



Province of Alberta

The 29th Legislature
Fourth Session

Alberta Hansard

Wednesday morning, June 6, 2018

Day 39

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta The 29th Legislature

Fourth Session

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

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Legislative Assembly of Alberta

9 a.m.

Wednesday, June 6, 2018

[Ms Sweet in the chair]

Prayers

The Acting Speaker: Good morning.

Let us each pray and reflect in our own way. As we gather today for another day of considered decision-making, I would ask that each of us reflect in our own way on what we can do to be seen as leaders for the LGBTQ community. As members of this Assembly it is our responsibility that all Albertans are welcome and feel welcome.

Please be seated.

Orders of the Day

Government Bills and Orders

Third Reading

Bill 1

Energy Diversification Act

[Debate adjourned June 5: Mr. Panda speaking]

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

Mr. Panda: Yeah. Thank you, Madam Speaker. Last night we were talking about Bill 1, and I'll start where I left. Just as a recap, we were talking about what led to Bill 1. EDAC, Energy Diversification Advisory Committee, consisted of different members from General Electric, Alberta Federation of Labour, Building Trades representatives, and so on. They were all involved in this committee, and they gave a report. That committee recommended many other important recommendations to the government like reducing the red tape and looking at other measures that make our businesses more competitive, but this government just picked handouts rather than looking at other important tax credits and other incentives that will encourage businesses to stay in Alberta.

I was talking about that when we had to leave last night. Madam Speaker, there are a few quotes that I mentioned last night from the executive director from the Industrial Heartland. The quote was: additionally, recent corporate tax cuts in the States have resulted in a 21 per cent tax compared to Alberta's 27 per cent corporate tax, which is a 12 per cent provincial tax and 15 per cent federal tax. Also, our federal and provincial taxes are out of synchronization with the U.S.A. Again, not the variable, but certainly a variable.

The heartland association also hears from investors on how they see Alberta. Quote: while we were in Texas recently, we heard from investors that the U.S. regulatory environment is more consistent than Canada's, and they felt more driven by economics. On average it takes about twice as long to navigate Canada's regulatory process than it does in the U.S. That adds significant cost and uncertainty to a project.

Red tape and regulatory times: again, recommendations from EDAC not found in Bill 1. Further issues plague Canada's investment attraction such as the B.C.-Alberta pipeline dispute. Foreign investors take a look at the pipeline dispute and, quote: the signals that we send globally do impact our sector regardless of what the nature of the dispute is. So it's really important that the perceptions of Alberta and Canada are that we welcome investment, that it is easy to do business here, and that we recognize the benefit to the community.

Madam Speaker, if you remember, Shell Canada chose to invest in Pennsylvania over Alberta. I talked about that briefly last night. Taxes, tax incentives, tax credits, royalty credits: they all appear to be the language that the industry likes to hear. That's why the demand for royalty credits exceeded the supply in the petrochemical diversification program, PDP 1.

But while the NDP have chosen to do a second round of PDP, they also decided to create a feedstock infrastructure program with \$500 million in loan guarantees for industry to construct more straddle plants needed to capture more natural gas liquids to feed the petrochemical industry in Alberta, namely to obtain propane and methane. The NDP have also decided on \$800 million in loan guarantees and \$200 million in grants for a partial upgrading program. Industry is most interested in this program, but in our conversation with them they said that they would prefer a tax credit. While partial upgrading supports freeing of pipeline space on existing pipelines and using them more efficiently, the Alberta Chambers of Commerce questions the assumption in the Energy Diversification Advisory Committee report that more refining in Alberta makes economic sense.

The Acting Speaker: Thank you, hon. member.

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

Mr. McIver: Thank you, Madam Speaker. The member, I think, when the time ran out, was midsentence. I thought he was onto something important that the House should hear, so I was wondering if the member could complete his thoughts.

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

Mr. Panda: Yeah. Thank you to my colleague from Calgary-Hays. Yes, I was talking about partial upgrading, which actually supports the freeing of pipeline space on existing pipelines and using them more efficiently. But Alberta Chambers of Commerce: their question is whether more refining in Alberta makes economic sense or not. That's why we need an economic impact assessment that proves or disproves that there is a greater economic benefit to Alberta as a result of refining here versus removing the discount on our bitumen products and refining where it makes more sense, where the refinery is already there.

We don't blindly accept the president of the Alberta Federation of Labour's support for site refining projects as a ringing endorsement for more refining here. Of course, he's going to say that he has a vested interest. But, Madam Speaker, we tried to make Bill 1 better with a series of amendments. We wanted some accountability to bring the reports of the APMC to the Legislature, and we wanted to eliminate the loan guarantees and the equity stakes. We wanted to eliminate the grants. Then we tried to make the grants less risky by limiting them to site preparation and job training. We also asked for NAFTA and CETA compliance, and we tried to get an economic impact assessment on refining here versus elsewhere as well as an economic impact assessment on each project getting support. The NDP rejected all of those amendments, preferring their ideological approach and not wanting to consider other factors.

There will not be support for this bill from our caucus for the reasons mentioned above. As I said, although we like petrochemical diversification – personally I worked on those projects, and it makes sense – before we take this route of handing out to the industry, there are other measures EDAC recommended, and this government ignored them. We tried to bring them back through amendments to make this bill better, but the government blindly rejected them. There is a pattern here. They keep rejecting every

common-sense suggestion from the opposition. I'm really getting tired of repeating the same thing. I don't understand why the government when they were in opposition tried to make the legislation better using their legislative options, but when they went into the government, you know, the power went to their head, and they started ignoring common-sense constructive criticism from opposition and also the co-operation offered by opposition.

That's where Bill 1 is now, Madam Speaker. Government still has the opportunity if they want to make it better. If not, they have to explain to Albertans why they're overlooking EDAC's other recommendations to make businesses more attractive without taxpayers' money.

Thank you, Madam Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any other 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 Livingstone-Macleod.

9:10

Mr. Stier: Thank you, Madam Speaker. Good morning, everybody. It's good to see everyone here in the House again on a bright, bright sunny day in the beautiful city of Edmonton to listen to very, very important information and solid debate on Bill 1.

I've got a few prepared remarks and things about Bill 1. Some of you may know that I spent a little time in the oil and gas industry, but it was in a different segment than this. Certainly, it's something I always keep my ears to and my eyes peeled for in the news, and it's something that goes to my heart, and one day – who knows? – I might even find an office downtown again just to consult some more.

But anyway, today we're talking about the Energy Diversification Act, and it's something that I actually haven't had a chance to speak on too much up to this point, just the way the rotation goes. Nonetheless, you know, it's something that I think the government has not exactly been, over the course of its three-and-a-half-year mandate so far – they really haven't been too favourable to the oil and gas industry in many respects. For the first three years there's been the raising of taxes on job creators by 20 per cent. There's been an awful lot of extra red tape put into the system. As we all know, we speak about in this House time and time again on the matter of a related topic, how much extra red tape has been put into the industry in terms of regulations and processes.

You know, from what we've seen and read in the papers, not just myself and my own remarks – it's what people have said in articles by knowledgeable journalists across the country – it really has driven a lot of investment elsewhere. The day before yesterday in *Sherwood Park News*, in fact, it was revealed that over the past five years, according to that article, Canada has lost 80 per cent of its historical energy investment. The country has only received \$250 billion in investment over 10 years when we should have received, in the normal course of business that history has shown us, over 1 and a quarter trillion dollars. That's a big number. I don't even know what a trillion dollars really means, actually. Nonetheless, there are a lot of examples.

Sasol, as an example, which is the South African synthetic oil liquid company, moved their investment of \$8.1 billion, which was an ethane cracker, from Fort Saskatchewan to Louisiana. There they created 5,000 construction jobs and 500 operations jobs. That plant apparently is accompanied by plans for a further \$14 billion gas-to-liquids facility to complete a \$21 billion petrochemical complex. Just imagine if we could have had that here.

The package from the state of Louisiana was worth over \$135 million, which aided Sasol investment, including a one-time tax

credit of \$2,500 per net new job created, a research and development credit of up to 40 per cent, and a retention and modernization tax credit as well. So they were pretty innovative in how they put their plans together to attract business down south. That's for sure. As we all know, the new president there has been innovative, to say the least, in how he approaches business and how he has changed the models down there.

It looks like our NDP government here has looked at this, and they want to go down a similar path in providing some sort of market change. I think that there was a large, large committee struck by the NDP. They created the Energy Diversification Advisory Committee, and it produced a report. I've seen the report. It's actually quite thick. I've got a copy of it. The work of EDAC, the Energy Diversification Advisory Committee, is not, therefore, some fly-by-night operation. It looks like they have done quite an intense job of studying this whole situation. It has the hallmarks of something quite substantial, actually. I say this because I know there were policy options recommended in that report that would seem the current government hasn't acted on at this point in time.

There are some policy options in there that remove the regulatory roadblocks that we were seeing and some red tape holding up project permits. In fact, I could mention item 3.2 in that report, and 3.2 says:

EDAC recommends the Government of Alberta ensure regulatory timelines are in line with comparable jurisdictions such as Texas and Louisiana, while not compromising Alberta's high standards.

Now, I remember in this House a few years ago, when the former government was here, and the Energy minister at that time spent a lot of time in refining some of the energy act at the time with amendments. A lot of red tape was reduced at that time, and I'm not sure myself what exactly has taken place since that time. Another writer, Lynette Tremblay of Alberta's Industrial Heartland Association, said in that same *Sherwood Park News* article that I mentioned a moment ago:

While we were in Texas recently, we heard from investors that the U.S. regulatory environment is more consistent than Canada's, and they felt more driven by economics.

She went on to say:

On average, it takes about twice as long to navigate Canada's regulatory process than it does in the U.S. That adds significant costs and uncertainty to a project.

It seems to me that we're facing an uphill battle if our main competitor has seen the light of day and they've reduced a lot of these costs and red tape situations, yet here in Bill 1 it looks as if they have not done much in terms of addressing red tape and the regulatory timelines. When that is the case, how can you be competitive with our major competitor to the south? If we had something there, some sort of red tape repeal, it would do much to unleash the economy that we're in right now and put people back to work, in our opinion.

I guess it's telling that the NDP is only introducing Bill 1 after three years. Governments are setting up good-news stories all the time, and, you know, as we approach the election, I'm hoping that some of these things might become something that can be addressed. If it's missing here, I'm wondering when it's going to come out. Is it going to be addressed soon?

Let's just take a moment and review what the policy options are that the government is going to use to diversify the economy through the petrochemical sector and just see what we can discover. It's kind of hard to comparatively look at modest loan guarantees and grants spread over eight years. It will hopefully draw some much-needed investment back to Alberta in a meaningful way, but we have yet to see that happen.

Again, to quote another portion of that article, Lynette Tremblay said in that same article:

Globally-integrated companies do not necessarily need repayable loans from government.

But it seems that that is what the NDP government is doing with this bill. They plan to use grants, loans, and loan guarantees as outlined in Bill 1. Generally speaking, what my experience has been is that Albertans generally do not support grants to businesses in a big way. They don't like to see government involved in business. A lot of times you hear about it, and it's called corporate welfare. Time and time again we've heard about the latest refinery that would finally come online and how that had to be heavily supported by government. Corporate welfare came up time and time again in the previous term, I can assure you.

Nonetheless, if the government is handing out free money, the problem is that everybody wants free money. We have to be careful not to be picking favourites all the time. We have to be careful that we're doing this in an appropriate way across the board.

Albertans like competition. It keeps the costs low. That's a basic principle. Companies going bankrupt because one gets a grant or a loan or a backstop and the other does not is not encouraging competition. It would be, I think, far more effective to start repealing these harmful policies that have been brought in by the NDP government and to create an investment environment that is going to drive competition. Instead, this bill, Bill 1, reads like a distraction. It looks like the NDP are going to bring in \$800 million in loan guarantees and \$200 million in grants for a partial upgrading program. This process reduces bitumen thickness, making it easier to flow in the pipelines. No diluent is needed, and it opens up pipeline capacity and enables more refineries to access Alberta oil. Certainly, those sound like great improvements.

9:20

There are multiple players, though, trying to get partial upgrading under way, and this seems kind of problematic. One person getting money over the other would have a competitive advantage over their competitors. Maybe the loser would go bankrupt and the industry would consolidate. It's hard to tell. But we already have banks, both commercial and investment banks, and other financial institutions and other capital funds available through the capital markets. Why as the Alberta government do we need to backstop commercially viable projects with Alberta's credit rating to act as a cosigner on loans? It didn't look like that's what they were doing down south, where they were quite successful. Could it be because the NDP have actually changed the way we operate so that it's so visible to investors that the fundamentals of the province have changed? Hence, they have to financially backstop the projects; otherwise, people aren't interested. This makes no sense, Madam Speaker.

I also understand that the NDP plans to bring in a \$500 million loan guarantee for what's called a feedstock infrastructure program. Apparently, our natural gas industry needs financing assistance in order to build what they call straddle plants to separate gas into its separate components. Those typically are ethane, propane, and methane, which in turn feed the petrochemical plants that will make plastics and other products. I would think that the companies would have sense enough to separate those streams if the separate streams are worth more money. Why do we have to go in and offer loan guarantees to have this happen? What is the main crux of the problem? Have we done a cost-based economic analysis of this to ensure that that's the right path?

They also plan – and I'm speaking of the NDP government again – to bring in round 2 of the successful petrochemical diversification program. The first round of that program had \$20 billion over 16

projects bid for \$500 million in royalty credits. Two projects won. They're expected to create 4,000 construction jobs and over 200 full-time operating jobs.

One can note the royalty credits in Alberta versus the tax credits in Louisiana. One can also note what incentives Louisiana did not use. They didn't use grants or loan guarantees and royalty credits. They did it in a more creative way. Could it be that Louisiana knows that grants, loans, and loan guarantees will not have the bump in activity that the other policy programs have? Could that be the case? Has anyone looked at and really analyzed what has taken place in that state and how they've been so successful, as they've been so successful across that nation? I read this morning in the paper while I was having breakfast that the U.S. is now providing a new gas line into southern Ontario or Quebec – I can't remember which – and instead of our gas being supplied to eastern Canada, they're now going to be supplied mainly from the U.S. Something is wrong with this situation, folks.

Locally the Alberta Industrial Heartland Association is also advocating for a more competitive capital cost allowance. Canada's 50 per cent deduction for capital cost depreciation is only available in 2025 while the United States has implemented a permanent 100 per cent capital cost allowance. This is another thing that needs to be looked at in a very serious way.

Interestingly enough, though, the EDAC report, which I mentioned earlier, in recommendation 7.4 stated that Alberta should "seek the permanent extension of the existing accelerated capital cost allowance for manufacturers."

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? The Official Opposition House Leader.

Mr. Nixon: Well, thank you, Madam Speaker, and thank you to the hon. Member for Livingstone-Macleod for his comments today. I was on the edge of my seat during that entire speech, and I would like to give him the opportunity to be able to finish his remaining comments.

The Acting Speaker: The hon. Member for Livingstone-Macleod.

Mr. Stier: Thank you, Madam Speaker, and I appreciate that from the hon. Member for Rimbey-Rocky Mountain House-Sundre. I was saying that, interestingly enough, the EDAC report in recommendation 7.4 stated that they wished to

seek the permanent extension of the existing accelerated capital cost allowance for manufacturers such as the petrochemical industry to provide certainty to those interested in investing in the downstream.

But there's nothing in Bill 1 about that. Why didn't you follow up on that idea? It makes so much sense. You know, there are a lot of economists that agree with us, and they note that this tool can be more powerful than any tax-based incentives, actually.

Let's talk about taxes now. Recent corporate tax cuts in the United States have resulted in a 21 per cent tax compared to Alberta's 27 per cent corporate tax: 12 per cent provincially and 15 per cent federally is how that's made up. Taxes are actually the big deal now. We must pay attention to this, folks. We pay 6 per cent more corporate tax in Alberta than in some parts of the U.S.A. Why is that? Why can't we match these things?

Madam Speaker, I know that the government means well in trying to do something to spark growth in the industry. The minister on this file is a good acquaintance of mine. He served over here on the opposition side with me and with three others for some time in my first term, but it looks like we're playing to the stereotype and

the ideological inklings to spur development that is common with the NDP.

To recap, the NDP plan to use grants, loans, loan guarantees, and royalty credits to spur development. While there might be some success, I suppose, with these support programs, I don't think they would be as successful as reducing the red tape, shortening the permanent approval timelines, reducing the taxes, and increasing the accelerated capital cost allowance. These are all policy options recommended by the panel of experts assembled by the NDP who wrote the report. Why aren't these recommendations in Bill 1? That's the key question. Why aren't they in Bill 1?

For those reasons, Madam Speaker, for choosing the ideological shortcut over the proper, long road that is there that makes common sense, I'm sorry, but the NDP will not be receiving my support for Bill 1. Thank you.

The Acting Speaker: Thank you, hon. member.

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

Seeing none, are there any other members wishing to speak? The hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Speaker. It is a pleasure to be able to rise and speak in third reading on Bill 1, Energy Diversification Act. I have been listening to the debate on this bill for the past few months, and what I'd like to do is that I'd like to be able to just kind of review, first of all, the background of how we got to this point where we have a need for this. Then I'd like to talk about some of the pros that we see in this bill. I know that the NDP government would be surprised to hear me talk about the pros, but I do actually think there are some pros to this bill. Then I'd like to talk about the things that we feel are not so positive about this bill and then finish up with some of the recommendations that we've brought forward.

To be clear, when we had a drop in the natural gas prices, there was a spur in global petrochemical demand. Historically, as we looked at this petrochemical industry, the first wave of investment in North America totalled, I believe, around \$240 billion Canadian. Now, what's interesting about that is that of that investment, 62 per cent came from foreign investors, which is a very good sign saying that the private market has been able to assess that this is a growth industry, that they can actually make a profit on it and is something that they're interested in.

9:30

We then move on to what happened here in Canada. Now, traditionally the foreign investors of whatever amount, the \$240 billion: we would have seen traditionally about 10 per cent of that foreign investment coming into Canada. However, Madam Speaker, it's interesting to note that only 2 per cent of that \$240 billion came into Canada. The question then becomes: why? Why did we only see 2 per cent of that initial tranche of investment? I believe that the reason why is because of some fairly aggressive incentives that were offered in the United States. The United States, from what I understand reading through some of the materials, had been offering, in some of the states, 10 to 15 per cent of the capital costs of a project. In places like Louisiana, Pennsylvania, and Texas they were very successful at being able to lure these investment dollars into their states in order for them to be able to have them build those projects there.

Now, there's an IHS Markit analysis, and in this it talks about our competitiveness in terms of this petrochemical diversification. What it said was that our ability to bring in those investment dollars has eroded, and it talked about the reasons why. One of the reasons that it talked about was that we had no incentives to counteract the high labour and capital costs. When a business, an organization

looks at where they're going to invest, they're going to take a look at all the factors, and then they're going to say: well, this is the cost of labour, this is the cost of feedstock, this is the cost of transportation to market, and this is the cost of the taxes. They'll take all those things into consideration. One of the things that this report said, which I've spoken about many times in this House, was that the regulatory burden within Canada was restricting the ability to be able to incent that capital to come to Canada.

Now, specifically in Alberta we have talked about this concept of regulatory burden, red tape, as it's often called, and we've talked about just being able to drill an oil well. In Texas it takes a couple of weeks to be able to get the permitting; Saskatchewan, you know, two or three months. In Alberta it can take over a year. What's happened is that we've driven away business. We've driven away the opportunity for businesses to be able to come into our province and say: this is a place that we can set up, we can quickly get the investment going, and we can be in a situation where we can start creating jobs.

This is something that I believe the committee, the EDAC, was set up to try to be able to address. Now, what's interesting about that, though, is that when they set up this EDAC committee, there was a mandate put in that, and the mandate was "to explore opportunities for increasing the value of Alberta's resources and creating more jobs." The concept of being able to create more jobs, according to a Conservative side, is that when you incentivize through lower marginal tax rates, lower size of government, and lower regulatory red tape, then that will create the scenario where investors can say: we can make a good return on investment; we'll go into that jurisdiction. This we used to call the Alberta advantage, and when we had that Alberta advantage, we had for a 10-year period more foreign investment coming into Alberta than Quebec and Ontario combined, with only 11 per cent of the population of Canada here in Alberta.

Here's what's interesting about that. There are jurisdictions down in the United States that have taken the approach that if they will put 10 to 15 per cent of the capital cost into a project, they can incentivize those companies to come into their state. The problem is this, Madam Speaker. It becomes a shell game because you have other states or other jurisdictions, even different jurisdictions throughout the world, that say: okay; well, they're offering 10 to 15 per cent; we need to offer 17 to 20 per cent. Then the next tranche of investments doesn't go into those areas. It goes into other areas that are offering more.

There is actually a better way, Madam Speaker. The better way is to offer, as I've stated many times in this House, a Reaganomics approach. This, again, specifically talks about creating not a vehicle but the environment where businesses can thrive. This concept here – I mean, the bill is called the Energy Diversification Act. Now, this government has oftentimes said that the whole approach of this government is to be able to try to get us off the oil roller-coaster ride, so they talk about diversifying the economy. The absolute best way to be able to diversify the economy is by applying Reaganomics.

Rather than actually taking a look at a tax boutique, which is what we've kind of seen with – actually, that's what we've seen with the bills that have come forward from the NDP, which is picking winners and losers, saying: we believe that this is actually the area that we need to expand and put money into so that we can actually build out that sector or that portion of the economy.

Here's the problem. The problem is that throughout the couple of hundred years that we've been able to kind of focus and really learn about what market economies are like, what we've seen is that any time people think that they're actually smarter than the market or that they can actually gerrymander or mess around with the market,

it has always ended up being unsuccessful. There's a plethora of examples out there. We've got history on our side to show that the absolute best way of being able to create a strong, robust, diverse economy is to allow supply and demand to be able to create the equilibrium price.

If we do that and we do that effectively, then that diversification will happen organically, the creation of jobs will happen organically because the fundamentals – the fundamentals – are strong. So you build the proper fundamentals, the proper foundation of any economy, and it will thrive. This is why in North America we have seen such amazing growth and wealth creation, because of our ability to be able to embrace those principles or those policies that actually create that wealth and create that diversification, create those well-paying jobs, those well-paying businesses.

When we move away from that model, Madam Speaker, we move to shaky ground. We move into an area that has never been proven in the past to work, yet I hear from this government on a regular basis that they have figured it out this time, that even though it hasn't worked in the past, they have the ability to be able to figure it out this time, and that it will work. There is an arrogance in that – and I've spoken about that before – where the arrogance is that we believe that we have a better idea about how to be able to fix the economy or how to be able to make it work.

9:40

I've said this before, Madam Speaker. I think that if this government was to be judged on intent, they would have a gold star, absolutely, an A, grade A. Intent? Absolutely. The problem is that outcomes are how every government is judged, and the outcomes that we've seen from this government have been lacklustre at best. We've seen an increase, an uptick, in the price of oil, which naturally is going to see an uptick in some of your economic drivers. For the NDP to say that that's because of their policies, I think that that's short sighted.

But I will say that I recognize the intent of this bill. The intent was to say: look, we're only getting 2 per cent of this petrochemical industry investment; we need to try to be able to address that issue. There are certainly historical background and precedents to show that when states like Louisiana and Texas and Pennsylvania do this, they do incentivize these investment dollars to come in.

But once again I've said, Madam Speaker, that that is short sighted because it's a shell game. At one point you can be able to incentivize them with a 10 to 15 per cent capital injection into the project, but when the next tranche of money comes in or when the next petrochemical facilities need to be built, at that point you're in competition with other jurisdictions that say: we'll give you 17 per cent or 18 per cent or 20 per cent to be able to come in. Then where does it end?

This is why, in my opinion, this approach is folly. It is not long-term thinking, nor is it actually an approach that, in my opinion, is good for our children and grandchildren. Let's create an environment – and this is the reason, Madam Speaker. This is the reason why I came to this House. This is why I ran, because Alberta was good to my family. We had a charmed life here. It was fantastic. Being able to live . . .

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? The Official Opposition House Leader.

Mr. Nixon: Well, thank you very much, Madam Speaker. Thank you very much to the Member for Cardston-Taber-Warner, who had a great presentation. I was very interested to hear his comments that he was speaking about at the end in regard to his family and would love if he would elaborate on that a little bit more.

The Acting Speaker: Thank you, hon. member.

Would the member like to respond?

Mr. Hunter: I would love to respond, Madam Speaker.

The Acting Speaker: Please go ahead.

Mr. Hunter: Thank you. Look, the truth is that I got into this, I ran to become a politician to become a Member of the Legislative Assembly so that we could try to be able to get Alberta back on track with this thing that we used to call the Alberta advantage. Really, the Alberta advantage is an application of Reaganomics. It is an application. It's a proper application of Reaganomics. You know, it was interesting because I heard one of the members a few days ago talking about how trickle-down economics didn't work, and this is actually another word for Reaganomics. She quoted the IMF as her source for saying that it didn't work. It's interesting that she would use that as the source.

But I will say this much. If you take a look at wealth creation as the indicator of a system's success, trickle-down economics has worked very, very well throughout the world. The members opposite can laugh all they want, but they need to read history, and they need to read some economic journals rather than just the IMF. That they would be able to say – you know what? Again, I could quote lots of stuff the IMF has said that is absolutely – what can I say? It's the IMF.

But I will say this much. When it comes to Alberta's approach to being able to actually get us back on track, Alberta's approach to being able to say, "How do we make it better in a sustainable, diversified, robust economy?" this is what I would have to say. Picking winners and losers through a boutique tax break style really doesn't work. [interjection]

Mr. Nixon: Point of order, Madam Speaker.

The Acting Speaker: A point of order has been called.

Point of Order Parliamentary Language

Mr. Nixon: I rise on 23(h), (i), and (j). I hesitate to rise on it. I was hoping the minister would just handle that issue herself, but I'm wondering, through you, Madam Speaker, if the minister would just like to rise and apologize and withdraw her language in this Assembly. I won't repeat it, but it's inappropriate. I know you acknowledged it and looked at her. I thought that she'd handle that in a more appropriate way, and I'd like to give her an opportunity to do that.

The Acting Speaker: Is there someone wishing to respond to the point of order? The hon. Minister of Labour.

Ms Gray: Thank you, Madam Speaker. The member is absolutely correct. I would like to apologize and withdraw.

The Acting Speaker: Thank you, hon. minister.

Hon. Member for Cardston-Taber-Warner, would you like to continue?

Mr. Hunter: Yes, I would like to. Thank you.

Debate Continued

Mr. Hunter: As I was saying – and I know that the members opposite were riveted by what I was saying – the concept is that if we get back to the fundamentals that actually build a diverse

economy, a robust economy, our children and grandchildren will be the benefactors of that. The value to us in being able to do that is that when the petrochemical industry decides that they're going to do another tranche of investments, at that point they can take a look at all the fundamentals of Alberta and say that Alberta is the place to invest petrochemical – whatever the industry is, it will invest.

This is why I am opposed to this bill. It doesn't get the fundamentals right. If you want a diverse economy and you want to be able to diversify the economy, then you've got to get the fundamentals right. This government continues to focus on tax boutiques. Tax boutiques do not work, Madam Speaker. Actually, to put this more succinctly, tax boutiques only work for a short period of time. Then what happens is that the government is in a position where they have to rethink their situation.

We're now, I think, \$45 billion in debt and, according to this government, moving towards \$96 billion. We're in a situation where if we don't get the fundamentals right, Madam Speaker – this is a perpetual problem that lots of economies have. They believe that they can spend their way out of the problems with their fundamentals, and that is not true. You have to get back to the fundamentals that actually make an economy work. Once you do that, then you're in a situation where that economy can now – because it does not try to gerrymander or rig what happens with supply and demand creating the equilibrium price, the market moves where it needs to move, and it will diversify, as that market will. We will see the people starting to net migrate back into Alberta. We'll see all the indicators starting to fire on all cylinders.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak to the bill? The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Well, thank you very much, Madam Speaker. It's a beautiful June morning, and I do appreciate the opportunity to talk about Bill 1. I really enjoyed the comments from the Member for Cardston-Taber-Warner, who just went before me. I think that he did an excellent job of articulating some of the concerns about this piece of legislation that's before us today. I'd like to pick up on a few of the main points that he raised, actually, in my time today.

While the concept of this bill and, certainly, the title of the bill, the Energy Diversification Act, are something that all members of this Assembly, I think, would support – certainly, broad amounts of public would support the idea of diversifying our industry – the problem, though, is that like with so many things with the NDP when they bring legislation here, they have cute and fancy titles, but then when you go and look within the bill itself, it starts to fall apart and it falls short. In this case it certainly does fall short of that goal and does very little towards the act of actually trying to diversify our economy in this province.

9:50

I think, Madam Speaker, as was pointed out by the hon. Member for Cardston-Taber-Warner, it is interesting – in fact, I would say that it's telling – that this government, the NDP government of Alberta, has only brought forward this legislation three years into their mandate. Prior to this legislation – even if you look at some of the ideological policies that are coming out of the NDP government currently, over the last three years the NDP was doing everything possible, it seems, to be able to prevent investment inside our province. Sadly, they did that successfully. They successfully chased away billions upon billions upon billions of dollars out of this province. We now know from the majority of large investors with billions of dollars to be able to invest in an economy like Alberta's that they have put a big red X on Alberta, and the

condition before they will consider coming back to our province is that the NDP government has to be gone.

Those are the policies that they've brought forward in the last three years. They raised taxes on job creators, really slowing down the diversification of our economy, not to mention increasing the consequences of the economic downturn that we were facing. We now know that we have higher taxes in our province but less income under the NDP government because they chased away job creators who left our province.

They imposed a carbon tax, brought in the largest tax increase in the history of our province, something they did not campaign on, something they actually hid from Albertans as they campaigned through the last election. You know, typical of the NDP: run on a hidden agenda, come through, then force through a tax on the province, a tax that the large majority, a huge majority of Albertans do not like, do not want. This carbon tax is a backdoor PST. As you know, if they had brought in a provincial sales tax, they would have had to call a referendum and they would have had to consult with Albertans, so they had to sit in the backroom and come up with a devious way to be able to move around that. They used the carbon tax. They like to call it a levy, as you know, Madam Speaker – I know you would not – but it is clearly a tax. That's what they brought in, again further damaging our economy.

As the hon. Member for Cardston-Taber-Warner points out, if this government truly has seen the light and actually wants to be able to help Albertans – so far their record is attacking Albertans and making life harder for Albertans. But if they've seen the light finally – and maybe it's been the great work by the Member for Calgary-Foothills, who's worked so hard on these files. Maybe they've finally seen the light, Member. Maybe they have. But if they've seen the light, then they should take some immediate actions that would have way more effect on our economy, way more positive effect on the people of Alberta and our economy than this bill would, because this bill falls well short of that.

The number one thing they should do is to remove the carbon tax if they want to help diversify our economy immediately. In fact, they may even help themselves politically, but that's not why they should do that. They should do it because that's what Albertans want them to do. They should do it because it's good for our economy. They should do it because it will attract investors back to our province.

But they won't. They won't. I don't want to always predetermine the outcome of the government, but clearly their record on this issue is clear. They will double down, triple down, and continue to go on with their ideological agenda despite the fact that they're devastating communities, that they're hurting people that you represent and that I represent. Instead, they'll come here and attempt to distract people, Albertans, from this government's hideous and ridiculous record on these issues. They'll try to come forward and say: hey, look, we'll bring in a couple of these tax breaks, we'll call the act a fancy name but not really have any content within the act that actually does what that name says, but we will not actually do what it takes to fix the economy.

The hon. Member for Cardston-Taber-Warner talked a lot about how much easier it is in other jurisdictions to be able to do certain activities, you know, oil and gas activities. If this government truly wanted to diversify the economy, truly wanted to spur things on, get things going, they would actually look at the red tape side. Instead, this government has made it worse. The example of Texas was raised earlier this morning, you know, three, four weeks to be able to get a project going; in Alberta and in Canada, unfortunately, sometimes well over a year.

In the case of what we're seeing right now with the Trans Mountain pipeline in B.C. being blocked indefinitely by NDP allies

in B.C., including the NDP government in B.C.: individuals blocking that pipeline illegally without any consequences from the Premier of Alberta – in fact, she went out of her way to be able to avoid actually having that conflict with them and continued to allow them to do that illegal behaviour up to the point that she and the Prime Minister, her close friend Justin Trudeau of the federal Liberal government, had to go buy that pipeline and then had a party high-fiving each other.

It's shocking, Madam Speaker. I know you'll be shocked by this. The members across the way stood outside a couple of weeks ago or a week ago – time blends together in this room – on a beautiful sunny day and high-fived each other repeatedly, celebrating billions of dollars of investment leaving our community, billions of dollars of investment leaving our province. As the executive of Kinder Morgan got to go home to Texas and get a million-and-a-half-dollar bonus, this NDP government was high-fiving each other, but they still haven't dealt with the issue, which is that they have to address the protesters and the municipalities that are blocking that pipeline illegally. But this government, rather than deal with that, would rather put their head in the sand than confront people that have the same ideological agenda as them.

I can say that, Madam Speaker, because one of leads of the protest movement against that pipeline is Tzaporah Berman, an appointee of the NDP government, who has been quoted recently saying that all hell is going to break loose because the federal government tried to buy a pipeline and that, basically, they will not stop blocking this pipeline from being built. That's an appointee of this government.

Instead of changing red tape and adjusting to it – you know, the red tape argument actually is significant. There's an organization in Sundre, my hometown, called black gold, and they do a lot of great work on emissions, on technology.

Mr. Cooper: Dallas Rosevear.

Mr. Nixon: Dallas Rosevear. You're correct. Dallas Rosevear, for sure.

But they do a lot of work on technology that can address emissions on current oil wells and those type of things. Really great stuff. If you ever have a chance, Madam Speaker, if you're ever in Sundre, call me, and we'll go for a tour of their shop. It's pretty fascinating. Their head office is in Sundre, and they have shops in Oklahoma and across the United States, but Alberta is where they are from. The owner of it is a lifelong resident of the great town of Sundre. In fact, he actually lives out in Bergen, just a few miles away from my home.

Mr. Cooper: He just planted 36 trees in his yard.

Mr. Nixon: I did not know that, hon. member. He just planted 36 trees in his yard. That's excellent.

I went and visited with him the other day. Like, something like 80 per cent of their current business, including what's coming out of the shop in Sundre right now, is on its way to the States, places like Texas and Oklahoma, because they can get projects off the ground effectively, through the red tape, at significantly, I mean, astronomically faster speeds to be able to get their projects built than what's happening here in our province.

What's happening is that all of the investment is going down to the United States. The only thing that's still saving our communities is that the United States and those areas still do not have the same level or the same amount of experienced workforce in these issues, so they have to come up to places like black gold in Sundre to be able to access our skilled labour. But the United States is catching up in these areas very, very fast. Many people, particularly

Albertans of late: I know many of them who have moved down to Texas and those other areas to be able to provide their skills because they don't have to pay the carbon tax down there. They don't have to pay the increased tax rates from this government. The point is that that much work is coming from our communities and having to go to the States or other jurisdictions because this government and the federal government have made the red tape so significant that they can't operate inside these environments.

Now, I'm sure that this government will try to put a spin on it. In fact, maybe at lunchtime we'll all go outside, and we'll see them all jumping up and down high-fiving each other in the sun and getting some nice photos. But the problem that they created, the problem that exists in this province, will still exist after those high-fives. The people that this government is supposed to represent and should be concerned with when they're in this Chamber, though they're not, are still going to be suffering as a result of this government's policies.

10:00

The number one thing the government can do right now to work on diversification is to create an environment, as the Member for Cardston-Taber-Warner said, where businesses can succeed. But this government, from the moment they came into office, have worked hard to attack businesses, to make things harder for businesses, to make the rules harder, to focus on their ideological beliefs, to damage job creators, and to chase job creators out of our province. You know, when we talk about that here at a high level, it's easy for us to forget what that really means. What that means back in communities like mine and yours, Madam Speaker, is that people lose jobs. People stay on the unemployment line longer.

Now, I guess this government doesn't care about that, according to the Deputy Premier of Alberta, who has said in this Chamber in *Hansard* that those several hundred thousand people who have lost work under this government's watch are just an opportunity cost so that this government can push forward their ideological agenda. They're just a cost. Don't worry about them. They're struggling to pay their mortgages. It's ridiculous of that minister to say that. It's ridiculous that this government acts like that and thinks like that. Those are real people: my friends and my neighbours, your friends and your neighbours. Those are moms and dads. Those are people that are trying to make ends meet, and this government thinks that they are just an economic opportunity cost on the altar of their ideological agenda.

When they bring forward legislation into this place, they just confirm their own words. All they want to do is distract from their ridiculous record. All they want to do is distract from their shameful behaviour towards Albertans. Distract. It's a great idea to diversify the economy. It's a great idea to try to fix the mess that the NDP have created in their time in government. Why won't they do it? Why do they continue to double down on their ideological policy? Why do they continue to punish everyday Albertans, to scare away job creators? Why? What you'll notice is that there have been a lot of bills in this session associated with energy and with the Energy minister's files. What I have noticed – I don't know if you have noticed this, Madam Speaker – is that the Energy minister almost never rises to discuss them. She won't discuss them. She won't stand up in this Chamber, and she won't defend them.

The Energy critic for the United Conservative Party, the hon. Member for Calgary-Foothills, has done a great job through all these bills. He's come forward with reasonable changes, well thought out, after broad consultation with the industry. He's also worked in the industry, is very educated, an engineer, and understands the process. He stands up in this House repeatedly and brings forward ideas on how they could at least make their bad bills

better. And from the Energy minister what do we hear? Crickets. Crickets. They know that they can't defend their behaviour. They can't defend their behaviour. If they could defend their behaviour, the Energy minister would stand up right now and defend it. She would stand up and say: "This is why this bill is okay. This is how this bill will actually fix the problems that have caused the economic downturn," you know, like raising taxes on job creators by 20 per cent or increasing red tape, the issues this government did to those job creators. She could show us how this bill would do it, but she won't.

Because of that, Madam Speaker, I will move an amendment. I have the appropriate copies for the page.

The Acting Speaker: Thank you, hon. member. If you could please just wait until I have a copy at the table and at my chair.

Hon. member, just for a point of clarity, you are out of time, so any other member can speak to the amendment.

The amendment is in order. The amendment will be referred to as REC.

We will be under 29(2)(a). The hon. member.

Mr. Cooper: Well, thank you, Madam Speaker. It's a pleasure to rise under 29(2)(a) and ask if the hon. Member for Rimbey-Rocky Mountain House-Sundre wouldn't mind informing the House a little bit more about what the amendment would do.

Mr. Nixon: Well, thank you to my good friend and neighbour the MLA for Olds-Didsbury-Three Hills, who, as you saw earlier, Madam Speaker, seems to be paying particular attention to the Bergen road, where I live, and seems to know when my neighbours are planting trees more than I do, which is great. I'm a little worried.

An Hon. Member: Just scoping out the area.

Mr. Nixon: Just scoping.

I'm moving the following amendment, that the motion for third reading of Bill 1, the Energy Diversification Act, be amended by deleting all the words after "that" and substituting the following:

Bill 1, Energy Diversification Act, be not now read a third time but that it be recommitted to Committee of the Whole for the purpose of reconsidering sections 2, 3, and 4.

The reason I move this amendment – I think I made it fairly clear in my comments earlier on the main bill – is that this government is avoiding dealing with the real issues that are preventing the diversification of our economy and are making our economy worse, issues that mostly they created during their time in government. They need some time to be able to reconsider the legislation that they've brought here to be able to actually bring in some concrete action in those sections, to be able to fix the mess that they created, and to be able to get our economy back on track for Albertans.

We know that this government struggles with legislation. The record is extremely clear that when it comes to bringing forward bills to this Assembly, the government has repeatedly shown themselves as incompetent. They most of the time have to amend their own legislation, sometimes during the session. Fortunately, sometimes the public is able to put enough pressure on them, and they realize that they made a mistake. A great example would be the Municipal Affairs minister with Bill 10, having to bring in an amendment that basically rewrote his entire bill because of the mistake that he made. It's very disappointing, but at least he caught it and caught it during the session, before everybody had to go home for the summer. But most of the time under the NDP government they don't catch it till the following sitting. Albertans have been having to pay the consequences as a result of the NDP's incompetence when it comes to writing legislation.

Clearly, I think that the Energy minister won't even address her own legislation in this place. We don't know if she has gotten it right. Clearly, when you read this bill, the NDP do not have a plan to actually diversify our economy, do not have a plan to address the job-killing policies that they've brought forward, do not have a plan to address the fact that they scared away billions of dollars of investment from our province and that nobody will come back as long as they're still in power because of the policies they do. This amendment gives them an opportunity to be able to bring it back to committee and try to get it right so that, one, we can catch all the mistakes that they probably made within this bill, because that's every bill, and two, we can make sure that they're actually bringing in changes that will help the economy.

Now, I predict, unfortunately, Madam Speaker, that the NDP will vote against this amendment because they actually do not care. They just want to focus on driving through their ideological agenda and distracting people from the fact that the main problem with diversifying our economy, the number one problem with getting investment into our economy, is them. That's why they'll vote against it, because they don't want to admit it. Now, I get it. If I was in government and my government was the main thing that was chasing away billions of dollars of investment for the province, I probably wouldn't want this to go to committee to discuss that. But they should care about your constituents and my constituents and their constituents enough to recognize: "We have a problem. This government keeps messing up. We better go to committee and get some help. We can't even write a bill without any help, and we've proven it, so let's go to committee and get this right for the people of Alberta. They're depending on us."

The Acting Speaker: Thank you, hon. member.

There's some time remaining under 29(2)(a). Are there any other members wishing to speak under 29(2)(a)?

Seeing none, are there any members wishing to speak to amendment REC? The hon. Member for Olds-Didsbury-Three Hills.

10:10

Mr. Cooper: Thank you, Madam Speaker. It's a pleasure to rise and speak to the amendment today moved by my colleague from Rimbey-Rocky Mountain House-Sundre with respect to Bill 1, the Energy Diversification Act. In this particular amendment today we are proposing that we go back to Committee of the Whole for the purposes of reconsidering section 2, section 3, and section 4. I think that it is reasonable for us to have a bit of a discussion around exactly what that would allow us to do.

In section 2 of the legislation it speaks about:

The Minister shall establish programs that have the primary purpose of supporting economic growth and energy diversification, including, without limitation, programs that

- (a) support innovation and diversification in the energy sector by renewing the Petrochemicals Diversification Program and by allowing projects that consume ethane to be considered under that program,
- (b) increase access to capital,
- (c) increase the development of value-added upgrading in Alberta through a partial upgrading program under the Petroleum Marketing Act,
- (d) encourage more investment and jobs in upstream, midstream and downstream energy sectors by creating a petrochemical feedstock infrastructure program under the Mines and Minerals Act,
- (e) encourage increased participation from under-represented communities in the energy sector, and
- (f) support energy export and development.

You know, I find a number of these particular sections curious because many of them the minister actually has the ability to do already. One thing that I think is a little bit disappointing and a good reason why we should recommit it to Committee of the Whole to have a much more robust discussion around these particular issues in section 2 is particularly around this issue of encouraging participation, increasing participation from underrepresented communities in the energy sector.

I know that the Leader of the Official Opposition in this House both this week and, I believe, last week, if I'm not mistaken, asked specific questions about the Eagle Spirit pipeline project in northern Alberta – that is a project predominantly of indigenous leaders, indigenous communities, and indigenous organizations – proposing engagement and increased participation, one might say, in the energy sector. Unfortunately, due to the federal government's tanker moratorium and ban off the northern coast of British Columbia, they are unable to proceed with their efforts.

We have literally asked the government on I believe it is half a dozen occasions: will they speak strongly, against their opposition, to remove the tanker moratorium? Every single time the minister, the Premier, the Deputy Premier duck, cover, weave, bob, move all around the place but actually say that their good friend and close ally Justin Trudeau should in fact remove the tanker ban from northern Alberta. In a single act of him doing that, it would allow a whole group of individuals who are from, as the bill says, underrepresented communities to proceed on that very issue of engaging in the energy sector in a much more meaningful and important way.

The amendment before us here actually would give the government the opportunity to come back into the Chamber, speak strongly about this particular issue. They could set the record straight, actually communicate, put into actions the things that they say they want to do in this legislation. They would be able to support Alberta entrepreneurs. They would be able to support members of the indigenous community. They would be able to support this very vital project. All that we've seen from this government is that the government has said: "Don't worry. We've written a letter. We've written a letter and expressed our displeasure." But they have not publicly spoken against the tanker ban.

I think you'll find if you go back into *Hansard*, Madam Speaker, that in the spring session or the last fall session the Official Opposition asked tens and tens of times this particular question about the tanker ban, prior and then after, and at every single turn the government has refused to take a strong position that supports Alberta entrepreneurs with respect to pipelines in northern Alberta. They won't commit publicly, yet they profess in this piece of legislation to want to be encouraging increased participation from underrepresented communities in the energy sector. Well, the spirit energy pipeline and the group that is associated with that are individuals who are passionate about the energy sector, but there is a significant barrier to the project in which they would like to engage, and the government has virtually said nothing.

You know, the legislation also talks about supporting energy export development, and I think it's a perfect reason why we should go back to Committee of the Whole just to talk about what that means. If that means the current plan of chasing away private capital so that it can be replaced with federal government capital in the form of Kinder Morgan, so that their senior executives could get a \$1.5 million bonus payout from the Alberta and the federal governments, if that's their idea of supporting energy export development, I think Albertans want to have a more robust conversation around that.

You know, the amendment before us speaks specifically about recommitting this legislation to reconsider section 3.

Regulations

3(1) The Minister may, if regulations are necessary to give effect to a program referred to in section 2, make regulations respecting the program, including its implementation.

(2) If the Minister wishes to establish an investor tax credit program or a capital investment tax program, the Minister shall introduce in the Legislative Assembly a bill to establish that tax program.

Well, I think it's important that we have a discussion around what some of those regulations might look like.

You know, this government has an amazing track record, and not in a good kind of amazing way but in the way of establishing rules and regulations inside the cover of a minister's office. Essentially, under the regulations section, section 3 of the legislation, it allows the minister to create any program and any regulation to support that program. But part of the problem is that even if we want to FOIP information about this in the future with respect to the e-mails that might go around the minister's office on what those regulations might be, Madam Speaker, you know what kind of record this government has when it comes to deleting e-mails. You know the kind of record this government has when it comes to the FOIP process. There are currently four investigations with respect to breaches that this government has been involved in. So any time that ministers are providing themselves carte blanche abilities, you know, the Official Opposition and Albertans have some concerns around that.

The most senior official in the Premier's office, Mr. John Heaney, the former chief of staff, you'll know is involved in an investigation of political interference with respect to FOIP. He also has, you know – the government's track record on transparency has been terrible.

Mr. McIver: He was laid off for a weekend.

Mr. Cooper: He took a weekend off before they retitled him with a \$130,000 contract. This is exactly the problem with regulations and why it's so important, and how it's related directly to Bill 1 is the government's track record on creating regulations in a fair, open, and transparent manner.

10:20

I think it's important that we reconsider section 4 of the legislation.

4(1) The Minister shall annually, and more frequently if the Premier directs, report to the Executive Council on the Minister's progress in establishing and implementing any programs under section 2.

(2) The Alberta Petroleum Marketing Commission shall annually, and more frequently if the Minister directs, report to the Minister on any project supported by the Commission through any programs established under section 2.

You know, Madam Speaker, I have a philosophy in politics: trust but verify. The problem with this particular section is that the minister can go a whole year without any accountability to Executive Council, let alone any accountability to the Legislative Assembly. Now, fortunately, the Premier can tell the minister to do his job in a more efficient manner by directing him to write a better report or more frequent reports to Executive Council. My colleague here from Calgary-Hays has been a minister before, and he'll tell you that reporting to Executive Council should happen frequently. There's no reason, if the minister is reporting to Executive Council frequently, that he can't then report to the Legislative Assembly at least on an annual basis. It would make sense. The chairs of most committees in our Assembly report to the Assembly annually.

We're talking about spending millions of tax dollars, with virtually no accountability with respect to reporting to the Assembly.

Those are just a few of the reasons why it's important that this bill gets recommitted to Committee of the Whole so that we can correct the errors of the government and so that they can recognize their folly with respect to transparency and accountability. We can do them a favour, help them out of a political jam, and make sure that this bill is as open and transparent as possible.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? Hon. member, under 29(2)(a)?

Mr. Panda: No. I'm speaking to the motion.

The Acting Speaker: Okay. There are no members wishing to speak under 29(2)(a)?

Are there any members wishing to speak to the amendment? The hon. Member for Athabasca-Sturgeon-Redwater.

Mr. Piquette: Thank you, Madam Speaker. I'd just like to rise to urge my colleagues to vote down this amendment. The time to get Bill 1, you know, out of the Assembly and into action I think is now. This is a bill that has been given a great deal of thought and has had the benefit of experience with the first round of incentives, speaking specifically about the first PDP program, which was a resounding success. That's one thing that I think we need to be really clear on is just how well received that first round of the petrochemical diversification program has been.

I mean, it just so happens that yesterday I was out visiting Pembina with our Minister of Energy and had a chance to speak with the administration and the staff there. They're really excited and raring to go. You know, this is a development that, as well as the IPL one, wouldn't be going forward if we hadn't made the prudent decision to level the playing field here in Alberta so that companies could make that investment decision. Playing on the experience and the success from that first round, I think that this bill is a very well-informed sequel to it and should have a substantially positive effect on our diversification efforts, which are also immensely popular not only within the industry but within the public at large. This is what Albertans want to see. They want to see us moving up the value chain as a province. This is something that we promised to do, and we're keeping our promise. So I'm really a bit nonplussed about the level of opposition we're seeing on this bill when I get out and talk to people in the field.

I also had an interesting conversation with a gentleman in Sturgeon county who works for a large international engineering firm. He made a point to thank me personally for what our government has done. He said, in his words: you know, it helped to keep us working, and we think it's a really well-designed program; we're really happy to see that, and we hope to see more. That's really what the consensus is out there. It's the time for greater diversification, the time to move up the value chain, the time to, you know, stop burning ethane and to be able to use it as the viable feedstock that it is. That time is now.

So it's for those reasons that I think we should defeat this amendment and pass this motion and, you know, get these programs to work for us.

Thank you.

The Acting Speaker: Thank you, hon. member.

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

Seeing none, now I can recognize the hon. Member for Calgary-Foothills.

Mr. Panda: Thank you, Madam Speaker, for allowing me to speak actually in favour of this motion from my colleague from Rimbey-Rocky Mountain House-Sundre. Having said that, although I support his motion, I'm not against petrochemical diversification. My colleague here from Calgary-Hays can confirm that within my own caucus I've spoken very passionately about energy diversification many times.

There are many, many good points in this bill. To the previous speaker from Athabasca-Sturgeon-Redwater: thank you for saying what you said, but you're being selective. If the intent of this bill is to increase the value of our resources, there are other ways to do it, too. If you look at the report submitted by the EDAC, you will realize that there are many other aspects of the recommendations that were not considered in this bill. That's why I worked with my caucus colleagues and I moved seven amendments, not one. Unfortunately, none of them were accepted by the NDP caucus.

We are all agreeing that energy diversification is important for maximizing the value of our resources. But having said that, the EDAC dealt with a few other recommendations. The fundamental difference here, Madam Speaker, as you heard from my colleagues from Cardston-Taber-Warner and Livingstone-Macleod, is that everyone talked about the EDAC report and how we can fix this bill and how we can have a fulsome discussion and then upgrade this bill. Some points we differ on. The NDP prefers grants, loans, and loan guarantees while industry preference, although they don't mind receiving them, and if the government offers them, they won't say no, is for tax incentives, tax credits, and royalty credits. That's where the difference is.

Like my colleague from Cardston-Taber-Warner said: New Democrats are not my enemies; they're my rivals. That's how I view them. They have some great ideas. In other provinces the likes of Gary Doer and Roy Romanow actually balanced budgets. They did a lot of great things for the people they served, and I'm sure that's the same intention of my NDP colleagues here. But where I differ from them is when they take a selective approach.

I also pity them because they have to fight their own NDP fellow travellers. Unfortunately, they put trust in people like Tzeporah Berman and Karen Mahon and all those people. Not only that; now they're in danger in Ontario. God forbid if the people give the mandate to the NDP there. They're going to side with the B.C. NDP, not with the Alberta NDP. And their own leader, Jagmeet Singh, the federal leader, already declared his intention to support B.C., not Alberta. So I know what a difficult situation the Premier and her colleagues are in, and I have some sympathy for them on that front because they have to fight their own NDP fellow travellers.

10:30

But the issue here is that the EDAC recommended many other things. I read into the record a few times and my colleagues read into the record many recommendations, and stakeholders like the Alberta Industrial Heartland talked about other ideas where we can improve this bill. All those recommendations were ignored. That's the issue I have in supporting this bill.

I talked to the stakeholders, and they still prefer other incentives than – I mean, those businesses don't want the public to view them as receiving corporate welfare. All they want is the government to get out of their way and let them do their job. They want a reasonable return on their investments, and then they want to take that risk. But if government is adding layers of regulation and putting up hurdles, that's not what they want.

That's why although I like some parts of the bill, I and my colleagues from Calgary-Hays and ... [interjection] Yeah. Calgary-Fish Creek. He had the same challenge on Bill 1. We talked

about this in our caucus. When the NDP is selectively applying these things, we're not able to convince our constituents who are asking me: why would the NDP give billions to corporations, but they won't bring natural gas to La Crête? Those kinds of questions.

Also, people are asking that if we had to maximize our value for the resource and also, you know, the benefits to all Canadians, the NDP should be fighting their federal ally on the tanker ban, C-48. If we don't remove that tanker ban on the west coast, we can't export our product to Asian markets. So that means we continue to ship to only one market, in the U.S.A., and then we have to discount that product.

We are losing \$43 million per day due to lack of pipeline space, and the Premier knows it. She said it many times, that we are discounting to the U.S.A., and they are exporting. They're using our heavy oil that they're refining in the Gulf coast of Mexico. They're getting full value for the product, and we are losing, in terms of the differential, \$43 million a day. It adds up: every day \$43 million, which is \$15.6 billion per year. That money could have been used for all the social programs this government wants to champion. That's a lost opportunity.

Then C-69 is the other bill that their federal ally Justin Trudeau brought in. If that bill is passed as presented, there won't be any energy development projects, resource development projects in this province in the near future. There are only two, three projects that are wrapping up like Suncor's Fort Hills, and there are a few expansions to Cold Lake and other projects. But other than that, there are no in situ projects, there are no mining projects.

So how do we maximize the value for our resource if we don't fight those two bills? I asked the Energy minister many times in this House and the environment minister that if they have written to the standing committee, they should table those documents if they oppose those bills. Until today I haven't seen it. I tried to engage the Energy minister's staff, chief of staff. He gave me his cell number. I called, left a message; no answer.

We do want to work with them and co-operate, but they don't want to co-operate. When the Premier talked about all of us working together with one voice to send out the message, we supported her many times in this House. But when the Leader of the Official Opposition brought in Motion 505 to oppose those two changes, you know, to those federal bills, C-69 and C-48, the NDP voted against it. I was so surprised. While I thank them for passing my previous Motion 505, which was to phase out imports on the east coast and bring in energy independence to Canada – the NDP passed that private member's motion – to show solidarity, again, they could have voted in favour of the new Motion 505 from the hon. Member for Calgary-Lougheed, but they decided to vote against that. That is not giving certainty to the industry.

When the NDP blindly reject our amendments and our ideas, industry is watching this, and then they're not feeling confident to invest in Alberta. That's another issue. That's why this Premier and her front-benchers need to work with the opposition so we send the right signals to the stakeholders. Otherwise, they'll be very, very scared to invest in Alberta. They know that governments come and go. That's part of democracy. Governments do change occasionally. You know, the PCs had a dynasty for 44 years. Then you know what happened. The same thing could happen to the New Democrats in less than a year. That's why they have to be careful.

Also, this bill didn't talk about geographic diversification. When I was the economic development critic, I travelled across all of this province, and I met with stakeholders like the Chambers of Commerce and others. What they told me is that although – I mean, we are concentrating on petrochemical diversification projects mostly in the Industrial Heartland, but then there are places in Alberta, like Grande Prairie, Whitecourt, Medicine Hat, and these

days even in Rocky Mountain House, where there is a lot of natural gas and other resources that we can use as feedstock to produce value-add products. From methane we can produce polyethylene, and from propane we can produce polypropylene and so on. But in this Bill I that aspect, geographic diversification, is missing.

It's going to be hard. I know how people feel. In Calgary thousands of my former colleagues can't find work anymore. Although the economic development minister here and also the Finance minister get up and talk about things looking up, up, up, the reality is that there is still about a 30 per cent vacancy rate in Calgary's downtown towers. When I walk on the +15 Skywalk during lunchtime these days, it's not as busy as it used to be. That is the reality. If they want to check on that, they can. But they have to be realistic when they say that things are up, up, up. It's a jobless recovery. It's hurting Albertans. You can't ignore that.

You can sit in this House and say what the projections are. Yesterday the Member for Grande Prairie-Smoky actually said it nicely: things went to the bottom, so now the only way, you know, it reacts is to come back up. We can't go any further down, so it has to come back up. If you want to take credit for it, take it. I compliment you for that, if you have any contribution to bring things back, but at the same time, then, you have to take accountability for things that are not working well.

10:40

So when we are talking about the \$96 billion in debt that is projected, that's scary to many people. People like me who came for economic opportunity here, for a better quality of life and standard of living for my son and his future children, I mean, those dreams have shattered now because on that \$96 billion we are going to pay \$4 billion just in interest to the banks and bondholders, who are not even in Alberta. They are in other countries and other cities in Canada. So that's scary. And all those 100,000 jobs that are lost, somehow we have to bring them back, and the only way we can bring them back is if the NDP is willing to . . .

The Acting Speaker: Thank you, hon. member.

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

Mr. McIver: Thank you. The hon. member made several comments that I thought he was in the middle of when the time ran out, and I was hoping that he might complete those thoughts because I know members on all sides of the House were anxiously hoping to hear the end of his comments.

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

Mr. Panda: Thank you, Madam Speaker. As I said, our caucus and our party support energy diversification. We are not against it. All we are saying is that we differ from the NDP on the approach they are taking on this bill. Things like diversifying and looking at doing value-adds in ridings like Rocky Mountain House will actually help in the geographic diversification of these energy projects. The intent is good. The bill's intent is good, to maximize the value for our resource. The best way to do it is to leave it to the market. Let the market decide where to upgrade and where to refine.

Also, this government, you know, is inconsistent. Last year or the year before – I don't remember – when we were talking about bills 27 and 34, I actually moved an amendment to exclude partial upgrading from that 100 megatonne cap. Even that amendment was defeated by this government. The Government House Leader and the Premier, when they were in opposition, always opposed pipelines like Keystone, saying that that's going to export jobs to south of the border, but today conveniently they forget that. You

know, when I asked them to exclude partial upgrading from the 100 megatonne cap, they voted against it.

So that's why I'm really concerned, Madam Speaker. If the NDP is really serious about maximizing the value for our resource, we should allow the market – if companies like Suncor, Syncrude, and all those, CNRL, if they want to invest in petrochemical diversification, let them take the risk. They will invest. If they think there is no market case and the best way to maximize the value for our resources is shipping bitumen to refineries south of the border, it's up to them.

Or we should actually ship it to other markets. So to ship it to other markets, the capacity in pipelines is not there. Government is trumpeting Kinder Morgan, if and when it gets built, the expansion, when we are only adding 600,000 more barrels to the international markets, but almost 3 million barrels are still going south of the border. One day, if President Trump gets up on the wrong side of the bed and he decides to shut down the wall, the inlet to the U.S., then we are hooped. That's why the NDP has to fight their federal ally Trudeau to remove the tanker ban and to let Bill C-69 die on the Order Paper. Federal bills C-48 and C-69: if they are passed, then we are doomed.

This NDP put all of their eggs in one basket by letting Trudeau kill Energy East, by letting Trudeau kill Northern Gateway. Now we are left with only one project, Kinder Morgan, which is very important but is only going to add 600,000 barrels. We need more than that. That's why the Leader of the Official Opposition talked about Eagle Spirit and I talked about using Churchill's port. Why is the NDP silent on that? Why would the Energy minister not engage me or my colleagues on those ideas? If your intention is to maximize the value for the resource, then do those things.

Also, apply your mind to the EDAC report, where they strongly recommended looking at red tape and other issues. They were all read into the record many times by me and my other colleagues.

I strongly encourage my NDP colleagues to understand our point of view. We are not against energy diversification.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak to amendment REC? The hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Speaker. I would like to rise today and talk in support of this amendment. The amendment asks us to take a look, have a sober second thought about the approach that this NDP government is taking. Earlier in the day I talked about some of the concerns that I had seen with their approach, and those concerns haven't changed.

What I will say is that there was an interesting article that I was perusing yesterday and today from the School of Public Policy at the University of Calgary entitled *The Siren Song of Economic Diversification: Alberta's Legacy of Loss*, a very interesting article, produced March 2015.

What's interesting about this article, this paper, is that it actually goes through historically to describe some of the problems that we've faced. There have been many efforts in Alberta to diversify the economy away from the dependence upon our oil and gas industry, not even just to move away from it but actually just to diversify it so that, because the commodity is actually quite volatile, we wouldn't have that roller-coaster ride. This government's approach has been tried by past Conservative governments. The concern is – and it was clearly articulated in this article, Madam Speaker – that when any government tries to approach this from a tax boutique concept, a tax boutique idea that they know best about where the economy should move to, it can result in the loss of taxpayer dollars.

Look, our responsibility in this House is to try to make sure that the economy that we are supposed to be championing is robust and is as sustainable as we can make it. It is not our responsibility nor role to pick winners and losers. It is the responsibility of the market to be able to pick those winners and losers. The market will decide whether or not there is a business case, whether it's petrochemical or whether it's for oil and gas or whether it's for whatever. Whatever the industry is, Madam Speaker, the market will decide. When the government, any government, whether it's left leaning, right leaning, whatever, decides that they feel that they know best how to be able to create jobs and establish more market, this is usually when we see the problems.

Now, I have indicated in this House before that there have been some times where we've gotten it right. There have been. Down at my . . .

10:50

The Acting Speaker: Hon. members, I hesitate to interrupt. I just want to remind the House and all members of the House that we're actually on a referral. Like, we're on an amendment that is asking us to go back to Committee of the Whole. I've been hearing a lot of debate, and I'm trying to give as much leeway as possible, but we seem to have shifted back to the content of the bill, not necessarily why we are asking for an amendment to refer. If we would just try to refocus on the actual amendment itself and not the content of the bill, I would appreciate it.

Please go ahead.

Mr. Hunter: I appreciate that clarity that you gave me, and I will endeavour to make sure that I do that. With your indulgence, though, Madam Speaker, what I would say is that in order for me to be able to make my case, the case for being able to move this back into Committee of the Whole, I have to be able to help, hopefully, my colleagues on the opposite side, who do have a majority in this House, with the reason why I believe that we have to go back to Committee of the Whole. In order for me to be able to get to that point, I have to be able to give you context, and I'm hoping that you will indulge me to be able to give the context of that argument. Feel free to stop me if you feel I'm going off on a tangent that I shouldn't be.

Madam Speaker, the point is that in this paper, that I felt was actually a very sober look at this, it was fairly damning of the past Conservative governments, that we've had for 44 years. It's not saying that they were all wrong, but it is saying that we did make mistakes. We should be big about saying that we made mistakes. We should be big about it and say: "You know what? Look, we've tried, with the best of intentions, again, but we made some mistakes. How can we learn from those mistakes?"

The area that this paper talks about showed how we can actually fix the problems that we have. It talks about getting back to the fundamentals. The fundamentals that we saw were effective in being able to move us away from unsuccessful diversification efforts were during the Lougheed era and during the Klein era. The fundamentals that they were successful at – they didn't call it Reaganomics; we call it the Alberta advantage – were very similar to those Reaganomics principles, which are, again, lower marginal tax rate, decreasing the size of government so that it's sustainable, and then the third part was a lower regulatory burden, which allows the economy to be able to be robust and sustainable.

This motion is designed to be able to give us, again, that opportunity to be able to take a look at some of the historical evidence that I've had a chance to be able to peruse. I would love for the members opposite to give us their feedback. Let's go back to Committee of the Whole. Let's take a look at some of the points

that were made in this well-thought-out research paper from the University of Calgary, take a look at that, figure out whether or not there are some things that we need to do better, and then get back on track.

The truth is, Madam Speaker, that we have got to get this right for our children and grandchildren. I've got children. I've got grandchildren. I desperately want to get it right. I know that the members opposite also have children and grandchildren.

So what is it that is going to be able to make it right for them? Is it going to be tax boutiques? Is it going to be petrochemical diversification? You know what? It actually could be, Madam Speaker. It could be. However, some of the concerns with this – I think history is replete with examples of how it doesn't work – are that the loan guarantees, the equity investments, the grants in the past have proven to be unsuccessful a majority of the time.

Again, there are some times when they have actually been successful. One of the times where I've seen the success and still to this day see the success is in the development of our irrigation systems down in southern Alberta, where I'm from. That has actually been a success. I can say that for the farmers the growth in GDP down in my neck of the woods is very consistent and very stable due to that infrastructure development. That actually was due to those loan guarantees and equity investments and grants. I would have to say that . . .

Mr. Piquette: How about the oil sands?

The Acting Speaker: Hon. member.

Mr. Hunter: You know what? There are a couple of other examples as well.

In context, I'm trying to say that the idea that we have gotten this right at this juncture, I believe, is folly and again strikes at that arrogance that we know best about where economies and where markets should be going.

I think that the value of this amendment is that it gives us an opportunity to go back, in the dying days of this session, and to be able to just give it one more opportunity, one more sober second thought so that we can give the best chance to get it right for our children and grandchildren, the best chance to be able to get Alberta firing on all cylinders and make sure that this is the type of legislation that, in reality, will be good.

You know, the money that they're going to be spending, again, in order to be able to incentivize them to Alberta, not away from Louisiana, the new petrochemical investments: look, this is going to be a rolling of the dice. Are we going to be successful at it? Are we going to be able to actually incentivize people away from these other jurisdictions? I know that when I talked to the people in the petrochemical industry, they had some very deep concerns about those fundamentals being wrong. They did say that they need to see this similar investment. Well, of course, the businesses are going to say that. But they also said that it's the big picture as well. They need to take a look at the full package to see whether or not it's actually going to be in the best interest of those petrochemical companies to be able to come to Alberta.

Once again, going back to the amendment, the amendment allows us the opportunity to be able to get some more feedback to make sure that we've got the equation right, again, for our children's and grandchildren's sake. Madam Speaker, we have tried many times in this House to give the government ample opportunity to do this sober second thought. What we have seen in the past is a complete abandonment of that sober second thought and a rush, a headlong rush, into legislation that was poorly thought out, and then we're in

a situation where they had to bring forward massive amendments or even change the legislation in following sessions.

This is not an unreasonable ask, Madam Speaker. This is not an unreasonable request. In fact, it's an olive branch to help this government be able to get something right, to give them an opportunity to be able to take a look at a little bit more of the evidence that we've seen. The historical evidence is always a good thing to be able to go on.

You know what, Madam Speaker? I would imagine that in the event that this petrochemical diversification works, I would be the first to say, "Congratulations; you actually got this one right," because Albertans need jobs. Albertans definitely need to have those jobs. We need to make sure that they have the opportunity to be able to get back to work and have the dignity of being able to have full-time employment, gainful employment. This is the sort of thing that Albertans expect their legislators to get right, and if we don't have the opportunity through this sober second thought, then we potentially could get it wrong. I think that that is really the danger to being able to push this forward.

11:00

What's interesting also, Madam Speaker, in just a little bit of a side note – I hope that you're okay with this – is that we're in a situation where Bill 1, in the dying days of this session, is now just being finished up. If it was so important to this government, why would they wait until three months later to be able to actually finish this bill up? This is actually a little bit of an indictment on them in Albertans' eyes because, again, I think that they used to say – let me see here; I've just got a little note here – that this was making life better for Albertans. That was kind of their call to action.

Now what we're seeing is, I think, building a plan that'll last or something like that. I think that's what the new call to action is. You know what? If you're going to make it last, if you're going to make it work, then . . .

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 amendment?

Seeing none, I will call the question.

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

[Several members rose calling for a division. The division bell was rung at 11:02 a.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[Ms Sweet in the chair]

For the motion:

Anderson, W.	Hunter	Nixon
Cooper	McIver	Panda
Drysdale	McPherson	

Against the motion:

Anderson, S.	Jansen	Piquette
Carson	Kazim	Renaud
Connolly	Kleinstauber	Rosendahl
Coolahan	Larivee	Sabir
Dach	Loyola	Schmidt
Drever	Luff	Schreiner
Eggen	Malkinson	Shepherd
Feehan	McCuaig-Boyd	Sucha
Fitzpatrick	McLean	Turner
Ganley	Miller	Westhead

Gray	Miranda	Woollard
Hoffman	Nielsen	
Totals:	For – 8	Against – 35

[Motion on amendment REC lost]

The Acting Speaker: Are there any other members wishing to speak to the bill? The hon. Member for Olds-Didsbury-Three Hills.

Mr. Cooper: Well, thank you, Madam Speaker. It's a pleasure to rise to speak to Bill 1. While I am disappointed that the amendment did not pass in terms of the government showing its lack of care and consideration for ensuring that they get this piece of legislation correct, I still am pleased to rise and speak at third reading on Bill 1, the Energy Diversification Act.

Madam Speaker, I'd just like to pick up on a few points that I made in the amendment discussion, particularly around section 2 of the legislation and exactly what the legislation is intended to do. One of the big, big, big concerns that I know I have is this government's track record of saying one thing and doing another. Really, in many ways, that's exactly what the Energy Diversification Act is.

11:20

We've seen politicians all across North America getting into this habit of saying one thing and doing another. Certainly, this NDP government, you know, is very, very similar to other NDP governments that we've seen in the past. Right now in Ontario there's an election taking place, and there's a small chance that the NDP in Ontario, under Andrea Horwath, are going to win. I don't know if I would be clapping for that because we all better hope that they're a say one thing and do another government. They've promised a lot of very, very, very problematic things. They would in fact be problematic for this government, who pretends not to like the federal NDP, pretends not to like the British Columbia NDP.

Mr. Nixon: They're the same party.

Mr. Cooper: They are the same party.

Whether you like Doug Ford or not, I think we can all hope that there's actually a Conservative government in Ontario so that we have somebody who can advocate for our energy sector from right across our country. Whether you like Donald Trump or not, he certainly has done things to promote pipelines in this country. Now, I am not a fan of his in many respects . . . [interjections]

The Acting Speaker: Hon. members.

Mr. Cooper: . . . but with respect to energy he's certainly done a lot of work. That's exactly what the Ontario Conservatives would do as well. We need governments right across our country and around the world that are going to promote our energy industry and are going to promote the fact that we need to make sure that this is a growing sector.

The unfortunate thing is that this NDP likes to sputter and start and putter and patter in all sorts of different directions. They wind up saying that they support energy diversification, but their actions communicate otherwise to the marketplace, so we see a significant flock of investment out of the country and the province. I mean, we saw it just last week in the form of Kinder Morgan divesting their assets in Canada and the federal government needing to step in and engage in that project in an unprecedented manner. These sorts of policies from the past that the NDP have implemented: now they're coming to try to clean up the mess that they've created.

But they continue a pattern of saying one thing and doing another. One particular place that I would like to highlight this – I mentioned it earlier, but I think there's some merit in mentioning it again – is in section 2 of the legislation, where it speaks about the establishment of programs. Then it outlines what the minister's job is already, which I find a little ironic. You'll remember, Madam Speaker, that Bill 1 just a few sessions ago – I think it was the job-creation act or whatever – was really a job description for the minister, and in some respects that's what this legislation is as well.

With respect to the establishment of programs

2(1) The Minister shall establish programs that have the primary purpose of supporting economic growth and . . . diversification, including, without limitation, programs that . . .

And then it goes on to list those programs that it might include.

You know, it's almost like it's another job description for the minister. Never in Alberta's history has the minister had his job described so many times in legislation. But it's good that he has clear direction. I'm glad that the Premier has provided clear direction to him as to what he should do. I also am glad that the Premier in this legislation provided the Premier's office the opportunity to require more of the minister, like more reporting to Executive Council. We all know that Bill 1 the last time around or two times ago, whatever it was, created one job, and that was the job of the minister. We hope that this bill will in fact create more.

In section 2, as I was saying, it talks about a number of different programs:

(b) increase access to capital,

something the minister should be doing already.

(c) increase the development of value-added upgrading . . .

This is a fair point in this piece of legislation.

(d) encourage more investment and jobs in upstream, midstream and downstream energy sectors by creating a petrochemical feedstock.

This is a good thing.

I do find it interesting how they're willing to address upstream and downstream jobs, but they're not willing to defend upstream and downstream emissions on this particular point. Again, it's a say one thing and do another government, where they'll say that they want to defend Alberta's interest, but when it comes to upstream and downstream emissions, essentially, that killed Energy East, they want to say nothing.

So I'd like to move an amendment. It's a good, solid amendment. If it's okay with you, I'll proceed while they're being handed out, or would you prefer me to wait?

The Acting Speaker: Hon. member, if you can just wait till the table has the original and I have a copy, please.

Hon. member, please go ahead.

Mr. Cooper: Thank you. I move that the motion for third reading of Bill 1, the Energy Diversification Act, be amended by deleting all the words after "that" and substituting the following:

Bill 1, Energy Diversification Act, be not now read a third time but that it be read a third time this day three months hence.

Madam Speaker, this is a motion that will allow the government to put this particular program on hold. There was so much opportunity that Bill 1 had that they missed. You know, the Energy Diversification Advisory Committee, that reports directly to the minister, produced a great report, a number of recommendations, on many of which the government said: "Thank you for your expertise, but no thank you. We'll create a bill that is a job description for the minister instead." They created a bill that says: "encourage . . . participation from under-represented communities in the energy sector."

But while they say that, they're actively working against or, at minimum, not doing enough to protect great projects like the energy spirit project in northern Alberta, that is spearheaded, led, organized, orchestrated, capitalized by members of our indigenous community that are from underrepresented communities. This government hasn't said boo about the tanker ban in northern British Columbia, which is preventing the energy spirit project from moving forward, yet they say that they want to encourage participation of underrepresented communities in the energy sector.

At every single turn, whether it's on accountability, transparency, realistic points in legislation, they say one thing and do another. That's exactly why this bill should be amended to not now be read a third time and to be read three months hence, and I encourage all members of the government in the Assembly to vote in favour of that.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak to the amendment? The hon. Member for Strathcona-Sherwood Park.

Cortes-Vargas: Thank you, Madam Speaker. It's an honour to stand up and to speak to the hoist amendment, especially because we actually started debating this bill earlier in March, essentially allowing them months to debate this bill, and in those months of debate we have seen that the Official Opposition has failed to actually speak to the bill. I can say that because I was there the day the bill was announced. In fact, I wasn't just there; the MLA for the Industrial Heartland was there, and most of the Strathcona county council were there. The mayor of Strathcona county was there.

Just yesterday I was reading the *Sherwood Park News*, and they were talking about \$30 million of potential investment within the Strathcona county industrial area. This is because we have the ability to bring investment in through our industrial sector. The thing is that there is a past history on the ability to attain that investment, a history that the former government demonstrated that they failed to do.

11:30

That is why a lot of the industry leaders throughout that area have been very vocal about the fact that our government has turned the dial in a way that the former government was never able to do and, in doing so, has actually seen announcements like Inter Pipeline. When Inter Pipeline announces that they're going to be bringing their petrochemical and polypropylene plant there, they're talking about real jobs for the people of Strathcona county.

When we're talking about these kinds of things – and the members opposite are talking about delaying this for a counternarrative; they actually failed to provide a countersolution and a counterapproach – what are we waiting for? Madam Speaker, there's actually more to be lost right now in not moving forward on this bill. I think that we have done our due diligence in making sure that the industry understands where we're moving to and seeing that we really do need to address the difference in capital costs in Alberta and invest in Alberta rather than go somewhere else, and that's what this goes down to.

That's what the petrochemicals diversification program in its first iteration did. By putting forward royalty credits that a company could use once it's up and running – they don't actually even get to use that until later on – it addresses the competitiveness factor, that really impacts our ability to get that investment into our area. That's what was stated by many folks from Inter Pipeline as to making a difference in petrochemical diversification, the first iteration.

That's why, Madam Speaker, in the time that the energy diversification panel released their report, they spoke to doing

similar actions like the petrochemicals diversification program. We put that in place early on in our term, knowing that we needed to do more work as to finding out how best to move forward. That report was released in I believe it was early March, and we moved quickly because we know the urgency, that we need to be putting this work forward. We know that Albertans need to be able to rely on job stability, and we cannot do that if we continue to rely on just one area in oil and gas, and that's the extraction of oil and gas. We must be able to diversify within our energy sector the areas in which we're adding value to our oil industry. That's what we're doing when we're attracting petrochemical sectors like the ones that bring polypropylene. They take excess feedstock like propane and turn it into a value-added part like plastic pellets.

I think we need to really talk about the issues at stake. I've listened for the many hours that we've been debating Bill 1 at the end of the session, and the members opposite have spoken to anything but the actual bill on debate. They've spoken to past record. They've spoken to rhetoric, Madam Speaker, because I think it's more convenient for them to keep talking about this ideal economy that they never actually changed, because the people that are there in the Industrial Heartland – the industry members, the economic development executive director within Strathcona county – will tell you that the previous government was unable to turn the dial on investment when it came to attracting this kind of sector to that area. And they'll say that programs like the petrochemicals diversification program did exactly that.

As the Member for Strathcona-Sherwood Park, not only has this been an important thing that I've been working on throughout my term, but it's something that members all throughout the government have worked on because we know that attracting these different sectors is not something we just promise but something that the workers in this province depend on. We can't continue to expect workers across Alberta to have job instability through every boom-and-bust cycle. I think that's the element where having things like polypropylene, that goes into feedstock, is extremely important because they actually do better when the feedstock is lower. That usually happens in a bust cycle, so they actually run countercyclical, meaning that the people that work in the area have more ability to have jobs within the energy sector regardless of which part of the cycle it's in. It doesn't prevent the problem in its entirety. It means that there's still more work to be done, but I believe it is an essential step to creating job stability for workers, Madam Speaker. So I'm proud to stand with a government that is doing this and that is going to move forward on this work.

I know that in the past few months of being in session, every time I'm out in my constituency, the first question I get asked is: "When is Bill 1 going to be passed? When is that going to happen?" That is a question that, as I'm going through the chamber of commerce and as I'm talking to members of the chamber of commerce – they know, because they have a very direct line to the folks that are creating jobs in that area and a lot of them have to do with the industry, that programs that are coming out of Bill 1 will be extremely important in our ability to move the investment.

Madam Speaker, for those reasons and for making sure that we're standing up for Alberta workers, I don't think that this amendment is anything but a delay tactic.

The Acting Speaker: Thank you, hon. member.

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

Mr. McIver: Thank you, Madam Speaker. I'm pleased to respond under 29(2)(a). The hon. member made some interesting points. I found the newspaper item, I believe, that the hon. member was

referring to, and the hon. member, respectfully, left a few details out. Here's what the local folks said: the big change is that our biggest customer became our biggest competitor. The United States is now our major competitor, and that largely happened due to the shale oil. It was exacerbated by the fact that this government made our industry less competitive by raising corporate taxes by 20 per cent, by adding the carbon tax, making it more expensive for everybody that's in that hon. member's riding to do business. They've actually made it harder for them to compete, less competitive against the United States, their major competitor. That's what the article talks about. The hon. member left some important details out in her comments.

The hon. member and, unfortunately, the whole government over there also seem to believe that nothing happened before 2015. Well, news flash for the government: the previous government had been talking to Inter Pipeline for some time, and they were coming anyways. It happened on your watch, so take credit. Good for you. But they were coming anyways because this is a great place to do business.

If anything, this government has made it more expensive for Inter Pipeline to come. They've made their corporate taxes 20 per cent more expensive. They've added carbon taxes to them. Even for the staff that they're trying to attract to work there from other jurisdictions, they've made their personal taxes more expensive, higher prices for everything that they do. This government has actually crippled the ability for new companies to come here, and not just evidence – yes, the new investment that does come is great, but the hon. member left out the fact that over 35 billion with a “b” dollars have left, largely because of this government's policies. Madam Speaker, the energy price has been low before, many times, but we never had the mass exodus of major capital investments until this government made it so that companies didn't feel welcome here anymore. They felt that the government didn't have their back. They felt that the government wasn't on their side, that they weren't going to support workers, that they weren't going to allow companies to live.

Even after they did the royalty review and they got that kind of right – again, I talked about this yesterday, but it's relevant to this conversation today – they couldn't stand the prosperity 10 seconds later. After they released the royalty review, which was actually fairly well done, the Premier and the Minister of Finance and Treasury Board stood up and said, “We won't raise the royalties yet,” in other words, telling industry that if they ever start making money, this government will take that money away from them. They will not let business survive and thrive and create profit and return for their shareholders. Yet the hon. member stood up and tried to make it sound like this government is the saviour of business when exactly the opposite is true.

The hon. member talked about the first question she gets asked. The first question I get asked is: “When are we going to have an election? When are you going to do something about the current government?” That's what I hear everywhere I go in Edmonton, in Sherwood Park, in Calgary. Everywhere I go. When I talk to people from Sherwood Park, I get that question from them, too.

The hon. member, I'm sure, meant what she said, but the hon. member seems to have misplaced some of the facts. I think that's a polite word, “misplaced.” I'll stick with that. I'm sure the hon. member was intending to give accurate information to the House. I would never suggest otherwise. But the fact is that the hon. member left out a few details that were pretty important to this discussion.

Now, again, the same article talks about: the corporate tax cuts in the United States have resulted in a 21 per cent tax compared to Alberta's 27 per cent tax, 12 per cent provincially and 15 per cent federally. So 20 per cent of that provincial tax was added by this

government on this government's watch, making them less competitive against the major competitor that they have. It really, really, really has left Alberta companies in the lurch, less able to compete, yet the hon. member would stand up and try to have this House believe that this government has been in any way a friend to business when it's a well-accepted, well-understood fact across this province that exactly the opposite is true.

I would be interested in any comments that the member would care to reply on that.

11:40

The Acting Speaker: Are there any other members wishing to speak under 29(2)(a)?

Seeing none, are there any other members wishing to speak to the amendment?

Seeing none, I will call the question. Oh, sorry, hon. member. The hon. Member for Calgary-Mackay-Nose Hill.

Ms McPherson: Thank you, Madam Speaker. I'll wear bright colours in the future. I am rising this morning to speak in favour of this amendment but not because I think trickle-down economics work. I did want to make the point that there are many, many people that do not benefit from the idea of Reaganomics, that wealth would trickle down. If you're of a particular gender or race, it is a very successful system. If your name is John, you could probably do very well. But globalization has fundamentally changed economies. Just this morning I was reading about how the happiness index in Scandinavian countries, who do not subscribe to Reaganomics or trickle-down economics, is the highest in the world. Many Scandinavian countries are in the top 10. GDP is certainly not the only measure of success.

But I am voting in favour of this hoist because the EDAC report includes a number of recommendations that aren't included in Bill 1. Around two-thirds of the EDAC report recommendations are not incorporated in Bill 1.

The member opposite was speaking about questions that she's asked, the first questions that she's asked. I know that in Calgary a couple of questions that I'm asked quite often are: when are jobs coming back to Calgary in particular? And how are we going to fill the office towers in downtown Calgary, which are sitting at about a 30 per cent vacancy rate right now? That is a lot of revenue that isn't moving within the city of Calgary.

Bill 1 seems to focus primarily on Strathcona county, the Industrial Heartland, and while that's a really important part of Alberta's economy, I believe that energy diversification needs to be inclusive of the whole province. A lot of the activities that are listed within the EDAC report, the infrastructure that already exists are in the Edmonton area, in the Lloydminster area, in the Fort McMurray area. To be able to see that benefit be spread further across the province, I think, would be a huge positive for the province.

For all of those reasons, I urge everyone to vote in favour of this amendment. Thanks.

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 amendment?

Seeing none, I will now put the question.

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

[Several members rose calling for a division. The division bell was rung at 11:44 a.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[Ms Sweet in the chair]

For the motion:

Anderson, W.	Hunter	Nixon
Clark	McIver	Panda
Drysdale	McPherson	

Against the motion:

Anderson, S.	Hoffman	Nielsen
Carson	Jansen	Phillips
Connolly	Kazim	Piquette
Coolahan	Kleinsteinuber	Renaud
Cortes-Vargas	Larivee	Rosendahl
Dach	Loyola	Sabir
Drever	Luff	Schmidt

Eggen	Malkinson	Schreiner
Feehan	McCuaig-Boyd	Shepherd
Fitzpatrick	McLean	Sucha
Ganley	Miller	Turner
Gray	Miranda	Woollard
Totals:	For – 8	Against – 36

[Motion on amendment HA lost]

[Motion carried; Bill 1 read a third time]

The Acting Speaker: Hon. members, pursuant to Standing Order 4(2.1) the Assembly will stand adjourned until 1:30 this afternoon.

[The Assembly adjourned at 12:01 p.m.]

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