken the ability of some of the people that are offering these programs so they can't knock on doors anymore, to put in – guess what? – energy-efficient furnaces, hot water tanks. They can't even go door to door. So now we're going to have that entrenched in this, and we're going to have people now through the PACE program able to essentially go door to door and sell these things or maybe not even door to door, maybe through their tax bill. It'll come with their tax bill, with maybe an unregulated lender and an unregulated service provider. But – you know what? – we're supposed to trust that that's all going to be in the regulation. Why don't we regulate that now?

9:10

We've seen in the article from the U.S. financial elder abuse. Is that what you want, financial elder abuse because of the regulations we can't even see and touch here today? Predatory lending, predatory contractors: what if that's the case? You know, we see already that the uptake on reverse mortgages from seniors and the SHARP program is not what we expected it to be. Guess what? Those seniors are worried, they're afraid, they're scared that they're going to get scammed. The headline on the article from the States says: scam, S-C-A-M. These people that you're actually targeting: many of them are on fixed incomes.

**The Speaker:** Hon. member, I'm over here.

**Mr. Gottfried:** I'm sorry, Mr. Speaker. I love talking to . . .



**The Speaker:** I know. I thought I was forgotten.

**Mr. Gotfried:** Seniors are there, and they're worried about that. That's the reason they don't use many of those programs, sometimes reverse mortgages and the SHARP program.

Also, they don't want to take equity. Well, this, Mr. Speaker, is actually taking equity from their house. It doesn't look like it. It's on the tax bill. But when they go and sell it, it's going to be considered as a liability and reduce the value that they can sell that home for.

What about new-home owners? I was in the new-home building business. I know what new-home owners are like. You know what, Mr. Speaker? Most new-home owners today come in with – guess what? – 5 per cent down. Now they're going to be stress tested with the new mortgage regulations. I can tell you that their debt and risk tolerance is much higher than mine was when I bought my first home. If we take this and we put the PACE program off the books, they may put themselves at increased risk by taking that program and putting themselves another \$20,000 or \$30,000 in debt, that they can ill afford. They may not be someone who's been through enough economic cycles to know the risk of economic cycles. What if one of the members of the household loses their job, and they can't pay the taxes, and they can't pay the PACE program, and they can't pay the mortgage? Then we have foreclosures and bankruptcies. That frightens me, that we have not addressed that.

I ask: did the government consult? A simple list. You know what, Mr. Speaker? When the SHARP program was announced, I spoke with the reverse mortgage experts, who'd been doing that for almost 30 years in this province. Nobody talked to them. They're the people doing the SHARP program for 30 years, and nobody in this government talked to them. I talked to the fellow who actually started it. They call him Mr. CHIP. That's unconscionable. Mortgage brokers, reverse mortgage lenders I just spoke about were not consulted.

How about CMHC or Genworth, the people that insure the mortgages? We saw that reference in the U.S. articles as well. I'm sorry; you said that this isn't going to affect your qualification for a mortgage. But what if they say that it does, and people can no longer insure their mortgages? Did anybody talk to CMHC or Genworth, Mr. Speaker? Did anybody talk to CMHC and Genworth? We need to put this to committee so that they can be appropriately consulted.

What about the chartered banks? You know what? They do this lending already, too. You know what it's called? It's called a home-line credit program, home-line loan. Maybe it can be done as a second mortgage or put on the first mortgage when they renew to do these home improvements, with an ability to pay them back.

I don't want Albertans to act like this government over here, where they borrow money they can't afford to pay back. They push it down the road. They push it so far down the road that when it comes time and something unusual occurs, Mr. Speaker, they go bankrupt. They are foreclosed upon. Their assets are seized. Their house is seized because of nonpayment of taxes. Is that what we want?

What if the administrators are allowed to be private lenders? I mean, maybe it's ATB. Well, guess what? That's public risk because ATB gets all of its money from the Treasury Board.

What about realtors? Did we talk to realtors? The PACE could be viewed similar to maybe an underfunded condo reserve fund or maybe considered as a cash call to come on a building. It is a liability, Mr. Speaker. It is not an asset anymore. Those pretty panels on the roof might be outdated, they might be in ill repair, they might actually need to be torn out. So what do you do when you buy the house? Say: "You know what? Could you tear those out before I buy this house because they're a liability?" Wow. Great

asset. But, by the way, you're still going to be paying for it, so let's reduce the price on that house by \$20,000 and maybe wipe out all the equity that that new homeowner has in the house. Great. The Member for Calgary-Greenway has been in the business. He knows what happens when houses have assets and liabilities.

What about poorly installed items that may have been done? You don't have regulated installers, then you get into a situation where it's poorly done and it needs repair or it needs maintenance or it should be torn out. What a debacle, Mr. Speaker.

You know, there's a reason why we have orderly and disorderly transition into new technologies. I remember when my brother-in-law – and he's got more money than I do – bought his first big-screen TV. I think it cost him \$6,000 or \$10,000 or some stupid amount of money. Now you can go into Costco and get that same big-screen TV, bigger, twice as big, for \$499 or maybe \$599 for the bigger one with a curved screen and all that sort of stuff. That is the pace of technology, so five years from now the pace of technology might mean that your \$30,000 investment is now worth \$6,000. Great investment, Mr. Speaker. Let's let our consumers, our Albertans catch up with the pace of technology with an orderly transition to renewables.

Like the climate leadership plan, coal shutdown, or – you know, again, I've been talking about orderly versus disorderly transition, Mr. Speaker. The coal shutdown is quite clearly a disorderly transition because it's going to – mark my words. I had a fellow in my office yesterday who wanted to bet me that electricity was going to cost double within the next 24 months. You know what? I wouldn't take that bet because he might be right, and I don't like to lose my money on bad bets.

You know, Mr. Speaker, I was in the housing market, as I mentioned to you, and I was involved with affordable housing and attainable home ownership, where we worked and I worked to the penny so that we could qualify people for their mortgages, so that we could get low- and middle-income Albertans into home ownership. We helped them with down payments, and we helped them with monthly subsidies, and we helped them to achieve home ownership. We worked it to the penny so that we could get the people with the lowest possible income into ownership but not so that they could lose that home a year or two later. We wanted that to succeed, and I'm proud to say that we had over a 95 per cent success rate. In fact, I think it was 97 per cent. Only 3 per cent of the people that went into that program ever foreclosed, and some of them probably shouldn't have been in that program in the first place.

Maybe some of these people should not do it in the first place either, Mr. Speaker, and we do not have the mechanisms. The minister has not done his diligence on this to ensure that we do not put Albertans at risk with this program. That should not be the objective.

What about the legal mess we've seen, class-action lawsuits? Where's that going to lead to, Mr. Speaker? Where is that going to lead to? We're seeing the people that we followed in this program now going in class-action lawsuits and being accused of predatory practices. That's not where we want to go.

I think about the builders out there – I was a builder for a dozen years – and the move, actually, towards net zero building in the future, and I think we'll get there one day because we have the technology. It's not necessarily affordable for every homeowner so that we can allow Albertans, low- and middle-income earners, to actually be able to afford a house. That should be our goal, to actually allow Albertans to achieve that dream of home ownership – and many of them have – by doing things in an affordable manner.

But I can see a builder who specs in \$30,000 or \$40,000 worth of this new technology in a house, but – guess what? – it's not on the

sticker price. They do a whole community, and they push that all into a PACE program, and every house on the block has that caveat, that monthly bill, for 10 years on that property. The builder makes it look like it's more affordable. Well, the builders are already faced with taxes upon taxes upon taxes and levies. Mr. Speaker, please . . .

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

Are there any questions to the Member for Calgary-Fish Creek under 29(2)(a)? The hon. Member for Grande Prairie-Smoky.

9:20

**Mr. Loewen:** Thank you, Mr. Speaker. I would love to go on 29(2)(a) with the Member for Calgary-Fish Creek. He was giving a very impassioned speech on this. All the warning bells and whistles are going off with this legislation: obviously, the unpreparedness of the minister and how this was brought forward in such a haphazard manner, where things don't seem to match when it comes to what the minister says and what's on the website and what's written down on the handout they give.

Now, I actually was watching the minister, and he talked about the reduced value of the property when it's sold with a lien such as this. The minister was just shaking his head like he couldn't believe what he was talking about. Well, of course, what the minister, I guess, maybe doesn't understand is that not everybody wants to pay for these things. When these liens are put on these properties, people that are buying a property are going to look and see: okay, what are the taxes? That's something that you have. When you mortgage a house, you have to show what the taxes are because the bank wants to see what payments there are. Obviously, if there are some additional fees on those taxes, the bank is going to want to see them, and that's going to come into effect in the borrowing. Of course, another thing is that these products age and they become obsolete.

There are a lot of different issues here that the minister doesn't seem to have realized. In fact, it was like it was something that he had never considered before, obviously. I think we see in the U.S. that, like, "Fannie Mae and Freddie Mac won't lend money on houses with PACE" is what I've read. I mean, obviously, these are lending institutions that won't lend money if houses are involved with this PACE situation. Obviously, there are a lot of things that haven't been considered here.

When we look at the handout that the government gave out, it says here, "Municipalities are not interested in administering the program and incurring administrative costs." Well, that doesn't line up with what they've said on the website, where it says, "Municipalities would install and pay for upgrades on private property." So I don't understand how all this has gone so far off. If we look in this handout here that the government has, it talks about this first being implemented in California in 2008. Of course, they're using California as an example when we happen to know that there are class-action lawsuits going on over this.

I would like to hear the member continue on with his thoughts on this PACE program that this government has brought forward. Thank you.

**The Speaker:** The hon. Member for Calgary-Fish Creek.

**Mr. Gotfried:** Thank you, Mr. Speaker, and thank you to the member for his questions. I think we've seen in this that there is a big concern. We're worried for consumers. You know, we've heard the term "financial barriers reduced" in the presentations by the minister, but I think what we're seeing is financial accountability ignored. Now, this seems to be a bit of a theme with this government, financial accountability ignored, but you know what? It's not our position to force and push that onto Albertans because of a lack of diligence and a lack of consultation.

To the member, I agree that there are some concerns here. Even on their own website versus their own presentation there are some inconsistencies. You know, I'd hate to see this become the son of subprime loans. We all know what that did in the United States in 2008, don't we, Mr. Speaker? It triggered an entire economic and financial system meltdown. Now, if this program were done through some administrator and all the lending is done through ATB and everybody uses it, that could be us taxpayers on the hook for those losses when those loans go bad. I don't want to see that. I'd like to see a big caution about predatory lending.

Really, I think the thing here is that we must send this to committee for further consultation with the real experts because I'd sure like to hear from the minister about this long list of organizations and industries and people that I don't think have been consulted. Mr. Speaker, I think that that would be irresponsible of us as legislators, to let that occur. It'd be irresponsible of this government to not refer this to committee for further consultation.

Mr. Speaker, at that, I'd like to adjourn debate and move that we adjourn debate for the evening. Thank you.

**The Speaker:** I'm sorry, hon. member. I'm advised that you're not able to move adjournment under Standing Order 29(2)(a).

But I do see the Minister of Municipal Affairs standing.

**Mr. S. Anderson:** You bet. Thank you so much, Mr. Speaker. I've listened with interest, very, very keen interest. I'm not sure . . .

**The Speaker:** Hon. member – I'm looking to the table – are you closing?

**Mr. S. Anderson:** I'm going to. Yeah. I've just got a couple of words that I'm going to say, Mr. Speaker. I won't take long.

**The Speaker:** All right.

**Mr. S. Anderson:** I listened intently to the rabbit holes we've gone down tonight, the interesting casting of aspersions and accusations and conspiracy theories. I don't know if Bigfoot is going to walk in the door here pretty soon. I'm not too sure because of all that they've said. I would encourage them to continue to look at the website.

**Mr. Nixon:** Here I am.

**Mr. S. Anderson:** There he is.

Mr. Speaker, just a couple of things that I'll say, and then I will adjourn. This is enabling, this piece of legislation. It's an enabling piece of legislation. It comes down to the people that want to participate in it. It's a personal choice. We're talking about third-party lenders. That's what I meant about saying that the municipalities didn't want to do the lending. So we'll look at third-party lenders. Of course, we've been discussing that with them. That's fine.

**An Hon. Member:** It's pro choice.

**Mr. S. Anderson:** It's pro choice.

Mr. Speaker, really, you know, it's quite interesting here about raising the bar. I just want to say that the consultation I've done continuously through Municipal Affairs has proven itself again and again. This is legislation that's setting the framework for us to go out and do extensive consultation through the summer. I've said that on record in here. You can go back in *Hansard* and find it. I'll keep saying it. I've said it in the press. I'll say it again. That's what we've done before. We've learned that through the MGA, how well that worked, and we will continue to do that with this ministry. With that,

I do have a list of quotes and a bunch of other people, like from the AUMA, some other folks who are supporting this. I won't go through that now because I know we have some other things to go through.

Mr. Speaker, with that, I will ask that everybody just relax in here. Take a deep breath. There's no reason to get agitated about everything and make personal attacks on anybody. This is a great place to debate things that we might disagree with in a very respectful manner.

With that, I will adjourn debate, Mr. Speaker.

**The Speaker:** Your motion was with respect to the amendment, correct, hon. minister? Is that right?

All in favour, please say aye.

**Mr. Nixon:** Whoa. Mr. Speaker, he's not closing debate; he's adjourning debate. Just making sure. Let's make sure we're clear what we're voting on. Thank you.

**The Speaker:** Let me try again.

[Motion to adjourn debate carried]

### Bill 1 Energy Diversification Act

[Adjourned debate May 9: Mr. Gill]

**Mr. Nixon:** Mr. Speaker, I move that we immediately adjourn debate on this and go to Bill 12 as the Premier said in question period today that it was important that it get passed. So I move that we adjourn debate now and get Bill 12 done for the people of Alberta.

**The Speaker:** Hold on a sec, please. Just to clarify, hon. member, it's to adjourn debate on Bill 1, correct?

**Mr. Nixon:** That's correct.

[The voice vote indicated that the motion to adjourn debate lost]

[Several members rose calling for a division. The division bell was rung at 9:29 p.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Gill	Nixon	Strankman
Gotfried	Orr	Yao
Loewen	Smith	

Against the motion:

Anderson, S.	Horne	Payne
Carlier	Jansen	Phillips
Connolly	Kazim	Piquette
Coolahan	Kleinstauber	Renaud
Cortes-Vargas	Littlewood	Rosendahl
Dach	Loyola	Sabir
Drever	Luff	Shepherd
Feehan	Malkinson	Sucha
Fitzpatrick	McPherson	Turner
Gray	Miranda	Westhead
Hoffman	Nielsen	Woollard

Totals:	For – 8	Against – 33
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[Motion to adjourn debate lost]

**Mr. Nixon:** Switching back to the bill, Mr. Speaker, I assume Bill 1 because the government doesn't want to go to Bill 12. We are on Bill 1; I just want to be clear on that.

**Mr. Westhead:** Point of order.

**The Speaker:** The hon. Member for Banff-Cochrane has a point of order.

**Mr. Westhead:** I think the member has already spoken on this bill, so I don't think he can speak again. He just adjourned debate.

**The Speaker:** I've been advised that he was adjourning debate, that he still has an opportunity to speak to the bill. It was simply adjourning the debate. I've consulted on the matter, and I believe that's the order.

**Mr. Nixon:** You'd have to adjourn debate with me as the speaker.

Anyway, thanks, Mr. Speaker. I will talk on Bill 1. This is an interesting bill. I would think that the vast majority of Albertans do not support the programs that the minister is creating in Bill 1. Now, the reason I think that is because that's what I'm hearing from the vast majority of Albertans.

I think it's interesting that when you look at this legislation – I think it's even telling – the NDP is now introducing this three years into their mandate. If this was so important and the NDP truly wanted to create economic benefit, create jobs, do different things with this legislation, why did they wait till they're in the red zone and not do anything for the last three years? Instead, what did they do for the last three years? The NDP raised taxes on job creators by 20 per cent. They dramatically increased red tape. They imposed a carbon tax telling investors to go elsewhere. They sent billions and billions and billions of dollars of investment from our province to other jurisdictions. They brought in a carbon tax that they did not campaign on.

It's interesting, Mr. Speaker. The hon. Leader of the Opposition keeps an NDP platform in his desk and often refers to it. In that platform it says nothing about that carbon tax. Then they bring it in secretly along the way without telling Albertans about it. They don't tell anybody about it when they door-knock. That's secretly. That's what they did. Now, three years in they seem to think that they can come up with some loan guarantees and a few grants and they're able to fix the absolute catastrophic damage that they've done to the Alberta economy.

It doesn't make any sense. It's disingenuous. You have a government who, when they came into power, brought in the largest tax increase in the history of this province. They attacked the largest industry in this province, the energy industry, chased away investment, raised taxes on job creators, lowered revenue in the process but raised taxes on job creators, oversaw some of the largest unemployment in generations under this government's watch, and continue to then take that tax and raise it because their close friend and personal ally in Ottawa Justin Trudeau called up the NDP and said: I want you to raise it to \$50. What did this NDP government do? They said, "No problem, Justin," and raised it to \$50. They didn't do an economic analysis, didn't listen to the people of Alberta, the large majority of which in almost every poll are clear that they do not like this job-killing carbon tax that this government has brought in, but they did it because of Justin Trudeau.

Then we see, Mr. Speaker . . .

**The Speaker:** Try not to use members' names in the House.

9:50

**Mr. Nixon:** Well, Justin Trudeau is not a member of this House. He's a member of the House of Commons.

**The Speaker:** Okay. I'm sorry.

**Mr. Nixon:** That's okay. Am I right, Mr. Speaker?

**The Speaker:** Yes, you are. Please proceed.

**Mr. Nixon:** Okay. Thanks, Mr. Speaker. So they did what Justin Trudeau told them to do, which is to raise the carbon tax. Then they tell the people of Alberta: "We're going to keep this carbon tax. We're going to give rebates to everybody. This won't be used for general revenue."

Now, first of all, let's talk about the rebates. They don't give the rebates to everybody. Even the rebates that they give do not come anywhere close to covering the cost of what people have to pay for the carbon tax because the carbon tax raises the price of everything. As you know, Mr. Speaker, everything in our society comes by train or rail or truck, so everything has fuel costs. So it costs you when you buy carrots at the grocery store, when you buy your kids' Christmas presents, and none of the rebates cover that nearly. They did bring in some rebates, granted, though now, with a 67 per cent increase inside the budget, they're clawing back those rebates.

Interestingly enough, you want to talk in this bill about bringing in loan guarantees and grants, et cetera, but the rebates that are there don't even come close to covering the 67 per cent increase that this NDP government has done. They're now crawling back on fixed-income seniors inside our communities and allowing them to reduce those carbon tax rebates by 30 per cent, holding them to 70 per cent. Fixed-income seniors, Mr. Speaker. Now, that shouldn't surprise me because you know what this government told seniors in my community that complained to them about the carbon tax? They told them to go fund raise to pay for the carbon tax.

Bringing in legislation now, saying, "Hey, a couple of loan guarantees, a few grants spread out over this time will make up for all this damage that we have done to Alberta," is not accurate, Mr. Speaker. It is ridiculous. This government should be ashamed about the way that they have treated Albertans, particularly when it comes to how they treated them with the carbon tax.

Now, we talked about their attack for the last three years on the largest industry, that they're trying to fix here. They also attacked the second-largest industry during their time here. They attacked the agriculture and farming communities across this province, something that has still not been forgotten or forgiven in rural Alberta, and it will not be. Very soon, hopefully less than a year, rural Alberta gets to come and cast their judgment on that attack. But this bill . . . [interjection] The Minister of Municipal Affairs said that I should go talk to some farmers and ranchers. I do every day. I live next door to them.

**Mr. S. Anderson:** That's not what I said, but that's fine. [interjections]

**The Speaker:** It's getting late, hon. members.  
Keep going.

**Mr. Nixon:** Absolutely. You have a piece of legislation. The NDP tries to bring it forward and says: "It's okay. Forget all that stuff. We're going to be able to fix the catastrophic damage that we've done to the economy by bringing in some of these grants and loan guarantees." The fact is, Mr. Speaker, that if the NDP really wants to change or start to adjust or modify even a little bit the hurt that they are doing to Albertans, the very first thing that they should do

is start repealing some of their disastrous policies – start repealing some of their disastrous policies – starting with the carbon tax.

If the NDP would go outside of their little bubble of people that have their world view and talk to Albertans, they would find out that the reason that they're 30-some points behind in the polls is because they won't listen to Albertans. Albertans are frustrated with this carbon tax and other taxes. They're tired of paying for it at the gas pumps. They're tired of paying for it on their heating bills. Industry is tired of having this extra cost added. It's costing us jobs. Instead of doing a little, tiny Band-Aid solution like the government is proposing in this legislation, this government right now should join the opposition's call to repeal the carbon tax.

Fortunately, Mr. Speaker, as you know, if Albertans in a year elect the United Conservative Party and we're given the privilege of governing, the very first thing we will do is get rid of the carbon tax. We won't bring in little Band-Aid legislation; we will listen to the people of Alberta, and we will get down to work. We will fix the problems that this government has created. But now you have a government that wants to distract from their disastrous record with this bill. That's their goal with this bill. There's nothing here. There's nothing inside this legislation that addresses the regulatory roadblocks, red tape that's holding up project permits.

Further to that, Mr. Speaker, we oppose \$800 million in loan guarantees for partial upgrading and \$500 million in loan guarantees for the feedstock infrastructure program. We oppose the \$200 million in grants for partial upgrading. What we want this government to do is to stop bringing in Band-Aid solutions to distract from their disastrous record but instead come to this House and get to work on trying to fix things, get to work on reversing the damaging policies that they brought forward, that have hurt the people of this province. Listen to the seniors in Sundre when they come from a place like the West Country Centre and say: Premier, we can't keep our doors open to our recreation centre because of your carbon tax. Actually listen and realize that there are no grants for those people from this government, confirmed by the Premier's office. The Premier's office said to them: "No grants. There's nothing to help you. Go fund raise for your carbon tax."

If this government truly wants to distract from their disastrous record and wants to truly help the people of this province, why wouldn't they go there? Instead, they come here, try to distract us from the real problem. You know what that real problem is, Mr. Speaker? I suspect you do know what that real problem is. Certainly, no big surprise, it's the NDP government. The number one thing this NDP government could do right now to make things better is to scrap the carbon tax, not bring forward bills that are distractions.

They could attract investment back to our province, stop bringing in ideological policies that are scaring away investors and creating unemployment, not stand in this House and call the 200,000-plus people that have been unemployed under this government's watch an opportunity cost so that they can put in their ideological agenda, which they did. They're not an opportunity cost, Mr. Speaker. Those are the people of Alberta, this government's boss. This government's boss.

They want to make the province better for the people with this bill, they say, a government that tells seniors to fund raise for the carbon tax, a government that won't help seniors, that reduces seniors' carbon tax rebates by 30 per cent. Then when you ask the seniors minister why that's happening, the response, Mr. Speaker, is: "It's okay. They got 70 per cent." This is a government who does not care about the people of Alberta. They show it each and every day with their actions. They show it each and every day with their actions.

The Municipal Affairs minister represents a lot of constituents that I know who do not like the carbon tax. They talk to me about it all the time. He gave a speech the other day in Leduc. The number one thing that they spoke about was how upset they were with the carbon tax. This is all across the province. The members across the way know that the majority of their constituents do not want the carbon tax. They know that, so instead of doing the right thing, reducing the carbon tax – removing the carbon tax. Mr. Speaker, I want to be very clear that I misspoke. I don't want them to reduce the carbon tax; I want them to get it out of here. At the very least while they're here I want them to stop their increases. But instead of doing the right thing and removing that carbon tax for their constituents, they're now going to try to come here with this piece of legislation to try to distract from their disastrous record. Well, you can see it's not working. It's not working.

You know, in Red Deer this weekend I talked to hundreds of people – hundreds of people – all of whom want the carbon tax gone. All. Interestingly enough, the waiter who was waiting at a dinner that I was having at the motel in Red Deer last weekend, Mr. Speaker, found out that we were having a political convention, and he asked some questions about that. His number one concern was the carbon tax. Number one: carbon tax.

**Ms Hoffman:** How do you think he felt about the minimum wage? [interjections]

**The Speaker:** Hon. members.

**Mr. Nixon:** Actually, it's interesting that the Deputy Premier just heckled me about what he thought about the minimum wage. He also brought that up, too, Mr. Speaker, interestingly enough. He brought up the minimum wage, and he was very upset about it because it ended up costing him money. What he was explaining is that since the minimum wage increases have happened, he's seen a drastic reduction in his tips. He made more money before this government messed with the minimum wage. He made more money. He is in a worse spot now because of what this government did on minimum wage, so I don't think the minister should heckle about that as a great thing. Twenty-two thousand people lost their jobs because of this minimum wage increase. [interjections]

**The Speaker:** Hon. members.

Let's stay on the bill here, hon. member.

10:00

**Mr. Nixon:** I am referring to the bill. This bill is a distraction from that, as you can tell. The Deputy Premier, that's the example she wanted to use to try to justify it. That's silly, Mr. Speaker. It's silly.

**Mr. Carlier:** You're right. People should work for nothing. The world would be a better place.

**The Speaker:** Hon. minister.

**Mr. Nixon:** It's silly, Mr. Speaker.

I know the agriculture minister is really upset and heckling away over there right now, Mr. Speaker. He probably is because he's the guy, under his watch, that attacked farms and ranches in our communities with Bill 6 and is trying to use this legislation to distract from his record. I would be heckling, too. That's what he's doing. [interjections]

**The Speaker:** Order.

**Mr. Nixon:** Now, as I said, Mr. Speaker, it would be far more effective to start by repealing NDP harmful policies than utilizing

this legislation. That's what it would be. It would be far more effective to do that. Instead, what we get is the NDP bringing forward this bill to try to distract from their record. The vast majority of Albertans did not support this.

It's telling, again, that the NDP is introducing this after three years. Why, Mr. Speaker? You have to ask yourself as we debate this legislation why they would bring this forward after three years. Why was it not important in the first year? I think that in the first year what was most important to them was chasing off investment in this province, raising taxes on everybody, causing unemployment, et cetera, et cetera. That seems to have been their bigger priority rather than bringing forward this legislation at the time.

In this bill the NDP will provide \$1 billion for partial upgrading over eight years beginning in 2019-20. Now, most of this, Mr. Speaker, will be up front, with about \$800 million in loan guarantees and \$200 million in grants. With that money it appears, certainly . . .

**The Speaker:** The Member for Calgary-Klein, under 29(2)(a)?

**Mr. Coolahan:** Under 29(2)(a), yes.

**The Speaker:** Okay. The Member for Calgary Klein.

**Mr. Coolahan:** Thank you, Mr. Speaker. I just wanted to make a few comments and then perhaps ask the member a question. He's saying: why is this brought in after three years? Well, after three years because we had the Energy Diversification Advisory Committee working on this, right? You have to understand that we wanted a fulsome understanding of what would make the petrodiversification program successful. We took the advice of that committee and of the experts in the field.

You know, I don't necessarily believe the member when he says that people don't support this bill. Maybe in his world they don't support it because of the way the question is framed, right? "Bill 1 stinks, right?" Then, of course, they say: "Yeah. You're right. You're right. It stinks." But it doesn't. This is coming on the heels of a very successful first round of the petrochemicals diversification program.

I also find it hard to believe – you know, in 20 years in my circles all I've ever heard about is: why aren't we upgrading bitumen in this province, right? I mean, people used to point to the B.C. example of their forest industry. The money isn't in the raw product; it's in the finished product. That's where the money is, and look at where the B.C. forest industry went. They had to start diversifying that economy as well.

But, you know, this is really about creating good jobs. It's about creating good jobs. I mean, we're looking at a situation in which the Alberta chemicals sector thinks that they can employ about 7,500 people directly at a salary of over \$90,000 per year. Now, that's creating jobs, and that's creating an industry that's going to be sustainable when the oil and gas price crashes. We have seen the ebbs and flows of that over and over again.

So I guess I would like to ask the Member for Rimbey-Rocky Mountain House-Sundre under 29(2)(a): when you do talk to your constituents, do they say that we should never diversify our oil and gas economy? I mean, should we just stay having one customer, selling it at a discounted price to the U.S., who has become our major competitor, our only source of income for that right now, really? Is this what the member thinks, that we should just continue doing what we have been doing for 30-plus years, selling to one customer one product and buying it back at a discounted price? Should we not be moving in a direction where we can be selling a

finished product to other customers? This doesn't make any sense to me, Mr. Speaker.

I find it hard to believe that the member's constituents find this formula of boom and bust and one customer forever to be the solution to Alberta's economy. To keep it strong and to create jobs, we've always talked about diversifying the economy. It has actually, I think, become a reality under this government.

**The Speaker:** Hon. member, why don't we give the member an opportunity to answer your question?

**Mr. Coolahan:** Okay. So the question would be, then, Mr. Speaker: should we not diversify our oil and gas sector, and should we continue to sell our raw product at a discounted price?

Thank you.

**Mr. Nixon:** Well, Mr. Speaker, in the limited time I have left, I will tell you what my constituents think. What my constituents

overwhelmingly tell me back home is that they do not want the carbon tax. What they also tell me overwhelmingly back home is that they want this government gone and that . . .

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

The hon. Member for Edmonton-Ellerslie.

**Loyola:** Yes. Thank you, Mr. Speaker. I would like to move that we now adjourn debate.

[Motion to adjourn debate carried]

**The Speaker:** The Deputy Government House Leader.

**Mr. Feehan:** Thank you, Mr. Speaker. Given the hour of the night and the fact that we have accomplished a great deal today, I would like to move that we adjourn until tomorrow at 9 o'clock.

[Motion carried; the Assembly adjourned at 10:08 p.m.]

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For inquiries contact:

Managing Editor

*Alberta Hansard*

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875