



Province of Alberta

The 29th Legislature
Fourth Session

Alberta Hansard

Tuesday morning, June 5, 2018

Day 38

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Fourth Session

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Vacant, Innisfail-Sylvan Lake

Party standings:

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

10 a.m.

Tuesday, June 5, 2018

[Ms Sweet in the chair]

Prayers

The Acting Speaker: Good morning.

Let us all pray or reflect, each in our own way. As today is the second day of Seniors' Week in Alberta, I would like us to take time to reflect on the contributions of our elders. They make meaningful contributions to our communities each and every day, working to make a better Alberta through the incredible support they provide to their families and to our province as a whole. Amen.

Please be seated.

Orders of the Day

Government Bills and Orders Third Reading

Bill 18 Statutes Amendment Act, 2018

The Acting Speaker: The hon. Deputy Government House Leader.

Ms Ganley: Thank you very much, Madam Speaker. On behalf of the Government House Leader I move third reading of Bill 18, Statutes Amendment Act, 2018.

As has been discussed at second reading and at committee, this bill makes a number of minor changes to various statutes. I encourage all members to support it.

Thank you.

The Acting Speaker: Thank you, Minister.

Are there any other members wishing to speak to Bill 18? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you very much, Madam Speaker. Yeah, it's my pleasure to stand today and talk regarding Bill 18, Statutes Amendment Act, 2018. Of course, it's intended as a miscellaneous statutes amendment act. It's to bring about minor word changes to a number of different statutes. I mean, it covers a lot of different things in this bill. It covers A Better Deal for Consumers and Businesses Act, the Alberta Corporate Tax Act, the Alberta Human Rights Act, An Act to Strengthen Municipal Government, the Auditor General Act – I'm just trying to think which other ones are here – the Conflicts of Interest Act, the Consumer Protection Act, the Election Act, the Employment Standards Code, the Electronic Transactions Act, and the Financial Administration Act.

There are a lot of different things that are covered in this bill: the Freedom of Information and Protection of Privacy Act – let's see here – occupational health and safety; public interest disclosure, which is the whistle-blower protection act; the Public Sector Compensation Transparency Act; the Public Service Act; the Public Service Employee Relations Act; the Vital Statistics Act. There are several different things that are covered in this. Of course, it's meant to just be some minor changes to wording and that sort of thing.

I think what's caught a lot of people's attention is the Financial Administration Act. It says here:

Amends RSA 2000 cF-12

11(1) The Financial Administration Act is amended by this section.

(2) Section 1(1) is amended

- (a) in clause (f) by adding the following after subclause (vii):
(vii.1) the Office of the Election Commissioner,
- (b) in clause (u) by adding the following after subclause (vii):
(vii.1) the Election Commissioner.

Madam Speaker, what this does is that it brings in the public disclosure of the Election Commissioner. Of course, the Election Commissioner is a new position that this government brought forward. They brought it forward, I think, trying to tell everybody that this was something new and great, that all of a sudden we would have some accountability and somebody to look after the rules and regulations taking place in elections and to do some investigations and stuff like that.

But, Madam Speaker, this is something that's been going on for quite a while. We have a chief electoral office and a Chief Electoral Officer, whose job – I'll just read here from one of the documents in this regard: Elections Alberta is a nonpartisan, nongovernment agency that facilitates provincial elections, enumerations, plebiscites; we ensure that the election events are open to all those eligible, that all processes are transparent to maintain integrity and public confidence, that events are as accessible as possible, and that the laws are communicated and enforced. That phrase right there, Madam Speaker, shows that the job of this Election Commissioner has been going on previously. There have obviously been things that have been brought forward to the Chief Electoral Officer in Alberta, and the Chief Electoral Officer and the staff there at the chief electoral office have dealt with these issues. They've brought about, you know, different things, bringing things to the public as far as things that they felt were wrong. That's been their job.

The office of the Chief Electoral Officer, at least up to the date when this was printed, had 16 permanent staff supports for the Chief Electoral Officer. The Chief Electoral Officer was appointed by the Lieutenant Governor in Council on the recommendation of the Legislative Assembly of Alberta. Similar to other independent officers of the Legislature, Elections Alberta does not report to a minister but, rather, to the Legislative Assembly through an all-party standing committee.

Madam Speaker, if we look at the Election Commissioner – of course, they put out some ads. They put them out around Christmastime, which, of course, maybe isn't the best time to be putting out ads to get people to apply. It was kind of an expensive process they went through. I think they ended up having to extend it because of the process that they initiated to start with. I just want to read here, from Alberta's Election Commissioner, the ad to get people to apply for this job.

Alberta's Election Commissioner will be a nonpartisan officer of the Legislature appointed by the Lieutenant Governor in Council on the recommendation of the Legislative Assembly.

Exactly like the Chief Electoral Officer.

As Alberta's first Election Commissioner, you will be responsible for ensuring compliance with, and enforcement of, certain obligations of entities regulated by the Election Act and Election Finances and Contributions Disclosure Act.

Madam Speaker, I just read here from the roles of the Chief Electoral Officer, and it sounds very much like the same thing. To make sure that laws are communicated and enforced is the responsibility of the Chief Electoral Officer. So there's obviously a lot of overlap here. Of course, like I say, this government came in and thought this was some great new thing that they were doing, but obviously, like I said, things have been going along just fine previous to this.

In this capacity, the Election Commissioner will be responsible for fully investigating complaints, levying administrative

penalties, issuing letters of reprimand, entering into compliance agreements, and recommending prosecutions.

Now, Madam Speaker, I think that when we read through the roles of the office of the Chief Electoral Officer and their duties, it deals with all these exact same things.

It says that

this position requires you to investigate potential wrongdoings by political entities including candidates, political parties and third parties.

Obviously, everybody that's involved with elections is subject to the Election Commissioner's responsibilities.

It says:

Drawing upon your strategic leadership skills and executive management experience you will be responsible for establishing, overseeing and building a strong team of professionals for a new independent office of the Legislature.

Obviously, Madam Speaker, this isn't just: hire one person, and we'll help take care of some of these issues that the Chief Electoral Officer was already doing. We're going to create a whole new, strong team of professionals for a new independent office.

Obviously, we had these discussions. In this Bill 18 it talks about bringing the Election Commissioner into the sunshine list so we know how much the Election Commissioner is getting paid. That's the right of Albertans, to know this, because this is in legislation for others that are making this kind of salary. What's interesting is that, again, the full cost of this isn't just how much this officer, the commissioner, is going to get paid; it's the cost of how many people in this strong team of professionals that this person is going to be responsible for. We don't know how many more people will be hired with this job and if there are any kind of restrictions or any kind of guidelines that this person has on how many people they can hire and what kind of work they'll be doing.

So, you know, bringing this into this Bill 18: I think it's great, obviously. In fact, we made an amendment to the original motion, that was to hire this Election Commissioner, to bring this person's salary into the sunshine list immediately. Of course, the government voted that amendment down. They don't want this salary to see the sunshine list until after the next election, and I think that's unfortunate because we have a person here whose responsibility, the government has said, is to take the dark money out of politics.

10:10

Of course, anybody that has the job of taking the dark money out of politics: I think their money should hit the sunshine list. I think it only makes sense. In fact, I guess it's somewhat contradictory to think that the person that's responsible to take the dark money out of politics is – their wages and their staff, whomever they're going to hire, the total cost of this we won't know until after the next election. I think that's something that needs to be looked at.

Obviously, we tried to make this happen. But the government for some reason doesn't want this person's salary to hit the sunshine list until after the next election though at least they did admit that they made a mistake in not actually having legislation to get them on the sunshine list even after the next election. Of course, we could have taken care of that right off the bat with the amendment to the original motion, which is what we, you know, wanted to do at that time.

When I look at the roles of the chief electoral office, their duties are to look at the Electoral Boundaries Commission Act, and that's carried out by the Electoral Boundaries Commission. The chief electoral office actually oversees that portion, too. They also oversee the Senatorial Selection Act, which, of course, this government has let die, I think.

We even had a discussion on this yesterday, about Senators and how Alberta has been selecting their own Senators to put their

names forward to the federal government for the federal government to select. I'm just going to read that section here.

The Senatorial Selection Act was last used in conjunction with the 2012 provincial election to select Senate nominees. Names of elected nominees were submitted to the Queen's Privy Council for Canada as persons who may be summoned to the Senate of Canada for the purpose of filling vacancies relating to Alberta. Senate Nominee elections may be run in conjunction with a general election under the Election Act, in conjunction with municipal elections, or as stand-alone events. The last Senate Nominee Election saw a record of 13 candidates run for three vacancies.

Madam Speaker, this is something that we had in Alberta that I think was a great part of democracy. Instead of somebody in the federal government – the Prime Minister, whatever – just picking whomever they wanted to be in the Senate to represent us in Alberta, we actually had the opportunity to choose whose names we would put forward to the federal government to choose to be in the Senate. I think that was a great part of democracy here in Alberta. Of course, under this government's watch they've let that kind of die and seem to be unwilling to entertain that idea again. Like I say, it was something that was special to Alberta as far as having this kind of democracy that others didn't have.

I can't see any problem with the people of Alberta having a say in who gets to represent them in Ottawa. I mean, we elect our MPs here, and that's how we choose who goes to the House of Commons to represent us. Why would we not want to continue? Like I say, this is something that we've been doing. Why would we not continue doing something where Albertans have an opportunity to choose who represents them in the Senate? Obviously, this is something, I think, that needs to be looked at. I would encourage the government to look at that section of the act and see if we can get that going again.

Now, as far as the chief electoral office, it talks about the Election Finances and Contributions Disclosure Act. It provides direction to political entities and third-party advertisers for registration, financial reporting, and disclosure. This act also prescribes the means for the Chief Electoral Officer to monitor compliance of political entities, including political parties, candidates, constituency associations, and, most recently, third-party advertisers. Elections Alberta is assigned the responsibility for ensuring filing, examination, and public disclosure of financial documents submitted by political parties.

Again, Madam Speaker, when we look at the role of the Election Commissioner and the responsibilities that that individual will have – and, of course, not just that individual but their "team of professionals," the quote that it says here in the act for, you know, getting people to apply for this position – there seems to be some overlap here, obviously, because Elections Alberta is assigned the responsibility for ensuring filing, examination, and public disclosure of financial documents submitted by political parties, constituency associations, and candidates.

So, I mean, obviously, this job was already being done by Elections Alberta. Of course, I just saw in here that at the time this was printed they had, I think, a team of 16 people, 16 permanent staff, whose duties were the same as this person's.

Here's another part. It says: another part of the finance regulation is enforcing the legislation relating to the collection of contributions. Again, enforcing the legislation, investigating complaints of breaches of the act. When we look at the ad posting here: "investigate potential wrongdoings by political entities." I read here on the Chief Electoral Officer responsibilities: investigating complaints of breaches of the act, applying

administrative penalties or consenting to prosecution if warranted. This is, again, for the Chief Electoral Officer.

Then, of course, we read in this ad: “levying administrative penalties.” We have one that says, “levying administrative penalties,” and then the Chief Electoral Officer: applying administrative penalties. Obviously, there just continues to be more and more overlap of these two jobs.

Now, the Chief Electoral Officer says: it is important to note that we serve in an advisory role as well as a regulatory one – so, obviously, they try to give advice on how they feel the rules apply to political parties, constituency associations, that sort of thing, but they also regulate – assistance is provided to the staff and volunteers involved in the process to assist them in understanding and complying with the legislation; we maintain a register of political parties, constituency associations, candidates, and third-party advertisers and assist groups in forming new political parties. So they have kind of a wide-ranging mandate, the Chief Electoral Officer. Of course, it includes everything that the Alberta Election Commissioner is doing.

Of course, when we look at Bill 18, to bring this person’s wages or what this person is being paid to the sunshine list so that Albertans can find out exactly what this person is getting paid, we sit here at this time and we know that unless the government decides to accept some of our amendments or change something, we will not know how much this person makes until after the next election. I think that’s what’s missing out of Bill 18, that opportunity.

This government, when they brought forward Motion 16 about hiring the Election Commissioner, told us that everything was fine and everything was great, and any time that we brought up or suggested changes or amendments or anything like that, you know, we were fearmongering or whatever. I think one time they said that we were picking on this person, singling this person out. Now, of course, the government has realized that they had to single this person out and actually put him in Bill 18, specifically list this position in Bill 18, to make it so that this person can hit the sunshine list, even after the next election.

Madam Speaker, I mean, we had the opportunity back when this motion first came forward, with the amendment that we brought forward, to bring this person to the sunshine list immediately. Of course, the government voted that down. They didn’t want to do it. They told us that everything was fine and that they had everything under control, but obviously they didn’t. Now they had to bring this forward in Bill 18. This gives them another opportunity to not only bring this person to the sunshine list, which is what they had to do, but also they had the perfect opportunity to make sure that this person’s salary was made immediately available to Albertans, before the next election.

Obviously, this person’s position is related to democracy and related to transparency. It’s related to, as they say, taking the dark money out of politics. When we look at that and we realize that this person’s responsibility has to do with the actual election, what goes on with the election before and after and that sort of thing, we have an opportunity to amend this and to ask that this be brought forward immediately so that we can see how much this person’s salary is immediately and take a look at the contract and see what it says there. We have the opportunity to do this now.

10:20

The government had this opportunity with Bill 18. They realized that they had made a mistake earlier and that they should have brought this forward right from the start, but they didn’t. So now they’ve had to throw this into kind of a housekeeping bill. By doing that, they had an additional opportunity to bring sunshine to the

person that’s to take the dark money out of politics, but again they failed to do that.

I’m not sure why they have a problem with bringing light to this issue, but it seems like at every turn they have an opportunity to fix this, and they don’t take advantage of it. Again, we see that this person’s responsibilities are an overlap of the Chief Electoral Officer and the Chief Electoral Officer’s office and the staff that they have, who have been performing these duties already.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak to the bill? The hon Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you very much, Madam Speaker. It’s my pleasure to rise today and speak on Bill 18 in third reading. We see time and time again in this place that the government needs to bring legislation forward to fix some other piece of legislation that they’ve already passed. In this case Bill 18 brings in some rather administrative housekeeping proposed amendments. For the most part, these changes are rather minor and don’t evoke much concern from me.

But there is a particular portion of this legislation that I do want to discuss at length, and that is the portion that deals with the Election Commissioner. Really, in my opinion, Bill 18, that is called the Statutes Amendment Act, 2018, should actually be changed to the Election Commissioner Act because out of the 20 pages in this act, the Election Commissioner is not mentioned on only three of those pages. I’ll just quickly go over a couple of them here.

It’s on page 2, under Alberta Corporate Tax Act – it’s not mentioned in the Alberta Human Rights Act for some reason – and again on page 3, under Auditor General Act; page 4, Conflicts of Interest Act, and it continues to page 5; but it is not mentioned under the Consumer Protection Act. Then, of course, under Election Act, it’s very extensively mentioned there. Even under the Electronic Transactions Act, the Election Commissioner is mentioned and under the Financial Administration Act, but it is not mentioned under the Employment Standards Code. It goes on to list it a number of times on page 9, quite extensively. Then on page 11 again is a very long section. Under the Freedom of Information and Protection of Privacy Act, it mentions it.

Then we have page 12, the Municipal Government Act, and he’s not mentioned there. So those are the three pages – 12, 13, and 14 – where I haven’t seen any mention of him. He’s not mentioned under the Occupational Health and Safety Act, but when we get to the Public Interest Disclosure (Whistleblower Protection) Act, he pops up there a number of times again. The Public Sector Compensation Transparency Act: it’s interesting that he’s mentioned there. Most of my colleagues have been standing up and asking about his rate of compensation, and it seems to be a big secret, although he is mentioned in the transparency act. He’s also mentioned numerous times under the Public Service Act, the Public Service Employee Relations Act, and they managed to skip him under the Vital Statistics Act.

You kind of get my point, Madam Speaker. You know, out of 20 pages, only three of them don’t include the mention of the Election Commissioner, so we should really change the act’s name from Statutes Amendment Act to Election Commissioner Act.

As my fellow colleagues before me have mentioned in the House, the issue of salary disclosure in relation to the commissioner has been long discussed, and few of our words have been heeded. We will continue to fulfill our duty in this House as the Official Opposition and keep the government accountable when we see that it is taking actions that will not do right by Albertans. We have

urged the government to add the Election Commissioner to the Public Sector Compensation Transparency Act, which this actually does on page 17 of the act, but the government doesn't recognize that that means that they should disclose the salary.

On May 1 my colleague from Barrhead-Morinville-Westlock proposed an amendment which would have required the salary of the Election Commissioner to be disclosed, which would have fallen very nicely under the Public Sector Compensation Transparency Act, on page 17 of this bill. The government voted down the amendment that would bring more disclosure to this position. Madam Speaker, these are not the markings of an open and transparent government. Just because, you know, you talk about public-sector compensation transparency in a bill like Bill 18 doesn't mean that you're actually committing to being transparent.

As legislators we have a duty to be accountable to those that we have been elected to represent. However, we see a pattern shrouding accountability with this NDP government. When my colleague from Barrhead-Morinville-Westlock brought this amendment, the government members asked why we thought it necessary to single out this one particular legislative officer. Yet we see that – again I'll mention it – out of 20 pages in Bill 18, only three of those pages don't mention the commissioner. It kind of looks to me like they're singling out the commissioner here or trying to correct an error that they made when they put their other bills forward.

For this to be explained and for the issue I take with the current portion of the legislation in this bill that deals with the Election Commissioner, it is necessary to recall what has been said previously. Madam Speaker, my colleagues and I have taken issue with the creation of this position from the get-go. During the discussion about the creation of the Election Commissioner position my colleagues on the Standing Committee on Legislative Offices voiced their staunch opposition numerous times on numerous occasions. We heard reluctance from external voices as well, being the Chief Electoral Officer. It seemed like there was so much outright opposition. In fact, it became clear that the NDP came in with an unwavering plan, not looking to create an open dialogue or discussion in these committee meetings. They were looking to execute their plan. After the creation of the position, upholding the spirit of the position itself, we took great opposition to the chosen candidate.

When Motion 16 was before the House, we proposed some reasonable amendments which would lift the veil on this process even a little bit. Madam Speaker, as our thoughtful amendment was stricken down then, Bill 18 now includes it. I'm glad to see that the government is heeding our words and implementing what we have been proposing. It is notable that they are now passing what should have been passed awhile ago and they're admitting their mistakes. I think that's quite clear by the 17 pages in Bill 18 that mention the Election Commissioner.

Beyond simply this, it became quite evident during the debate that the government was executing their plan when the Minister of Justice, with a government motion, invoked time allocation. This would mean that rather than carefully considering a motion which has a great deal of influence on the future of our province, the NDP decided it would suit them more to shut down debate altogether. This meant that neither side could have an open and productive dialogue, nor could the government continue to be held accountable. Debate was over. Democracy at its finest.

To add to this, almost all the work of the Standing Committee on Legislative Offices in regard to this commissioner took place behind closed doors. There was no public footage available of anything that happened behind closed doors, nor was there a transcript available in *Hansard*. The majority of work that went into the candidate selection was not able to be viewed by Albertans. This

was until the final day on which the decision-making happened. The public could simply see the strong split that occurred along partisan lines in this traditionally not-too-partisan committee.

Although the majority of Bill 18 is minor in nature and mostly housekeeping, the Election Commissioner is an item in this bill that is worth taking this deeper dive into for the sake of transparency, which we will continue to fight for on behalf of Albertans. In the opposite of this, it was very clear with the NDP's choice to fill the Election Commissioner position that it was made for a partisan reason. Our caucus was fighting to ensure that Albertans could have accountability, trust, and transparency while the NDP was busy fulfilling their plan.

10:30

The Acting Speaker: Hon. member, I hesitate to interrupt. We are in third reading, so if I could just remind everybody to find their seats, or if you need to speak, please leave the House.

Hon. member, please continue.

Mr. Hanson: Thank you, Madam Speaker. Our caucus was fighting to ensure that Albertans could have accountability, trust, and transparency while the NDP was busy fulfilling their plan. It was clear that the NDP side was more focused on stacking the deck and that the UCP side was focused on upholding our democracy and transparency to Albertans.

Another troubling aspect of the Election Commissioner debacle was that there were, in fact, a number of qualified candidates who did not present a history of concerning behaviour, as was the case with the NDP's chosen candidate. Madam Speaker, the Chief Electoral Officer himself said that he was already performing this job and fully capable of continuing to do so, and we on this side of the House have full faith in him. We do not cast doubt on his demonstrated ability to perform his duties. We believe that the motives of the NDP in appointing their chosen candidate were elusive and uncertain. After much debate and opposition I'm glad to see that the government has taken into account at least a portion of our recommendations on adding the Election Commissioner to the Public Sector Compensation Transparency Act, which falls on page 17 of the Bill 18 document.

Further to this, it appears that this change will still not have the effect of disclosing the details of the government's secret deal with the Election Commissioner until after the next election. This is quite characteristic of the NDP. Of course, this goes to show the lack of transparency continuing to veil government. We on this side of the House will continue fighting on behalf of Albertans for transparency and accountability. I'm glad to see that this government is finally heeding the words of the United Conservative Party on this side of the House. However, it is disconcerting that the government is only about to admit their mistakes when held to account by the Official Opposition.

Therefore, I will be voting in support of this bill because, like I said, it does deal pretty much specifically with the Election Commissioner and bringing transparency to the House. Thank you.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? The hon. Member for Drayton Valley-Devon.

Mr. Smith: Yes. I was interested in hearing the hon. member as he was dealing with Bill 18 here. I'm really interested to see his analysis of the bill and how often the Election Commissioner is referred to in this bill, so much so that as I began looking at the bill myself, I began seeing just how many times it's in here: page 3, under the Auditor General Act, "the Election Commissioner and the staff of the Office of the Election Commissioner" referenced; page

4, the Conflicts of Interest Act, “the Office of the Election Commissioner.” Let’s see. On page 5:

(3) Part 2 of the Schedule is amended by adding the following after item 7:

8. The Election Commissioner under the Election Act.

Finally, again, I think you referred to page 17 and the Public Service Act. “The Public Service Act is amended by this section.” No. I’m sorry. It was the Public Sector Compensation Transparency Act, where it’s amended by adding “the Office of the Election Commissioner” in there.

So I just thought I would ask the hon. member if he could explain why it is added in here. You know, why was it missed in the first place, and why was it not addressed by the government when we first began talking about this?

Thank you.

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

Mr. Hanson: Thank you, Madam Speaker. Yeah. It is interesting. You know, I think that quite possibly we wouldn’t even need a Bill 18 at this point if it wasn’t for the selection of the Election Commissioner, or if we did have it, it would be a very, very short document because only three pages don’t mention the Election Commissioner.

Yeah. It is very interesting, to my colleague there, that, you know, when we look at all of these pages where they had to add the Election Commissioner into different acts all through the legislation here, everything from the Election Act – it’s funny they didn’t find some spot in the Consumer Protection Act to throw him in there. He’s definitely under the Freedom of Information and Protection of Privacy Act and then, again, like I said, on page 17, the most important one that we had asked to have amended. Curiously enough, the government voted against the amendment, but then suddenly we find it on page 17 under the Public Sector Compensation Transparency Act. It says that he is added under section (2)

by adding the following after subclause (iv):

(iv.1) the Office of the Election Commissioner.

Then again under the Public Service Act:

(2) Section (1) is amended

(a) by adding the following after clause (c)(iv):

(iv.1) the Election Commissioner with respect to the Office of the Election Commissioner,

(b) by adding . . . after clause (d)(iv):

(iv.1) the Election Commissioner with respect to the Office of the Election Commissioner.

Thank you for the question. I do agree that it’s very curious that we have a Bill 18 at all considering that – you know, we could have had a very, very short discussion on a three-page document, but here we are on third reading of Bill 18. The opportunity exists again for all members of the opposition and the government to stand up and speak to Bill 18. Maybe one of them could stand up and explain to us why suddenly they found the need to add all of these sections, to add the Election Commissioner into all the other acts in the province. I find it very curious. We simply could’ve got by with them passing a motion that we had on a previous bill when we were dealing with the Election Commissioner, and maybe we wouldn’t have to be here today. We could all be out in the sunshine.

Thank you for the question, Member.

The Acting Speaker: Thank you, hon. member.

Anybody else wishing to speak under 29(2)(a)? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you very much, Madam Speaker. Yeah. It was interesting, of course, listening to the discussion here on how much of this bill actually refers to the Election Commissioner. I know that my colleague here in his previous private-sector employment worked for large companies.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak to Bill 18? The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Speaker. It’s a pleasure for me to rise today to speak to Bill 18, the Statutes Amendment Act, 2018. There are times in every Legislature where the best laid plans of mice and men sometimes go awry, where printers will sometimes forget a word, where spelling mistakes occur, where we realize that a minor change or something has been forgotten in a piece of legislation, and where at the end of a session we try to put all those things into a bill that just deals with the miscellaneous and minor changes that are sometimes needed for every piece of legislation. You know, this just, I guess, speaks to the humanity of this Legislature, to the reality that we are but human and that we are prone to error and that even in our best efforts sometimes we need to address these small, minor, but nonetheless important changes if we want to remain consistent in the legislation that we have in this great province of Alberta.

Bill 18 does that. Bill 18, for much of it or for portions of it, simply makes minor word changes to a number of different statutes. A bill like Bill 18, as I’ve said, is often needed and should not take a significant amount of time in debate or in discussion in this House. Unfortunately, I think that Bill 18 needs a little bit more thought and a little bit more diligence brought to it simply because it’s not always just simply a minor word change in this bill.

10:40

Bill 18 amends a long series of acts; for instance, A Better Deal for Consumers and Businesses Act. It amends the Alberta Corporate Tax Act. It amends the Alberta Human Rights Act. If we take a look at page 2 of Bill 18, it says:

3(1) The Alberta Human Rights Act is amended by this section.

(2) Section 5(1) is amended by striking out “commercial unit, self-contained dwelling unit or mobile home site” wherever it occurs and substituting “commercial unit or self-contained dwelling unit.”

You know, that would be an example of a relatively minor change to the act, one that we probably don’t need to dwell on very much.

It talks about An Act to Strengthen Municipal Government. It amends that.

It amends the Auditor General Act. On page 3 it says:

(2) Section 1(1)(b) is amended by adding the following after subclause (iii):

(iii.1) the Election Commissioner and the staff of the Office of the Election Commissioner.

That’s one of the first times that we see in this bill a reference to the Election Commissioner, and we’ll talk more about that a little later on.

It talks about the Conflicts of Interest Act. It amends the Consumer Protection Act. It amends the Election Act. It amends the Electronic Transactions Act. It amends the Employment Standards Code. In many of these, they’re just minor references and minor changes, spelling errors, et cetera. As you can see, Bill 18, while it’s primarily about or consistently about correcting minor changes to various bills and acts that had minor errors, there are at times some actually important information or amendments in this bill that need to be discussed a little bit further.

At least one part of Bill 18 is not simply a minor change, Madam Speaker. While we broadly support the changes in Bill 18, we also as the Official Opposition have noticed the need to add the Election Commissioner to the Public Sector Compensation Transparency Act. Now, this part of the amendment addresses the need to publicly disclose the salary of the Election Commissioner.

Now, we've had a lot of conversation and debate in this House when it comes to democracy and to bringing transparency and openness, and sometimes we've had great success and we've come to agree on both sides of the House about how to move forward. For instance, Madam Speaker, there was a broad amount of agreement when we debated and discussed the concept of having a sunshine list and of openly and transparently publishing the salaries of people on agencies and boards and commissions, people that work within the confines of government, so that we can ensure that these people are being compensated fairly but not overly generously and that we aren't just simply providing someone with a job and a high-paying salary without making sure that they are performing a valuable service for the people of Alberta.

Now, at other times we've had a little less agreement in this House over how to make our democracy function better. I remember standing in this House and being a little upset over the fact that this government had not renewed the Senatorial Selection Act. Now, I understand that there are probably some in this Legislature and some in Canada that would take a look at the Senate and say that the best thing that we could do is to put it out of its misery. Madam Speaker, I would respectfully disagree with that.

I believe that the Senate plays a valuable role in our Canadian Confederation, that there are some realities in this Canadian Confederation that make a Senate actually very important. The fact that a clear majority of the seats in our House of Commons can be dominated by those people that have been elected from Ontario and Quebec can often imbalance this Confederation and the decisions that are coming out of our Parliament. A Senate is important in order to be able to protect the smaller, less populated provinces in this country, where the Senate can be appointed from people that represent their province or their region and have the capacity to be a second body of sober thought when it comes to passing legislation at the federal level.

It was very disappointing to me, Madam Speaker, when a province like Alberta can move so strongly and so forcefully towards trying to improve our Canadian Confederation by having our Senators elected, to then not renew the Senatorial Selection Act. That was very, very disconcerting, the fact that Albertans have for many years had the capacity to vote in a general election to be able to choose the Senators that we would put forward as names to the Prime Minister.

[Mr. Sucha in the chair]

As a matter of fact, the last time we did this was around 2012, in the general election. I believe there were 13 candidates that ran for the senatorial election seat. As a committed democrat I believe that every time we allow our people to have a choice in democracy to be able to choose the people that will represent them, that is a positive thing. I was very strongly disappointed when this government, I believe for the first time in Canadian history, actually took the vote away from their citizens by refusing to renew the Senatorial Selection Act. That's a very, very serious thing that this government has done.

So there's been disagreement. I will gladly stand on this side of the House and I will gladly stand on the side of democracy and I will gladly stand on the side of electing Senators. I realize that the government in its wisdom or lack thereof chose not to support and

to renew the Senatorial Selection Act. We would counsel today that if the government would listen a little more closely to its opposition and not just with a knee-jerk reaction dismiss the amendments and the advice brought up by the opposition, we would have better government.

Mr. Speaker, we have brought forward this idea of publicly disclosing the salary of the Election Commissioner. It was first brought up to the government by the United Conservative Party. On May 1 the MLA for Barrhead-Morinville-Westlock proposed an amendment. He proposed an amendment that would have required the disclosure of the Election Commissioner's salary.

Needless to say, the government refused to support that amendment. They argued against this amendment. They argued that the opposition was unreasonably focusing on an individual and an officer of the Legislature that we did not support. Now, that was correct to this extent, that as the opposition we believed that there were other candidates for the office of the Election Commissioner that were just as qualified and that had not sued the government of Alberta in the past and that it wasn't all that wise for the government to hire an individual, especially for the first time into a seat like the Election Commissioner, that has actually tried to sue the government and lost.

As the opposition I believe we rightly questioned the creation of this office of the Election Commissioner. We've had many people stand in this Legislature and bring to the attention of the government that the Election Commissioner appears in many aspects to do exactly the same duties as the Chief Electoral Officer, that the Chief Electoral Officer and the Election Commissioner were doing the same job. Why in the name of the taxpayers of Alberta should we create a redundant job?

10:50

Of course, the government chose again not to listen. That's their right, and they have the votes to be able to ensure that they can pursue the agenda that they have. But it is also their responsibility to listen to the opposition and to consider the counsel of the opposition. We counselled that perhaps they should reconsider the entire office of the Election Commissioner simply because it was already being done by the Chief Electoral Officer.

Well, as we said, on May 1 we counselled the government that the Election Commissioner's salary should be disclosed publicly, that it should be transparent along with all the other officers that we've already done through previous legislation of this House. It's not an unreasonable amendment. So it was once again frustrating to see that when the opposition actually does its job and does it effectively and does it well that the government does not have the capacity to understand its role and listen and consider and support an amendment that is reasonable and that will actually make a piece of legislation better.

So we find ourselves here today. When the opposition attempts to help the government craft better legislation, this government, rather than doing its job of considering amendments, instead votes them down and then later on puts forward pieces of legislation that actually address the amendments that we brought forward, as is the case here in Bill 18. We see once again that after having rejected the MLA for Barrhead-Morinville-Westlock's amendment on May 1 to disclose the Election Commissioner's salary, to be publicly and openly transparent, after having rejected that, this government now is coming back, through Bill 18, saying: you were right, but now we want to take the credit for it. I think that's just about as far as it goes.

You know, we in the opposition were not trying to single out a particular officer when we had questions about the wisdom of hiring a particular individual. Rather, we were trying to ensure that

openness and transparency and accountability were being placed before the House regarding an officer of the Legislature.

[Ms Sweet in the chair]

Madam Speaker, you're back. Welcome.

We are on record that we believe that the Election Commissioner is a redundant office, already being done by the Chief Electoral Officer. But now that we have an Election Commissioner, we believe that they should fall under the same constraints and the same expectations for disclosure of salary as the other legislative officers that this Legislature oversees.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)?

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

Mr. McIver: Thank you, Madam Speaker. I appreciate this opportunity to rise and speak on Bill 18, the Statutes Amendment Act, 2018. We're here at third reading. What's interesting about this is that a good amount of the bill is, in my estimation, the way that a statutes amendment act ought to be, and that is housekeeping, but alas it is not, in my estimation, all housekeeping.

In fact, there's certainly a piece of it where, when it comes to the referral to the Election Commissioner, the government actually put time allocation on an earlier bill talking about the same subject matter. This is regrettable, particularly when we're talking about an officer that will have a great deal to do with the next general election and perhaps the next five or 10 or 20 general elections. Who knows? That matters because when these things come up with the independent officers of the Legislature, all of them need to be respected by all sides of the House and to be, when possible, agreed on by all sides of the House, particularly when you're talking about an independent officer who is responsible for the conduct of a fair and impartial election.

If there was ever a place in our democracy, for those that believe in democracy, where the process should have been nonpartisan, with co-operation across the aisle, with everybody signing off on it because it's obvious that it was all sides of the House that had a good and reasonable and respectful debate and came to a consensus, if there was ever a place – I appreciate the way that we settle things in this House when we disagree. It's a nice, nonviolent way called voting. That's the beauty of democracy. You settle your differences in a nonviolent way that you've agreed to in voting. So that's a beautiful thing.

The problem is that in this case there was an element of democracy, in my view, that wasn't respected. Democracy allows for disagreement. You could say that just by virtue of the fact that the largest group of people in this House that's not in government is called the Official Opposition. Just the word "opposition" indicates that disagreement isn't only allowed, but you could say, in some cases, that it's encouraged because it's the opposition's job to hold the government to account. It's an important part of democracy on behalf of the citizens to have a check and balance built into the system.

One of the rare examples where, in my view, that's not the case, where consensus should be the call of the day is when you're appointing an independent officer with responsibility over elections. Now, there's a place where you really ought to look for a way to build consensus across the aisle on all sides of the House. Clearly, this government didn't find that necessary, which is unfortunate.

I've been on committees with members of the government, and I can tell you that they actually know how to do that. On the

Members' Services Committee I would say that when we disagree, with a little bit of enthusiasm and a little bit of emotion and a little bit of rancour, it's the rare event. The common event is when members on all sides of the House from all parties have a nice, respectful discussion and come to consensus, an agreement based on an agreed-upon set of facts and some common goals. We work together, and we try to think of what's best for Albertans. So we know how to do that. I know that the government side knows how to do that, and I compliment them for when they have done that.

Unfortunately, on one of the very most important times when they ought to have done that, they chose not to. It's actually disappointing. What's actually sad about it, Madam Speaker, is that the person hired for this very important job is, in my view, the person that's unfairly paying the price for the government's unwillingness to look for consensus, to work with the opposition, work together to find someone to control the conduct of the next election. If ever there was a place where consensus should have been the order of the day, this was it. Yet the government chose to go the opposite path. This is an issue.

Of course, because of that, here's the other thing about it, too. Independent members of the Legislature are pretty senior positions. You could in many ways say that they work fairly directly for the public. If not, then they certainly control the conduct of members of this House, and members of this House definitely work directly for the public. They're senior enough roles that the public has the right to have an idea of key details like how much money those officers of the Legislature make. The Official Opposition, of course, pushed, you know, and through an amendment asked the government to disclose that, asked a number of different ways.

The government at one point claimed that this position was on the sunshine list and then had to come back. It was the Government House Leader that had to come back and admit that they were wrong and that they gave incorrect information to the House. Madam Speaker, that can happen. That can happen. I'm not going to accuse the Government House Leader of doing anything untoward. We all make mistakes. Sometimes we don't remember the details a hundred per cent accurately, and I'm not going to pick on him for that. In fairness to him, he did come back and admit that he was wrong.

11:00

Nonetheless, that wasn't enough to spur the government to do the right thing and say: yeah, we'll disclose the salary of the person in charge of the next election, you know, the person that's just become one of the people in charge of the next election. The right thing to do would be to say: no; we're going to actually disclose that before the next election because the public has a right to know before the next election. It seems pretty normal, it seems like a natural thing to do, it seems like it's consistent with the democratic system that we all depend upon for our positions here, yet the government has gone exactly the other way.

As a result, one of the things the government has had to do to correct that mistake is to add it into a piece of legislation. Instead of putting it in a free-standing piece of legislation, which in this case would have been the right thing to do, they tucked it in the middle of a statutes amendment act. Madam Speaker, I don't know what the government would have to hide, but it would be reasonable for one to ask and it would be reasonable for Albertans to wonder – and I'm sure many of them do – what the government has to hide by trying to sneak this piece into a statutes amendment act. Even on this side of the House – and we are called the opposition – we agree that the vast majority of this bill is housekeeping, things that need to be done in some cases because they're matching up with changes in federal legislation, some technical things, a few spelling errors,

a few grammatical errors that can make a difference if somebody challenges legislation. That's what, in my view, statutes amendment acts are for, cleaning up these anomalies.

Yet there's this unfortunate piece hanging out. It's unfortunate that the new Election Commissioner is paying a price for the government's unwillingness to be transparent with Albertans about how the elections are being run. Here we are, stuck with a piece in a statutes amendment act that should never have been put into a statutes amendment act. Madam Speaker, I will say that it's a shame. The government could have done better, the government should have done better, and for some reason, that Albertans have the right to ask about, the government chose not to do better.

Madam Speaker, that's what I have to say about that, so at this point I will cease my remarks. But just before I do, I will move to adjourn debate.

The Acting Speaker: Thank you, hon. member.

[Motion to adjourn debate carried]

Bill 1 Energy Diversification Act

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

Mr. Coolahan: Thank you, Madam Speaker. Welcome back. It's déjà vu all over again. I mean about last night.

Anyway, on behalf of the Minister of Energy I'm pleased to rise today to move third reading of Bill 1, the Energy Diversification Act.

Madam Speaker, I am excited about this bill. I'm excited and proud to be part of a government that is finally moving on diversifying Alberta's economy and helping to diversify Alberta's energy sector. Albertans deserve to get the best possible value for our resources, the resources that every Albertan owns, and that means adding more value here at home. Now, over the last 20 years, you know, people in my circle, which is made up of a lot of different demographics and a lot of different professions, have always believed that we should be upgrading and refining our bitumen right here and not shipping it to Houston, getting low value for it and then buying it back, again at a discount. We simply took this cue from the B.C. forest industry, which used to do the exact same thing with its raw forest products. It nearly ruined them. It nearly ruined that industry. The money is in the refined product, not in the raw resource, as we know in both cases.

Now, I fail to understand why there hasn't been any real effort from the previous governments to move on upgrading. I mean, the opposition and the previous governments do tout themselves as the big thinkers, the economic geniuses, if you will, but they weren't able to see the value in this. I don't know the precise answer on why they didn't want to move on this. I mean, pretty much everything after Premier Lougheed ceased.

I do have an anecdote that might help explain this a bit. I talked to a very senior, very well-known financial investment individual in Calgary about bitumen upgrading, including about the PDP, the first round, and this bill as well. You know, they're onboard with the movement on PDP and this bill and very enthusiastic about the government's direction on this. My simple question to them – maybe it's not simple to answer, but it's a simple question – was: why didn't this happen 20 or 30 years ago? Their answer was: we were too busy stuffing our pockets full of money. Now, I know that's a bit of a flippant response, but there is some truth in that response. It demonstrates how the previous governments viewed wealth in business, that it must be concentrated in the hands of a few to be effective. They would just wait out the busts and wait for

the next boom. Wealthy people and politicians can afford to ride a boom-and-bust roller coaster economy, but ordinary Albertans cannot.

Now, I know upgrading is expensive. It takes collaboration with many in the industry, and government needs to be onboard as well. The previous government and, it would seem, the UCP were not willing to get out of that comfort zone, not willing to concede that the unwillingness to change, to diversify, to upgrade was a problem. And it's a shame. We should have been getting fair value for our resources many years ago, we should have been diversifying our economy many years ago, we should have had more than one customer many years ago, and we should have been off the resource roller coaster many years ago. Well, we're trying to get there.

But that's okay, Madam Speaker, as we now have a government that understands that the world is changing, that you cannot run a business with one customer, and that we have foresight in regard to the energy industry, both in petrochemicals and in renewables. The petrochemicals diversification program was created as part of the Alberta government's continued action to create jobs, attract investment, and diversify Alberta's economy. It encourages companies to invest in the development of new Alberta petrochemical facilities by providing incentives through royalty credits.

In February 2016 the first round of the program was announced, targeting methane and propane upgrading. After a competitive application process two projects were approved to receive up to \$500 million in royalty credits. These projects will capitalize on the abundance of propane available in the province to establish a propane-based value chain in Alberta, the first of its kind in Canada.

In December 2017 Inter Pipeline, based in Calgary, announced that it had approved the construction of the company's proposed \$3.6 billion heartland petrochemical complex. One of the facilities in this complex, the propane dehydrogenation plant, was approved to receive up to \$200 million in royalty credits under the PDP. The other successful project, Canada Kuwait Petrochemical Corporation's propane dehydrogenation and polypropylene complex, is a \$4 billion project that is expected to make a final investment decision in early 2019.

This bill is about round 2, Madam Speaker, and is part of the Alberta government's response to the report from the Energy Diversification Advisory Committee. Now, the second round of the program is moving forward through this bill, with around \$500 million available in royalty credits. This new program is similar to the first, with one major change, broadening the scope of the program to include ethane in addition to methane and propane. The PDP and feedstock infrastructure programs are complementary in that investments in new ethane processing will likely require investments in new ethane supply in Alberta. This is because Alberta's ethane supply and demand are currently balanced. This change is designed to expand Alberta's petrochemical sector, to increase the supply of natural gas liquids to encourage investment in additional petrochemical processing, and ultimately to diversify Alberta's energy sector.

11:10

Now, Alberta's natural gas industry competes with a flourishing, export-oriented industry in the United States. Alberta can get its gas to market through petrochemical processing to create value-added products for export. This comes with new investment and new jobs in Alberta. Demand for petrochemical products continues to grow globally. There is intense world-wide competition to attract petrochemical investment because of the large economic benefits. Governments around the world, including along the Gulf coast of the United States, routinely offer aggressive incentives to

companies considering new projects in their jurisdictions. Other Canadian provinces, including Ontario and Quebec, also offer generous incentives to attract these large investments and new jobs. In order for Alberta to remain competitive on the global stage, the petrochemicals diversification project is an important step forward.

Madam Speaker, according to the Chemistry Industry Association of Canada Alberta's chemical sector employs over 7,500 people directly, with an average salary of over \$90,000 per year. Exports are valued at \$8.2 billion, the largest exporting sector in manufacturing industries in Alberta. The new round of the PDP is expected to see similar results to the first round, which had applications worth a collective \$20 billion in private investment. The construction of the new petrochemical manufacturing facilities will create thousands of construction jobs and hundreds in operations later. Processing Alberta's natural gas into a wide variety of in-demand consumer products substantially increases the value of the raw resources and allows Alberta to get the most out of it, whether through investment capital, jobs, increased economic activity, or exports.

Now, Madam Speaker, this is about investing in good jobs and a stable economy by supporting diversification in our energy sector. As the economy gets stronger, it's time to talk about how we secure the recovery for the long term and build an economy to last, one where no Albertan is left behind. The Energy Diversification Act builds upon Alberta's traditional strengths. It moves us away from the boom-and-bust policies of the past without sacrificing our leadership in oil and gas.

Madam Speaker, the benefits are clear. By being able to take diluent out of some shipments of bitumen, we could move about 30 per cent more oil through existing pipelines and have access to refineries that right now cannot take our bitumen product. This will mean lower costs and greater value, so ultimately that's more revenue for the industry and more royalties for the people of Alberta. One study has shown that partial upgrading could add up to \$22 billion a year to our GDP over 20 years.

In closing, Madam Speaker, I will say that upgrading our raw resources into higher value products is at the heart of Alberta's energy diversification vision. To see more private investment in petrochemical manufacturing, we need to ensure that companies have access to the natural gas liquids that they need. This program complements the PDP by investing in ethane supplies.

Alberta currently has a surplus of ethane, that is not being recovered. By encouraging investment in facilities that extract these components of natural gas, we'd go a long way in supporting the creation of new, world-scale manufacturing plants. Madam Speaker, right now we are closer than ever to getting fair value for our resources and stabilizing and growing our energy sector.

With that said, Madam Speaker, I will urge everyone to vote yes on Bill 1 and continue to help move our energy sector forward. Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak to the bill? The hon. Member for Fort McMurray-Wood Buffalo.

Mr. Yao: Thank you, Madam Speaker. Bill 1, the Energy Diversification Act: if I might just read the preamble here because this is very interesting to note.

Whereas Alberta's bitumen production can realize better overall value for upstream producers through large-scale partial upgrading technologies.

And then it goes:

Whereas Alberta will benefit from a stronger and more diversified economy if it takes full advantage of the opportunities

its hydrocarbon feedstock provides to create value-added processing and the production of secondary and tertiary non-energy products.

Here's the interesting one here, Madam Speaker.

Whereas the Government has received recommendations from the Energy Diversification Advisory Committee to diversify Alberta's energy sector by expanding the downstream oil and gas sector using a variety of financial tools, including royalty credits, grants, loan guarantees and equity investments.

See, that's the interesting part of this whole preamble to Bill 1, the Energy Diversification Act. It's a government saying: we'll do whatever it takes; we'll provide all sorts of funding through all sorts of creative ways.

But why, Madam Speaker? It is about confidence. What is the definition of confidence? The feeling or belief that someone can rely on someone or something. That's interesting because when a new government goes in and says, "We're going to do a royalty review," you know, in my mind I wonder if they could not have read the other two royalty reviews that were written just a couple of years previous and a few more years previous to that. But they chose to do a royalty review that took eight months.

Not only that, Madam Speaker. When the oil companies were having some discussions but for the most part sitting back because they were waiting to see what this government thought, do you know what the petrochemical industries were looking at? They were looking at and reviewing a government, and they had photographs of everybody, photographs of all these people who are now in command, in charge, with signs that said: "Stop the oil sands. Stop the tar sands. No more pipelines." They realized that these were the people that were doing a royalty review of their industry. When we talk about confidence, there's not much more that kills confidence than knowing what the motivations of a government are.

Madam Speaker, if hindsight is one hundred per cent, we saw it when every international company that stood up with this government and said, "Hey, this is a great deal," said whatever the government wanted to, and then they left. That goes to show you how much confidence they had in this government. It is a shame.

Now we see a pipeline that had a private company funding it and ready to build that thing and were trying to. When this government here in Alberta doesn't really provide much support for them, when supposed allies in British Columbia in these municipalities are trying to express their concerns that, "No, we don't want this pipeline," and this government doesn't do anything about that and our federal government doesn't do anything about that and says some weak words, those things kill confidence.

It's interesting to see where this Bill 1 – you guys must have seen this coming, that we would have to do things like invest in pipelines and stuff, because you knew that you killed the confidence in everyone and in every industry, every corporation that would invest here and employ hundreds if not thousands of people in Alberta. You killed the confidence of so many. You know what? When those decisions are made, you should have surely known what was going to happen and come, and there will still be more announcements about the negativity that has happened because you killed the confidence of so many industries.

Certainly, when we look at Shell's sale to CNRL, what we will find is that Shell had a higher ratio of employees per barrel. A friend of mine who works for another oil company, when Shell sold to CNRL, said: "You watch. In a year or so, give or take, two years, they will start to cull the employees that they hired from Shell." I said, "How do you know that?" He said: "Well, you can look at the number of employees they have and divide it by the barrels per day that they produce. You can go on here, and you look at Shell and see what their ratio is." And then he said, "Look at CNRL's ratio."

It was a far lower ratio of number of employees per barrel. He worked for another oil company, but that's his job, to evaluate and assess. He said that within X amount of time we can anticipate, and he ballparked it at 1,000 jobs that CNRL will slowly let go.

11:20

Talking to my friends because – they don't publicize this, but CNRL is up in my neck of the woods, up in Fort McMurray-Wood Buffalo. I've many friends that work for them, and they've all started to sweat bullets now because – guess what? – they've been receiving some notices. They've been receiving some underlying commentary about their positions, and my friends have all now started to apply elsewhere because they are unsure of their job security. It's disappointing that they have no confidence because there's a chance that they might get pushed out. That is disappointing, Madam Speaker.

The Energy Diversification Act, in killing confidence in our industry – you know, it is great. Certainly, our previous government invested, maybe not necessarily because they wanted to, but it was about providing that confidence in industry. They helped invest in that North West refinery, that the Member for Calgary-Klein forgot to mention. So there have been previous investments in our refineries, in our objectives of what you would call diversification of our oil industry, petrochemical industry. I just look at it as just trying to provide a better quality product and something that we can make more money on. Certainly, if we can refine it – you're right – we can ship it with much less diluents and whatnot and hopefully make more money and use what limited pipelines we have more efficiently. There's another word that would elude you guys, "efficiency." But I digress.

You know, energy diversification: there are some other industries that we could look at, and I wonder if the hon. member in charge of diversification and job creation has looked at groups like the plastics industry to use these oil products that we have, these petrochemical products, to see if we can't attract those companies. Certainly, when we look at the medical industry, biomedical products are very lucrative. There's a lot of money spent on that, and plastics are a key part of that because a lot of plastics are resilient, depending on how they make them, against certain bacteria and other contaminants. There's always that opportunity for us to produce things that we create from our oil.

Madam Speaker, it is so important that we diversify, but at the same time as we're looking at refining things, as per this bill, again it's about – I'm curious if you guys knew that this pipeline was going to fail, because you have these clauses in here that demonstrate that you need all the openings you can to invest money or provide some grants or any incentive that you possibly can in order to ensure that you don't completely kill our industry. You know, it's hopeful that you guys have done this one-eighty, from holding picket signs that said, "Down with oil, down with the tar sands, destroy Fort McMurray" to "Hey, we love this community, and we love our product, and we want to get that shipped out." I love that one-eighty that you guys did there.

It's lovely to see, and I look forward to it in the by-election coming up. By the way, when are you going to call that anyways? It is good timing for that by-election, too, I might add, because, like I said, CNRL is about to make some announcements. Actually, they don't make big announcements. They just do it, and it's disappointing. I can't wait to see you guys all door-knocking up there. It'll be a wonderful, wonderful experience for everybody here.

Madam Speaker, as I look at the time here – with that, I'll sit down. I see Calgary-Elbow wants to say a thing or two, so I'll leave it to him.

Thank you.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak? The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Speaker. I realize that we're running a little short on time this morning. We're trying to get through a few things, but I would like to offer my comments on Bill 1 at third while I have an opportunity. We have had a lot of interesting perspectives on this topic over the last couple of months of debate. I've learned a lot. I haven't agreed with everything the government has done. I certainly haven't agreed with everything on the opposition side. You know, we have had some brief discussions amongst ourselves in caucus and with our research team, and we've gone back and forth on exactly what our perspective is on this bill.

One interpretation is that it will create a boon of oil and gas jobs in Calgary, where those management decisions are made, and in Edmonton and rural Alberta, where the petroleum is extracted and processed.

But there's another interpretation, and that is that the bill grants the minister remarkable, extraordinary, and really arbitrary power to hand out royalty credits and grants, as the Member for Fort McMurray-Wood Buffalo talked about previously on the preamble of the bill, talking about those royalty credits and grants and other financial tools that are made available to this government and this minister without, I believe, appropriate transparency or accountability. It's very clear that the minister has said that she prefers the Alberta Petroleum Marketing Commission, APMC, frankly, to work in secret from most Albertans. I don't understand how keeping that knowledge from Albertans really strengthens team Alberta or our economy.

Now, the Alberta Party supports the general principle of energy diversification, but we certainly have questions and, more than that, concerns about this bill and the NDP's approach. I would say that Bill 1 really is a story about missed opportunity. We understand that it's prudent to build on the energy resources we have, but we know that we can do better in the face of the undeniable global shift towards new energy and new transportation technologies.

Now, one of the most important aspects of this bill, of course, is that it comes out of Alberta's Energy Diversification Advisory Committee, or EDAC. Now, EDAC acknowledges that oil and gas may not always be primary to the global economy and that there is a transition coming, so I'm going to spend a bit of time just reviewing some of the key recommendations that EDAC made that didn't find their way into this bill. When we really started digging into those recommendations, much as the government has touted the fact that this bill is an outcome of their work, there's a lot that EDAC suggested and recommended that never showed up in the bill. That's a grave concern to us.

I'm going to start on their executive summary on page 6. They report that there are six signs the global energy system is transforming.

1. The sheer volume of clean energy technologies being developed and adopted.
2. Rapidly declining cost curves for the new technologies, which suggest adoption will begin to accelerate even faster over the next decade or two.
3. The evolution of the power grid, which will be needed to handle the [additional] demands of an electric economy.
4. New business models that add new value for consumers and change the way we live and work.
5. Changes in policy at the global, national and provincial level in response to the climate change challenge.
6. Acceptance by Canadians that the global energy system is changing, with continued support for energy development

while also favouring policies that reduce greenhouse gas . . . emissions and speed up the energy transition.

Now, this bill completely ignores recommendation 2.1, that “the Government of Alberta transform Invest Alberta [which is an agency] into a world-class organization that has the capacity to secure multibillion-dollar projects when competing with the best investment agencies in the world.” It sounds like a winner when it comes to making commitments to new energy. Certainly, that would have been handy when the feds successfully negotiated for the Trans Mountain pipeline. Really, what that speaks to is the fact that there’s a tremendous amount of capital available for energy projects, both traditional energy and new energy, and Alberta is doing a very poor job. In fact, we’re seeing a significant flight of capital away from the province of Alberta and away from Canada, which is a great, great concern to our province in particular and to our country as a whole.

Now, recommendation 2.3:

EDAC recommends the agency have access to a dedicated, robust Diversification Fund that would provide clarity to the business community on the kind of support available from the province [that] would enable the agency to effectively execute on its investment attraction strategy.

Now, that sounds remarkably like the Alberta Party’s shadow budget pledge to spend \$100 million more in economic diversification and trade investments than the government proposed themselves in this most recent budget; again, a story of missed opportunity.

11:30

Recommendation 2.4 explicitly empowers a different body than the APMC, which this government and this minister have also ignored. The recommendation is

that the agency be structured similarly to the [APMC.] [It] should take strategic direction from government. To promote transparency, efficiency and a long-term view, the agency should ultimately be structured at arms-length, with a mandate, in alignment with government policy, to negotiate and recommend deals for final government approval. A governing board with clearly defined financial authorities should provide oversight.

That would minimize the risk of political interference, which is a significant risk.

We also feel we can do better by following the committee’s observation that it is inefficient to task experts and professionals in petroleum with figuring out how to do energy beyond petroleum.

EDAC then goes on to make several recommendations concerning how the government should structure its investment, regulatory and resource management, and transparency policies – there’s that word “transparency” again – and mechanisms, all of which are ignored in this bill. We absolutely could do better if this government had chosen not to ignore EDAC’s recommendations.

Their recommendation 4, also missing, is particularly telling since it would have the greatest potential to actually create new sustainable jobs.

EDAC supports the concept of establishing new infrastructure and energy corridors around existing or likely sites for downstream energy clusters – in particular, Alberta’s Industrial Heartland, Joffre, Grande Prairie and Medicine Hat.

We can do better by supporting new infrastructure that sustains investment and growth, not just infrastructure that expands what we’re already doing.

Recommendation 5.1. “EDAC recommends the Government of Alberta ensure the hydrocarbon value chain remains a strategic priority within the innovation funding [system].” That whole hydrocarbon value chain, even in an evolving world and an evolving energy economy, will continue to drive value for the province of Alberta for the core products that we produce. So it’s not just us recommending that the government develop an innovation funding

strategy and that ministers start working together instead of continuing in silos. We’ve talked a lot in many different contexts about knitting together different government departments.

We agree with EDAC that a modern innovation ecosystem needs to be supported and expanded with a long-term innovation fund that is “independent from political and budgetary cycles,” which is stated in recommendation 5.5. That, I think, is probably the single biggest issue for this government and, frankly, all governments in this province to grapple with; that is, making agencies and decisions that are going to be independent from those political and budgetary cycles and from the winds of political whim.

Recommendation 5.2 from EDAC highlights the skills gap this government has not been able to address despite what we’ve seen here in Bill 1 and also in Bill 2. EDAC says:

Successfully bringing technologies from conception to commercialization requires a unique skill set, pairing technical talent with financial skills and business acumen. EDAC recommends the Government of Alberta optimize its system and programs to support both the technical and business development aspects of innovation.

That feels a little bit like the challenge that we had in attracting Amazon in terms of not just having the business acumen but also the technical skills. Now, in the petroleum industry we certainly do have the technical skills. I’ve talked about pairing those things up. Again, there’s really very little in this bill that addresses that directly. Supporting the intersection of technical and business skills does seem like something local grassroots collaborations like EvolveU can address. We can do better for Albertans if this government would agree to work with partners instead of taking years and years to roll out their own solutions.

Finally, recommendation 5.3 highlights the regulatory barrier to actually getting innovation into the field. Again, this bill fails to address that challenge. EDAC recommended “that the Government of Alberta create an enabling mechanism within the regulatory framework to provide the necessary flexibility and speed to properly test technologies at scale in the field.” Now, some of those sorts of things are happening. We see the work going on at the Shepard power plant outside of Calgary to repurpose carbon. Those are the kinds of things that I would have hoped to see in this bill but that aren’t there.

Recommendation 7.2 is missing.

EDAC recommends the Alberta government continue to lead on advocacy for equitable rail services that address the needs of downstream . . . industry players in regards to access, cost and reliability, with active participation by downstream energy industry representatives.

There’s a lack, surprisingly enough, of proper GBA plus consideration informing this bill, and it ignores completely recommendations 6.1 through 6.4, which include recommendations about explicitly including indigenous communities in energy diversification and also working with the federal government. This has become both a challenge and an opportunity with the Trans Mountain pipeline.

So this government’s own metrics of implementing EDAC recommendations: the bill fails on almost every count. We’ve tried through our amendments in committee to amend the bill so that it aligns more closely with those EDAC recommendations, and even with the limited and short-sighted scope this government has chosen, regrettably, the government has chosen to ignore most of that EDAC report and most of the opportunities for the opposition side and the Alberta Party in particular to improve the bill. It is with great regret that I see this bill as such a tremendous missed opportunity that we simply cannot support it.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)?

Seeing none, are there any other members wishing to speak? The hon. Deputy Government House Leader.

Ms Ganley: Thank you very much, Madam Speaker. I would move that we adjourn debate on this bill.

[Motion to adjourn debate carried]

Bill 2 Growth and Diversification Act

The Acting Speaker: The hon. Minister of Advanced Education.

Mr. Schmidt: Well, thank you, Madam Speaker. It's my pleasure to rise today to move third reading of Bill 2, the Growth and Diversification Act.

Our government has proven repeatedly that we deliver legislation that invests in people, diversification, and an economy that works for all Albertans. We're committed to delivering fair legislation that makes life better for all Albertans. The proposed Bill 2, the Growth and Diversification Act, will continue our tradition of achieving these goals. This bill will boost education and training for the high-tech sector, add new supports for digital media, and bolster two successful tax credit programs to support an economy built to last. Our government has worked hard to spur innovation and drive job growth, and this bill will help continue our trend of creating an economy that is diversified and ready for future success.

The Growth and Diversification Act includes a number of proposed changes that directly benefit the postsecondary system in our province in a very exciting and positive way. This legislation includes supports for 3,000 new tech spaces in Alberta's postsecondary system, increasing educational access for learners across the province. Two hundred of these spaces will be in place during the upcoming 2018-2019 academic year once this bill passes the Legislature and receives royal assent. An additional 550 spaces will be made available in the 2019-2020 academic year, with 750 spaces being added each of the following three years. By 2022-23 all 3,000 new tech spaces will be available to students in Alberta. This bolsters our existing strong programming in the tech sector currently being offered by our province's excellent postsecondary institutions.

We know that our postsecondary graduates are highly skilled and coveted by businesses across North America, and we've heard from industries across the province that access to a highly skilled talent pool is one of the determining factors that high-tech firms consider before making major investment decisions. Keeping pace with the demands of a new economic reality requires additional tech spaces. This bill is a win for students, a win for industry, and a win for our province's economic future.

The Growth and Diversification Act will take unprecedented steps to increase our existing talent pool so that our province can support local start-ups and establish tech firms. To ensure that our graduates are entering the workforce as quickly as possible and meeting industry demands for today's skilled workforce, the initial 200 spaces may be supplemented by the delivery of a number of short-term skill development opportunities. If implemented, these skill development programs could help Albertans, particularly those with existing credentials, acquire the tech-related skills they need in the transition to permanent employment.

Short-term skills programs developed in collaboration with industry partners are a way of engaging the many young Albertans who are unemployed or underemployed and teaching them the in-demand skills needed to succeed in careers across the province. These short-term skills programs will help Albertans enter the job

market quickly so that they can participate in Alberta's growing economy. Additional programs could be developed in areas such as information and communication technologies, clean and renewable technology, artificial intelligence, and quantum computing.

In addition to increasing access to tech programming, we will also be adding supports to ensure that education remains affordable. This legislation will create \$7 million in new scholarships over the next five years to encourage young Albertans to join the high-tech workforce that will sustain our province's economy now and in the future. Many of these spaces will include a work experience component to help Albertans train in industry-relevant positions and acquire the skills needed for Alberta's tech sector. The government of Alberta will be working with local tech companies to ensure these placements happen and that Alberta industry builds the jobs for Albertans.

11:40

In collaboration with our crossministry partners, including Indigenous Relations, Status of Women, Community and Social Services, we will work to ensure underrepresented groups have access to exciting future-focused training. A portion of these new scholarships will focus specifically on women interested in entering tech-related training programs. As with the 3,000 additional spaces, the scholarships will roll out over a five-year period starting next year.

To help guide the development of these additional tech spaces, we will develop a talent advisory council on technology, or TACT. TACT is an innovative initiative that brings together the smartest minds from Alberta's tech industry and our postsecondary system. Together government, industry, and our postsecondary system will work hand in hand to create growth in the tech sector and to ensure that Albertans are highly skilled and adaptive to the rapidly evolving tech-driven economy. An open and transparent recruitment process will be used to seek interested Albertans as members of TACT. We will work with our partner ministries to select knowledgeable representatives from the tech industry, labour organizations, and academia who are committed to helping our economy diversify and grow. TACT will also include student representation and representatives from organized labour. TACT members will play a key role in ensuring that our tech-related skills and training meet the needs of students, industry, and our communities and remain relevant now and as the industry grows. We're hoping to have TACT members selected by this summer.

In addition to the postsecondary implications, this bill will also create a new interactive digital media tax credit to encourage the growth of the digital media industry, a sector which has the potential for substantial growth in our province and could grow to accommodate many Alberta-based jobs for tech graduates. By supporting our interactive digital media sector, we can ensure that talented Albertans can remain in their home province and don't have to move to less desirable places like Ontario or B.C. to participate in the tech economy.

Our government will be able to bolster two successful tax credit programs that currently support innovation, diversification, and job creation in Alberta by enacting Bill 2. The Alberta investment tax credit program supports up to \$100 million in investment in new and growing small businesses each year. This tax credit gives an additional 5 per cent for people who invest in companies where the majority of the board of directors, including the CEO, are members of underrepresented groups. Continued support for the capital investment tax credit program will keep Alberta competitive in attracting and retaining investments while creating jobs for tech graduates. The capital investment tax credit program has already stimulated more than a billion dollars in capital projects for manufacturing, processing, and tourism infrastructure and could

stimulate considerable growth in the tech sector. Combined these tax credits spur investment in new services, new products, and new capital projects and bring increased opportunities for economic and employment growth.

The Growth and Diversification Act will also see Alberta expand in our burgeoning unmanned aerial systems sector. Unmanned aerial technologies have economic applications in a number of sectors important to our province, including oil and gas, agriculture, resource management, wildlife tracking, transportation systems, and emergency response processes. This initiative would position Alberta as an attractive investment location and create new jobs in the sector so that Alberta graduates can be employed in Alberta.

Our government knows that investment is the key to economic growth and diversification. This includes investment in businesses and in the people in our workforce. This proposed bill continues our government's commitment to increasing economic diversification, to supporting employers and entrepreneurs in creating sustained job growth, and to improving access to high-tech training opportunities in Alberta. With the Growth and Diversification Act we will create a province with a vibrant tech sector, where Alberta-based firms can take advantage of the highly skilled graduates coming out of our postsecondary system. We've heard from industry that there is a need for tech-trained talent in this province. The initiatives in the Growth and Diversification Act create the learning and training atmosphere needed to fill industry's talent gap with talented graduates from our postsecondary system so that Albertans will not need to leave their home province.

The many measures in the Growth and Diversification Act will ensure that Alberta's economy continues to grow for many years to come. I encourage all members of this House to support Bill 2, Growth and Diversification Act.

The Acting Speaker: Thank you, hon. minister.

The hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Thank you, Madam Speaker, and thank you for the opportunity to speak to Bill 2, the Growth and Diversification Act, today again. This is an opportunity for us to talk about diversification, a topic that comes up not only in this House but across this province. We've talked before about statistics and how to tell the truth with statistics and how to bend and how to lie with statistics, and we also hear, I think, rhetorical comments of up, up, up in this House as well.

But we've also talked in the past, Madam Speaker, about the fact that this province actually has diversified significantly over the last 20 to 30 years – in fact, we've moved from about 37 per cent of our economy being in the oil and gas sector to only 25 per cent – the fact, if you exclude that 25 per cent of oil and gas energy sector activity, that we're still the third-largest economy in Canada, ahead of British Columbia in the most recent statistics we have. We are a diversified province, and a lot of that has been done on the strength of what we know as the Alberta advantage – the power of entrepreneurial spirit which this province is renowned for, the power of the prairie work ethic, which we are so proud of, and the pioneering spirit which has driven the province since it was first formed – in fact, preceded by the spirit of our First Nations people.

"How do we diversify?," I think, is the question here. Do we diversify by micromanaging and trying to incentivize and trying to pick winners and losers and trying to throw carrots at people or, as I've said before, throw candy back at people we've stolen the meat and potatoes from, putting a Band-Aid on the critical illness, and so many other visions that we can look at, Madam Speaker?

Do we do it by shrinking other industries so that that pie chart looks better, so that we can say, "Oh, look at that. It's increased in

the size of our total economy. We've diversified. Isn't it great?" as we shrink that pie, which is the Alberta economy?

Do we chase away investment? Have we so damaged our economic fundamentals that we're now becoming famous not for the Alberta advantage but some of those disadvantages which are driven by policy, ideology, and a regulatory framework which is actually detrimental to a broad-based diversification? Madam Speaker, there is nothing better than broad-based diversification.

Are we killing the entrepreneurial class? Is this government failing to recognize that for people to take risks, there need to be rewards and there needs to be a balance between those risks and rewards because those risks that are taken do not come with a guarantee of reward? They come with a hope and a vision and a drive and an entrepreneurial spirit, which, on a good day, with great luck and hard work and great ideas and good products sometimes yield a reward.

When those rewards are earned, where do they end up? Do they end up back in the economy? Do they end with the staff? Do they end up with those investors, or do they end up with a deeper hand in their pockets from a government which believes in bigger government and taking all that money and spending it, oh, so wisely as they write their transcripts with red ink? Maybe they write their eulogy with red ink. It would be so fitting, Madam Speaker.

Do they, in doing so, decimate the venture capital ecosystem for the 1 per cent that is disparaged almost daily in this House, Madam Speaker, who actually make up much of that class? It's not 1 per cent; it's probably 20 per cent of people that say: "You know, I think that's a great idea. I'm going to invest with you. I like your idea. I like your plan. I think that's a fair risk. I'm going to put money into your venture. It's outside of my core business. Maybe I made my money in oil and gas. Maybe I made my money in another sector, but you know what? I like to diversify my portfolio, too, so I'd like to give you some money to develop something that is completely out of my sector, whether that's something in the hospitality industry, the tourism sector, technology, agriculture, forestry, renewables, the energy sector."

Have we decimated that ecosystem, which is not driven by government? It's driven by the entrepreneurial spirit which is so renowned, which we, once upon a time, were renowned for in this province as part of that broader Alberta advantage, that I sadly say is at great risk in this province today, Madam Speaker.

11:50

Are we talking to people about the social licence and what that's going to earn us in terms of attracting investors here? I reflect back and this argument and this discussion relate back to Bill 1 and Bill 2. What is the signal we are sending to the world from Alberta, Madam Speaker? It frightens me as not only a born-and-raised Albertan but somebody who's spent a lot of time in the global scene.

I'm always proud when I'm around the country and around the world here, whether I'm in Hong Kong or Singapore or Beijing or Guangzhou or Shanghai or Jakarta, talking to people there about how proud we are to have this province, that has always stood head and shoulders above almost every jurisdiction in North America to attract the investment, to attract people not just to the bounty of resources we have in this province, Madam Speaker, but to the spirit we have in this province, the can-do spirit that we have been renowned for under the Alberta advantage, that has allowed us to attract that investment not with incentives, not with candy, but with a solid plate of Alberta-grown beef and Alberta-grown potatoes and probably some vegetables and legumes that we grow proudly in this province as well. That is the Alberta that we have been able to sell across this country, across North America, and around the world. That is the

message that investors are looking for, not how many points we are ahead of somebody else and the race to the bottom of incentives.

Madam Speaker, the minister of economic development said that we were the first government – and I'm paraphrasing here: thanks to us, we now have levelled the playing field. Well, actually, it's quite ironic because the playing field was not level before. It was in our advantage. We actually were at the high end of that playing field – the high end of that playing field – that allowed us, without incentives, to go to the world and say, "You need to invest in Alberta." Not "We want you to invest in Alberta"; "You need to."

Madam Speaker, I see that in our future again. I see a time when Alberta can go around the globe. First, around North America we need to be the most business- and investor-friendly jurisdiction in North America, full stop, and we will achieve that. In doing that, it will give us the strength and the fundamental economics we need, which this government has destroyed, to allow us to go around North America first and tell people that we are the best jurisdiction for them to invest in, for them to build a business in, for them to create jobs and wealth in.

That will allow us to dig ourselves out of that \$96 billion hole that this government is digging for us. We will not tax our way out of that debt, Madam Speaker. We need to grow our way out of that debt, and the only way to do that is through improving the fundamental economics of this great province to ensure that we deliver competitiveness, regulatory competitiveness, an ideology where people go: "Those people are the kind of people I would like to do business with. That province has a bounty of resources which are so attractive to the world, whether that's energy, oil and gas, forestry, agriculture, tourism." We need to have an open-door policy to bring people from around the world to spend their money here, to buy our exports but to invest here as well.

Madam Speaker, I've looked at some recent articles. We're seeing that the investment market is diversifying. They're diversifying. They're diversifying away from Alberta and Canada, \$40 billion of investment from fund managers now moved out of this country, diversified away from Alberta and Canada, a net loss of close to \$40 billion of foreign direct investment.

We're seeing more today. ConocoPhillips is preparing to sell their stake in Cenovus. They became the largest shareholder. That's not talked about here. We talked about: oh, isn't it great; a Canadian company bought it. No. Actually, in that transaction ConocoPhillips became the largest single shareholder of Cenovus. Now they are divesting themselves of that interest, \$2.7 billion, and they're willing to take a discount on that because of what? It's a distressed asset because of the two words that I never thought in my lifetime I would hear used in the same sentence, "political risk" and "Alberta." Shame on us that anybody has been able to use those – and I hear it. I hear it across this province, I hear it in Calgary-Fish Creek, I hear it on the streets of Calgary, and I hear it in backyard barbecues. I hear "Alberta" and "political risk" in the same sentence.

I hear: "What am I going to do? Where are we going in this province?" I hear, sadly: "Where will I move if we continue on this path? Where will I move?" I hear that from born-and-raised Calgarians that I've known since childhood, and that saddens me. It saddens me to the point that I and my colleagues are prepared to fight for this province to ensure that we actually get the economic fundamentals right, that we can go to the world and we can tell them, not ask them or beg them – we can tell them – that they need to be in Alberta, they need to invest in Alberta if they're smart. If they're smart money, they will come to Alberta. Madam Speaker, before the next election I can tell you that we'll be out there telling them to get their chequebooks ready because on the day after that election they will want to be in Alberta. They will see that this

province is open for business, that it is going to be the most competitive jurisdiction in North America.

As I say to many of my friends in Hong Kong – Hong Kong has been voted, 26 years in a row, the most entrepreneurial economy in the world – "We're putting you on notice. Once we become number one in North America, we're coming after you guys." They laugh, and I say, "Watch out," because we will do that. Hong Kong is a special administrative region of China, 7 million people, not a speck of resources hardly, a quarter of the GDP of Canada. Madam Speaker, we have those bridges. We have those relationships not just with Hong Kong but with China and Southeast Asia and around the world. We have those relationships.

We have our best trading partner, our biggest trading partner to the south, the United States, and we need to start treating them as friends and partners, as our best neighbours, not as somebody to disparage and somebody to try and move away from. This is not a net zero game. It's not a zero-sum game. We can expand other markets around the world, making new friends and new partners and new customers, and still trade with our biggest trading partner to the south. I think that they need to hear that from us. Maybe that's why we're having trouble with some of our negotiations today. Maybe we've disrespected them as we demand respect for ourselves, Madam Speaker.

Madam Speaker, I think that we have a great opportunity here. I think it's been squandered by this government. I think that they're now trying to put those Band-Aids on. They're trying to throw candy at people through this legislation. What they fail to admit, fail to realize is that they've damaged the fundamental economics of this province so seriously that people are leaving here. The flight of capital is real. You can read about it every day in the newspaper, not from politicians but from economists, from pundits, from people who are in the financial markets, who are telling us where their money is going and not going. That frightens me because we should be a great place to invest. As I've said many times, you don't create a job until somebody puts a dollar at risk, unless it's a government job. And guess what? You need wealth to create those government jobs unless you have a pen loaded with red ink to the tune of \$96 billion.

Shame on us for not understanding that we need to live within our means, and shame on us for not passing on wealth to the next generation, Madam Speaker. That's what I think every household, every person in this Legislature – I would hope that they would hope to pass on wealth to their next generation. I know I do. I'm not going to pave the road for my kids, but I want to be in a position to be able to give them a small hand up, as I think we should with all Albertans. Shame on us to pass on debt. We should be passing on wealth, not debt, to our next generation and the generation beyond that and possibly the generation beyond that, as we've seen in Ontario, with the largest nonsovereign debt in the world. Do we want to be that? Are we following this on a race to the bottom? I hope not.

I hope that we create an opportunity here to actually live within our means, to invest wisely in infrastructure, to be able to have a plan to pay it off, not a path to balance, a \$96 billion path to imbalance, Madam Speaker. We have an opportunity to do the right thing here.

You know what? I will not be . . .

The Acting Speaker: Thank you, hon. member.

Pursuant to Standing Order 4(2.1) the Assembly will stand adjourned until 1:30 this afternoon.

[The Assembly adjourned at 12 p.m.]

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