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The 30th Legislature
Second Session

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Day 53

The Honourable Nathan M. Cooper, Speaker

Legislative Assembly of Alberta
The 30th Legislature
Second Session

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Legislative Assembly of Alberta

10 a.m.

Thursday, August 27, 2020

[The Speaker in the chair]

Prayers

The Speaker: Lord, the God of righteousness and truth, grant to our Queen and to her government, to Members of the Legislative Assembly, and to all in positions of responsibility the guidance of Your spirit. May they never lead the province wrongly through love of power or desire to please or unworthy ideas but, laying aside all private interest and prejudice, keep in mind their responsibility to seek to improve the condition of all.

Hon. members, please be seated.

Members, pursuant to Government Motion 37 agreed to on July 28, 2020, there will be no daily Routine today, and we will proceed immediately to Orders of the Day. Under the only available item for business is the special debate on the government of Alberta '20-21 fiscal update on the economy. As such, we are at Ordres du jour.

Orders of the Day

The Speaker: The hon. Government House Leader.

Mr. Jason Nixon: Well, thank you, Mr. Speaker. I rise to ask for unanimous consent, which I believe if you seek it, you will get, of the Assembly for members to be able to sit, speak, and vote from any chair within the Assembly for today's sitting.

[Unanimous consent granted]

The Speaker: The hon. Government House Leader.

Mr. Jason Nixon: Thank you again, Mr. Speaker. I also believe that if you seek unanimous consent – to allow the President of Treasury Board and the Minister of Finance to be able to table the following documents at the commencement of the special debate in addition to the 2020-21 first-quarter fiscal update and economic statement: one, the government of Alberta's 2019-20 annual report; two, the 2019-20 final results year-end report; and three, on behalf of the responsible ministers the 2019-20 ministry annual reports.

The Speaker: Hon. members, for clarity's sake, the hon. Minister of Finance has requested unanimous consent to table additional documents that may be helpful for the debate today, but there is no other opportunity because there's no Routine, so unanimous consent is required.

[Unanimous consent granted]

The Speaker: Hon. members, I would like to provide some information on how the debate will transpire, but prior to doing that, we'll have the Clerk call the item of business.

Special Debate on the Government of Alberta's 2020-21 First-quarter Fiscal and Economic Update

The Speaker: Pursuant to Government Motion 37, which was agreed to on July 28, 2020, I will first call the hon. the President of Treasury Board and the Minister of Finance to table the relevant documents and then make a statement that will not exceed 30 minutes. Then I will call upon a member of the Official Opposition to make a statement not exceeding 10 minutes. Following those two statements and for a period not to exceed 60 minutes, Members of

the Official Opposition may pose questions on matters relevant to the first-quarter fiscal and economic update and the statement that was made by the President of Treasury Board and the Minister of Finance, and he or any other member of Executive Council may respond to those questions. Private members of the government caucus will then have a period not exceeding 20 minutes in which to ask questions.

Mr. Toews: Mr. Speaker, I rise to table copies of the government of Alberta 2019-2020 annual report, the government of Alberta 2019-2020 final results year-end report, and on behalf of the responsible ministers the 2019-2020 ministry annual reports. Finally, I also wish to table the government of Alberta 2020-2021 first-quarter fiscal and economic update.

The Speaker: Thank you, hon. member. If you can pass those through to the pages, who are on their way. You guys can go ahead. It's okay. Prior to the start of your actual statement we'll just allow some government officials to get settled into the Chamber, and then I'll call upon you again to conclude your statement.

The hon. the Minister of Finance and the President of Treasury Board.

Mr. Toews: Good morning, Mr. Speaker and hon. members. I appreciate the opportunity to present the first-quarter projections for fiscal year 2020-2021. The first-quarter fiscal update and economic statement illustrate the deep and wide-ranging impacts in Alberta of the COVID-19 pandemic, the OPEC Plus dispute in spring 2020, and the government's response to the serious health and economic challenges that have resulted.

Mr. Speaker, let's recall the events in context of March 17, when the Committee of Supply met here to consider the government's main estimates. As a government, in spite of the uncertainty and because of the uncertainty, we presented Budget 2020 for approval. We worked quickly to adjust the budget of the Ministry of Health, adding funding for the pandemic response. The COVID-19 pandemic had been spreading closer to Canada and to Alberta. National numbers were beginning to tick upwards, and we were faced with the absolute imperative of flattening the curve. Now, given our collective success to date in fighting the virus, it's easy to forget the urgency of the decisions the government made throughout the spring, but we should not forget the context of our decisions and the impact of international events that were beyond our control.

Mr. Speaker, to combat the virus, government imposed public health measures that resulted in the closure or curtailment of many businesses, places of worship, schools, and other public spaces. However, unlike many other provinces, we managed to keep much of our economy open; 85 per cent of businesses remained open, representing 96 per cent of our economy by GDP. As Albertans through their responsible actions flattened the curve, we were able to lift many of the public health measures much quicker than expected.

But, Mr. Speaker, even though Alberta has fared better than much of the developed world in flattening the curve without lengthy and severely prohibitive public health measures, we as a province and a people have not been spared from a major economic contraction. In fact, my department estimates that the contraction in the Alberta economy will be close to 9 per cent in 2020. While the economy is expected to see a partial rebound of 4.6 per cent next year, the road to recovery will be slow and fragmented. Real GDP is not expected to surpass 2019 levels until after 2022, and employment is unlikely to fully recover until after 2021.

In March an OPEC Plus dispute hit oil prices very hard, and by April, with massive demand destruction due to the global pandemic

and economic shutdown, we saw negative prices. This massive collapse in energy prices had no precedent. Bond markets were effectively inaccessible. And while we've seen oil prices recover somewhat, our short-term oil price forecast has been reduced significantly since Budget 2020 due to excess global inventories and uncertain demand. The pandemic has negatively affected business investment, oil production, and consumer spending.

Throughout all of these developments Albertans who work in the health care system have led our pandemic response with front-line services, data, policy advice, and foresight. Think particularly of the AHS personnel who carefully considered reports from Wuhan in 2019 and proactively worked to store up personal protective equipment. Together we've worked hard to prevent the spread of the virus and minimize its effects even while we're worried about its impacts on loved ones and especially our elders. So I say thank you to Albertans and thank you to the public service for your work over the last several months. While we cannot yet see the finish line of this crisis, we've seen the power of our collective resolve and resilience.

10:10

The same resolve that saved lives by flattening the curve is now needed to rebuild the economy, to save livelihoods, and to ensure a bright future for the next generation of Albertans. The pandemic, the energy price war, and global economic contraction blindsided our economy just as it was beginning to show signs of real improvement. Things were improving in the energy sector. In the first two months of the year drilling rig activity grew 14 per cent and oil production was up 6 per cent year over year. Based on CAPP projections, energy investment was going to materially increase in 2020. In January and February exports were up 19 per cent year over year and nonresidential building permits in the private sector, a leading indicator of construction activity, also rose 8 per cent. With this growth in business-sector activity employment was poised to turn the corner in 2020. These were welcome signs just a few months after I presented the government's first budget in October.

Mr. Speaker, government transitioned at the end of April 2019. A budget had not yet been passed. Special warrants were in place in order to continue government's operations. Consistent with our platform commitment, the government appointed a blue-ribbon panel chaired by Dr. Janice MacKinnon. Dr. MacKinnon had the right experience for the task, a former Minister of Finance in Saskatchewan with a proven track record for controlling government costs. When the MacKinnon panel reported on September 3, 2019, it was clear that Alberta had a spending problem. In fact, the panel found that Alberta's spending would be \$10.4 billion less every year if we matched the average spending of Canada's three largest provinces: Ontario, Quebec, and British Columbia. At that time doing so would have resulted in a budget surplus of \$3.7 billion rather than the actual deficit of \$6.7 billion.

Now, why is that important? Mr. Speaker, a budgetary surplus, possibly years of them, could have fed the heritage fund and effectively helped to build the savings account of our province. Such prudent budgeting could have ensured that when the pandemic hit in March, we were operating from a position of strength with cash rather than how we found ourselves digging deeper in debt. Instead, the MacKinnon report found that Alberta's debt had increased rapidly in the last four years from \$13 billion to \$60 billion. In fact, in nine of the past 10 years provincial governments in Alberta have run deficits, including years when oil prices averaged over \$90 a barrel and the economy expanded 5 per cent per year.

The budget I presented in October 2019 reoriented government to support job creation and economic growth. It was built with a clear goal: to bring the cost of government in Alberta into line with those of other comparable provinces. It was built knowing that the sooner we restored fiscal good health to this province, the sooner we could start to build our savings account and reduce our debt. And it was built to demonstrate to the world that along with being the most competitive jurisdiction in Canada and most of North America, we were also the best managed. As we worked through the MacKinnon report and our budget deliberations, it was difficult to find a legitimate reason why the public sector in Alberta should cost more than any other province, so we designed a fiscal plan to bring us into line and bring us into balance by 2022-23. That required discipline in our labour mandate and a modest agenda of restraint.

Budget 2020 was built on the same framework as Budget 2019, the goal being to bring costs of Alberta's government into line with those of other comparable provinces through modest budget targets, and it had the same core goals: to create jobs, to make life better for citizens, and to stand up for Alberta. A key element in our government's economic strategy is the job-creation tax cut. One of the government's first acts was to legislate our plan to reduce Alberta's general corporate income tax rate to 8 per cent by 2022.

Now, Mr. Speaker, members of this Chamber know that the previous government increased corporate income tax rates and saw revenue decline. They also introduced several boutique tax credits to lower taxes for their selected sectors and activities. Under their approach it was up to government to pick economic winners and losers, all with a lot of new red tape. But on this side of the House we take a principled approach with a low-rate, broad-based approach to corporate income taxation that levels the playing field for all job creators. In Alberta all businesses, not just those selected by government, can invest, expand, and commercialize new products without high corporate tax rates punishing their success and with less and less red tape.

In the face of economic crisis this has also become an important part of Alberta's recovery plan. Despite having been faced with the greatest economic crisis of our generation and perhaps several generations before us, our fiscal plan has remained sound. We've provided some flexibility to ministries where necessary to deal with health and social costs caused by the pandemic while also accelerating the job creation tax cut. Research shows us the importance of low taxes as part of recovery from an economic downturn. Research also shows us that even with the dual crisis facing us, we cannot lose our ambition to control the cost and footprint of government in this province. When government grows, it inevitably gets in the way of the private sector. It costs money, which costs taxpayers and increases the cost of debt servicing. A sound and diversified economy cannot be built by increasing the number of jobs that are paid for by taxpayers, Mr. Speaker, despite what the members opposite might think.

Now, Mr. Speaker, there can be no doubt that our starting point as government was at the bottom of a hole dug by four years of mismanagement by the members opposite. The crisis that struck in March not only killed the economic green shoots we were finally seeing across the province, but it highlighted every weakness created, perpetuated, and exacerbated by our colleagues across the way. Our friends across the aisle did nothing in their four years to control the cost of government. Alberta was and remained the highest spending of the provinces with the highest per capita costs for health care and without better outcomes. With the pandemic and economic crisis those high costs have driven the results I'm presenting today.

As the province has faced the most significant economic crisis in memory, Alberta's government has focused efforts on pandemic response and economic recovery with corresponding impacts on the fiscal plan. These financial results reflect the government's world-leading efforts at fighting the pandemic as well as the government's initial work on Alberta's recovery plan. Alberta has been the first of all Canadian jurisdictions with a detailed plan to restore the economy through efforts to build Alberta, diversify the economy, and create jobs. The recovery plan requires strategic investment and was developed on a set of fiscal indicators that will guide the government as responsible stewards of taxpayer dollars. These indicators include net debt to GDP and debt service costs to revenue.

We know that both economic recovery and pandemic management will require sustained efforts. Those realities form the foundation of our first-quarter results. A deficit of \$24.2 billion is forecast in 2020-2021, \$16.8 billion higher than estimated in Budget 2020. This is due to a severe decline in forecast revenue coupled with increased expense from temporary spending measures as part of Health's pandemic response as well as relief measures for Albertans and Alberta businesses affected by the pandemic and the economic downturn. Nearly all of government's revenue streams have been negatively impacted by the COVID-19 pandemic and the global oil price crash with the total revenue forecast to be \$38.4 billion, \$11.5 billion lower than estimated in Budget 2020. Almost 80 per cent of the drop in revenue can be attributed to lower income taxes, gaming revenue, and, of course, resource revenue. In fact, a rapid deterioration of natural resource revenue is behind the most severe of these outcomes.

Given the current reality our goal of balancing the budget in 2022-23 is necessarily being adjusted. However, in spite of the necessary delay in balancing the budget, we are committed to maintaining fiscal discipline, and government will re-establish a target for balance once further data has been furnished and we have a better sense of what the future holds.

10:20

Mr. Speaker, our approach must be twofold. We must ensure that we're delivering the most efficient government services possible. Alberta can no longer afford to be a cost outlier, and we must ensure that we have the most competitive business environment because economic growth will be a vital ingredient in ultimately meeting our fiscal challenge. I will also add that responsible fiscal management is also critical to investment attraction and economic growth. The two go hand in hand.

Mr. Speaker, our government is putting the health of Albertans first, followed closely by their financial health. We know that protecting the personal financial prospects of citizens means that we must be prudent with their tax dollars. We cannot be pushed into asking them to give more when we know we are spending more than other comparable provinces.

While these results represent the culmination of an immense amount of work on behalf of government, we do not have the luxury of a break or even slowing down. In November, in keeping with reporting changes made on the advice of the MacKinnon panel, government will present another fiscal update. At the same time work on Budget 2021 has begun in earnest. We will present the fiscal plan in February, consistent with recent legislation setting a fixed budget period.

We are facing some difficult choices even while we continue to work through significant unknown elements in health care and the global economy. While we work hard to build our economy and make the necessary investments to do so, we are also considering the appropriate path to re-establish a sustainable fiscal trajectory for

the province. I encourage my fellow Albertans to reflect on the results I have presented today. It bears repeating that they are sobering and, if left unchecked, will result in the rapid accumulation of debt.

Mr. Speaker, Albertans are not strangers to challenge and hardship. There was the brutal winter of 1906 that created immense challenge for Alberta's fledgling ranchers, the incredible hardship of the Dirty Thirties, and, even more recently, the economic reset of the early '80s brought on in part by the egregious national energy program. Our present affliction pales in comparison with the indescribable hardship and sacrifice of Albertans who during both great wars watched their sons and daughters go off to serve in foreign lands while enduring untold hardship at home all to provide for freedom for the generations that followed.

While our history and heritage includes great challenge, the full story describes a people who are resilient, innovative, and resourceful, a people who overcame. It is this truth, Mr. Speaker, that gives me great hope for Albertans and well placed confidence in the future of our province.

Thank you.

The Speaker: The hon. Member for Lethbridge-West when she's ready.

Ms Phillips: Thank you, Mr. Speaker. The unprecedented times necessitating a removal of a mask to speak in the House, probably something that's happened for many people across the province. Certainly, we are glad to follow public health guidance in this House as well.

Now, Mr. Speaker, Albertans have seen the state of the province's finances for 2019. We have seen the effects of the coronavirus pandemic for the past six months. Today we have a picture of the economy prior to the crisis, and Albertans have a better understanding of the Premier and the UCP's priorities since the crisis.

Now, first, to the economy prior to the pandemic. We have been told for months, while the final reports were withheld from Albertans, that the economy was looking up prior to March 2020. This was not precisely accurate. When the Finance minister claimed it in his May 2020 address to this House, it was a partial assessment at best, if I am being charitable. I am in the mood to be charitable, Mr. Speaker, so I will characterize those claims thus. They were designed to tell Albertans a story about the economy that was not accurate.

In 2019 we saw thousands of Albertan jobs lost. Diversification initiatives were cancelled. Investment was chased away. Prior to the pandemic high-tech investments were leaving or paused for reconsideration. Petrochemical upgrading, adding value to our resources and keeping jobs right here at home, particularly partial upgrading of bitumen, was not proceeding. The entire promise of job creation, so central to Albertans' preoccupation since the oil price crash of 2014, was built around spending billions on giving corporate tax holidays to those who are already wealthy and profitable. This spending was \$4.7 billion according to their own budget documents.

The promise was that the corporate handout would create 55,000 full-time jobs. Instead, in 2019 we saw the loss of almost 50,000 full-time jobs. The economy shrank. Investment fell by 5 per cent. Oil companies laid people off, moved out of the province. Tech companies left; others bypassed us altogether. People in Calgary saw jobs and businesses disappear. There does not appear to be any relief for Calgary in sight.

To pay for the billions of dollars that went out of the province instead of creating jobs, diversification programs were cancelled.

Health, Education, and other budgets were cut. Albertans now pay more in fees for many of those services. Income tax and property taxes have all gone up. With all of these cuts to programs and increased taxes the deficit ballooned to almost double of what was planned in '19-20. This does not make any sense at all if the Finance minister's May 2020 utterances are to be believed, that things were looking up for Albertans prior to the pandemic. It is clear to me that this Finance minister said the words, but they were not accurate, and he knew it. The deficit last year was \$12 billion.

Now, we expect a certain amount of artifice in politics, particularly from this government, but one would expect a fairly stern reckoning with this plan when confronted with a crisis of the magnitude that occurred in March 2020, at the beginning of this new fiscal year. A crisis is an opportunity for leadership, Mr. Speaker, course correction, listening, pragmatism, for working with people and ideas, concepts that may have felt uncomfortable in the past. The fiscal update reveals that instead of looking upon this crisis as a chance to do better, be better, take this moment to engage, the Premier and his cabinet have engaged in gamesmanship, partisanship, grievance politics, blame, and anger, returning to the scene of old battles and old ideas rather than the leadership that Albertans want and that our fellow Canadians have come to expect from our province.

The budget that guides this update was replete with cuts to core services, particularly health and education, at a time when Albertans needed them the most. The budget that guides this update was built on projections so unrealistic that even the Finance minister could not particularly stand by them at the time. But that budget was moved through with lightning speed using extraordinary and, one might even allege, quite unprecedented extra parliamentary means in the hopes, one surmises, that Albertans would not notice the hikes to personal income tax, property taxes, and a billion dollars in expected new fees that individuals and businesses would be expected to bear. The extra measures to respond to the coronavirus not contained in the budget that guides this fiscal update were eagerly anticipated by Albertans, and we see here the cost of the response.

Ottawa has put \$10 billion of the Canada emergency response benefit into Albertans' bank accounts. Ottawa has put \$11 billion in payroll replacement into Albertans' bank accounts. Those were just the direct transfers to individuals. The economic shock around the world to working-class people's ability to pay their own bills is profound. On the face of it Albertans might be willing to accept a \$24 billion deficit, the largest in our province's history, one of the largest in any provincial government's history, if they were getting something in return, but 300,000 Albertans are unemployed, and the unemployment rate sits at 12.8 per cent, the second highest in the country. Of that deficit, well, \$100 million of it was for the emergency isolation benefit.

Ottawa has transferred \$21 billion to Albertans directly; this government – how did they help individuals? – about 1 per cent of that amount. We are borrowing. We are spending. There is no question that this government is spending, but on what? The biggest priority is spending billions on a corporate tax giveaway to the already wealthy. The already profitable are receiving billions. That money is going elsewhere. And as for jobs, they are nowhere. Hundreds of thousands unemployed.

10:30

Jobs have proliferated for friends and insiders. Not a week goes by without handouts and jobs for friends, loyal political staffer hacks, and others. Meanwhile not a new dime for the new children entering the school system next week, let alone a dime for a safe re-entry to school next week so that children can safely attend school

while keeping their families intact. There are nice jobs and creative ways to unite former campaign staffers with plumb UCP handouts and perks. There is no similar attempt to ensure uniting a generation of grandparents with their grandchildren after next week.

Now the Premier warns of a looming fiscal reckoning, but for whom? That is the question that Albertans will be keenly interested in answers to. I think it's a simple one. Throw out an answer. Now, I mentioned before that a pragmatic, solutions-based approach is in our grasp. It remains possible for the government to undertake a jobs program that is relevant to the majority of Albertans. Let's examine what that might look like.

First, let's abandon the anger and vituperation that seems to have infected the UCP government in service of a separatist flank of MLAs. Devoting outside-government attention to these matters chases away investment. It distracts precious energy that could be directed to a thoughtful plan to add value to our oil and gas resources, keep jobs here, and broaden the jobs available in Alberta in high tech, clean tech, efficiency, renewables, health research, so much more.

Second, it remains a mystery to many Albertans that the UCP still views early child care as some sort of favour that politicians do for young women with children. Child care is not a favour we do for young families. It is a pillar of the economy. It is not a discrete social program whose structure and function might rise and fall with fiscal fortunes. Rather, we only work if our approach to child care works.

None of the above is even especially partisan as we see in Ontario, for example. There is a consensus in Alberta that we need to diversify the economy, look outward with a progressive, entrepreneurial, problem-solving, and hard-working ethic for which we are known.

I conclude my remarks with a message directly to Albertans, especially those who were asking about jobs and economic recovery and where those priorities might be found in this fiscal update. There is a \$24 billion deficit. There's no question that money is being spent, but, Alberta, it is not being spent on you. In this document you will find that diversification programs have been cancelled. You'll find no substantive investments in or improvements to child care or education so that you can go back to work and your kids can go back to structured family life. You'll find no specific commitments to reviving small business, particularly in Calgary. We'll find no specific ways that we are going to lessen the burden on the pocketbook of rural Albertans.

This is the time for government to change direction. It's an opportunity to re-examine the corporate tax cut, the cancelled diversification programs, the abdication of moral responsibility for safe schools. On behalf of Albertans I implore the UCP to seize this opportunity.

The Speaker: Hon. members, for a period to not exceed 60 minutes, members of the Official Opposition may now pose questions relevant to the first-quarter fiscal update and the hon. minister's remarks. The hon. minister or any other member of Executive Council may respond to these questions, with no more than two minutes allotted for each question and response. I would remind members that the purpose of today's debate is focused on the first-quarter fiscal and economic update and the hon. minister's remarks. I will provide some leniency with respect to that, but I do encourage members to ensure their questions are, in fact, about the first-quarter fiscal and economic update or the minister's remarks.

The hon. Member for Lethbridge-West, perhaps.

Ms Phillips: Thank you, Mr. Speaker. I have first a fairly brief question to the minister. There have been a couple of

announcements relative to the structure of the equity and loan guarantee deal with trans-Canada, with TC Energy. I'm wondering if the Finance minister could commit to tabling some of the documents around the structure of the loan guarantee program and the nature of the equity stake that the government of Alberta has taken.

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

Mr. Toews: Well, thank you, Mr. Speaker. I appreciate that question because it, firstly, gives me a chance to talk about the importance of additional energy egress from this province and the importance of additional pipeline access to our economic recovery.

Firstly, what I'll say in direct response to the question – and we've been clear about this – is that we as a government, Alberta's government, are investing \$1.5 billion this year on the construction of Keystone XL. That will be followed up with a loan guarantee the following year to continue to advance construction. The more detailed terms – obviously there's an element of commercial sensitivity around those, but we've been very transparent with Albertans in terms of the cost and, I would suggest, the cost of this investment into future generations of economic prosperity for this province.

Mr. Speaker, we know that over the last four years the Alberta economy was hindered because of a lack of pipeline access. We also know the members opposite did very little to advance pipeline access growth and, in fact, made significant moves to stand against that important additional pipeline egress. [A cellphone rang]

Mr. Speaker, again, we were pleased to invest \$1.5 billion in this current fiscal year through APMC in Keystone XL. That is a project that has risk, but it has untold potential for economic recovery and future prosperity for the province.

The Speaker: Sounded a lot like a cellphone violation during the answer of that question. I'm sure there'll be a donation made to a charity of the Speaker's choice.

The hon. Member for Lethbridge-West.

Ms Phillips: Well, thank you, Mr. Speaker. I look forward to the tabling of documents. A pretty straightforward question, not really requiring anything approaching a partisan response, just a simple response on where billions of dollars are going from Albertans. Albertans want to see pipeline expansion. There's no question about that. That is why we provided a guarantee to TC Energy as well around that project. Having said that, just the documents would be great.

Mr. Speaker, we have a situation here where the Finance minister has clocked a deficit of \$24 billion and is borrowing \$28.5 billion this year alone. Certainly, the giveaways to foreign shareholders have been increased by about 50 per cent overnight with the acceleration of the corporate tax cut, but at the same time what we see in these documents is that there remains a commitment to increasing personal income tax on every single Albertan. There has been no reversal of the policy to halt indexation of personal income tax. That means that everyone is going to be paying more, every single one of us. To the Minister of Finance: why are personal income taxes going up but cutting corporate taxes that reward wealthy foreign shareholders, money being transferred elsewhere, not staying here to create jobs – why is that tax cut a priority but not one for constituents who are going to be paying more this year than they were last year?

The Speaker: The hon. Minister of Finance.

Mr. Toews: Well, thank you, Mr. Speaker. Firstly, I'll say that – and we've repeated this in the House many times to this line of questioning – we are not raising personal income tax rates in this province. That's simply not the case. Our basic personal exemption in Alberta remains thousands of dollars greater than the closest province. We have a personal tax advantage in Alberta. We're proud of that. Alberta is the best place to live in this Confederation, and a part of that relates to the fact that we have a very preferential personal tax rate.

With respect to competitiveness in business tax rates, Mr. Speaker, our focus right now is to grow the economy. It's essential. We will not deal with our great fiscal challenge unless we spur on economic growth in this province. That means we have to attract investment. That means we have to ensure that we have the most competitive business environment possible that, in fact, will attract that investment into the province, that will create jobs and opportunities for Albertans and lead to additional government revenues in the interim and long term.

10:40

The first two months of 2020 did show very promising signs. The economic data was pointing to a real economic recovery in this province mere months after we had tabled and passed our first budget. Mr. Speaker, 2020 was going to be a turnaround year. Now, of course, given the triple black swan event of the greatest contraction in the global economy since the Great Depression, an unprecedented collapse in energy prices, and the province dealing with a pandemic, we are facing a new reality.

The Speaker: The hon. Member for Lethbridge-West.

Ms Phillips: Thank you, Mr. Speaker. Well, the loss in 2019 of almost 50,000 full-time jobs is a funny way to characterize a turnaround, but I will leave the Minister of Finance to it.

Now, this year the Minister of Finance will borrow \$28 billion. That's over \$6,500 for every Albertan or \$26,000 for a family of four. Families across the province are struggling. They are figuring out how to pay bills, how to keep food on the table, make car payments, keep a roof over their heads. We see that 21 per cent of Albertans are in mortgage deferral, the highest number in the country, Mr. Speaker. Yet after seeing the minister borrow \$6,500 on behalf of every person in the province, \$26,000 for every family, many people aren't seeing their priorities reflected in this fiscal update or in the overall agenda.

For example, a family in Calgary has seen their school busing fees go up by 300 bucks a child, and the Minister of Education has cut funding by over \$700 per student. If we're going to borrow this much money and there is no job creation happening, why can't we at least find some money to support Alberta parents? Why should parents, especially Calgary parents – \$300 per child in busing – pay more for school while the minister cuts funding for schools? Mr. Speaker, it does not add up. The effect on people's pocketbooks, on their daily lives does not add up, and I think Albertans, in particular Calgary families looking at these kinds of fees, are owed an answer about government priorities contained in this fiscal update.

Mr. Toews: Mr. Speaker, I reject the assertion that we have cut funding to education. That's simply not the case. We've maintained funding for education. In fact, we've increased it in the current year. Moreover, with the new funding formula that the Education minister has put forward, every school division will receive an increase in provincial government funding in this upcoming year.

Mr. Speaker, I also find it odd that the opposition talks with a negative tone about the fact that we have had to borrow additional funds, which is true, yet as we sit on this side of the House and they

sit on that, every call from the members of the opposition is to increase spending in every area. That is their solution to every ill. It's inconsistent.

We are committed to delivering the most efficient government services possible, to respect hard-earned taxpayer dollars, and ensure that we can continue with high-quality service delivery. We have to find every opportunity to deliver more efficiently. Mr. Speaker, Alberta is an outlier. We deliver costs at a higher rate per capita than other comparable provinces, and we are working, the ministries are all working, collectively to deliver more efficiently.

Mr. Speaker, one thing I will add is that the one reason why we've had to borrow in an increased manner is this: we've had to ensure that our cash balances were adequate to deal with the uncertainty that we're facing right now during the pandemic.

The Speaker: The hon. Member for Lethbridge-West.

Ms Phillips: Well, thank you, Mr. Speaker. Indeed, the question is around priorities. There are billions in spending coming from the government side on transfers to the already wealthy and transfers of cash outside of this province to create jobs elsewhere, rather than investing in the pillars of the economy such as health care, education, health care during a pandemic, and child care that are part of the economic resilience going into the future. But we know that those things are, in fact, at risk of even more cuts. We know, for example, that we have heard the Premier talk about a fiscal reckoning that is to come. So what is going to be cut? What are we proposing, within this fiscal update and overall, in terms of programs that will be cut? Where is the reckoning? Who is to be reckoned with? Is it, again, families in the form of increased taxes and fees? Is it in the form of children's health, with additional children in each classroom? Is it in the form of chasing doctors outside of Alberta and refusing to engage meaningfully in reform of our health care system in a way that serves us all? Where is the fiscal reckoning? What is going to be cut?

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

Mr. Toews: Well, thank you, Mr. Speaker. I struggled to find a tangible question I can answer, but I'm happy to make a few comments. Firstly, I would ask the member opposite for an example of where we've made a transfer to the wealthy. I have not taken the provincial chequebook out and, you know, written a cheque to a wealthy individual. We have done quite the opposite. We've ensured that government ministries that were on the front line of this pandemic have been adequately resourced to meet the great need. That includes the Ministry of Health. That includes the ministries of Children's Services and Community and Social Services.

Mr. Speaker, the member opposite talks about changes to health care in a disparaging way. Yes, we're dealing with high costs in health care. The MacKinnon panel pointed out that Alberta spends over \$3 billion annually, on a per capita basis, more on health care alone than comparable provinces. We owe it to Albertans to take a look and fundamentally provide better value in our health care system, and that includes looking at remuneration of all health care providers, including physicians. Now, the Minister of Health has worked with an outside consulting firm, doing a deep dive to identify areas where we can deliver more efficiently in health care, and I support the minister's effort in that regard. There will be reforms coming out in future months. Those reforms will be incredibly important to ensure we're delivering efficiently on behalf of Albertans.

The Speaker: The hon. Member for Lethbridge-West.

Ms Phillips: Thank you, Mr. Speaker. First of all, my first observation to the Finance minister is that the time value of money is real, so investments in education last year, if they were \$8.3 billion or \$8.4 billion, are not the same amount of money this year, particularly when there are more children in the school system. So I would like the Minister of Finance to recognize that he understands, within the budget documents, the basic concept of time value of money, that he understands that per-student funding is the building block of an education system, and that keeping pace with inflation and population growth is the only way to make sure that each child gets what they need in an education system. That's the first thing.

You know, I think what I am more interested in in terms of what animates what people are talking to me about on a daily basis is: is there a plan to raise more fees on families again this year? We are telegraphing in the fiscal update that we have a tough economic situation, so are there more fee increases contemplated in this budget? Is it going to be pushed out to later in the mandate, Mr. Speaker? To that end, is there any consideration – I would like some clarification on the plan to balance the budget and the total debt by the time that the term is over given the vast amount of borrowing that we have seen in service of priorities like the corporate tax cut so far.

10:50

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

Mr. Toews: Well, thank you, Mr. Speaker. There was a little more in that question. I would like to start with education. Firstly, I'd be interested in the member opposite's calculation of the time value of money. I couldn't compute that in the question. But in terms of education I want to point out that there will be \$120 million more available in operational funding for school boards this year, \$250 million in accelerated infrastructure capital maintenance and renewal in this current year. School boards are sitting on \$363 million in reserves, and the Education minister has been forthright in stating that she'll approve the spend-down of those reserves where there's need. There's \$263 million coming in federal funding just recently announced, and we're spending \$10 million on PPE. We are ensuring that our education system is well resourced even in these uncertain times.

Mr. Speaker, the second part of that question related to borrowing and balancing the budget. Balancing the budget remains incredibly important to this government. We know it's incredibly important to Albertans. But in this time of great economic uncertainty we cannot provide a credible, definitive date, so we will be providing a three-year fiscal update in November along with a budget in February, that will lay out a fresh fiscal plan, a sustainable fiscal plan. I do not – and it would be irresponsible to throw out a date to balance if it is not credible.

Mr. Speaker, I'll conclude on this. Again the member opposite talks about the additional debt that we've had to take on. Again, the members opposite's solution to every issue in the province is to spend more.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Thank you very much, Mr. Speaker. Two months ago the Premier doubled down on his failed plan that led to 50,000 jobs lost, a shrinking economy, and increased unemployment. He accelerated the corporate giveaway to foreign shareholders and

promised that this time it would create jobs. In the first iteration of his plan he promised 55,000 new jobs by the end of the mandate, directly tied to the corporate giveaway. In the second iteration of his plan, the new and better version, he promised in June of this year 55,000 new jobs by the end of the mandate, directly tied to the corporate giveaway. At this point, even if the Premier's fairy-tale promises did come true, Albertans would barely break even. Albertans want to see results, not years from now but today.

Fortunately, the Premier made another promise to Albertans. On June 29 of this year, as he announced the accelerated corporate giveaway, he said that it will – and I quote – mean job creation now, starting this week. End quote. So my question to the Finance minister is this. We're now 14 months into your key economic strategy. How many jobs have been created that you can tie to the corporate giveaway since it was launched, and how many jobs have been created that you can tie directly to the corporate tax cut since the Premier's declaration two months ago that the tax cut would get to work immediately? I ask the minister to save his talking points or excuses. You claimed that it would create jobs immediately. How many direct jobs have been created because of the corporate tax giveaway?

The Speaker: As it relates to the first-quarter update, I'm sure, is the end part of your question.

Mr. Toews: Well, Mr. Speaker, firstly, I want to point out an interesting way to characterize tax collection. The members opposite simply do not respect the fact that hard-working Albertans deserve to hold on to as much of their hard-earned income and risk capital as possible.

I do not write a cheque to corporations. There's been no giveaway to corporations. We are simply making and ensuring that we have a very competitive business environment, so we're simply taking less. That's a fundamental distinction. Mr. Speaker, our plan to improve the competitiveness of our business environment, which includes ensuring that we have the most competitive business tax structure in the country and one of the most in North America, has been validated by some of the most respected economists in the province: Dr. Dahlby, Dr. Jack Mintz, Trevor Tombe, Andrew Leach, Ken McKenzie. The most respected economists in the province have validated that improving the competitiveness of our business tax structure will result in increased investment and increased job creation. In fact, the 55,000 additional jobs were, in fact, a projection from two of these economists.

Mr. Speaker, again, we are confident that broadly improving the competitiveness of our business environment will result in increased investment, increased job creation, increased opportunity for all Albertans, including entrepreneurs, and increased government revenues.

The Speaker: Hon. members, 22 minutes of the initial allotted 60 minutes to the Official Opposition have elapsed.

The hon. Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Thank you very much, Mr. Speaker. I didn't hear a number in there, but what's interesting is that the Finance minister and this government have doubled down on a policy that they have no tracking of whether or not it's even working. You're doubling down on policies. You were asked specifically for: how many jobs, a number, can be directly tied to the corporate tax giveaway? So far we haven't seen it, where this government is living on a prayer.

I'll follow up on the claimed successes of the corporate tax giveaway. In April of last year the Premier said that his phone was ringing off the hook. He told Albertans that major corporate CEOs were so excited about his corporate tax cut that investment would

flood into Alberta and headquarters would move here. Now, for many Albertans that sounded like great news, but a year later those corporate office towers in Calgary are even more empty than ever.

Recently the Premier doubled down on his corporate tax giveaway strategy, but he didn't just accelerate the corporate giveaway; he also doubled down on his rhetoric. He said that Bay Street would be – and I quote – irresponsible, end quote, if they didn't move to Alberta. The Premier said that he was sending – and I quote – a startling message, end quote, to corporate leaders. So my question to the Finance minister is this: how many of the big six bank CEOs has he spoken to about uprooting to Calgary, how many of the big insurance company CEOs has he spoken to, and when does the Finance minister expect the first announcement of one of the majors relocating their headquarters to Calgary?

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

Mr. Toews: Well, thank you, Mr. Speaker. Firstly, I just want to make it fundamentally clear that the reality is that over 100,000 businesses in Alberta benefit from an improved business environment with the job-creation tax cut; 75 per cent of those, in fact, are classified as small businesses. Many of these are hard-working Alberta entrepreneurs that have invested their life's work in their business, and the members opposite would simply have us punish them by raising taxes . . .

An Hon. Member: Which they did.

Mr. Toews: . . . which they did, Mr. Speaker, by 20 per cent when they took office and actually collected less revenue in the years that followed. Their policy was a failed policy.

Our policy will encourage investment. It will encourage those Alberta entrepreneurs to reinvest in this province, to hire additional staff because they'll have more money in their pocket, and to grow the economy in this province. Mr. Speaker, in terms of economic growth CAPP projected that in 2020 the energy industry would see an additional \$1.5 billion in increased investment in the energy industry. This is in spite of the fact that as a government we inherited a lagging economy from four years of mismanagement.

Mr. Speaker, we're committed, and we will be unapologetic in creating the most competitive business environment, one where there's a high correlation between effort and risk and result and reward. We know fundamentally that that approach will underpin economic recovery in this province.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview.

11:00

Mr. Bilous: Thank you very much, Mr. Speaker. The Finance minister is trying to rewrite history. The government can look at 2018. Alberta led the country in growth in 2018. That was due in part to policies that the previous government put in place. What this government has done – and I don't dispute the fact that companies are benefiting from a reduced corporate tax rate. But what we've seen time and again are companies like Husky, who have benefited to the tune of hundreds of millions of dollars and taken the investment and said: "Thank you very much, Alberta. In fact, taxpayers of Alberta, we're going to spend your money and invest in Saskatchewan, Newfoundland, and the United States." It has not created any jobs here. Now, maybe the Finance minister seems to think that Alberta funding other provinces to create jobs and funding jobs in other provinces is a good thing. I mean, it is great. It's great for our country. It's great for other provinces, but it doesn't benefit Albertans.

My question to the Finance minister is: once again, how many jobs have been created? I'm looking for a number, Minister. I appreciate the fact that companies have benefited from a reduction in the taxes they have to pay. I appreciate that companies will decide what they want to do with it. Some of them use it to buy back shares. Some of them are paying off and paying down their own debts and deficits or keeping them as retained earnings. That's up to the companies. But what the Premier and this Finance minister promised was that this corporate tax giveaway would create jobs, 55,000 jobs. The Finance minister just quoted two economists who said: yes, 55,000. Great. So how many have been created to date? The failed policy was brought in over a year ago. It's been doubled down and accelerated. We've also heard from economists that it's actually not going to incite or entice companies to come to Alberta faster; it's just going to benefit the companies that are already here. How many jobs have been created from this policy?

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

Mr. Toews: Well, thank you, Mr. Speaker. Again, at the risk of sounding repetitive, the reality is this. Members on this side of the House, so many that have a business background, know this. In a business as costs are reduced, as tax burden, regulatory burden, and red tape are reduced, that results in better economic outcomes. Better economic outcomes result in additional investment, additional investment results in economic growth, and economic growth results in additional job creation. That is the fact of the matter, and members on this side of the House get that.

Now, the member opposite pointed out the fact that during this last year, you know, some businesses in Alberta were in fact using, perhaps, additional funds that they had in their pocket as opposed to funds that would have been otherwise collected by the government, and they were using those funds to strengthen their balance sheets. Well, Mr. Speaker, as we headed into the great economic challenge in March of this year following an unprecedented collapse in energy prices, it was in the best interest of those companies and in the best interest of this province that our energy sector had stronger balance sheets than they would otherwise have had. That positioned them to manage the downturn for a longer period of time. That positioned them to meet debt obligations that they had, and that will position them for a quicker recovery. That will position them to get into the field with drilling rigs sooner. That will put Albertans back to work.

The Speaker: The hon. Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Thank you, Mr. Speaker. Well, that's not at all how the minister sold it. They promised jobs, not strengthening balance sheets and providing companies the opportunity to use it for other purposes. You promised jobs. You failed to deliver. There are some things that are in control of the Finance minister, and there are some issues that are out of his control. Now, nobody blames the Minister of Finance for the collapse in the price of oil, the pullback in energy demand, or the actions of OPEC. These global events are, to be fair, out of his control. But what this Minister of Finance can control is how he positions Alberta's energy sector to succeed in the current environment and attract capital.

In recent months we've seen everyone from BlackRock, the world's largest investment manager, to global banks and investment funds declare that they are pulling out of Alberta because of environmental, social, and governance performance. These ESG factors are driving trillions of dollars in investment decisions.

Here's what Morningstar wrote recently about the actions of this government. Let me quote them at length.

The Alberta government has become the oil patch's own worst enemy by weakening environmental monitoring and oversight to the extent that foreign investors and foreign companies alike face reputational risks by investing in oilsands companies and projects. Following on from budget cuts and layoffs at the Alberta Energy Regulator late last year, in early April the UCP government suspended reporting requirements under provincial environmental legislation.

The analysis goes on, but the takeaway line is that this UCP government "has become the oil patch's own worst enemy." That's the message that this government is sending to the world as described by a leading global investment research firm. Can the Minister of Finance take some responsibility for how he's positioning our energy sector, or does he really believe the Premier, who called ESG factors a fad flavour of the month and a green left political agenda emanating from . . .

The Speaker: The hon. the Minister of Finance – of Energy – of environment.

Mr. Jason Nixon: Thank you, Mr. Speaker. You know, it never ceases to amaze me to watch the NDP attack the energy industry inside this province. The reality is that they have never stood with it despite the fact that it's the largest employer in this province, in this country, and is the backbone of Alberta. But I want to assure Albertans that we will continue to stand with our largest industry because we know that the future of Alberta has a lot to do with the energy industry.

The hon. member referred to several different issues, but I'll focus the time that I have on the work that we're doing in regard to emissions. That member was, just over a year ago, a member of a government that had a carbon tax on our economy that, I'm proud to say, this government was able to fulfill our promise and get rid of, Mr. Speaker. His own leader, the now Leader of the Opposition, with her signature policy while she was in government, her carbon policy, could not point to one emission reduction as a result of that carbon tax. Our government is taking a different approach. As the Minister of Finance can no doubt tell you, inside his plan there is \$425 million being invested right now in technology in partnership with our largest industry to actually bring in real reductions, over 35 megatonnes by 2050. Those are real results that are coming from this government, and we're doing it without hurting our citizens, which was the approach that the NDP took, which was all economic pain, no environmental gain. It's disappointing, but I can assure you that we're going to continue with our plan.

The other thing, Mr. Speaker, that hon. member referred to: different organizations have said negative things about our industries, but the facts are that most of what he just said is not what was said about our largest industries. The reality is that we will continue to need our energy products to go to market, and this government will do everything we can to be able to get them there.

The Speaker: Thank you to the hon. the Minister of Environment and Parks. I just wanted to make sure I corrected myself.

The hon. Member for Edmonton-Whitemud has a question to ask.

Ms Pancholi: Thank you, Mr. Speaker. Recently Ken Boessenkool, a leading Conservative economist and an adviser to former Prime Minister Stephen Harper amongst other notable Conservatives, wrote the following:

Three related facts about the COVID-19 economic recession are becoming clearer. The most affected sectors are public facing

sectors – largely the service sector; the most affected income group is the poor; and the most affected demographic is women.

My question is to the Finance minister. You've launched an economic recovery plan that does nothing for women. We can't recover economically if women can't participate in the labour force. My question is this. To the Finance minister. You've launched a \$14 billion recovery plan. Why was there not a dime for child care, and why are you telling women to leave their jobs and their careers because you're ignoring the facts and don't see women as part of our economy?

The Speaker: The hon. the Minister of Children's Services has risen.

Ms Schulz: Thank you very much, Mr. Speaker. We do as a government have a bold and ambitious strategy to diversify, to grow, and to build our province, and we know that child care is a hugely important piece of getting Alberta parents back to work. As my hon. colleagues can see by the documents put forward today, Children's Services continues to invest more than \$400 million annually in child care in Alberta. This is not a time for ideological billion-dollar plans. Right now what we see before us is a time where governments need to come together. We've been working very closely with municipalities, with child care operators, with the federal government, listening to parents on how best we can meet the needs of Alberta parents equitably across the province, not just in a select few centres. How can we support low and middle income families right across this province who really, truly need those supports so that they can either go back to school or take part in the workforce?

What we did originally, Mr. Speaker, as we saw this pandemic unfold, was invest \$10 million in supporting child care centres that opened up for essential service workers across the province. That was our estimate of the vacant spaces that would be existing in those centres during that time. We had to do that because they wanted to open up during a time of great uncertainty for our front-line workers across this province, and for that I am incredibly grateful.

11:10

Next, Mr. Speaker, we reinvested \$17.8 million of COVID-relief funding. Now, these grants went to centres and approved family day home agencies to ensure that they were able to safely open up, restart to serve parents as we move through Alberta's economic recovery. There were three phases to that. The first two phases of that have already been rolled out, and we have been working with our child care working group on the third phase of that funding.

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

Ms Pancholi: Thank you, Mr. Speaker. Well, I heard the minister speak about taking the time to make the investments in child care that are necessary. The problem is that time has been going on for months now, and actually there's a pretty universal and understood agreement between economists, politicians, the child care sector, parents that an investment in child care needs to be made now. I think that perhaps part of the problem as to why we don't see a real, significant investment in child care is because we don't actually think that the Minister of Finance seems to think that the recovery of the economy and getting women back to work is his problem. He won't answer these questions, so perhaps I'll ask him another one.

The Minister of Finance is required to do a gender-based analysis on his policies. This is a requirement, and that direction is still posted on the government's website. Yet we've seen nothing in this economic update that substantially addresses the labour force challenges presented to women as a result of this pandemic. This Finance minister has hailed his \$10 billion investment in capital

spending as a strategy to get the economy moving, but this is a sector of the economy that is dominated by men. It's clear that these jobs are welcome, but as virtually every economist has noted, women are bearing the brunt of this recession. To the Minister of Finance: why have you neglected roughly half of the working population of this province, and when will this government accept what economists all over the world agree on, which is that child care is an essential economic policy to get people, particularly women, back to work?

The Speaker: The hon. the Minister of Children's Services has the call.

Ms Schulz: Thank you, Mr. Speaker. I absolutely agree that we have to continue to focus on child care, ensure that high-quality, accessible, affordable child care is there for Alberta parents who need it, but as we've seen over the last three months, unfortunately, here in Alberta we see that we have an opposition that instead of wanting to work together to find creative solutions or have effective useful discussions, we have an opposition that wants to play politics. That's not my style. That's not what Albertans want. That's why we've been out there speaking with child care operators, with parents across Alberta, working positively with the federal government and municipalities to come up with creative ways of doing things differently.

Mr. Speaker, this is not a time for ideology, and I do want to step back and say that we have been working with our child care task force to ask them. We have additional funding that we committed to roll out this fall. That will be coming soon. We are working with the federal government on that, but it will absolutely be based on the feedback that we heard from child care centre operators across this province, whether they're child care centres who provide services for kids zero to six, whether they're out-of-school centres who have unique asks and concerns. As schools reopen, we'll be able to meet those demands. That information will be coming soon and will, again, be based on the feedback that we heard.

I do hope that the member opposite stays tuned, listens to that, and maybe takes the time to talk to some child care operators or parents across the province. As I continue to hear about the need for a billion-dollar child care plan, I can tell you that of the six or seven child care centres we visited just in the last couple of days, the things that came up: accessibility, absolutely; high quality, absolutely; safety during COVID, major focus; their billion-dollar plan, not so much.

The Speaker: Hon. members, there are 20 minutes remaining for the Official Opposition to ask questions, and the hon. Member for Edmonton-Whitemud has another one.

Ms Pancholi: Thank you, Mr. Speaker. It's disappointing to continue to hear the Minister of Children's Service talk about ideology in politics when all of the questions that we've been asking today are about the recovery of women as a result of the pandemic, as a result of the recession that we're facing right now. Those are not partisan questions. Those are straightforward questions about what real policy steps this government is taking to address those real policy issues. That is not coming from a partisan position – it's coming from economists; it's coming from people across North America, across the country – to talk about women's role in economic recovery, and child care is a key pillar of that. It's not the only pillar, but it is a key pillar. That is a fact that this government needs to address in their economic recovery plan, yet we're not hearing anything from this government about that.

[The Deputy Speaker in the chair]

To that point, to the Minister of Finance. Again, I think, Madam Speaker, that the challenge that we're having right now is that the Minister of Finance is not taking responsibility for his role in ensuring that women are participating in economic recovery and have a key part of that. So I'm going to ask the Minister of Finance, can you please, on behalf of the women of Alberta, more than 50 per cent of the population of this province – we'd like to see the gender-based analysis that led to your economic recovery plan. Ottawa filed one. It was part of their fiscal and economic update, and that included a robust GBA plus analysis precisely because of the gendered aspects of this pandemic. In fact, 30 per cent of Ottawa's document was dedicated solely to the issue of the impact of the recession on women. Women are half the population of this province. To the Minister of Finance: will you commit to tabling the GBA plus analysis that was done as part of your economic recovery plan in this Assembly?

The Deputy Speaker: The hon. Minister of Finance.

Mr. Toews: Well, thank you, Madam Speaker. I will acknowledge that women have been disproportionately affected by the downturn as it's really nailed first and foremost the service sector. I absolutely acknowledge that, and I recognize the challenge that this downturn has created for so many families across this province and particularly for those in the service sector.

Madam Speaker, I do want to point out some programs, a response on behalf of the Alberta government, to meet this great need. Firstly, I will say this. The need is much greater than the remedy that governments can provide. That is the reality. That is the reality out there today, so I am not going to sugar-coat the challenge faced by so many businesses and the employees of those businesses.

But after this government took measures to bend the curve of COVID-19 – of course, part of that effort was in fact mandating that certain businesses close or severely curtail their operations, and that disproportionately affected the service sector and disproportionately affected many women in this province with job loss. That's one reason why we responded with the small-business grant directly available to those businesses that were required by public health order to close or materially curtail operations. Madam Speaker, that was one of the reasons why we believed we needed to provide some additional assistance. We believed that there had been a form of regulatory taking as we imposed that public health measure, and that is why we came out with that grant.

The Deputy Speaker: The hon. Member for Edmonton-Whitemud.

Ms Pancholi: Thank you, Madam Speaker. I take it from that response that the Minister of Finance did not actually complete a gender-based analysis assessment of his economic recovery plan; otherwise, I'm sure he'd be willing to table that in this Assembly. It's a straightforward question. The fact that he couldn't answer that leads me to conclude that there was no analysis done.

My next question is for the Minister of Education, Madam Speaker. We're in the midst of a pandemic, and parents are rightly concerned about the safety of their kids and families as schools return and reopen. Here in Edmonton roughly a third of families are keeping their kids at home because they have no faith in this government's plan to keep kids safe. My first question is this. To the Minister of Education. You shut down schools in March. You've had five months to get ready for the new school year. Why didn't you spend these five months securing more space so we could spread out students and follow public health advice to physically distance?

The Deputy Speaker: The hon. Minister of Education.

Member LaGrange: Thank you, Madam Speaker, for the question. It is an important question. We did start right after we went to at-home, teacher-directed learning. Back on March 16 we started planning for our re-entry. We developed one of the most comprehensive plans across this country, so much so that other provinces have looked to us for their guidance, and they have imitated sections of our plan if not most of our plan.

[The Speaker in the chair]

When you look at the fact that we have worked with our education partners – and it has been the Alberta School Boards Association, the College of Alberta School Superintendents, the parent association, the Alberta Teachers' Association, and also Dr. Hinshaw and her team and Alberta Health – we have worked comprehensively to develop a plan that is robust, that will get our students and our staff back to school in a safe manner. It has three scenarios: scenario 1, scenario 2, and scenario 3. Right now we are looking at bringing students back to school in scenario 1.

11:20

We have provided resources to our school divisions, as the Minister of Finance has indicated. We have \$120 million in operational funding in addition to what school boards had received last year. We have \$250 million in accelerated infrastructure maintenance and renewal funding, of which we know that approximately \$15 million is being utilized for additional hand sanitizers and other infrastructure needs. We know that there are 90-plus HVAC projects to address ventilation issues. We have \$363 million in reserves, that schools are accessing. They have further developed their plans. They've taken our guidelines and our plans and refined them so that they meet the local context. We now have \$263 million in federal funding that we will use towards COVID.

The Speaker: The hon. Member for Edmonton-Whitemud has another question to ask. I encourage her to ensure that it's focused on the fiscal update. While that was a very important question, I encourage you to ensure that it is focused towards the fiscal update.

Ms Pancholi: Thank you, Mr. Speaker. Further to the Minister of Education's response, as it was indicated that she began her work on the school reopening plan five months ago, during the first quarter of this fiscal year, I would like to know what measures the Minister of Education took in that first quarter of the fiscal year, during which time schools were shut down, to explore an inventory of additional spaces to allow for students to be distanced with a possible school reopening in September.

I'd like to know what steps the Minister of Education took in the first quarter of the fiscal year to address the possibility of hiring additional teachers to prepare for the possibility of perhaps lower class sizes to allow for physical distancing.

I'd like to know what measures the Minister of Education took in the first quarter of the fiscal year to try to ensure that there were the resources necessary to ensure that every child had the same quality of education, the same opportunity of learning, regardless of their needs, regardless of their family circumstances or income, to ensure that all students would have a safe reopening.

This all relates to the planning that the minister claims she was doing in the first quarter of the fiscal year. I'd like to know specifically what measures were taken to ensure physical distancing, hire more staff, and ensure that all students had access to a safe school reopening in September.

The Speaker: The hon. Minister of Education.

Member LaGrange: Thank you, Mr. Speaker. Very important questions. As I said, we did start immediately on a re-entry plan. The re-entry plans are very detailed. They were developed, as I said, with school boards' input, and they are continuing to be refined by school divisions.

As far as school distancing, the hiring of teachers, the hon. members opposite should know that this is in the purview of school boards. We provide the school boards the resources to do that, and the school divisions themselves are the ones that actually do the down-to-earth, day-to-day operations of schools. They have been diligently preparing for the re-entry of schools. We have very continuous conversations with our school divisions, with the superintendents, including the ATA and parent groups as well. What they're telling us, particularly the school superintendents and the school boards, is that they're ready for the re-entry for our students. They have been doing that detailed work.

Of course, it varies right across the province when you look at rural Alberta to metro Alberta. It is very important that they have the flexibility and the ability to deal with the day-to-day operations themselves within their local context. I have heard very strongly from school divisions that they value that flexibility. On August 21 I reiterated their ability to stagger re-entry dates. They have taken that and ensured that their school divisions, their particular schools are able to re-enter in a safe manner, pursuant to what works for them.

Right now I am hearing very, very clearly from our school divisions, from our school authorities, from the superintendents who do the day-to-day work that their principals are ready. They're ready to welcome the students back, they're ready to welcome the teachers back, and they have put the safety measures in place following the guidelines of Dr. Deena Hinshaw and her team.

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

Ms Pancholi: Thank you, Mr. Speaker. Well, it is true that school boards are responsible for hiring teachers. Of course, in order to do that, they actually need to have the funds to do that. Of course, what we see from page 8 of the fiscal update is that during the first quarter of this year the Education budget was cut by \$132 million, and 20,000 educational staff were laid off.

My question to the Minister of Education is: how are these school boards supposed to be hiring more teachers or even considering hiring more teachers when not only did they lose \$132 million in the first quarter of the fiscal year but, as we know, Mr. Speaker, despite what the government members, including the Minister of Finance repeated today, funding did not increase to school boards? In fact, this fiscal year school boards are getting overall \$8 million less than they were getting in 2018, with 30,000 new students and a pandemic. They're actually getting less in 2020 than they were two years ago, with an incredible amount more students and much more challenging circumstances than anybody ever faced in 2018. My question to the Minister of Education is: were you exploring the hiring of new staff and equipping school boards to be able to consider hiring more staff when they were already facing cuts for the upcoming fiscal year and additional cuts in the first quarter of this fiscal year?

What steps – I'll ask again – were you taking to explore additional spaces in order to allow for physical distancing? Community league spaces, postsecondary spaces that were shut down: I think anybody can certainly think about lots of empty spaces right now in our communities. What concrete steps were you taking to actually explore those options and to allow school boards to explore the options of hiring more teachers when they were facing significant budget cuts?

The Speaker: The hon. the Minister of Education.

Member LaGrange: Thank you, Mr. Speaker. When we went to at-home, teacher-directed learning at the initial stages of COVID-19, there were many uncertainties. As a government we temporarily adjusted the funding to Education in the spring, but I want to assure everyone here that full funding was restored as of July 1.

As was indicated by the Minister of Finance earlier, there is an additional \$120 million in school board budgets for this upcoming school year, that they are aware of and can access. There's an additional \$363 million sitting in school board reserves, that they are aware of and can access. We have provided additional resources, as I said earlier. The \$250 million in accelerated maintenance and renewal funding: that is on top of what they currently get, the well over \$8 billion that resources our education program throughout the whole school year. We did provide \$10 million of PPE, which translates to 740,000 students and 90,000 staff getting approximately 1 million masks, 466,000 litres of hand sanitizer, and 5,000 contactless thermometers, two for every school. This is in addition to everything else that we've been providing and we will continue to provide because we've made that commitment to school divisions and school authorities, that we will continue to work with them. As they need resources and supports, we will continue to be there.

We now have an announcement of \$263 million from the federal government, that we've been advocating for, resources from the federal government to support, to give back some of the tax dollars that we've been sending to Ottawa.

Many things are going, and we will continue to work through . . .

The Speaker: There are five minutes remaining in this period of debate.

I see the hon. Member for Lethbridge-West has risen.

Ms Phillips: Thank you, Mr. Speaker. In the fiscal update we see that Albertans have received \$10 billion in CERB, \$11 billion in the payroll program coming from Ottawa.

Then yesterday the president of Canadian Mortgage and Housing Corporation delivered some really sobering news: as of July 21, 21 per cent of all mortgages in Alberta are in deferral. That's more than 1 in 5, so this is a dire economic situation. In Ontario the number is 10 per cent; in Quebec it's 5. If those deferrals turn into foreclosures, this again is a dire economic situation.

I would have thought that maybe we would have seen a signal of a solution to this in the fiscal update as part of our coronavirus response because meanwhile the government has, I think, continued with plans – it appears, anyway, from these documents – to change the model of linear assessments in municipalities, which will then put pressure on residential property taxes right across Alberta.

11:30

Why is it, then, that when we have 1 in 5 Albertans currently in mortgage deferral, we're in a situation where people are now going to see massive increases to their property taxes? For example, in Camrose county people are looking at more than 50 per cent amongst the residential tax base. If we have 1 in 5 homes in mortgage deferral, no discussions, signal, public commentary, or acknowledgement of the pain that people are going through or how this program might be extended, and, coupled on top of that, massive property tax increases, I want to know from the Finance minister how he is going to address this looming issue of both municipal viability and pressure on pocketbook for Albertans, for Calgarians, for rural Albertans, and folks across the province.

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

Mr. Toews: Thank you, Mr. Speaker. There are a number of things to correct in that statement. Firstly, this government has made no definitive decisions on linear assessment related to the energy industry and rural municipalities. That is the fact. Right now the new Municipal Affairs minister is taking up where the old minister left off – the past minister; he’s not that old – and is consulting with municipalities, consulting with the industry.

But, Mr. Speaker, there’s a fundamental reason why this issue is worthy of review even though we’ve made no definitive decisions, so I want to restate that. There have been no definitive decisions made. There’s no reason to project increases in property taxes. We’re simply working to understand the competitive landscape of Alberta’s business environment, and that is fundamentally why there’s great rationale to consider this issue, consider the implication of changes on the energy industry, on municipalities, on every stakeholder, on every Albertan.

Mr. Speaker, this issue underlines the great importance of ensuring that we broadly have a competitive business environment. If we are out of step egregiously on one issue, that will affect investment into this province, which will affect job creation and, ultimately, government revenues in the long term.

Mr. Speaker, we’ve not made any definitive decisions as a government around municipal assessment, but the issue is worthy of a review relative to our competitiveness.

The Speaker: Ninety seconds remaining in the total period of debate. The hon. Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Thank you very much, Mr. Speaker. I want to go back to comments that the Finance minister made in my previous questions. Interestingly, the Minister of Environment and Parks quoted one of the economists here in Alberta, Andrew Leach, who’s been actively listening to this conversation and commenting on the fact that the Minister of Finance is misrepresenting the facts in this place. First of all, in 2018, again, Alberta led the country in GDP growth, in real GDP growth, according to RBC, but maybe you’ll get up and discredit them because that’s what you like to do with anyone who doesn’t share your own message.

The fact of the matter is that the Finance minister is completely false, and this government is misleading Albertans when they say that the recovery was right around the bend, that it was mere months. That is not true, Mr. Speaker. We know, first of all, that in 2019 in the province of Alberta, the banks had lowered their expectations for the forecast. Actually, Mr. Leach said: “The Finance Minister is lying to Alberta right now. He claims that the signs were pointing to an economic recovery . . .”

The Speaker: Unfortunately, that concludes the amount of time that has been allotted for this period of debate.

Hon. members, the debate will now continue in the following manner. For a period not to exceed 20 minutes private members of the government caucus may ask questions on matters relevant to the 2020-2021 first-quarter fiscal and economic update and the statement that was made earlier today by the President of Treasury Board and Minister of Finance, and the minister or any member of Executive Council may respond to those questions. Neither question nor response may exceed two minutes at a time.

I now call the hon. Member for Drumheller-Stettler.

Mr. Horner: Thank you, Mr. Speaker. In the 2019 election we ran on a commitment to cancel the previous government’s risky crude-by-rail contracts. Government should have never been undertaking

such a venture and put such a risk back onto the Albertan taxpayers. In February 2019 the government announced that they had entered into agreements to divest these assets back to the private sector. Can the Minister of Energy comment on the status of this divestment in light of the COVID-19 pandemic?

Mrs. Savage: Well, thank you to the member for the question. I couldn’t agree with you more. That was a risky proposition, the NDP crude-by-rail contract, and it’s something that was a terrible gamble made by the previous government. Mr. Speaker, when we first took office, in May 2019, we digested those contracts, we went through them, and we determined that had the government run the NDP crude-by-rail contract, it would have run at a net loss of \$1.8 billion. Every single barrel that moved on their deal would have been moved at a loss. That was based on the fundamentals of the day, the economics of the day. In today’s world, with the value of oil having plummeted, those fundamentals have crashed. Had we run it, it would have cost anywhere between \$2.3 billion and \$2.7 billion of loss. So that highlights why we needed to get out of that contract. It was a risky venture. It was a bad deal for Albertans. It was made in the dying days of that previous government’s mandate as an effort to show that they cared about the oil and gas industry after four years of not getting market access.

Mr. Speaker, we are still moving to divest those contracts. It’s made it more difficult to complete the novation of those contracts and to get the release of contracts because of the fundamentals. But we are doing everything possible to get out of that. It was a bad deal for Albertans. The risk of that bad deal was highlighted by the recent drop in oil prices, and we’re doing what should have been done. The right thing is leaving those contracts with the private sector.

The Speaker: While I will be the first to admit that I don’t know all of the details of the first-quarter update, by just the question it may have been a little difficult for the Speaker to understand how that applied to the first-quarter update. So I’ll remind all members, just as I did to members of the opposition, to ensure that their questions are relevant to the fiscal update.

Is there anyone else that has a question? The hon. Member for Cardston-Siksika.

Mr. Schow: Thank you, Mr. Speaker. The Member for Edmonton-Whitemud stated so obviously that time goes on and time has passed. Despite all the things that she said that were inaccurate in her statement, that one was correct. In the last hour scarce was there an example, as time has passed, of a question about the fiscal update. But more concerning was that scarce was there an example of any responsibility taken by members opposite for the fiscal situation they put us in, that we inherited last year.

But on to a question about the fiscal update. Albertans have sacrificed a great deal to limit the spread of COVID-19 and keep our hospitalizations and intensive care unit cases low. These responsible choices by Albertans allowed us to enter into stage 1 and progress to stage 2 of relaunch sooner than other provinces. This relaunch has been critical for Alberta families and businesses and to get people back to work. Can the Minister of Finance please advise on how much Alberta spent on direct support for businesses and how this spending compares to other provinces?

The Speaker: Excellent work.

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

Mr. Toews: Well, thank you, Mr. Speaker, and thank you to the member for the question. Our government has spent more than \$800 million on direct support to Alberta businesses during the COVID-

19 pandemic and this great economic downturn. That includes direct relief for Workers' Compensation Board premiums. In fact, we immediately announced deferral of all Workers' Compensation Board premiums until 2021. That was a \$1.1 billion deferral to deal with the great need for liquidity that was immediately upon businesses with the economic downturn. Three hundred and fifty million dollars will go to direct premium abatement for small and medium-sized businesses. That program created no additional red tape for businesses or for government as it worked seamlessly, and businesses immediately felt the relief.

11:40

Mr. Speaker, we've also waived Alberta Energy Regulator fees. We have frozen education property taxes at the previous year's rates. We've provided a small and medium enterprise relaunch grant. Again, this grant was very important for small businesses that were forced to close or curtail operations due to public health measures. It allowed them some capital to restart. We've waived tourism levy taxes, and we've provided support for child care operators in the province.

As a share of the economy Alberta's direct COVID support to businesses has been the second highest among the major provinces, at .3 per cent of GDP. This does not include our significant investment in strategic projects in this province as part of our Alberta economic recovery plan.

The Speaker: Are there others? The hon. Member for Highwood.

Mr. Sigurdson: Thank you, Mr. Speaker. Responding to the COVID-19 pandemic has obviously been our government's focus for the past few months, but we know that this virus has not eliminated other health struggles that Albertans were facing before the pandemic. When it comes to addictions and mental health, the pandemic has exacerbated these issues for many Albertans who are already struggling. These are stories that I'm sure many of us have heard and I've talked to many of my colleagues about.

As a government that is concerned about this so much that we've appointed the first minister to deal with mental health and addictions, I would like to ask the Associate Minister of Mental Health and Addictions and have him comment on the investments our government has made on addiction and recovery supports, particularly investment and capital funding for the communities that are affected by this, as it relates to the Q1 fiscal update so far.

The Speaker: The hon. the Associate Minister of Mental Health and Addictions.

Mr. Luan: Thank you, Mr. Speaker, and thank you for the hon. member's very practical question. As we all know, COVID-19 produced a profound impact to all Albertans. On top of the health risks, the economic downturn, the crash of oil price have created an economic uncertain time that we haven't seen since the Great Depression. We know that the impact for Albertans' mental health is very, very huge and difficult, particularly for those folks who suffer from existing conditions, whether health, mental health, and addiction.

It is precisely because of that reason that we came through with the most comprehensive response in Canada, the Alberta \$53 million COVID-19 mental health action plan. In that plan we drastically increased the capacity and availability of resources like the mental health and addiction hotline, Kids Help Phone, 211, and other targeted online and e-services to support Albertans. As part of that response, we intentionally created \$25 million for a community grant so that we give community groups the resources so that they can mobilize communities to help each other.

In addition, recently in our capital plan we added \$25 million more, created 400 new long-term treatment beds, the so-called recovery communities throughout the province. All of this is on top of our prior commitment to drastically increase 4,000 public-funded spaces for treatment.

Mr. Speaker, we've done all of this within one year than the opposition did in four years. We lead the country on this file. We are very proud of the work we are doing.

The Speaker: The hon. Member for Fort McMurray-Lac La Biche has risen.

Ms Goodridge: Thank you, Mr. Speaker. It's absolutely my honour to have the opportunity to stand up and ask the very first question to our new Minister of Municipal Affairs. Alberta's municipalities are critical partners with the provincial government to ensure the well-being of Albertans, and due to COVID-19 our municipalities have faced increased financial pressures, including on immediate operating costs. Municipal infrastructure spending is a key element of Alberta's recovery plan, allowing us to build, diversify, and create tens of thousands of jobs now. Something that I've heard quite a bit in my riding of Fort McMurray-Lac La Biche: much positivity towards our investment in this area. Can the Minister of Municipal Affairs elaborate on the funds that were allocated for the municipalities in Budget 2020, and what additional investments were made through the municipal stimulus program?

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

Mrs. Allard: Well, thank you, Mr. Speaker. It is truly an honour to rise and respond for the first time as the Minister of Municipal Affairs. Our province is facing unprecedented fiscal challenges as a result of the COVID-19 pandemic, and I will be here to help the municipalities get through this time.

Our government recognizes that municipalities are often on the front lines of managing these challenges, which is why we recently announced a historic \$1.1 billion in stimulus support to help them weather this storm. This historic investment includes \$500 million for the municipal stimulus program, or MSP, to build shovel-ready projects and get Albertans working right now. It also includes \$233 million that will match federal funding to support municipal operating costs, including \$70 million to support public transit operating costs of municipalities with a public system such as Edmonton, Calgary, Red Deer, and, of course, my home of Grande Prairie. We made this investment to protect lives and livelihoods in the midst of the greatest economic challenge of our time. Moreover, the strategic infrastructure we're supporting today will support jobs and economic development for generations to come.

While spending more in these difficult times may seem counterproductive to some, this stimulus funding is exactly what we need to do to get the economy going again. In unprecedented times we look back to history for guidance. During the Great Depression North American governments stimulated the economy by investing in jobs and capital projects. This helped to get the economy back on track back then, and it will help us do so today. This is a historic investment in the future of our people and the communities they call home. It is a commitment from this government, Alberta's government, to work with municipalities as partners, and it is a sign that we have great hope for the future, because we are all on team Alberta.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Leduc-Beaumont.

Mr. Rutherford: Thank you, Mr. Speaker. I want to start off by saying thank you to the Premier and the government and Dr. Hinshaw for their leadership throughout this pandemic and the economic collapse and thank you to the Finance minister for the update. These are sobering numbers, but I'm glad that you spoke to the optimism of the Alberta spirit in getting through these tough times.

As we've learned over the last few months, elderly Albertans are at a higher risk of experiencing severe outcomes from COVID-19. Continuing care facilities in particular have been disproportionately affected. At the height of the pandemic our government provided additional funding to these facilities, allowing them to hire up to 1,000 additional staff. Our government also recognized the contribution of health care aides and provided funding for a wage top-up of an additional \$2 per hour. Facility operators also received an advance to address the additional costs. To the Health minister: can you elaborate on the costs and impacts of the relief package that has been provided to continuing care facilities in this province?

The Speaker: The hon. the Minister of Health.

Mr. Shandro: Well, thank you, Mr. Speaker. Look, continuing care facilities, their residents, their staff have been disproportionately affected by the pandemic. Now, to prevent the spread of COVID, increased public health measures were put in place to help protect the staff and protect the residents from COVID, including restricting staff from working at multiple sites, strict testing, cleaning, and PPE requirements as well as enhanced visitor restrictions.

These restrictions were critical to help prevent the spread of the virus and to protect Albertans, some of which created challenges for our hard-working health care aides in the province. That's why we took immediate action and provided funding support to increase HCA staffing levels in contracted continuing care facilities and alleviate the financial burden on HCAs throughout Alberta. In response, our government committed up to \$191 million in new funding, which included increased staffing levels for HCAs, providing a wage top-up of \$2 per hour for HCAs, and providing paid practica to fast-track certification for these students in order to get more staff into the continuing care facilities.

This was followed by \$170.6 million in additional funding to contracted continuing care facilities. Sorry. That's \$170.6 million. The previous number I gave was actually meant to be \$91 million. This was followed then by \$170.6 million in additional funding to contracted continuing care facilities and lodges as well for increased staffing levels and to address other COVID-related costs such as PPE requirements for them, cleaning supplies, and the loss of revenue as well for their vacant spaces.

Thank you, Mr. Speaker.

11:50

The Speaker: Hon. members, there are five minutes remaining in debate.

The hon. Member for Calgary-Klein.

Mr. Jeremy Nixon: Thank you, Mr. Speaker. My wife and I found ourselves in the same situation as many families in Calgary-Klein and across Alberta at the start of this pandemic in regard to finding child care. I know that many families in Calgary-Klein who relied on now vulnerable grandparents found themselves in a difficult situation. We know that access to child care is critical for Alberta families, and it will be critical in our relaunch and for our economy. Close to 18,000 Albertans work in the child care sector, and they serve over 100,000 children. In May we announced that we'd provide up to \$17.8 million in grants to child care centres and

approved family day home agencies to support a safe restart. Can the Minister of Children's Services explain the phase-in approach of this funding and expand on other supports that we have provided to the child care sector during this pandemic?

Ms Schulz: Thank you very much for that question. Access to quality child care is absolutely an important part of getting Alberta's economy back on track, and that is why we've provided sector-specific financial relief, and we will be providing more funding shortly. As the Minister of Finance has made clear, our fiscal situation right now is serious, but we are doing absolutely everything we can to create jobs and ensure that parents can access the workforce through affordable, accessible, high-quality child care.

Children's Services' child care budget is nearly \$400 million annually, supporting wage top-ups for our very important front-line workers, subsidy for low- and middle-income parents, and other supports like inclusive child care funding. In response to the pandemic we knew that we would need to assist the sector to remain financially viable and ready for when parents were comfortable taking their children back.

Mr. Speaker, it also became clear that costs are much more burdensome now that all open child care centres and preschools require additional sanitation supplies and PPE in large quantities. In terms of supports available, it's important to note that both levels of government provided comprehensive support packages, much of which child care centres were able to access. That includes increased wage support and grants for small and medium-sized businesses, interest-free loans, commercial rent assistance, and deferral of utility bills, GST, and WCB.

In addition, as the member opposite mentioned, we developed a phased approach to support the sector. In phase 1, centres received \$6.7 million in one-time grants to help cover up to 25 per cent of overhead costs like rent and utilities, accounting for the remaining portion of expenses that weren't covered by funding under federal programs. In phase 2, Mr. Speaker, centres received a total of \$3.2 million for cleaning and sanitation supplies to adhere to public health guidelines.

Finally, we've been working with our child care working group to evaluate ways to further support this sector, and we'll have more to say in the coming weeks.

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

Mr. Smith: Thank you, Mr. Speaker. The agricultural sector is going to continue to be a critical part of the prosperity of Alberta moving into the future. In May our government created a new agricultural training support program to support workers and employers who are critical to Alberta's food supply chain. Now, the program is a partnership between the federal and the provincial government to support our agriculture and our agrifood sectors, and it is designed to offset additional safety costs to train new employees. Can the Minister of Agriculture and Forestry elaborate on the specific investments that Alberta made in the program and the number of jobs it will support?

The Speaker: The hon. the Minister of Agriculture and Forestry.

Mr. Dreeschen: Thank you very much, Mr. Speaker, and I'd like to thank that member for a very important question on the 2020-21 first-quarter fiscal update and economic statement. Obviously, going into this year, everyone in this Chamber had no idea that we were going to be hit with such a difficult first quarter. It's something that the agriculture sector itself has been reeling with and trying to deal with the best it can, obviously named as an essential service early on throughout the COVID pandemic. But this program that

the member articulated so well, the agricultural training support program, has actually in the first quarter doled out about \$396,000, and that's actually created directly 250 jobs across the province. Again, it's helping people in the ag sector to be able to train up new entrants, especially when we were forced, with the CERB payment from the federal government, which had an effect of not having people wanting to join the labour market and actually go out and get a job and have the dignity of a job – we . . .

The Speaker: Hon. members, I hesitate to interrupt; however, the time for debate has now concluded.

Pursuant to Standing Order 3(8) the House stands adjourned until October 26.

[The Assembly adjourned at 11:55 a.m. pursuant to Government Motion 37]

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For inquiries contact:

Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875

E-mail: AlbertaHansard@assembly.ab.ca