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The 30th Legislature
Second Session

Alberta Hansard

Monday evening, November 2, 2020

Day 61

The Honourable Nathan M. Cooper, Speaker

Legislative Assembly of Alberta The 30th Legislature

Second Session

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New Democrat: 24

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Legislative Assembly of Alberta

7:30 p.m.

Monday, November 2, 2020

[The Speaker in the chair]

The Speaker: Hon. members, please be seated.

Government Bills and Orders Second Reading

Bill 41

Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020

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

Mr. Toews: Well, thank you, Mr. Speaker. I rise to move second reading of Bill 41, the Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020.

The amendments proposed in this bill are part of a larger package of immediate measures intended to stabilize costs, enhance medical benefits, and modernize automobile insurance for Albertans. Mr. Speaker, Alberta's current automobile insurance system is neither stable nor sustainable. This is nothing new. It's been a reality for nearly a decade now, a reality for which the last few years were exacerbated by poor policies of the members opposite. The rate caps implemented by the former government simply did not work. Some Alberta drivers were negatively affected throughout the rate cap, resulting in having to pay for the full year's premium up front rather than monthly, being denied collision and comprehensive coverage, and not being able to access coverage through their broker. Today the cost Alberta drivers pay for auto insurance is the third highest in Canada.

Our government is putting in the work and getting to the root of this problem. We're taking action with immediate measures to stabilize auto insurance premiums, enhance medical care for those injured in collisions, and provide more options and flexibility for drivers. Mr. Speaker, our overall focus with these measures is to contain costs of bodily injury claims, which have been identified as the main factor in rising premiums. Containing cost pressures in the system means pressure on drivers eases as well.

The majority of our government's immediate measures are regulatory changes. Most of them came into effect on November 1. Other measures are contained in this bill as legislative amendments, and I'll briefly go over the main intent of these proposals. I mentioned that cost containment is the focus of the measures. Two legislative proposals will help support success in this area.

First is the amendment to section 558.1 of the Insurance Act, which proposes to limit the number of experts that can provide testimony or submit a report on bodily injury claims in motor vehicle litigation. The proposal is for the following limits: one expert if the claim value is less than \$100,000, three experts if the claim value is more than \$100,000. The proposed limits will not apply to the testimony or report from a joint expert that was accepted by all parties, the proposed limits will also not apply to any additional experts provided there is consent of all parties, and finally, the proposed limits will not apply in cases where the court agrees to hear from additional experts. On this note, it's important to point out that courts retain the ability to appoint their own experts relevant to resolving disputed matters. Mr. Speaker, we believe the limits on the number of experts used in automobile-related bodily injury litigation will help reduce costs for all parties in a dispute and help resolve matters more efficiently and timely.

The second cost-containment measure is the amendment to section 585.2 of the Insurance Act, which proposes to make the prejudgment interest rate on pain and suffering damages a floating rate that begins to accumulate after written notice of a claim is given or after a statement of claim is served. The rate change will align the prejudgment interest rate on pain and suffering damages with the prejudgment interest rate on out-of-pocket expenses.

The interest for out-of-pocket expenses is a floating rate set each year by cabinet based on Bank of Canada borrowing rates. The 2020 rate is set at 1 and a half per cent. Mr. Speaker, currently the prejudgment interest rate on pain and suffering damages is 4 per cent per year. This is much higher than marketplace interest rates. As a result, the accumulated value of prejudgment interest can at times be a considerable burden on overall claims costs. Making this a floating interest rate, reflective of the marketplace, is expected to have a material impact on industry-wide terms of reductions in bodily injury claim costs. However, the reduction in interest payable to an individual injured claimant would not be significant.

Mr. Speaker, in addition to outlining these legislative proposals, I'd like to mention some of the regulatory changes targeting cost containment. This is for the benefit of all members as they'll be able to see the full picture of the government's immediate measures aimed at controlling key cost pressures in the auto insurance system. In regulations, the major cost-containment measure is a change to the minor injury regulation that will better align Alberta with other provinces. A revised definition of minor injury now captures more injuries that did not have a permanent, negative, or life-altering impact for injured Albertans. We are confident that the revised definition of minor injury along with legislative proposals to improve injury dispute resolution and adopt a floating rate for prejudgment interest on pain and suffering damages will help break the cycle of steep increases to driver premiums. I want to emphasize that the change in definition in no way impacts a person who has suffered a serious impairment as a result of an accident.

Mr. Speaker, while we're addressing the main problem currently in the system, one of escalating costs, we also see an opportunity to modernize some areas of our regulatory framework for auto insurance. This will ensure Alberta's regulatory environment is able to better support the industry in providing more options and flexibility for drivers. To this end, government is proposing an amendment to section 585.1 of the Insurance Act. This would enable direct compensation for property damage. Direct compensation for property damage essentially means that if your car has been hit by an at-fault driver, you only deal with your own insurer to cover the repair costs. You don't have to wait for a decision on repairs from another driver's insurer. Dealing with your own insurer for repairs has no negative impact on your policy; that is, you won't be incurring any claim costs, and your insurance rates won't be affected by a negative risk rating. The driver that hit you still has to go through own collision coverage for any repairs. This has been an industry practice for several years in other provinces. It eliminates needless red tape between insurers and reduces costs incurred for pursuing damages from third parties. Direct compensation is simply a more efficient way to process claims and provide better customer service for Albertans.

An additional set of changes, both in regulations and as proposed amendments to the Insurance Act, are specifically targeted at improvements to the Automobile Insurance Rate Board and various areas of its operations. The ultimate goal is to ensure an efficient regulatory environment and better support for innovation and consumer choice in the marketplace. Mr. Speaker, specific legislative proposals I'm referring to here are the amendments to sections 599, 602, and 604 of the Insurance Act. These amendments would make the Automobile Insurance Rate Board a more effective

regulator, better positioned to respond to consumer and industry needs. The Automobile Insurance Rate Board would still be accountable to the Minister of Finance; however, it would be more responsive to the marketplace and would have the ability to modernize Alberta's system for setting insurance premiums. This is expected to increase fairness in the marketplace and further ensure that consumer costs adequately reflect individual risks and driving habits. These legislative proposals complement regulatory changes that will allow greater ability for industry to provide innovative insurance options such as pay per kilometre and greater flexibility in applying usage-based insurance to give drivers more choice and control over their own costs.

Mr. Speaker, while we're enhancing stability and efficiency of this system, I would be remiss if I didn't mention that we're also making sure that Albertans who are injured in collisions are adequately supported through recovery. A set of regulatory changes is specifically targeted at enhancing the medical benefits portion of mandatory insurance through measures including greater access to more health professionals dealing with traffic injuries, such as dentists and psychologists; inflation-adjusted benefits, such as income replacement to deal with the after-effects of collisions; improve clarity on patient referral and treatment processes; and improve clarity on coverage for medical equipment, home modifications, and vehicle modifications. These measures will improve care and health outcomes for those injured or suffering consequences of collision.

Mr. Speaker, affordability of auto insurance and stability in the system are pressing issues that demand action today. The changes proposed will ensure a more sustainable and affordable automobile insurance system for Albertans, and I look forward to the debate on this bill.

Thank you.

7:40

The Speaker: Hon. members, the Minister of Finance and President of Treasury has moved second reading of Bill 41, Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020. Is there anyone else wishing to join in the debate for second reading? I see the hon. the Member for Edmonton-South.

Mr. Dang: Thank you, Mr. Speaker. It's my pleasure to rise and speak to Bill 41, the Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020. I think what we just heard from the Minister of Finance is best described as perhaps a fairy tale for this place. I think it's something that simply does not reflect the realities that Albertans and Alberta families are facing every single day when we talk to them about insurance, auto insurance and other forms of insurance as well. We know that the UCP's handling of auto insurance has been a mess for Albertans, and every day every single Albertan is paying the price. Indeed, the UCP have let profitable insurance companies take the pen on Bill 41 and the new regulations and what's being brought forward.

We've seen a report laying out the future for automobile insurance that indeed seems to have been written by the insurance industry so that they could even profit more. According to the UCP's own report, Mr. Speaker, that was just released, the industry indeed has pocketed an additional \$820 million in premiums from hard-working Albertans this past year alone. That's on top of the additional profit they've made from the \$4.7 billion corporate handout.

Again, Mr. Speaker, it simply feels unfair for everyday Albertans. Everyday Albertans are paying skyrocketing premium rates. Indeed, just this year on average Albertans are paying 24 per cent more for their insurance. Who is leading up the charge on this?

Who for the insurance companies is leading up the charge? Indeed, it looks like it's the Premier's former chief of staff and UCP campaign director Nick Koolsbergen. The UCP is letting insurance lobbyists that are deeply tied to this government, deeply tied to the Premier, control the future of the insurance industry here in Alberta.

Mr. Speaker, these are companies that are already profitable. These are companies that will benefit from lowering the prejudgment insurance rate, and it's Albertans who are going to be getting less. Decreasing the number of expert medical reports, like the minister just brought up, that can be used in claim limits for the ability of Albertans to bring forward the evidence they find necessary is simply absurd. To actually restrict Albertans from having access to, say, as many medical experts as they feel is necessary, from having their physiotherapist along with their psychiatrist along with their doctor present, to actually limit that ability to say that these are medical experts who are able to make an opinion on these things, is ridiculous. This government, instead of actually showing compassion for victims of accidents, instead of actually showing compassion and understanding that these are processes that need to be followed through, is actually limiting the ability of every single Albertan to get the claims they deserve.

Mr. Speaker, it simply is ridiculous. It's simply ridiculous that the government is intending to do things such as take away the ability for Albertans to sue when they receive injuries. It's ridiculous. They're even wanting to change what the definition of minor injuries is. One of the things that the minister has brought up multiple times in this place and in press releases before this has been how minor injuries being expanded is going to help Albertans and help insurance companies.

One of those specific cases that they're trying to actually expand is concussions as a minor injury. A concussion is one of the most serious injuries you can face in your lifetime. Having multiple concussions, Mr. Speaker, or even just one concussion, has many long-term effects. Indeed, the research is growing that even a single concussion can significantly reduce your average lifespan, can significantly increase the harm to you in the later years of your life, and increase the risk of many different neural diseases. It's simply ridiculous that the UCP is actually considering and actually proposing in this legislation that injuries such as concussions should be classified as minor so that their friends, the profitable insurance companies, can pay less in claims.

Mr. Speaker, it simply doesn't make any sense, but of course this is a pattern of behaviour from the UCP. We already saw the UCP refuse to freeze automobile insurance premiums for the duration of the pandemic, and indeed we saw Albertans suffer for it. Like I said already, Albertans are paying on average 24 per cent more in insurance this year. Really, it looks like the UCP are more concerned with helping already-profitable corporations pocket even more at a time when so many families, so many Albertans are struggling to put food on the table. It simply does not make sense. We know that it looks like Alberta insurance companies are on their way to pocket over a billion dollars in profits this year. That's not revenue, Mr. Speaker; that's profits. These are already extraordinarily wealthy, extraordinarily profitable corporations.

Mr. Speaker, I think we have a few questions that we want to raise for the Minister of Finance, that we want to raise for the government caucus. We want to understand what's going on with this legislation. One of those things is that I think we need to talk about the cap on insurance. I know that the minister says that he doesn't believe that the cap on insurance was the right move; he doesn't believe that it added stability to the sector. But he needs to explain why in the middle of a global pandemic he did not provide any relief to Albertans who are seeing skyrocketing insurance rates. When insurance rates were rising on average 24 per cent across this

province, why did the minister not impose any form of relief for families? Why was the minister not interested in making sure that my constituents along with the constituents of every person in this place were able to afford to drive their car, were able to afford to drive their car to work, were able to afford to pay their insurance premiums? Why did he not do any measures? If the minister didn't believe in our cap, why didn't he bring in any relief at all for that?

I think it's something that speaks to values. It speaks to the values that this side, as opposition, is fighting for. We're fighting to make sure life is more affordable for every single Albertan, that every single Albertan can go on with their life in a more affordable manner. Instead, Mr. Speaker, what we see from the government is that they are making life more expensive. Instead, what we see is that they are playing into the hands of the already-profitable insurance companies instead of fighting for everyday Albertans. That's something that I think this minister and this government will have to answer for.

Mr. Speaker, I'm also very concerned why this minister is considering a concussion to be a minor injury. In what world does reducing the severity of serious injuries and saying that they should be paid out less because profitable companies will make more money and will have to pay out less, as it were – in what world does that help Albertans? What family came to this minister and said: "You know what? Those concussions we got from the car accident, not such a big deal." Who said that to the minister? I think that's something that's absolutely ludicrous.

I don't believe that any member of this House believes or that any member of this House should believe that concussions are a minor injury. They are absolutely something that has long-term effects on mental health and possibly neurological diseases later on in their lifetime, Mr. Speaker. It's something that is absolutely critical that we make sure that we treat seriously and we deal with seriously. Instead of actually trying to take these cases into account, the minister has said – basically, it looks like the minister is basically folding to the pressure from profitable insurance companies and from the Premier's former chief of staff and the Premier's campaign director. I think that's something that is, again, so disappointing for Albertans. It's so disappointing that we're going to be seeing this legislation pushed forward in this way.

Mr. Speaker, I think it's something that we need to see more answers to. We need to understand who was talked to besides insurance companies and who asked for these changes besides insurance companies.

One of the other questions I have is: why did this bill take so long to draft? These changes were announced last December and promised in the spring. The minister had every opportunity to bring these forward multiple times. Indeed, the minister had the opportunity in the beginning of the pandemic to bring a bill like this forward with relief measures for families, with relief measures for Albertans, and to actually reduce the cost for Albertans. The minister chose not to. The minister chose not to, and I think that's something that's pretty frustrating. Families were looking for relief throughout this pandemic. They've been looking for relief, and they've been looking for ways to make their lives more affordable, and this government chose not to act. They made a wilful choice not to act. I think that's one thing this government has to answer, and that's something that this government has to explain.

Mr. Speaker, the government has talked about how strongly Albertans are supporting them, but actually I don't believe that's true, and I think the government should also answer the question: if Albertans speak out against this and actually tell the government that they don't support this report, would the government commit to developing insurance reforms that actually work for Alberta drivers? That's something that we've seen time and time again here

in this place: bills get introduced, we see massive backlash from the public, we see the public disagree with the majority of what's being introduced in this legislation, and this government refuses to actually make any changes. This government refuses to actually listen to the will of the people.

7:50

We see that, Mr. Speaker, reflected in the polling. I mean, most of the public polling now says this government is faltering at every single level. This Premier is one of the least popular Premiers in the entire country. This government is one of the least popular governments in the entire country. I think that that's something that this government should take to heart. They should actually say: how can we make life more affordable for Albertans?

I have a couple of specific points I want to raise against what the minister just used in his introductory speech here. One of the things that I took particular interest in was when the minister said that prejudgment interest was a minor change and how making this variable prejudgment interest rate – what interest has accrued when an injury occurs is going to be mostly inconsequential for claimants. I believe the minister actually said that it will "not be significant."

Mr. Speaker, I'm going to give a little bit of an example here and ask maybe government members or the minister what he considers not significant. If somebody were to get rear-ended and have, let's say, permanent spinal damage and it took them a year to file a claim and a year to settle and let's say that a settlement is reached for \$200,000 for lifetime pain and suffering, previously, before this legislation, that final award would have accrued an additional \$8,000 in prejudgment interest before the claim was filed at 4 per cent and then \$8,000 in interest during the settlement phase at 4 per cent. That's 4 per cent for each year. Under the old rules a final payout would have been \$216,000. Under the new legislation this is going to be no interest accrued before the statement of claim is filed and only \$3,000, about 1 and a half per cent that the minister was talking about, during the settlement claim. So, really, the final payment is going to go down to \$203,000, which means there's a \$13,000 difference.

Now, I don't know about the minister and I don't know about most of the government benches, but I think that for most Alberta families \$13,000 is actually significant and is actually a big deal for most families. So when the minister says that it's not going to be significant and it's not going to significantly affect claimants, I want him to explain why he's taking \$13,000 away from families that are filing claims for lifetime pain and suffering. These are claims that are because of significant injury to the claimant.

That's something that this government hasn't done a satisfactory job of explaining other than when the minister just rose and spoke in this place. He said: well, it would reduce costs for insurance companies. Well, of course it would reduce costs for insurance companies, but what it will also do is that it means that people who are unfairly hurt and trying to get a claim from the insurance system will get less money on the backs of the profits that we know this year, for example, for insurance companies are already going to be over \$1 billion. This year it has already been \$860 million, right?

We're talking about companies that are having record profits, basically, Mr. Speaker, and they're profiting on the backs of already-injured Albertans. That's something that's absolutely ludicrous. It's absolutely ridiculous that this is how the government is proposing to help their friends and donors. It's absolutely ridiculous that this is how the government is hearing from the lobbyists and thinking that that's something reasonable for families, that that's something reasonable for insurance claimants, that that's something reasonable that Albertans should have to go through. It's simply a position that I don't understand how this government can

simply a position that I don't understand how this government can defend. I don't understand how this government can feel it's fair. It simply makes life harder for those who are already trying to navigate through a complicated legal claimant system. It makes life harder for people who are already trying to navigate through a very complex and expensive insurance process already.

It levels the playing field. Yes, Mr. Speaker, it levels the playing field in the completely wrong direction. It paves the way for insurance companies to make massive profits on the backs of injured Albertans, on the backs of victims. That's something which is so disappointing. It's so disappointing that the government's only explanation is that the minister will rise in this place as he's introducing this bill in second reading here and say that – you know what? – it's going to stabilize the insurance industry by making sure their friends and donors can make more money and have more profits. That's what's so profoundly disappointing about this bill.

It's so profoundly upsetting that this bill simply does not actually think about how Albertans need to be protected. It absolutely does not think about how the insurance industry is designed to protect Albertans. Instead, it seems to reduce those protections for Albertans. It seems to reduce the ability for Albertans to get claims. It seems to reduce the types of claims Albertans can get payouts for. It seems to reduce the types of claims and the amounts that Albertans will get payouts for. It seems to make it harder through changes such as reducing the amount of experts it can bring in. It seems to make it harder for Albertans to even make claims.

Mr. Speaker, I think every single UCP member should think very hard about that and say: who are they fighting for when they are bringing this in? Who is benefiting from this? I don't believe a single Albertan benefits from this other than insurance company owners, I guess, but average Albertans, people who are simply trying to drive their cars to work, who may get rear-ended, who may get T-boned at a stop sign, whatever it is – Albertans who are simply trying to go to work every single day are going to bear the brunt of the cost that is coming forward with this bill. We know they already are. They've already paid 24 per cent more this year on average, and that's resulted in almost a billion dollars in profits, that will likely exceed a billion dollars by the end of this year, for these profitable insurance companies.

Instead of actually introducing legislation that brings any relief for these drivers, instead of actually introducing legislation that brings any relief for these families, what we are seeing instead is a rigged system being introduced that actually allows profitable corporations to make more money on injured Albertans, to make more money on the victims of these incidents, Mr. Speaker. It's something that is so shocking because when we look at the numbers, when we look at the math, when we look at the families, it doesn't make any sense. We can see that these are going to be significant sums even though the minister doesn't think so.

I know the minister doesn't think that \$13,000 is a lot of money for families. Let me tell you, Mr. Speaker, that for the families in my constituency \$13,000 would be a lot of money. The minister might not recognize that because it's not a lot for the profitable corporations, but it's going to be a lot for the families that are getting less. It's going to be a lot for my constituents who are getting less, and I think that's something that's very disappointing. I think it's something that speaks to who this government is talking to when they use numbers like this. It speaks to who this government is talking to when they use legislation like this because it shows that this government isn't talking to Alberta families. This government isn't interested in Alberta families.

Instead, Mr. Speaker, it shows that this government is really just talking to insurance companies. It shows that this government is really just interested in the insurance companies, and I think that's

something that's very, very disappointing. I think it's something that my family will be very disappointed about and that the families in my constituency will have a negative impact from.

Mr. Speaker, I think we're going to have very detrimental effects in the long term because of these changes. In the long term we're going to be seeing changes such as with the insurance rate board and how the Automobile Insurance Rate Board is going to be taking control away from the ministry in terms of how premium rates are set and things like the premium grids are set.

When we look at the minister introducing legislation like this, it basically means that Bill 41 is giving the industry more control, giving the lobbyists more control, giving the Premier's donors and giving the Premier's campaign director, giving the Premier's former chief of staff who now works as a lobbyist for the insurance industry more control over these systems. What it means is that families can continue to expect to see rates increase. They can continue to expect to see insurance premiums go up. They can continue to expect to see less access to the claims system, and that's something that's going to be very difficult for families to take on. It's going to be something that's very difficult for Albertans to take on. We know that Albertans have been calling out for more affordable systems. They've been calling out for a rate cap. They've been calling out for insurance relief.

Indeed, Mr. Speaker, when the Premier rose in this place and when we asked him to bring in a rate cap or bring in some form of insurance relief and he said that this province doesn't need it, the Premier had just received a \$200 discount on his insurance. That is something that I think tells every single Albertan all they need to know, that because this government got a cut on their rates, because this Premier got a cut on his rates, the average family doesn't need to. The average family can still pay that extra 24 per cent.

I think that's something that is guiding what this government is moving forward with, and I think it's something that we're very disappointed with, and we want to make sure that when we approach this legislation, when we look at this legislation, we make sure we're on the right side of this, that we make sure we're on the right side of history. We want to tell Albertans, we want to be able to go out to our constituencies and say: "You know what? We fought to make your life more affordable. We fought to make your insurance more affordable. We fought to make it so that you didn't have to pay 24 per cent more this year, and this government did nothing. This Premier celebrated saving \$200 over the summer."

8:00

That's the difference between the values that are being presented by this opposition and this government, Mr. Speaker. That's the difference between the values that are being presented by these two caucuses and these two parties, and that's the difference that I think Albertans will be taking to the ballot box not too long from now, and that's the difference I think Albertans will understand, that this government is fighting for profitable corporations; it's not fighting for them. It's fighting for the profitable corporations that they're already giving \$4.7 billion away to, and that's something I think Albertans won't stand for.

Thank you.

The Speaker: Hon. members, is there anyone else wishing to join in the debate for second reading? I see the hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Mr. Speaker. I'm pleased to rise today to speak to Bill 41, the Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020, during second reading of this bill. Insurance rates here in Alberta have increased steadily over the

years, now to the point where Albertans are paying the third-highest rates for automobile insurance in Canada. I'm sure there are many MLAs in this Legislature here that will testify to the fact that they have heard from their constituents about the kind of insurance rates that they are paying and how difficult it is for seniors and for some of the people that are on low incomes to be able to afford the mobility through their insurance rates. It's come to our attention that this, obviously, is of grave concern to Albertans.

While I don't think that any of the actions of the previous government were any assistance in this matter – and that's a surety – the information coming from the Automobile Insurance Advisory Committee's report suggests that the changes were needed regardless if costs were going to be controlled.

The goal here is controlling costs. That's what I have heard from my constituents. At the same time, we understand that while we need to control the costs that Albertans are paying for their insurance, we also have to achieve a sustainable automobile insurance industry. You can't have one without the other. I certainly don't think that the NDP call for nationalizing or centralizing provincially the auto insurance industry is an appropriate move. I understand that the opposition thinks that governments should run everything. Surely, they only have to look at B.C.'s insurance model and realize that they have the highest rates in Canada, and I believe that we don't have to look towards that model of nationalizing or centralizing provincially the insurance industry. I would argue that when you do, when you put bureaucracy in the place of private business and bureaucracy in place of competition, that's never in the best interests of the citizens. In some things, I suppose, this could be necessary, but the insurance industry is not one of them, nor has it achieved good results here in Canada.

Now, the other thing that must be understood, which the opposition maybe needs to consider, is that while businesses may be profitable overall, it does not mean that they are profitable in all areas, so businesses will eventually begin to trim their less profitable areas and, in this case, deny coverage to some drivers to prevent losses. I've absolutely heard from constituents that have faced this problem, where they have actually been denied coverage, where they have been dropped by their insurance companies, and, you know, this obviously has a huge effect on them. We need to address this insurance industry concern not only for the fact that we have constituents that are struggling to pay the cost for insurance but also because some of them are actually being denied coverage.

This is not a centralized economy, and the government cannot and should not try to run everything. We need those private businesses to succeed, and I believe that we can do that and we can ensure that Alberta drivers get the coverage and the care that they need when the worst happens. I think, however, that this bill hits on those needed changes, and it begins to open things up to have a further discussion with Albertans about other possible changes in the near future. We know that this is a process, and the goal here with this bill, Bill 41, is in controlling the costs and creating savings for Albertans while ensuring that better service and better services are available for drivers when they happen to have a collision or they face injury.

Now, the Automobile Insurance Advisory Committee told us that the major cost to insurers, and thus to the consumers that are purchasing insurance, is bodily injury, particularly minor injury. Now, this is an important thing to note. We are not talking about injuries that will affect you for the rest of your life. We're not talking about those life-changing injuries that put you in a wheelchair or dismiss you from being able to do your job. We're talking about temporary injuries here. In no way are we saying that when you are injured, you cannot seek lawsuits if you feel it is justified for your particular circumstance.

The cap limits that we place for the maximum amount on injured individuals can be paid for pain and suffering damages when an injury is deemed minor. All other damages like out-of-pocket expenses, lost income, property damage: these are all payable as per settlements in or out of court, and this is based on the individual's circumstances. So an injured Albertan can have their injury determined as to whether it's a major or a minor injury either by a certified examiner, which would be a physician, or by the courts, where you can rely on a judge to rule whether an injury is or is not a minor injury. Once again I would argue and I would say that in no way are we saying that you cannot seek lawsuits if you feel it is justified for your particular circumstance.

While many believe or are led to believe that the major catastrophes of the past decade in Alberta are the culprits for higher rates, this is not the case. After analyzing the claims data, 70 per cent of claim costs to insurance companies were due to bodily injury. If Albertans want a control on the costs of their premiums without seeing a loss of offering for coverage, we need to address this issue.

So what are we doing? What we are doing is streamlining the process for drivers in collisions so that they can get the care that they need faster. If, for example, you were hit by an at-fault driver, your care, treatment, and reimbursement for treatment and property will be handled by your own insurance company. This will lead to better rehabilitation chances, and faster care will lead to less pain and suffering in minor injuries.

Mr. Speaker, insurance companies taking care of their own clients immediately has been an industry practice in other provinces for some time. In fact, several large insurance companies have made it standard practice even though they have not been required to in Alberta. It will be clear here in this bill that the claims you make when not at fault for a collision will not – again, will not – affect your risk rating and therefore your premiums.

In fact, actuaries working with the committee expect that over the next 12 to 18 months after implementation of this bill people would save an average of 10 per cent a month, or roughly \$120 a year, per insured vehicle. Not everyone will see savings – everyone's driving record is different, so everyone will be affected differently – but that is an average that the actuaries have put forward and that we are expecting. High-risk drivers will still pay for their poor habits. While I know this may not seem like much savings for some Albertans, it is better than the constant increase to premiums, that have been coming across our desks from the constituents that we have been talking to.

8:10

The other aim of this bill, Mr. Speaker, is to create more options for drivers when it comes to their insurance. We will be looking to spur the introduction of pay-per-use or pay-per-kilometre insurance options so that drivers can better tailor their insurance needs and costs to their individual situation.

With that, Mr. Speaker, I want to rise and just explain and say to the people of Alberta that I will support this bill, and I will encourage all of my colleagues in this Legislature, in this House, to do the same. Thank you very much.

The Speaker: Hon. members, Standing Order 29(2)(a) is available if anyone has a brief question or comment for the hon. Member for Drayton Valley-Devon.

Seeing none, I believe the hon. Member for Calgary-Buffalo caught my eye earlier. He has the call.

Member Ceci: Thank you very much, Mr. Speaker, and thank you for the opportunity to speak for my first time in opposition to Bill

41, Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020. You know, I listened with interest to all three speakers who were before me, and I think it's helped to guide me and kind of shape some of the things I want to talk about. There are many problems with the bill, but I'll address a few of them in this opening debate and follow up with additional problems in subsequent debates, when I get an opportunity.

You know, the Minister of Finance talked about some of the history with regard to why he believes that changes were necessary. I want to go into some of that history as well because it was under my ministry, Treasury Board and Finance, that the insurance rate board is sequestered. The TBF official has a superintendent of insurance in TBF. The Deputy Minister of TBF is responsible for all of those areas and reports to the minister.

You know, we know that back in November 2019 the UCP removed the 5 per cent rate cap that was put in place by the previous government, by me. I remember bringing forward that regulation change, and the Lieutenant Governor signed that off. We put that in place because there were skyrocketing, double-digit increases being put forward by insurance companies, not every insurance company but a significant portion of the 30 or so insurance companies that insure Albertans for their vehicles and other property in this province. A significant number of those insurance companies were bringing before the rate board requests for double-digit increases to rates for Albertans, and that was not the first time that size of rate increase was being brought forward. It was, you know, kind of a yearly matter that would come up to the members of the rate board, and frankly it was getting out of hand and quite expensive for Albertans.

We're told now that, you know, Alberta has the third-highest automobile insurance rates in the country. I can tell you that what we were dealing with before was significant and that Albertans could not afford the amount of increases that were being put forward. So we decided to put a hold on that, Mr. Speaker, not a permanent cap but a hold, so that we could work with the industry, work with stakeholders involved with the industry to really figure out what the drivers were for the rate increases that were coming forward.

My colleague just prior to me talked about injuries as being a major driver for that increase. I remember, of course, that was always present but also present was the insurance companies talking about how the cost of vehicular repair was skyrocketing, and it was skyrocketing because vehicles nowadays are much different than vehicles of the past. The onboard computers in vehicles get damaged quite easily and quickly, and they need total replacement. When cars or vehicles are in accidents, you know, instead of pounding out a panel or something like that, the whole panel is replaced. So it goes to this cost of vehicle repair skyrocketing.

We said: you know, perhaps all of this is accurate – we don't know – but we're not going to just take your word for it. We want to sit down, put together a review panel with members of Treasury Board and Finance, the superintendent of insurance, and members of the industry, and we want you to kind of take us through what these costs are. If they're legitimate, we'll work with you. If they look like you're just trying to bump the rates to increase your bottom lines – and I would point out that the industry has pocketed an additional \$820 million in premiums from Albertans in the past year, and that information comes from the information submitted by the Finance minister – we're not going to go for this.

So we started that work. We started that work in late 2018, early 2019, and I think, to perhaps be a little uncharitable, the insurance companies ran out the clock on the previous government. We did not see the end of that report. In fact, that report was stopped and

shelved. Well, nothing was shelved because it wasn't finished. It wasn't finished.

Mr. Speaker, when, not six months after this government got elected, they ended the rate cap, it told me that basically they are buying lock, stock, and barrel the views of the insurance industry to the detriment of Albertans, who are paying premiums, premiums that are skyrocketing to the tune of 24 per cent in 2020, I believe, so far. That's what I can tell you about some of that.

Mr. Speaker, I want to also pick up on a point that the Minister of Finance talked about when he said that he was going to step back from – and it's in sections 599, 602, and 604. How the Minister of Finance talked about that is that he said that that would make the rate board a more effective regulator. What it also does – and I want to challenge that – is that it removes the power of the Finance minister and the superintendent of insurance to be involved in some of the decision-making with regard to rates.

I can remember the reason we put on a 5 per cent cap and argued that we should work with the industry to really understand what their cost drivers were. We did that because the Minister of Finance was the final decision-maker with regard to the insurance rate increases in this province. What the Minister of Finance has done now is that he's removed power from himself and the superintendent of insurance and devolved that power to the Automobile Insurance Rate Board, or the AIRB. As we know, Mr. Speaker, those individuals who are on the rate board are appointees of the government of Alberta. The problem with that is that now big policy decisions like what the rates will be are going to be made by the AIRB instead of them being advisory to the Minister of Finance.

Mr. Speaker, I can't tell you what the future will bring us, but I can tell you that many times in the past, when I was the Minister of Finance, on a yearly basis the AIRB brought forward increases to premiums, and when they were double-digit increases, they had a lot of difficulty with those double-digit requests, but they still made them.

8:20

I think another difficulty is that the AIRB will have exclusive control over the grid system, which caps rates in particular areas of the province, so the Minister of Finance, again, and the superintendent of insurance aren't going to be involved in any of the ultimate decision-making with regard to the grid system around the province. So what we may see is that Albertans in one part of the province, perhaps the Calgary area, will be facing far higher rate increases in their part of the grid than other parts of the province. You know, they'll ask the question: are we worse drivers in Calgary? I don't think we are, but perhaps the cars are more expensive in that area, and damages to those cars, then, are more costly to insurance companies.

Mr. Speaker, that's the first big issue that I wanted to bring up, that this change to responsibility is essentially putting a shield in front of the Finance minister, and that Finance minister now can say: "You know, I'm not the one who's causing these rates to go up. I'm not the one who can put a rate cap in place that is better for Albertans. You have to go to the AIRB if you want to have any say." That's a removal of an important responsibility from the Finance minister, because who knows who the AIRB is? If you're a regular citizen, you don't really have a sense of what that rate board does, who the individuals are on it, and what their responsibilities are. You do know who the Minister of Finance is. You do know that that person should be responsive to Albertans, and you do know that politicians – woe to the politician who is not responsive to the electorate and the public because they'll soon find themselves out of a job.

Mr. Speaker, the other thing that I definitely heard when I was the Minister of Finance is with regard to the modification that the Finance minister is bringing forward with prejudgment interest rates, lowering them from 4 per cent to 1.5 per cent. This modifies the interest. Previously when an accident occurred, that would be when the clock essentially would start ticking for the interest being put on any judgments that would come forward. My colleague from Edmonton-South explained that in great detail.

Just think of it this way, Mr. Speaker. An accident occurs today and, before this bill, interest would have started to accrue to that person and the judgment from today. But now with this change it'll only start to accrue from when a statement of claim or a written notice of a statement of claim is filed. As my colleague said, it does take some time to try and sort out what injuries a person has as a result of an accident. They don't often know right away from – say the injury happened today. They don't often know. They don't know the implications of that injury on their life, and it takes some time to sort that all out. But now that time to sort that all out is not going to be covered in any prejudgment interest. That's going to be at the cost of the individual, essentially.

You know, when a statement of claim or a written notice of a statement of claim – sometimes those things can take a long time, and if they do, it's going to rush people to put in statements of claim or written notices of a statement of claim. It's going to make their understanding of what is going on with them as a person, whether psychological or physical or emotional – it's going to force them into a hurry-up written statement of claim. How can that be a good thing for people? That can't be a good thing. The only thing it's good for is that it allows insurance companies to further lower the amount of money they pay for damages.

Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available if anyone has a brief question or comment for the hon. Member for Calgary-Buffalo.

Seeing none, it looks like the hon. Member for Lacombe-Ponoka is rising.

Mr. Orr: Thank you, Mr. Speaker. It's my privilege to stand today to speak to Bill 41, the Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020. This legislation is introducing a number of immediate measures to address the affordability in the auto insurance system and increase medical benefits available to Albertans. These additional measures are expected to live up to our government's promise to reduce red tape and to increase consumer choice in the marketplace. The measures introduced in this bill provide a balanced set of measures that focus on stabilizing rates for drivers, increasing medical benefits for insured injured Albertans, and offering more insurance options. These actions are things that we can do now to make auto insurance more affordable for Albertans as we also move towards, a little bit farther out, a broad reform of insurance to ensure that it's a fair and sustainable insurance system.

I think "fair" is an important word here. I remember that a long time ago Warren Buffett, the Sage of Omaha, famously said that insurance is the best money-making machine in the world, or something to that effect. We do need regulation. We do need to put in place measures that keep insurance fair for Albertans, that keep it reasonable, and that manage some of the cost to drivers. One major part of this bill is stabilizing insurance rates for drivers, because as Albertans I think we've all noticed over the past few years that owning a car is just getting more and more expensive. Especially in rural areas, where they drive longer distances, people really notice that. Everything from fluctuating gas prices to costly

repairs: having a car is expensive enough without raising insurance costs.

I'd just like to share a couple of very brief stories from constituents in my riding. One is a landscaper who has phoned me a couple of times. His business is literally being consumed by his insurance. He has multiple vehicles. He has tractors that he has to put on the road with equipment on them as well as trucks and a trailer and all these different things. The insurance is literally just about pushing him out of existence. At a time when we're trying to create employment and prosperity for Albertans, this is something that we have to challenge.

Another individual was seeking to be able to – he had a larger truck – deliver trailers from the U.S. into Canada, new ones. The insurance for it is prohibitively too expensive. It really isn't worth his effort. He found out that if he moved to Saskatchewan, though, he could get the insurance to do the same thing for substantially less, with business insurance, than he would get it here.

Driving a car is essential not just to daily life but to making a living for many people in my riding. It's a privilege that we share with many people in our world, but because it is essential in today's world, we really do need to get our insurance rates under control. We are the third highest in Canada, which I suppose is a great thing. At least in something we're not the highest in Canada. B.C., which has nationalized insurance, is the highest, substantially worse than ours, so I don't think nationalizing insurance is even close to the right solution. B.C. has struggled with their insurance for decades. I used to live there, and it was the ongoing story of ICBC.

8:30

Bill 41 takes another approach to trying to manage insurance and the industry and costs for Albertans. It will increase auto insurance affordability by controlling the key cost pressures such as covering minor injuries under the compensation cap for pain and suffering damages, using a floating rate for interest accumulated on pain and suffering damages. These things will contribute also to reducing litigation. Litigation is a huge cost to insurance and one of the things that drives the rates as well. We need in place rules and regulations that reduce litigation, that get rid of the red tape, that make it simple and straightforward, and that people get the coverage that they need. In other words, Bill 41 takes actions targeted at containing costs for bodily injury claims, which is, in fact, the primary factor for raising rates. Particularly when it gets partnered together with legal conflicts over those bodily injury claims, it just drives costs immensely.

While the government is looking to cut insurance costs for Albertans, medical benefits for injured Albertans will actually increase, not decrease. As we simplify it, get rid of the legal wrangling that goes on, Albertans will actually see increased coverage in insurance. Under this legislation Albertans will receive better diagnostic and treatment services. In other words, Albertans injured in a traffic accident will receive greater coverage after accidents until they're diagnosed and then will continue under the increased coverage throughout treatment for their injuries. At the same time, this legislation will create inflation-adjusted benefits, like income replacement, that will support Albertans with realistic and helpful compensation following traffic accidents. Policy like this, that is rooted in reality and not just ideas, provides Albertans the care they not only deserve but the care they actually need in these unfortunate circumstances.

On top of all these important changes and benefits coming as part of Bill 41, one of the most significant is increasing insurance options for Albertans, being able to define a bit more what your policy might look like, to tailor it in ways that suit your needs and don't give you additional, unnecessary coverage that you have to

pay for, so you will be able to reduce your costs. It's my fundamental belief and the belief of this government that everyone should have the freedom to make their own choices in terms of what coverage they actually want and only have to pay for that, especially when it comes to purchasing something as important as insurance. With this legislation Alberta drivers will have more choice and control over their own insurance costs, and with greater options Albertans can make such choices as pay-per-kilometre options, greater flexibility with usage-based insurance, and other options.

Through Bill 41 the government will remove current restrictions on usage-based insurance and will allow the Alberta Automobile Insurance Rate Board to oversee how this is applied in the marketplace. And I should say that the Alberta Automobile Insurance Rate Board is not an industry association. It's appointed by government. It's under the Ministry of Finance. There are independent members on that board. There is a member there specifically dedicated to consumer advocacy, to represent consumer needs. This is the board that oversees how insurance rates are worked out in this province. By having them involved in this, this will ensure that all Albertans are getting a fair deal and that these changes are implemented in an efficient and easy-to-understand manner. With the Alberta insurance rate board overseeing this transition, insurers can introduce pay-as-you-go policies, which would benefit Albertans who only drive very occasionally and would prefer a pay-per-kilometre option.

Mr. Speaker, under Bill 41 our government is working with and for Albertans and insurance companies to lower automobile insurance rates. These lower rates will put money back into the pockets of Albertans while also ensuring that they are receiving better care and coverage from their insurance plans. By adopting more choice-friendly policies, our government is ensuring Albertans will be able to make choices based on what is best for them. Together these changes will enhance overall coverage for Albertans with auto insurance while reducing the yearly insurance rates to them.

Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) is available if anyone has a question or comment for the Member for Lacombe-Ponoka.

Seeing none, is there anyone else wishing to join in the debate? The hon. the Member for Edmonton-Whitemud.

Ms Pancholi: Thank you, Mr. Speaker. It's a pleasure to rise today in second reading of Bill 41, the Insurance (Enhancing Driver Affordability and Care) Amendment Act, 2020. I've been listening with great interest, actually, to all of the speakers before me, on both sides of the House, about this. You know, I think there is actually some consensus about the fact that we know that car insurance is too expensive right now and that we know that Albertans in particular are feeling the pinch of having to pay more for car insurance right now, particularly at a time when affordability of life just generally seems to be more challenging for Albertans. Of course, because of the pandemic and the economic recession, a lot of Albertans are struggling with returning to work or finding work or retraining for new work, but also life for Albertans has just generally become more expensive under this UCP government in a number of ways.

Auto insurance is one that I think all members of this House have received correspondence on from constituents raising concerns specifically that even before the pandemic, even before the economic recession car insurance premiums for Albertans have been going up. Twenty-four per cent is the average that car insurance premiums have gone up. That's because, of course, this

UCP government lifted the cap on insurance rates that the former NDP government had put in place, which made life much more affordable. Add onto that, of course, the number of other ways that life has become more expensive: increased property tax, increased personal income tax, school fees, child care fees. Costs for all sorts of things, Mr. Speaker, have gone up under this government, and car insurance rates are just another example.

What I am concerned about, Mr. Speaker, is that when I look at Bill 41, I see an approach that this government is taking that is similar to their economic strategy as a whole, which is that they're hoping that by giving more money and making things more profitable for large corporations, somehow that will trickle down into the pockets of average Albertans, whether it be through jobs or whether it be through investment or whether it be directly, for example, in car insurance premiums. What we've seen over and over again in the last year and a half that this government has been in place is that this economic strategy doesn't actually result in making life more affordable for Albertans. It certainly has not resulted in more jobs. It certainly has not resulted in increased investment in Alberta. It does, though, increase the profits of large corporations.

In this case, it's the large insurance companies, Mr. Speaker, who, as we know, have already in this past year alone profited I think it's \$820 million. At a time when Albertans were seeing their car insurance rates go up, we know that the profits were going up for these large insurance companies. So the question is: how does putting more money into insurance companies' pockets actually result in lower costs to Albertans? Now, we know that the government members are going to continue to double down on their same ideology that they've approached from the beginning, but I am concerned that it's going to do nothing but increase the profits for those insurance companies and not help everyday Albertans with their costs and their fees.

Mr. Speaker, a number of the members before me have talked about some of the specific changes that have been made as part of Bill 41, and I'd like to talk about those as well. In particular, I want to highlight some of the things that I know some of the members have already said. We have questions, and I am hoping that the Minister of Finance will have the opportunity to respond. For example, I know that we've talked about the provision in Bill 41 which will modify prejudgment interest. It will change it from 4 per cent to 1.5 per cent after a statement of claim has been filed by an insured individual. The result of this: again, the Minister of Finance did mention that this is just an insignificant amount, that it could result in just a few thousand dollars less for an insured person. But I know that for a lot of Albertans a few thousand dollars is quite a bit of money. It's not a lot to the insurance companies, but cumulatively, of course, having to pay out less interest at a lower interest rate to insured individuals, spanning all of their customers and their clients, would actually be quite profitable for those insurance companies.

Again, I'm wondering who is driving this change. This is not a change that seems to be coming because average Albertans are saying: "I'd like to receive less interest payments. I'd like to receive less when I've been injured as a result of a car accident." Obviously, that's not coming from average individuals. It's coming from the insurance companies. That's certainly who is driving that change, Mr. Speaker. While it's insignificant to the Minister of Finance, it's not insignificant to my constituents or Albertans.

8:40

I also want to highlight – this is actually a genuine question that I have, Mr. Speaker, because I've heard the speakers before me talk about the changes to the direct compensation property damage.

Those are the provisions that in some respects sort of open the door to a no-fault insurance scheme. It talks about, really, a no-fault insurance for property damage, for damage to the vehicle itself and the contents, which, of course, would mean that if, you know, you're in a car accident and even if you're at no fault and another individual hits you, you go to your insurer for payment for the damage to your vehicle.

While that may be and while I appreciate that that might speed up the process of responding to those claims, at least for the property damage portion of that claim, the question I have – and, again, this is a genuine question because I was reading Bill 41 and reading the provisions – is that I heard the Minister of Finance and I heard other members from the government side speak about that this would not in any way increase an individual's premiums because they're making a claim against their own insurance policy. As we know, generally what triggers an increase in your premiums is making a claim. It's one of the reasons that I think many individuals are frustrated often with insurance in that they pay for insurance – they're required to have insurance, and we know we need to have individuals having car insurance – but at every point they're discouraged from actually making claims on their insurance because of not only the process and the time of negotiating those claims but also because making a claim actually then increases your insurance.

I'd heard the comments from the Minister of Finance and other members talking about that there would be no increase to an individual's policy or premiums as a result of making a claim under this new portion of the bill, and I'm just seeking clarification as to which section of the bill actually specifically states that there would be no increase to an individual's premiums or a change to their policy as a result of such a claim. I think I know, Mr. Speaker, but I have to admit that I'm not incredibly well versed in the Insurance Act. I was looking up the provisions; it's quite a lengthy piece of legislation. I know it's quite an intricate connection in there, and many insurance lawyers make a lot of money navigating that labyrinth of legislation. I have a suspicion, but I would like some confirmation from the Minister of Finance when he says that there will be no increase to an individual's premiums or policy as a result of a claim being made against their insurer as a result of property damage under this section. Where does it state in the bill that that is the case? I think that's going to be the number one question for a lot of individuals. They don't want to be penalized as a result of this by having their own insurance policy and premiums go up.

Mr. Speaker, on that note, I should say that insurance costs, car insurance costs in particular, are something that I hear about quite a bit. Like many of us – and it's certainly not limited to parents – I know that there are a lot of parents who are on things like Facebook parent groups and that kind of stuff, and I was quite active on a few Facebook parent groups in my community long before I was an elected official. It's a great place to find second-hand items when they grow out of things super fast and to get good advice on where to go for certain things. One of the things that keeps coming up in the last few months – and I sort of take a little bit lower of a profile in these groups now that I'm an elected official, but I still watch and see because I still like a good deal on a second-hand item for my kid. I see repeatedly statements from parents in these groups talking about the increase to their car insurance. It's one of the things that comes up the most, asking for advice about where to go for better insurance rates, which usually results in lengthy threads of individuals from my constituency, because they're all located in my riding, talking about how all of their rates have gone up. It's one of the things that they talk about the most. They can't give advice on an insurance company that's going to give lower rates because

somebody will come up with: no, my rates went up under that insurance company, too.

You know, right now the increase in costs of car insurance is top of mind for so many families. Because so many of us do rely on our vehicles to be able to get around for our work, for our lives, and for our families, it is so critical. It's not a luxury for most people anymore to have a vehicle and to insure that. They have to. If they have a vehicle, they have to insure it. This is really top of mind. It's something I hear about quite a bit. The cost of increasing insurance is a huge issue.

Again, I'm concerned that a number of the changes that we are talking about here are not driven by actually lowering the cost of car insurance for individual families. It's driven by the insurance companies, who want to increase their profits and make their payouts smaller. That's why we see things like the changes to that prejudgment interest. It's why we see things like the changes to the minor injury regulation to include concussions as a minor injury. Frankly, Mr. Speaker, I don't know the answer to this – perhaps my colleagues are already looking at this – but I would certainly like to know what feedback was provided to the minister, for example, on a change to include concussions in minor injury regulation. While I know concussions are a very, very common injury as a result of a car accident – of course, given the nature of the accidents, concussions are very likely. That seems to be why the insurance companies would want to put it as a minor injury, because it's common, not because it's not a significant injury. The driving force seems to be: it's so common, we want to cap how much we pay out for it. But that does nothing to help the individual who's actually received a concussion.

I'm surprised to see that we would embrace the idea of a concussion as a minor injury in this way given all that I know as a parent and that we know about brain injury and concussions. I feel like concussions are something we learn more about, especially if you've got, you know, kids or you're active in sports yourself. We actually do quite a bit now to talk about the impact of concussions, cumulative concussions as well as how that can have an incredibly long-term effect on individuals. One of the reasons why we insist on having our kids wear helmets in sports where they didn't used to wear them is because we recognize the long-term impacts of concussion, particularly successive concussions.

To say that in a car accident a concussion is now a minor injury when we know it leads not only directly to physical long-term effects, but we know it's correlated, of course, with depression, long-term mental health issues – these are long-term effects, especially if, for an individual in a car accident, this might not be their first concussion. They may have had further injuries. Of course, a very basic tenet of any tort law is the thin skull rule, which is that you take your victims as they come. You don't get to say that you will only pay out for an injury on an extremely healthy, average individual. You take the person as they come, so if a particular person has had maybe previous head injuries, maybe previous concussions, to say that them getting into a car accident – they have an accident, and now it's capped just because that kind of injury is considered a minor injury despite the actual reality of the impacts on that person, that it might not be minor, that it might not be short-term, that it might be long-term: I'm quite surprised by that.

I would like to hear from the Minister of Finance who he spoke to, what stakeholders he spoke to. I'm thinking of the Brain Care Centre here in Edmonton. Well, they have offices all over the province. I know that there's a brain injury clinic in Calgary. I would love to know whether the decision to do this was based on the actual long-term medical impacts of concussions or whether it was based on the fact that insurance companies just felt they were paying out for too many concussions. If that's what's driving the

decision, Mr. Speaker, that really does not serve the health and well-being of Albertans. That puts a cap on their ability to seek the long-term treatment that they need for what we acknowledge and know is and can be an incredibly debilitating injury. I'd like to hear more from the Minister of Finance about the medical evidence for that decision, because really that is making a decision. The decision to put that in that regulation as a minor injury is essentially saying to Albertans that, medically speaking, the government of Alberta doesn't think that's a severe injury. I don't think that should be done lightly, and I would like to hear more about how that decision was made.

I'd also like to comment and share the comments made from some of my colleagues around the removal of the Minister of Finance and superintendent from the Automobile Insurance Rate Board. My concern, as highlighted by my colleagues, is that's really going to allow this hand-picked board – because all the appointees are hand-picked by the government, who I imagine are going to, again, be primarily motivated by the interests of the insurance industry as opposed to an average Albertan's – to do things like change the premium rate grids, to change to target certain individuals who may be more likely to be more costly to insurance companies, people who might have to pay higher insurance rates because of factors that this board has determined make them of higher risk. It's taking those decisions and putting them into the hands of a board that is hand-picked by government and allowing the Minister of Finance to absolve himself and the government to absolve itself of the political ramifications of allowing these decisions to be made that will prey on the most vulnerable and to allow higher insurance premiums and exclusionary policies toward vulnerable Albertans.

The Speaker: Hon. members, Standing Order 29(2)(a) is available if anyone has a brief question or comment. The hon. Member for Edmonton-North West is rising on Standing Order 29(2)(a).

8:50

Mr. Eggen: Thank you, Mr. Speaker. I appreciate the comments from the hon. Member for Edmonton-Whitemud, and I think that the member has hit on something that we are all concerned about in regard to changes to how the choice is being made for people being compensated for injury. Certainly, we know that brain injury is an emerging issue that we're learning the most about, I would say, amongst all car injuries. Certainly, as the member pointed out as well, we're learning quite quickly that brain injury is a cumulative condition – right? – based on concussions or trauma that someone might suffer at different times in their life.

I think it's a fair question, if the government is interested in reaching into how much insurance companies are paying for any given injury and any notion of trying to cap those injuries, that we need to dive into this deeper. Of course, if there is a notion that injuries could be capped or whole categories of injuries could be capped – I mean a whole other one is, of course, soft tissue, right? Again, people can rationalize some of these injuries because they're perhaps not as visible, either brain injury or soft tissue injury, and obvious to anyone when observing someone who's been a victim of a car accident.

I guess we're learning as we go with this file. We want to make sure we are doing something that's in the best service of Albertans. We need car insurance. If it's a legal responsibility for us to have insurance, then it is the legal responsibility of legislators to make sure that there are coherent laws in place that allow for affordable and safe and equal and just insurance to be made available for citizens to meet that legal requirement to have insurance. It's as simple as that. They do their share; we do our share. This is going

to be, I think, a very useful exercise that we're going to go through here with Bill 41 over the next number of weeks and months and years. Maybe it's going to take years. I'm not sure. We'll see what happens.

If the Member for Edmonton-Whitemud could just continue with your discussion of it, those were some of the ideas that I thought of just based on what I heard you saying right now.

The Speaker: The Member for Edmonton-Whitemud has a minute and 45 remaining.

Ms Pancholi: Thank you, Mr. Speaker. I do actually think that the discussion about, you know, concussions being capped under the minor injury regulation also actually relates to another change under Bill 41, which talks about the limitation of medical expert advice for certain claims, right? It seems to, again, be making assumptions within the bill that for certain types of claims, there's a limit on how much medical evidence you need and how many experts you can call.

Actually, one of the things that I thought was interesting about Bill 41 is that it sort of caps this. It says that if the claim is under \$100,000, then only one medical expert would be allowed except with the consent of the other parties. Now, I can't think of any insurer who would willingly agree to bringing in more experts, and even with the three experts above \$100,000 – first of all, I can't think of many claims where there is an injury that is usually claimed that are under \$100,000, but certainly, again, it's presupposing that there's some kind of link between the amount of a claim and the medical validity of it.

It assumes that if it's a claim that is under \$100,000, only one expert is involved even though, for example, we know – and a concussion is an excellent example of the kind of injury which could have multifaceted results. You might need a physician. You might need a mental health expert to comment on those. Why would you only limit that kind of – and now, of course, they're capping concussions, but certainly there are similar other injuries that somebody can sustain as a result of a car accident that should require a holistic approach in terms of making sure that the claim is properly examined, which might require medical experts from different fields.

The Speaker: Hon. members, is there anyone else wishing to join the debate?

Mr. Schweitzer: Mr. Speaker, I move to adjourn debate.

[Motion to adjourn debate carried]

Government Motions

COVID-19 Pandemic and Albertans

42. Mr. Jason Nixon moved:
Be it resolved that the Legislative Assembly commend the tremendous efforts of Albertans to protect lives and livelihoods throughout the COVID-19 pandemic and the consequent global recession and urge the government to pursue prudent policies that protect the vulnerable while supporting the broader social, economic, mental, and physical health of Albertans.

[Adjourned debate October 20: Mr. Nally]

The Speaker: The hon. Minister of Municipal Affairs.

Mrs. Allard: Well, thank you, Mr. Speaker. It is an honour to rise in the House this evening and speak to Motion 42. After fully

recovering from COVID-19 recently, I felt it was important for me to personally speak to this motion. For the last two weeks I have been self-isolating. I came into contact with a person over the Thanksgiving weekend who subsequently fell ill and tested positive for COVID. Immediately upon learning that news, I self-isolated and registered for a test, which, as we all now know, was positive. I count myself fortunate to have experienced only very mild symptoms like fatigue and a stuffy nose. I sincerely appreciated the well wishes and kind messages from so many, including the members opposite, while I was at home recovering.

I was surprised to receive notes, e-mails, texts, even care packages, flowers, and more. Those thoughtful gestures highlighted for me once again the power of community and the generosity of Albertans as people that I had never even met reached out to offer their well wishes, prayers for my recovery, and even grocery runs or errands if needed. What an incredible reminder of the difference we can make in the lives of others: family and friends, neighbours, co-workers, and constituents. It speaks to the blessing of living in a community and how every member of that community lifts you up, like what I experienced just last week.

That's why I wanted to highlight the need to be kind to one another during this pandemic. If somebody is wearing a mask outside and you don't think that that's necessary, please don't judge them. Perhaps they're part of our vulnerable population, and perhaps they need that protection. Whatever you personally choose to do, please respect others. We must remember that our choices affect those around us, and if I exercise my freedom, it shouldn't thereby infringe upon someone else's. I've talked to many constituents over the months of COVID, and I continue to remind them that during a pandemic, there is a collective responsibility of care. Whatever I choose, I am making that choice on behalf of those I come into contact with without their knowledge or consent. We must balance our individual freedoms with the greater good, and I urge Albertans at this time to weigh this in their decisions as we face the reality of COVID together.

I am proud to serve as the Minister of Municipal Affairs and help our municipal partners navigate through the COVID-19 pandemic. Alberta's government continues to help municipalities by providing over \$1.1 billion in funding to help with increased costs due to COVID and to assist in our economic recovery.

Many constituents asked me why we allow municipalities the right to set their own mask bylaws, and I wanted to address this for the House. Local governments know their communities and have the authority to make the masking bylaw at the local level under part 7 of the Municipal Government Act. This provision ensures that local leaders can be responsive depending upon their local realities. For example, a town with a lower number of COVID-19 cases may not need extra restrictions compared to another city or town that has a higher amount.

My heart truly goes out to all those Canadians battling COVID in hospitals across the country this evening. To those families that have lost a loved one to COVID-19: my thoughts and prayers are with you. I would like to thank all health care professionals on the front lines for your service to all of us through this pandemic.

As unusual as it is for me to deliver a speech that speaks to my personal health, I felt this was an opportunity to speak to Albertans from my lived experience and to reinforce the need for a healthy respect of the COVID virus, not fear and not apathy. While it's clear to me that the pandemic needs to be taken seriously, I hope my statement will provide some comfort to Albertans that are living in great fear of COVID. I am one of many, many Canadians and Albertans who contracted COVID and fully recovered from it, and for that I am very grateful. That, to me, highlights the effectiveness of our chief medical officer of health, Dr. Deena Hinshaw. We

should follow her guidance to flatten the curve and continue to do such activities like wearing a mask or practising social distancing, regularly washing or sanitizing your hands.

9:00

In fact, it is my understanding – and I am very grateful for this – that my reproduction number, also known as my R-value, happens to be zero, which means that none of my contacts, either close or peripheral, have tested positive to date. This tells me that the mitigation protocols in effect are actually effective, so I say thank you to Dr. Hinshaw for her wise and steady leadership in this uncertain time.

I believe that it takes a community to beat COVID-19, and if we all do our part, we can continue to minimize the risk and get through this together with a more open economy. I believe Alberta has been an example of that very thing.

As I close, I wanted to spread some hope. This, too, shall pass, Alberta. The day will come when COVID-19 is a memory. I hope it comes sooner rather than later, but it will come. Until then I urge Albertans to be kind to one another and to take heart. I promise you that we will get through this together.

With that, Mr. Speaker, I thank you for allowing me to speak to this important motion, and I would like to adjourn debate.

[Motion to adjourn debate carried]

Government Bills and Orders

Second Reading

(continued)

Bill 36

Geothermal Resource Development Act

[Adjourned debate October 26: Mr. Nally]

The Speaker: I believe the hon. Member for Edmonton-City Centre is rising to speak on debate. Is that what I see?

Mr. Shepherd: Yes.

The Speaker: Excellent. You have the call.

Mr. Shepherd: Thank you, Mr. Speaker. I appreciate the opportunity to speak to Bill 36, on geothermal energy. Indeed, we recognize – certainly, our government recognized during our time that there was a need to make investments in diversifying the economy in the province of Alberta, particularly in the area of renewable energy and looking to expand the opportunities that individuals and businesses in our province had to invest in those areas. Indeed, that is work that our government began. We began to work towards introducing regulations that would enable a geothermal industry to be able to begin in the province of Alberta, and indeed we saw some preliminary projects, preliminary pilots, and other opportunities begin in that direction.

[Mr. Reid in the chair]

Now, we recognize that there is real potential in the field of geothermal energy. Indeed, in a 2016 report the Canadian Geothermal Energy Association estimated that Alberta has about 60,935 wells with bottom-hole temperatures greater than 60 degrees, which is hot enough, in fact, to heat homes or grow fresh produce in a greenhouse. That is an area in which we have real opportunity.

Indeed, I know that during my first term in government, since I've had the chance to talk with many folks that work in agriculture and particularly agricultural innovation – and I know that my

colleague the Member for Edmonton-McClung is going to be holding a consultation on innovation in the agricultural field coming up as part of our caucus's work towards coming up with proposals and developing proposals about diversifying our economy, as we're talking about here with Bill 36. He will be hosting that, I believe, this Thursday, November 4, and people can find more information at albertasfuture.ca on that consultation.

Indeed, people have been working on vertical farming and other opportunities in the greenhouse area that allow us to grow more local food here in the province of Alberta and indeed grow things like microgreens and other things which indeed can be exported outside of Alberta as well. There is enormous opportunity in that field, in geothermal energy. There is a real potential for that to make a contribution in that area.

The positive side, of course, with geothermal, Mr. Speaker, is that the extraction of geothermal energy has one of the lowest impacts of any renewable energy source, requiring much less surface area per megawatt. It doesn't impact surface water or freshwater reservoirs. It doesn't impact oil or gas resources. It does not create greenhouse gases. It is available and accessible 24/7, 365 days a year. Indeed, the constant generation of clean electricity, that being the baseload, the electricity and the heat that it generates, could be a major contributor in continuing to lower Canada's greenhouse gas emissions and helping to transition us as a nation towards a more resilient and sustainable energy mix.

Indeed, economically speaking, harnessing geothermal energy could be a real driver of employment in Canada's energy sector, and it's worth noting that the drilling of geothermal wells and the maintenance of the power plants which could be associated with those – because, of course, another important use of geothermal energy could be to generate electricity. A lot of that could be done with many of the same skills and technical expertise that so many Albertans already possess from their work in oil and gas. There is enormous potential in continuing to expand this industry and make the kinds of regulations and rules in place that are going to enable this kind of work and this industry to expand in the province of Alberta, so I certainly support the government in moving forward on that, the work that we began when we were in government and which is now continuing.

We do recognize, of course, that Alberta currently does not have geothermal-specific legislation. There's no specific mechanism in place for companies to obtain their regulatory approval to conduct their projects, and we recognize that that creates some uncertainty. As noted by the Pembina Institute, which has done some studies and some work around this – now, of course, recognizing that this government has not been a particular fan of the Pembina Institute, having attacked some of the individuals who worked for that institute under the mistaken impression that simply because the institute looked at a broader sense of energy in the province of Alberta, it was somehow anti oil and gas. Of course, this government likes to view anyone that it disagrees with on anything as being anti oil and gas. It's one of their shortcomings, Mr. Speaker. But, that said, in this case the Pembina Institute is supportive of expanding and continuing to invest in geothermal and indeed has done some helpful studies and reports in that area.

[The Speaker in the chair]

They have noted that the lack of specific legislation or regulatory systems to enable companies to move forward, to conduct these geothermal projects has created uncertainty around some of the resource royalties and indeed the potential long-term ownership of geothermal resources, which has been an obstacle to the industry being able to move forward. I certainly support the government in

any efforts to clarify that and provide the kind of innovation ecosystem which would support companies to continue to explore and build pilot projects and be able to grow this industry.

Now, the Pembina Institute also recognized, Mr. Speaker, that geothermal projects incur some inherent financial risk. Unlike some other renewable energy resource projects, geothermal projects involve fairly high exploration risk simply due to the difficulty of determining precisely the size and the location of some of the geothermal resources prior to actually drilling the wells combined with the high cost of drilling those wells. Indeed, there is a real possibility that as they're conducting this explorational work, they can hit what are called dry or low-producing wells, which then, of course, have a high cost for a low return.

But, that said, in Alberta, of course, we also have an abundance of, well, already drilled wells. That abundance of oil and gas data, the fact that we've had companies that have done so much work already mapping the terrain and, in fact, what is under it, and the fact that we have so many wells already existing increases the likelihood that companies should be able to find suitable resources and indeed decrease some of the capital costs of these projects. The extent to which that data can be used to improve the probability of success and, of course, the cost and feasibility of repurposing oil and gas wells for geothermal is still currently somewhat unknown. This is a field in which we still have a lot to learn.

9:10

Thankfully, of course, we live in a province where we have incredible talent and skill in terms of innovation and, of course, looking back at the fact that we were the province to develop the way to get the oil out of the sand. Of course, what is often not recognized by some is that that took considerable government investment to originally develop that technology and get it to a point where industry was able to step in and begin to build on that and create what we have today, which has generated so much wealth for the province.

I think a lesson we could do well to learn, Mr. Speaker, when we consider areas like technology and innovation or AI or some of these other areas that have such rich potential in the province of Alberta, is recognizing that there is value in government making real investment to derisk those industries off the start, to build the momentum that then allows private industry to come in and build on that and expand it in the province of Alberta, a lesson this government did not seem to understand certainly at the beginning of its work. I certainly hope that their aspirations towards that now – and their indication is that they're willing to consider that – prove to be true.

However, as we talk about geothermal, we recognize the real opportunities that are here for businesses in the province of Alberta, for those who have already been active and working in the area of renewable energy and the opportunities that come, then, with developing the kinds of regulations that need to be in place that have been lacking. This government is now building on the work which our government had begun.

I appreciate that the Minister of Energy has brought this forward and that we have a chance to continue to build on this. As I noted, this has been in the works for a while, since starting about in 2017. Now, of course, this is just a first step. What we have here is the government enabling the regulation and enabling some of the landscape but no real indication yet of, as I noted, what investments government is actually willing to make to help get this industry up and going and off the ground. What incentives is it actually able to provide?

I mean, we have seen that they are willing to give a \$4.7 billion corporate giveaway with no strings attached, which has not created

a single job and has not actually incented any investment that this government can point to in the province of Alberta. Instead, we have seen every one of those dollars, more or less, pick up and leave and indeed a significant drop in jobs since that was introduced. Indeed, some of the very corporations which took that benefit have continued to lay off Albertans, most recently just learning of I believe just over another 2,000 that are likely to be laid off with the merger of Cenovus and Husky.

It would be my hope that if this government is willing to give that \$4.7 billion away with no strings attached and no benefit to the people of Alberta, it may be able to find some actual dollars to put behind supporting the geothermal industry in the province of Alberta. Certainly, there is no lack of mechanisms to do so, whether that be this government's TIER program, whether that be through Alberta Innovates, whether that be through many of the other opportunities which this government has, the many mechanisms that it has at its disposal.

This is a government which is certainly not shy to use the mechanisms and systems at its disposal, Mr. Speaker. As the opposition critic for Health I can tell you that they have been using those abundantly to attack and undermine so many health care professionals across the province of Alberta. It would be my hope that they could find some more positive ways to make use of the vast power that is appointed to them as the government of Alberta, so perhaps in this, as they lay the regulatory landscape to support a geothermal industry in the province of Alberta, they can find some means to actually provide other tangible supports, financial supports, incentives to help this industry gain a foothold and an incredible opportunity here in the province of Alberta.

Under this legislation we know that geothermal will be regulated through the Alberta Energy Regulator. The Alberta Energy Regulator, the AER, will have the opportunity now to make rules regarding a fairly wide range of activities in geothermal development, including the responsible management of those sites. Certainly, we know this has been an area of concern, Mr. Speaker, around the oil and gas industry. Certainly, we know that we have a number of orphan wells and other sites that have become problematic across the province of Alberta. We have seen an injection of funding from the federal government to help address that issue, and that is a positive step forward, but I think it's important as we look at expanding the geothermal industry in the province of Alberta, that we work responsibly to ensure that those sites will be properly managed, and indeed that as we look to remediate some of the orphan well sites and other things, perhaps we can look at how and which of those sites may in fact be amenable to use for geothermal energy.

A lot of the sections of this bill are more or less directly translated from oil and gas development, and again that's not unreasonable. As I noted, Mr. Speaker, there is quite a bit of similarity between the kinds of infrastructure and kind of work and certainly kinds of skills that are needed between oil and gas and geothermal. Of course, this bill is covering specifically geothermal, not geoechange, which will remain regulated through Alberta Environment and Parks.

[Mr. Milliken in the chair]

It grants geothermal producers access to land only for emergency management purposes, which is less extensive compared to oil and gas. The royalties are enabled by adding the Geothermal Resource Development Act as an energy resource enactment under the Responsible Energy Development Act. That act, of course, doesn't determine any specific royalty rates, but it enables a structure. That remains to be determined. I guess we will see how that goes forward

in regulations as well as the framework on liabilities, which currently would be the same then as on oil and gas wells, but that's something that would remain outstanding.

The Acting Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available should there be any takers for questions or comments.

Seeing none, are there any members wishing to join debate? I see the hon. Member for Edmonton-Meadows has risen.

Mr. Deol: Thank you, Mr. Speaker. It's my pleasure and honour to rise in the House once again to speak to Bill 36, the Geothermal Resource Development Act. First of all, I'm glad to see something around geothermal. I see in the House that we have the opportunity to discuss. I'm glad to see that – the minister and the government caucus, I just wanted to congratulate them even with this very initial step of work that they're trying to move forward, the vote around developing policy frameworks, so Albertans can move their focus more on to the clean energy in our province.

Mr. Speaker, geothermal development holds great potential for Alberta's energy future as it is clean, renewable, and takes advantage of skills we already have here in our home and the expertise we have right here in our home. Assuring innovative projects and investing in growing geothermal development is critical for diversifying our economy. Alberta can be a leader in geothermal development. By saying this, I do remember, from my personal experience as an insurance broker insuring medium to quite large projects under construction, that for the projects, the project owners and people, the geothermal projects were quite attractive to them, but having a lack of the mechanism, the actual policy framework, the cost related to this was not really feasible.

9:20

I see there are a number of projects moving ahead. Based on doing the market, based on the geothermal heating in the projects, they ended up just, you know, giving up on those projects. That's the very reason, or one of the reasons, that I am glad that we're discussing this geothermal in this House. Once we are discussing, I do have, from that past experience, some questions or maybe a lot of questions to come, like: what mechanism, actually? What kind of policy framework? What kind of pilot projects? What kind of funding is attached with that that will attract all those projects or the project owners?

When I'm talking, I'm talking back probably a good, at least, 10 years. People are waiting for good, reliable policy from the government, and that is, actually, also the opportunity for our province. When we were discussing from the point of view of the energy sector, widely supported by Albertans, I would say, the battering when it's coming from the constitutional challenges the Alberta energy sector has faced in the past – not only that, but the world superpowers, I would say, have already started moving towards clean energy, and geothermal is one of the targeted sectors among them.

Mr. Speaker, Alberta has potential for 24 times the energy of Alberta's current electricity generation capacity according to the – this is what the Pembina Institute said. The work to develop regulations was ongoing under the previous NDP government. The NDP government, that I was not part of, had, you know, funded a number of pilot studies and innovations advancing the geothermal sector in Alberta in those four years. One of the concerns that I was reading, established in this bill: the Crown would not be the owner of the heat from geothermal resources but the mineral rights holder. So there's a question: how does this compare to the other

jurisdictions, and how does it contribute to Albertans? That is the question. I think we will always welcome more information on this.

We would like to see more support, as I stated in the beginning, in the starting of my comments, for the geothermal industry that would help achieve its potential. There is a lot more to see: the actual policy framework, how it is going to attract the investment, and not only the big investors, as I said, but the people from the small to medium range of projects, specifically in the construction industry. They are ranging from, you know, residential to the commercial structures. They are eager to learn how they can move forward on projects with geothermal options.

There's a lot more to see as I think a lot of it is to be decided by the other readings on the bill that regulate – somewhere I've seen that. It's not being legislated in this bill. Yeah, the Alberta Energy Regulator can make rules regarding a wide range of activities in geothermal development, including the responsibility for management of sites. As we see, the most actions are directly translated from oil and gas development. This bill covers geothermal, not geoexchange, which is often understood as an energy efficiency of solar. Geoexchange is regulated through Alberta Environment and Parks. The act grants geothermal producers access to land only for emergency management purposes, which is less extensive than compared to oil and gas.

By saying that, I will say that this is a good start, but we need to see more concrete action if we are serious about geothermal in our province, if we want to attract investment, if we want to attract the, you know, business. I hate to bring the same argument over and over, but this is the reality that Albertans are facing right now. There are approximately 700,000 – I believe the figure is around 685,000 – people unemployed in Canada, and unfortunately we, one of 10 provinces, one of 13 jurisdictions, with a population of 4 million people, have about 40 to 43 per cent of those unemployed Canadians in Alberta right now. The October numbers are not out yet, and we don't know how the October numbers are going to add to this. This is a very serious situation.

Albertans are counting on us, counting on government. They were promised in the election, and specifically when government just brought in their plan, they promised – you know, they don't deny the fact that they made their election promise. We even debated, we argued widely that this experience has been, you know, a great failure in so many different jurisdictions for years and years, but the government came in and reduced the tax on large corporations, focusing on and promising Albertans that the \$4.7 billion tax rebate that's going to large corporations will bring in 50,000 jobs in the very first year, 55,000, actually. But we have seen 50,000 jobs lost in those eight months or seven months since that job-creation plan was introduced in Alberta. So it's a very saddening situation when we see on one side we're still not learning from it. We're not only moving forward; we're trying to actually speed up that plan to hand out \$4.7 billion. Instead of three more years, no, the government just wanted to give those credits to the large corporations in one year.

9:30

Albertans are, you know, anxiously waiting and looking at us, and Alberta will see job creation and definitely our focus moving on hydrogen, geothermal, the renewable energy sector, which the whole world is moving towards right now. Countries like Australia, countries like Germany: they are investing a huge number of investments in the clean and renewable energy sector. Alberta has huge potential, and we support the idea of moving on this specifically.

But as I said, a number of things in this bill, the clarity and the exact mechanisms, are going to be decided under the Alberta

Energy Regulator. To me, personally, yes, that is concerning. With the situation we are going through right now in Alberta, the difficult situation, the seriousness of the situation, these are the changes Albertans are looking at now, and those should actually be the tasks we should have been discussing in this House. I don't see exactly in this bill – and there's a lot more to see – what kind of exact policy framework comes out after the work of the Alberta Energy Regulator.

Thank you, Mr. Speaker.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to join debate under 29(2)(a) for quick questions and comments?

Seeing none, I see the hon. Member for Cardston-Siksika has risen.

Mr. Schow: I see you, too, Mr. Speaker. Good to see you this evening. I appreciate this opportunity to rise this evening and speak on Bill 36, Geothermal Resource Development Act. As part of our economic recovery effort we are laying the groundwork for future prosperity by taking a multipronged approach to diversifying our energy sector. The development of clean geothermal energy is an important part of this plan. This act would help facilitate the development of this emerging resource and could help bolster our diversification. Alberta's position as a world leader in drilling and developing our resources lends itself naturally to the development of geothermal energy, which harnesses the heat of the earth to provide heat or electricity. By drawing this heat, geothermal is a sustainable, low-emitting form of energy, which can be integrated into our province's existing energy industry.

Currently a handful of geothermal projects have been able to proceed in Alberta through government approval on a case-by-case basis, with some companies working with the province's oil and gas regulatory framework and partnering with existing oil and gas operators. These projects include the Eavor-Lite demonstration project near Rocky Mountain House, Razor Energy's oil-geothermal coproduction project near Swan Hills, and Alberta No. 1, which is exploring the geothermal potential near Grande Prairie, what a place.

But approving these projects on an individual basis is not efficient, and we need to ensure the interests of Albertans are sufficiently protected, Mr. Speaker. Establishing a dedicated framework will provide clarity to investors and Albertans alike while taking into account our unique circumstances to leverage Alberta's geothermal advantages, including exploring the identified resource potential, especially in the west and centre portions of the province; repurposing inactive oil and gas wells and sites; utilizing coproduction with oil and gas to maximize the use of energy and reduce emissions; and providing electricity and heat to municipalities, industries, indigenous communities, and remote areas of the province, of which we do have many.

Currently Alberta Environment and Parks regulates shallow geothermal development, and that will continue to be the case, but there is no policy or legislative framework to regulate geothermal development below the base of groundwater protection, the depth at which groundwater is estimated to transition from nonsaline to saline. This legislation addresses the gap by providing rules and processes for industry, establishing the framework and legislative authority around land use and liability management, and protecting landowners and mineral rights owners.

The main element of this bill includes the creation of a new energy resource act, the Geothermal Resource Development Act. The new act is modelled after the Oil and Gas Conservation Act, which established the regulatory regime administered by the

Alberta Energy Regulator, or AER, for the development of oil and gas resources. A number of consequential amendments to several existing acts are also required to support implementation, including the Environmental Protection and Enhancement Act, the Mines and Minerals Act, the Oil and Gas Conservation Act, the Pipeline Act, and the Responsible Energy Development Act. This legislation would effectively expand the scope of the AER, providing it with the regulatory authority to provide for the efficient, safe, orderly, and responsible development of Alberta's geothermal resources.

While this legislation is specific to geothermal resources, it also aligned with the purpose and mandate of managing Alberta's other energy resources. For example, provisions provide an overview of the purpose of the act and mandate the regulator, including economic, orderly, efficient, responsible development; safe and efficient operations; complete and responsible regulation; effective management of Alberta's geothermal and other energy resources; protection of environment and public safety; and the collection and dissemination of information to promote appraisal and understanding of Alberta's geothermal resource potential. Subsequent provisions in the Legislature establish the authority of the regulator over this new act and its powers.

This legislation also provides clarity about the requirements and obligations of producers developing geothermal resources, including developing or reworking a well or facility and the transfer of licences and liability. For example, one section requires that a licensee provides reasonable care and measures to prevent damage of a well facility or well site.

Also, similar to oil and gas Alberta will uphold the polluter pay principle for geothermal development and allow the regulator to act and step in if necessary, if a producer isn't in compliance. As such, the act also addresses requirements around the suspension or abandonment of a site along with the liability obligations and any associated costs. For example, if a producer abandons a well, it still has responsibility for managing cleanup of that site.

The legislation also permits the AER to recover associated costs in instances where it must take or order remedial action, or where an operator fails to do so or is unable to comply with the rules, for example, taking over a site that has been suspended or abandoned. These provisions are not unique to geothermal resources but applicable to Alberta's other energy resource activities as well and uphold Alberta's reputation for responsible resource development.

9:40

Amendments to the Mines and Minerals Act are intended to establish regulation-making powers related to the exploration, development, recovery, and management of geothermal resources and clarify the right to access and use the geothermal resource, Mr. Speaker.

The last point is especially important as it aligns with other existing resource development and preserves existing rights of mineral agreement holders. These amendments also include the ability for the government to receive revenue from development such as fees, levies, or royalties through regulation. Proposed amendments to the Oil and Gas Conservation Act and the Pipeline Act provide regulation-making powers to close any potential gaps that may arise involving coproduction of oil and gas with geothermal development.

To provide the flexibility needed to address potential innovations or policy changes that arise as resource development evolves, the legislation also outlines regulatory authority of the Lieutenant Governor in Council to address areas where policy direction may be required. This provides the ability to ensure that the geothermal resource regulatory framework is robust and effective but also

flexible enough to address the changes in the emerging sector as it evolves over time. We have to adapt, Mr. Speaker.

While we want to encourage development of this emerging resource, we are absolutely committed to ensuring it is done in the best interests of Albertans. This approach ensures a responsible, effective, and proportionate approach to oversight, which limits the risk of overregulation and unnecessary red tape while ensuring the regulatory regime is responsive, because we don't want overregulation, which could burden industry and hurt our competitive advantage.

Taking steps to encourage this development will not only help develop this low-emitting resource at home, attracting new investment and creating jobs in the process, but it also has potential to position Alberta as a leader in international geothermal development. I hope all members in this Chamber will join me in supporting Bill 36.

Thank you, Mr. Speaker.

The Acting Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available for questions or comments. Seeing none, are there any members looking to join debate?

Mr. Schweitzer: I move to adjourn debate.

[Motion to adjourn debate carried]

Bill 39

Child Care Licensing (Early Learning and Child Care) Amendment Act, 2020

[Adjourned debate October 29: Ms Schulz]

The Acting Speaker: Are there any hon. members looking to join debate on this? I see the hon. Member for Edmonton-Whitemud has risen.

Ms Pancholi: Thank you, Mr. Speaker. It's a pleasure to rise to speak in second reading of Bill 39, Child Care Licensing (Early Learning and Child Care) Amendment Act, 2020.

Before I begin, Mr. Speaker, I'd like to identify a number of submissions that I will be tabling in the Legislature in the upcoming days, at my soonest opportunity, in the House. These are submissions that were made by a number of organizations – child care providers, representatives of early childhood educators – and I'm going to list them because I want to be clear that my comments with respect to this bill are actually as a result of taking a careful look, meeting with and talking with a number of the stakeholders who made detailed submissions on this bill.

So I will be tabling submissions, Mr. Speaker, made by the Association of Early Childhood Educators of Alberta, the Alberta Early Learning and Care Leaders Caucus, the Alberta Family Child Care Association, the Child Care Association for Resources to Administrators, Children First: Eagle Ridge Nest in Fort McMurray, School Age Care Directors Association, Alberta Policy Coalition for Chronic Disease Prevention, Get Outside and Play, Public Interest Alberta, the Edmonton Council for Early Learning and Care, the Muttart Foundation, YMCAs of Alberta. I'll also be tabling the fatality inquiry report into the death of Mackenzy Woolfsmith. I highlight this because there has been a significant amount of submission and interest and engagement by those in the child care sector as well as, we know, by parents and caregivers and educators on the development of what we see in this bill and the regulations that will come after it.

It's important to be aware that when we're looking at what's happening, the changes that are being proposed in Bill 39, they have

to be looked at in the context of the early learning and child care sector in Alberta right now. In particular, Mr. Speaker, I have risen in this House, as have my colleagues, a number of times to speak to the very pressing concern around early learning and child care that faces Albertans and Canadians and many across the world right now with respect to economic recovery in the time of recession as a result of COVID but also as a result – as we know, in Alberta we've been hit so hard by the drop in oil prices.

One of the issues that has reached a remarkable amount of consensus, Mr. Speaker, particularly in Canada and in Alberta, is that there is a consensus from economists, from banks like the Royal Bank of Canada, TD Bank, from investors like AIMCo, from the YWCA across Canada and Alberta, from the Edmonton Chamber of Commerce, and from various other economists and experts in the area that in order to facilitate economic recovery, a real economic recovery, and to get women back to work, we need to have strong investments and a long-term plan in early learning and child care in Alberta. So that's one context that I really want to highlight.

The other thing that I want to highlight is that we cannot look at this bill in isolation. We have to look at it in terms of the context and the environment that has been established and created by this government with respect to early learning and child care. Since being elected in April 2019, this government has taken a number of steps to undercut the quality, the effectiveness, the accessibility, and the affordability of child care in Alberta. They've done this through a number of ways, Mr. Speaker. The UCP government has cut the benefit contribution grant and staff attraction incentive, which has resulted in child care centres having to raise their fees because they've lost some of that income from the government. They've cut the stay-at-home and kin care subsidy, which actually affects parents' ability to choose to access early learning or to choose to place their children with a family member for child care. They have cut the northern allowance for early childhood educators in Fort McMurray, which has literally cut a third of the income of child care educators in that area, who are still facing extremely high living costs.

During this COVID pandemic, during the two-month shutdown of the child care sector in this province, Alberta provided the lowest level of financial support to the child care sector in the country, the worst record in the country, Mr. Speaker, and they continue to withhold their current child care budget from the Children's Services budget from 2020 to the tune of \$120 million to date and rising every month as the child care sector continues to operate at 50 per cent capacity.

They have cut the \$25-per-day program, which was a key hallmark, which their evaluation reports clearly stated had a remarkable impact not only on accessibility but on quality and, of course, on affordability for Alberta families. They've ended that program as well. They have increased subsidies, yes, to low-income families, but they're not talking about the thousands of Albertans who are no longer eligible for subsidies and how those subsidies do not keep up with the cost of inflation or do not keep up with increasing child care fees, which we know, Mr. Speaker, are going up astronomically across this province right now because of those other cuts to supports.

Then, of course, Mr. Speaker, in March of this year this government abruptly, without consultation, cancelled accreditation. Many parents might not even know what accreditation is. Many people outside the child care sector might not even know what accreditation is. It is the quality standards for child care. What we have in the Child Care Licensing Act and the regulations are usually those standards around safety and health, very important, of course, for child care. But as those who recognize child care as early

learning and early childhood education know, it is not just about health and safety. It's actually about quality early learning opportunities for young children in the critical early years before they enter school. Quality is a key part of a good and strong and viable child care sector, yet this government cut the accreditation standards. At the time that those accreditation standards were cut, the minister promised – a number in the sector recall this very clearly – that there would be some kind of recognition of quality in the upcoming regulations and potentially in the Child Care Licensing Act.

9:50

But what we see, Mr. Speaker, and one of my gravest concerns with respect to Bill 39 is that that promise of fulfilling and protecting quality standards for early child education has not been reflected in this bill. Yes, the bill has changed its title to be called the early learning and child care act, and that's great except that nowhere else in the bill is there any mention of early learning: nowhere in the principles, nowhere in the matters to be considered. There is no reflection of child care. The definition of child care remains the temporary supervision and care of children. It does not reflect that child care is a lot more than that. It is early learning, and it is early childhood education.

The principles and qualities that were set out in the accreditation standards are not reflected in the principles and the matters to be considered in child care programs. They are woefully inadequate compared to not only the fulsome accreditation standards that existed in accreditation before, but there is no indication that these quality standards will be enforced, will be mandatory, and, more importantly, will be supported, because that's part of what accreditation did before. It actually supported child care programs to meet those high-quality standards. That does not exist anywhere in this act, and that is something that a number of the stakeholders whom I referenced before have raised as a concern.

They've also raised as a concern, Mr. Speaker, that one of the biggest asks across the board from all of these stakeholders is that the qualifications for early childhood educators be addressed in the regulation or be absolutely improved and supported so that early childhood educators have opportunities to improve their qualifications and that we actually provide the supports to allow them to do that. What we've seen is that in Bill 39 there is a commitment that early childhood educator qualifications will be moved into standards, and the minister has been very clear in her statements that she is not addressing qualifications. She is not addressing equivalencies. She is not providing supports right now to early childhood educators to actually improve their training and their professionalization. We know that almost every child care provider will say that the key, primary indicator of quality is the qualifications and education of the early childhood educators, and that is not addressed by this act.

There are also a number of concerns, Mr. Speaker, with respect to who will be doing the monitoring and enforcement of quality standards going forward, whether it will be the licensing staff that are currently with Children's Services, who are not necessarily qualified to assess quality and accreditation. They are wonderful, hard-working folks, and they were certainly responsible prior for enforcing the health and safety standards of licensing, but they don't all have the qualifications to actually look at accreditation and quality standards.

I have to say, Mr. Speaker, that one of the stakeholders that I spoke to this weekend said to me that the difference between what the minister has said and how she has talked about quality and accessibility and affordability and what they see in this act, this proposed bill, is jarring. That's the word they used. I have to say

that I'm deeply disappointed to see the lack of true reflection and support for quality in Bill 39.

We also know, Mr. Speaker, that I raised the Mackenzy Woolfsmith fatality inquiry report. For those who are not aware, it's a difficult read to read about the circumstances that led to the death of Mackenzy Woolfsmith, who was a 22-month-old toddler who died in 2012 at the hands of her caregiver in an unlicensed, unregulated day home.

We know that there are a lot of unlicensed and unregulated providers in Alberta, across the country, really, because, you know, there are limitations on the ability to affect a parent's choice about where they're going to place their children for child care. But what we can do, Mr. Speaker, is actually encourage parents to be knowledgeable and to know about the fact that unlicensed child care day homes do not meet standards, do not meet regulations, are not monitored by government. I can tell you that many parents aren't aware of that.

In fact, the fatality inquiry report into the death of Mackenzy Woolfsmith laid out a number of specific recommendations around safety. They focused on safety in unlicensed day homes, but they really were addressed more broadly than that.

What I'm very disappointed to see, Mr. Speaker, is that Bill 39 does not address the recommendations that came from that fatality inquiry. One of those key recommendations was that the licensing or the regulation of unlicensed child care should not be based simply on the number of children alone. To be clear, as it stands right now, an unlicensed day home may have six children plus their own in their care at one time. Currently licensed – well, they will be called licensed – approved family day homes are allowed to have six children maximum, including their own children, but what we see is that in Bill 39 the minister has chosen to actually increase the number of children that are allowed in a licensed family day home. She said, Mr. Speaker, that the intent of that is to level the playing field. But why is she levelling the playing field that way? Why not decrease the number of children in unlicensed, unregulated situations and care providers? That's actually more consistent with the recommendations that came from that fatality inquiry.

I'm also disheartened to see that the focus of investigations for unlicensed child care actually focuses specifically simply on the number of children in unlicensed care, which is, again, contrary to the recommendations. We also know that the fatality inquiry said that we need to make sure that there are proper supports for lone day home providers and child care providers because of the enormous stress and the lack of support that is available to them, but we don't see any of that here, Mr. Speaker. We actually don't see any recognition of the fatality inquiry recommendation that spoke about the requirement that we look proactively at safety in child care settings and not just reactively, to actually provide services and encourage unlicensed providers to license. There are no measures here to encourage that.

On the safety front, I am disappointed by Bill 39. I will say that there are a couple of things that I think are good about Bill 39. They are good things. I think that it's a good thing that there's flexibility in the initial licensing term for a child care provider. I think that will probably be pretty good for programs who have existing programs and are looking to open new ones. That's a good thing. I think it's a good thing that there's slightly more transparency around when there are changes to a child care program's licence. The minister gives an example of being a busy mom going into a child care centre and not taking the time to notice what's posted on the wall, and I agree. I've been in that situation myself, Mr. Speaker, but I can tell you that I don't think she fully understands the changes that are brought forward in Bill 39. She said in her comments in second reading that Bill 39 will now require child care programs to notify

parents when there is a change to the licence. But that's not true. Bill 39 says that they simply have to post it up on the wall again, which, by the minister's own admission, is not a great way to communicate with parents. They do have to notify parents directly if there's a cancellation of a licence. I have to say that that's a common-sense change because, let's be honest, if a child care licence is cancelled, that child care program can no longer provide child care to parents, so they would have to notify the parents. But that's a good change.

I think it's good that they've limited the five different categories of child care programs down to two, Mr. Speaker, to just facility-based licensing and family day home licences. Those are good, but those are not changes that are driven by children. That is the comment that has stuck with me from stakeholders that I spoke with over and over again, that the changes in Bill 39 do not recognize the children. They don't put their priorities first. They put priorities about making things easier for certain child care operators, mostly for larger child care operators, who will save a little bit of time from this, but the child is not at the heart of this. They also mention that early childhood educators, which are a key determinant of quality, are also not reflected in the changes in Bill 39.

Now, the minister will speak about a number of the changes that she hopes are coming in the regulations. Some of them might be good, and we don't know because the regulations are not before us right now. What I can tell you, Mr. Speaker, is that I don't believe that Bill 39 as it stands now actually serves the qualities and principles that should be guiding change and our investment in our early learning and child care system. It doesn't reflect quality. It doesn't reflect accessibility. It doesn't reflect improved safety for children. Of course, we know that there's nothing in here for affordability because nothing that the UCP government has done to date has made child care more affordable. It's only made it less affordable.

If we're not looking holistically at the child care system, Mr. Speaker, this bill is simply tinkering at the edges and is not fulfilling the commitment that the minister made to stakeholders about the quality, accessibility, and affordability of child care in this province. In fact, I believe that by cancelling accreditation and poorly reflecting them in this bill right now, actually this is doing a disservice to early learning despite the change in title, which is a poor reflection of a true understanding of early learning and child care in this province.

Mr. Speaker, I've raised a number of questions so far on this bill that I'm hoping we'll get some answers to from the minister. I'm hoping that she can give some clarification around how she is protecting quality when what we see here are just simple statements that don't even reflect the high standards of accreditation that existed before. I hope to get some clarity around risk-based licensing and how that's going to actually support the highest quality providers to maintain that quality, not just focus attention on the lowest performing child care programs, who do need the most support. But I also want to hear how that support will be provided. If we're not actually investing in a strong early learning and child care sector, this is not going to be more accessible for parents. It's simply putting more pressure on the parents in a buyer-beware situation. They won't know if their program is a quality program. They won't know what qualifications their early childhood educators have.

10:00

Parents are already stressed enough making decisions about child care to find a space that is near them, that serves their children's particular needs, that is affordable, and that has spaces available. Those are the things that are pressing for parents. They want to

know that there is a quality early learning program in all child care settings. I'm disappointed, Mr. Speaker, to see that this bill does not reflect even in investment and in early childhood curriculum for all centres, whether that be flight or a comparable program.

The minister has said that she doesn't want to impose that one early childhood curriculum on all programs, but it's certainly within the realm of her authority to require that all child care programs provide and use a strong, quality early childhood curriculum like flight. And if they are going to use something different, they can get that approved by the minister. But we don't see that reflected. We don't see those commitments to quality. We don't see those commitments to accessibility and to safety. That is the bare minimum, Mr. Speaker, for looking at early learning and child care.

Every parent will say: the starting point is that I want to make sure my kids are safe. When I completed the child care survey online, that's one of the things I said. One of the questions was: how important is safety to you? And I thought: what an odd question. Every single parent is going to say that safety is the top priority, but that's the bare minimum of what I'm looking for in a child care program. As a parent, parents won't know what the program plan is for their child care program and that it meets a standard. Accreditation provided that assurance to parents that there was a standard, that there were people looking at it, and that there were supports in place. As a parent, when you walk in and you see, "This is an accredited program," I knew that that meant it was a quality program. But now, with the absence of accreditation and with weak statements of principle that don't reflect the child, that don't reflect the early childhood educator, as a parent how will they know that programs that they approached are actually quality programs? How will they know that the educators in their classrooms are of the highest quality?

Mr. Speaker, if we're not going to fund and adequately support child care programs, what's going to happen is what we see is happening and what I'm hearing is happening. Child care programs will be forced to hire lower qualified staff because they can't afford the higher quality staff. They'll be forced to do things like cut meal services, as my own child care centre had to do because of the cuts to the benefit contribution grant. They can no longer afford that.

Every step along the way, Mr. Speaker, this government has taken measures that have actually made it more difficult to provide quality early learning in Alberta. Unfortunately, Bill 39, in my view, does nothing to address this and to make it better. While I want to be supportive of changes that do make it easier for early childhood educator programs to operate – I do support that idea but not at the cost of quality and not at the cost of safety and not at the cost of ensuring that there's accessibility and affordability to parents. That's the primary focus of the stakeholders that I've heard, that have spoken to me. They have said that they are looking for those kinds of assurances in Bill 39. I have to say that to date they are very disappointed.

As we go forward, I will be proposing a number of amendments, Mr. Speaker. I'll be proposing amendments to address what I think are the key principles behind a strong early learning and child care sector. They will be along those principles of affordability, accessibility, quality, and safety because those have to be our guiding principles. I'm hoping that we can actually engage in a meaningful consideration of those amendments. As I mentioned, this is not me speaking, this is not me saying: this is my view on early learning and child care. Everything that I'm saying, except for my position as a parent, I've learned from the stakeholders, from the educators, and from the programs that I've spoken to and from the submissions that I've read in detail that talk about quality as being the number one issue, that talk about children and serving children and putting them first. Number one.

We have to consider and treat our early learning and child care sector in the same way as we treat education. Kids don't begin to learn automatically, suddenly become learners at the age of five when they start kindergarten, Mr. Speaker.

The Acting Speaker: Thank you, hon. member.

There is no 29(2)(a) on the second speaker.

However, would anybody like to join debate on second reading? I see the hon. Member for Drayton Valley-Devon has risen.

Mr. Smith: Thank you, Mr. Speaker. It's indeed a privilege to rise today in the House in support of Bill 39, the Child Care Licensing (Early Learning and Child Care) Amendment Act, 2020. If passed, the amendments proposed in this legislation will improve the quality and the safety of child care while increasing flexibility and reducing red tape for child care operators, early childhood educators, parents, and caregivers.

As I am aware, the amendments proposed in this legislation have been informed through extensive feedback. This has been provided through e-mail submissions, in surveys, as well as virtual table discussions with citizens from across Alberta. Mr. Speaker, for the first time in over a decade the child care sector was invited to consult on the changes that would actually affect them. What a novel idea. Individuals who would actually be affected by the proposed changes, individuals who had experienced the impact in their everyday lives: they were invited to share their thoughts on what actually works and what doesn't and what should change. Educators, operators, licensing officers, parents, and caregivers: anyone with an interest in child care in Alberta was invited to consult. As a result of this consultation process, what you see in this act are legislative changes that are rooted in quality and informed by the people who will be affected by it every single day.

Through this feedback something that stood out the most was the desire of Albertans to preserve parent choice. Albertans want to have child care options available for them to choose from. They do not want the government to choose for them. Between daycares and preschools and out of school care and family day homes there truly are child care options available to meet the diverse needs of Albertan families. In Alberta we know that this need is high. Again, it's not up to the government to decide which program parents should enrol their children in. That choice, with this legislation, remains with parents. If passed, you will see the protection of parent choice embedded throughout the proposed amendments. In order to properly protect parent choice, Alberta's government worked to ensure that all child care programs would be safe and would have high quality. That is why one of the first amendments proposed in the act demonstrates this commitment to quality.

Mr. Speaker, we all know that the previous accreditation process was inconsistent, and it had several burdens throughout the program that people would have to participate in that were burdensome. Cancelling this program, a decision made largely due to the feedback from this sector, from the people working there asking for its removal, earlier this year was a massive help in reducing the red tape for the programs. However, let's be clear. The underlying principles of accreditation were good because they were a signal of quality child care for parents. That's exactly why in this act similar principles as in the accreditation program, principles of quality, are embedded in the act as guiding principles. To ensure this standard is upheld, programs will need to outline in their program plan exactly how these principles of quality will be incorporated into their daily programming. What this means in practice is that quality will be the driving force in child care. When new families begin searching for the best child care options for them, whichever

program they choose to enrol their children in, they will be receiving child care rooted in quality.

Obviously, quality of child care does not just come from the principles in the act. As a matter of fact, I would argue that as a former schoolteacher we had principles that guided teachers that were designed to ensure that teachers would provide quality care and education for the children that they oversaw. But it really comes down to the individual and to the teacher regardless of what is written down. Quality child care is largely tied to the early childhood educators who work with the children every day, and they will demonstrate a commitment to quality childhood education.

10:10

Staff certification requirements for early childhood educators are complex. If this legislation is passed, this will move the staff certification requirements from legislation and into policy. This move will allow Alberta's government to be flexible and to adapt to the needs of the sector. Further demonstrating a commitment to quality educators, if passed, this legislation would change the classification of childhood workers. Currently childhood educators can work as either an assistant or a worker or a supervisor. While I'm sure this structure made sense at some point, the reality is that the practicality and the meaning behind these titles have since changed. Often workers who are classified in one area perform work and duties in an area different than their own because it simply makes more sense to do so. Anybody that's been a teacher or a childhood educator understands that your day can be very complex and can go from pillar to post, and as the educator in that situation you're expected to meet the needs of the children regardless of your title.

In addition to this, individuals who work as child care assistants have at times mentioned feeling frustrated because they were only, quote, an assistant even though the work that they do is critical to early childhood development and well-being. Mr. Speaker, all child care workers are child care educators. It should not matter if you are an assistant, a worker, or a supervisor; you are all childhood educators. As such, this act would change the current naming of childhood workers. Child care workers will no longer be classified as an assistant or a worker or a supervisor. Instead, they will be classified as early childhood educators, levels 1, 2, and 3.

This change demonstrates the importance of the educators who work with children every day and the quality of the care that they provide. They can and they should take pride in the work that they do every single day as they take care of the children in their charge. Changing their job title is just one instance that signals the value that this government places on childhood educators and will hopefully allow them to take greater pride in their work. This will be of benefit to all workers as well as the children that they care for because we know that when someone takes pride in the work that they do, the quality of work that they deliver generally goes up.

Now, I can speak to that over a 30-year career working with children. When I saw a teacher that took pride in their job, then I saw children that were taken care of, that were learning, that were growing, and that were becoming fine young citizens of the province that they inhabit.

These amendments in the Child Care Licensing (Early Learning and Child Care) Amendment Act, 2020, will also modernize outdated definitions and terminology to align with best practice in child care. When this act was last updated, many things that are highly prevalent in our world today just did not exist; for instance, vaping. Vaping did not exist or, if it did, was not widespread at all and was not socially accepted, as it is today. As we learn more of what vaping is and the harm that it can pose for the early

development of children, the more important it is to update the act to align with what is actually happening in 2020. This act will also look to revise and include vaping as a prohibited activity in child care and to align with the Tobacco and Smoking Reduction Act, that was passed earlier this year.

Other modernizations include definitions around nutrition. Definitions will be updated to advise that child care programs do not have to strictly follow the Canada food guide, which, as you know, is outdated and is not necessarily applicable to every Canadian citizen. This amendment will allow programs to follow alternative food guides such as Canada's food guide for First Nations, Inuit, and Métis so long as it is approved by the statutory director. These are just two examples that will modernize, will update the language in the act so that it is better aligned with our current decade.

Mr. Speaker, if passed, the Child Care Licensing (Early Learning and Child Care) Amendment Act will improve safety and quality for child care in Alberta. In addition, amendments will increase flexibility and reduce red tape for operators and educators, allowing them to reinvest their time and their efforts into high-quality child care. Amendments will modernize the act through updated language and definitions, increasing the clarity and the meaning behind outdated terminology.

This can be nothing but positive for child care here in Alberta, Mr. Speaker, and I encourage all of my colleagues in this House to vote in favour. Thank you.

The Acting Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available. I see the hon. Member for Calgary-Mountain View has risen.

Ms Ganley: Thank you very much, Mr. Speaker. I will get a chance to speak, I think, more extensively to this act, but I felt I did need to address some comments to the hon. member because I think there was a lot in there to object to.

I'd like to begin with the overall structure of the act. I will go into this more thoroughly in my own comments when I have full time to do this. As was mentioned by my colleague, there was a fatality inquiry that made several very recent recommendations to the ministry, most of which the ministry accepted yet seem not to have been considered in this act. I think the first thing to note with respect to the act is that one of the recommendations made coming out of that fatality inquiry was as follows:

The legislative framework governing the provision of child care in Alberta should be comprehensively reviewed to address and reduce risk to infants and children in all forms of child care (licensed and unlicensed).

The actions planned or under way by the ministry:

Children's Services' priority is the safety and well-being of children and youth. As part of the legislative review prompted by the regulatory expiry date of October 2020, a focused review on reducing risk to infants and children in all forms of child care will be completed.

The reason I think it's interesting and worth raising is because that focused review clearly has no place in this bill. This bill does nothing to reduce the risk to anyone. I think that that is the first and obvious and largest concern, but I think it's worth addressing some of the comments of the member who spoke immediately before me.

He said that rather than having enforceable rules dealing with the quality of child care, instead we have principles embedded in the act. The problem, Mr. Speaker, with principles is that they're not enforceable. There's nothing in this act that permits those principles to be enforceable. I don't think one needs a law degree to be able to state that a rule which cannot be enforced is no rule at all. I think that that is the biggest concern here. To say that they

are embedded in the act, enshrined in the act – well, certainly, the act says them but not in a way that makes them legally enforceable, which is, the last time I checked, the purpose of legislation, to create laws which are legally enforceable. So to say: “Well, we’ve kind of waved our hands and said that we kind of think this is important. Not important enough that we as the government, as the body enforcing them, ought to enforce them, ought to ensure that all children receive them, but, you know, we’ve said them, so that should be sufficient.”

10:20

I think it’s worth addressing as well this concept of choice, because it’s one of the things that irritates me the most when we have these conversations – we have them about early childhood education; we have them about education; we have them about health care – this idea of choice, choice which exists only for a privileged few. That is the biggest concern that I have about this bill, because it is essentially buyer beware. It claims to be about choice, but in truth the choice exists only for some people and in the current child care market only for a very limited number of people. I think that’s a concern we should all have.

I remember, Mr. Speaker, that very early in my tenure in this Legislature we were debating the implementation of progressive taxation in this province, and the Member for Calgary-Hays rose. He was sort of going on about how this was injurious to a number of people, and he said something that struck me and has always stuck with me: I don’t know anyone who makes less than \$125,000 a year. That was where the tax bracket was set. I remember thinking in that moment that I think that informs our sort of policy positions in a really intense way.

I think that that, again, is the problem with this bill. It is written to provide choice but choice for only some. Others have no choice at all. In fact, those others: the buyer beware, the level of information they’re required to gather, has just gotten higher. We don’t know anymore whether these principles will be enforced in child care, so parents have no way to know. Yes, it was the case that the vast majority met the accreditation standards . . .

The Acting Speaker: Thank you, hon. member. Short five minutes.

Looking to join debate, I see the hon. Member for Edmonton-Riverview has risen.

Ms Sigurdson: Thank you very much, Mr. Speaker. It’s my pleasure to join the debate on Bill 39, Child Care Licensing (Early Learning and Child Care) Amendment Act, 2020. I just, you know, really appreciate the comments of my hon. colleagues in the loyal opposition and want to really acknowledge our critic on this file, who has done tremendous work, and certainly we appreciate very much her detailed analysis of this legislation.

I’m just holding in my hand something that I got from the government’s website – it was actually a media release on the day that this legislation came down – that says, “New legislation supports safe, accessible and high-quality child care.” You know, it lauds very quickly that it’s been a decade, apparently, since any kind of consultation took place regarding child care in Alberta and that, of course, they have righted this wrong by doing this. Just within the title and the first line you just have to give your head a shake, because all of this that they are indicating, that the UCP is saying, is not accurate. Certainly, taking away accreditation in March, as they did, does not make children more safe and give them high-quality child care, like so many of my colleagues have already indicated.

I just want to talk a little bit about consultation. In the middle of summer, in the middle of a pandemic, there was one month of consultation on this very important issue that hasn’t been – there has been no consultation, the government is saying, for a decade. You know, before I was elected, I worked for a long time as a social worker, 30 years or so, and in the last 10 years before I was elected, I worked at the Alberta College of Social Workers. Oftentimes we were invited to consultation processes repeatedly by Conservative government after Conservative government. We always knew when the government didn’t want to consult. It was when they did exactly what this government just did. In the middle of summer, for a short period of time – of course, we have, on top of that, COVID-19 – that meant they didn’t really want to consult. They did it at a time that was difficult for people to be able to give feedback. The thing about this particular consultation is that this is also a time when the child care centres themselves were shut down. There was probably only about 30 per cent of them open. Because of that, I imagine many of them weren’t even accessible.

I mean, even in this very brief little bit I’m reading from the media release, you know, there are just so many things to take issue with, Mr. Speaker. I guess I just want to go into a little more detail about this proposed legislation. Of course, certainly myself and my caucus are not in support of this legislation. We feel like it’s really an opportunity lost, especially when this is such an important area and there’s so much that could be done and this legislation has brought forward so little.

I want to talk about the details of the bill. I also want to talk about myself as a representative in this House, you know, the MLA for Edmonton-Riverview, but also as a mom. I’m a mom of three sons, and they’re quite a bit beyond having to go to a child care centre these days, but all three of them did go. I was a single mom for much of their lives, so child care centre meant the world to me, and it made a big difference in my ability to be gainfully employed and to be able to care for them. Without that, I couldn’t have had a good job, and who knows what further would have happened?

Way back in the early ’90s, when my eldest son was in HUB Mall daycare – you know, I was a university student in the ’90s. He went, and I got a full subsidy because I wasn’t making any money. I was in university getting my social work degree. I paid \$20 a month beyond the subsidy. I was so grateful for that program because that was a game changer for me, that I could actually go to school and get a profession so that I could be able to care for my family. My son was well taken care of in that accredited child care centre, and I was so grateful for that program. That investment that the Conservative government did at that time was a very important one.

It was a worthwhile investment, because when I had my two younger sons – and they went to child care centres in the early 2000s – I was gainfully employed. I had another accredited child care centre that I, you know, purposefully chose because I knew that I wanted to make sure that my children had a high-quality child care centre, and I knew that accreditation meant that. I did purposefully choose that, and I was able to pay for that because I had my profession, which enabled me to be able to do that. I did have that important child care support, and then I was able to pay for it when my two younger boys were in child care.

It’s disturbing to me to see what the UCP is doing now to actually take away accreditation, take away this very important part that is our standards that are enforceable for child care centres to fulfill on. That is, I think, a significant mistake, and as my colleagues have already talked about, guiding principles and accreditation standards are not the same thing. One is enforceable, and one isn’t. One is lofty, nice words, but that’s not enough. We need to have accreditation standards that those child care centres fulfill on. You know, this act takes those away. Well, they were taken away before

the act, actually, and just replaced by these guiding principles. I mean, that's a huge mistake, and I really ask the government, ask the minister to reconsider this because having enforceable accreditation standards is really important.

I also just want to very much question how much this government really wants to have high-quality child care in this province. I know my colleague from Edmonton-Whitemud has already articulated some of this, but I think it's worth repeating that besides cancelling the accreditation standards in early learning, they've also eliminated the benefit contribution grant program, which off-set mandatory cost to operators as a result of government-funded wage top-ups. They also cancelled the early learning child care \$25-a-day pilot project. They've also provided the lowest level of financial support of any province in Canada to the child care centres during the COVID-19 pandemic and withheld and failed to invest 85 per cent of their available budget. You know, it's been redeployed – or some kind of word that makes it sound okay, but it's not – to other expenses of the government.

10:30

So I asked myself – when I see this, I think: well, are you being, you know, sincere in your desire to improve the quality? What does the title say? Safety, accessible, high-quality child care? I think no, that that actually is quite incongruent with what is actually being done. You know, talk is cheap, as they say. It's really when things are implemented and are clear, like enforceable accreditation standards and not guiding principles that are not, that it makes all the difference.

I just want to look at gender a little bit, too. We know that a lot of times it's women, to this day, who are the primary caregivers oftentimes for their kids. Oftentimes men take on that role, too, or share more in it. Things have changed over the years, but generally it's women who will, you know, give up their jobs, stay home, or when they get home are the ones who are managing the kids. But a high-quality, accredited child care centre can support women to be able to be gainfully employed, just like me. When I went back to university, got my degree, and then was able to get a job that paid well, I was able to contribute to that household income. It made a difference for my family. It also makes a difference when women are working because provinces have more revenue in terms of taxes, federal and provincial government. It creates more equitable distribution of income. Of course, it reduces poverty, too. When people can have work, then they are going to be able to make money and care for their families, so it makes a big difference for women to be able to trust and rely on a high-quality, accredited child care centre that's affordable to them.

You know, there's this report I refer to many times, and it's called: the best and worst places in Canada for women to live. The 2019 report ranks the 26 largest metropolitan centres in Canada. It counts Calgary and Edmonton amongst those. Of the 26 largest centres Calgary is 21 – you know, top, the best place is number 1, of course, and the worst place is number 26 – and Edmonton is 25, so we're pretty low on that scale. I submit to you – and this is what the report says, too – that a lot of it has to do with income inequality between men and women.

One of the factors that makes a big difference for women is being able to count on accredited, reliable, affordable child care, and that's something that we really struggle with in Alberta. We don't have enough child care that's accessible, and because of that women aren't – that income gap is quite wide in our province, unfortunately. We know healthy economies have equality, and they have a robust middle class that men and women have equal opportunities in. But this is a good example of where we're failing in Alberta.

Again, I just want to say to the minister that it's kind of unfortunate. You had a golden opportunity here to really make a difference, but instead you are watering down something that is so important. The accreditation standards are now becoming just guiding principles, and that is not going to serve the people of Alberta. It's not going to serve the children of Alberta or certainly families in Alberta.

Also, I just want to echo some of the hon. Member for Edmonton-Whitemud's comments about, you know, that of course it's a fundamental thing to want your children to be well cared for in a safe, accredited environment, but also there's an economic argument for having high-quality, affordable child care. Certainly, business organizations are coming out more and more speaking of this, like the Conference Board of Canada, the Edmonton Chamber of Commerce. It's all part of their sort of: how do we respond to the economy due to COVID-19, the challenges that we're experiencing right now? One of the things they talk about right up front is, you know, high-quality, affordable child care. So it's not just a good thing to do because we care about our kids; it's actually good for the economy. I mean, I think that's something that we should speak loudly about, that in order for women to be fully engaged in the workforce, we need to have good-quality child care.

This economic argument is extremely important; however, even more fundamentally, the investment in high-quality child care is essential for Alberta's children, of course, and quality early learning must meet high standards of early childhood education. How do you ensure that? This is another sad failing of the legislation. The primary indicators of quality early childhood education are the qualifications and ongoing professional development of early childhood educators. The people who care for the children: if they have good educations and they have ongoing professional development, these are other really important indicators of quality child care for . . .

The Acting Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available should anybody be looking to make questions or comments. I see the hon. Member for Edmonton-Whitemud has risen.

Ms Pancholi: Thank you, Mr. Speaker. I have so appreciated the comments from both the Member for Calgary-Mountain View as well as the Member for Edmonton-Riverview on this important issue. It highlights – and I believe the Member for Edmonton-Riverview was just talking about the qualifications of early childhood educators and how critical that is to quality early learning. In fact, it actually echoes to me the comments from the Member for Drayton Valley-Devon, who commented on his experience as a teacher or in the school system and talked about how great, quality teachers are so important. I thought that was very important parallel because when we talk about teachers and we talk about what a great teacher is, we also know that teachers have standardized qualifications. All teachers have to have a certain background. They have to have a bachelor of education, of course. That's a minimum.

So when the Member for Drayton Valley-Devon is speaking about how important that is in the education system, it's equally as important in an early learning system. We need to make sure that early learning and early childhood educators also have standardized qualifications and high qualifications because they're also doing the learning. I think, actually, that's something that we need to continue to talk about, to speak about early learning and child care, not just in the title of the bill, not just by throwing the words “early learning” at the beginning of the bill and then saying, “Oh, this is about early learning,” but actually reflecting that and making sure

that the qualifications, for example, of the professionals who are doing the teaching and doing the early learning are reflected and are supported and are prioritized because that's part of quality early childhood education.

As well, Mr. Speaker, if we're going to look, like the Member for Drayton Valley-Devon, to talk about what makes education systems strong, it's also that we have standardized curriculum. We know what the curriculum is. When you're a parent and you're sending your kids to school, you can see what they're learning, and you know that they're learning pretty much the same thing. Of course, it will be delivered in different ways based on the teacher and perhaps a specific program, but there is standardized curriculum. We should have the same approach with early learning. That is the feedback that I know that the stakeholders who were part of the consultation on this regulation were hoping to see in this act, that reflection, a true reflection that early learning and child care is about early childhood education, and that takes more than simply throwing the words "early learning" at the beginning of the title of an act. It takes a true commitment to those quality standards.

Mr. Speaker, I know that one of the things that we commonly hear in this House, particularly from the minister, is that her statistics are that 1 in 7 parents actually choose licensed child care, and that speaks, I believe, to the comments that the Member for Calgary-Mountain View made, which were: why don't more parents choose licensed child care? Do we not want to support more children to access licensed child care? The reasons they don't are numerous, but it's about all of those key factors that we've been talking about. It's about accessibility. It's about affordability. It's about making sure there's a space needed where you live, where you work. All of those things are important in order to make parents have the ability to choose licensed child care. In fact, Statistics Canada shows that in Alberta the number one barrier to accessing child care noted by parents is affordability.

10:40

So, Mr. Speaker, if we are trying to increase – and that is a bit of my question to the Minister of Children's Services, whether or not there is an interest in encouraging more parents to access licensed early learning and child care. If she believes in the value and the quality of early learning, which she has said, then she would want to encourage more parents to actually choose and actually choose because they can choose licensed child care, but that means making sure it's affordable, and that means making sure it's accessible. It doesn't mean cutting supports to the system so that actually it gets more expensive. It doesn't mean actually allowing more operators to operate in an unlicensed setting. It means actually taking measures, proactive measures, as indicated in the fatality inquiry report, to actually make all child care safer and more accessible.

We don't see any of that reflected in Bill 39, which is, I think, why there is so much concern on this side of the House with respect to the content of Bill 39. It takes more than simply saying that we like quality and we support quality. It actually takes the doing. If we look at the doing by this government so far, it's been incredibly weak, and it's actually weakened our system beyond what it was before. Now we see a piece of legislation that has absolutely no teeth, has no meaning, and is not driven by the principles of the children.

I appreciate the comments from the members from the government side to talk about early learning in parallel to the education system. That is what we should be doing. We should be treating early learning like we treat our education system, which means that we have qualified professionals, which means that all children have access to it.

The Acting Speaker: Thank you, hon. member.

We are on second reading of Bill 39. I see the hon. Member for Peace River has risen.

Mr. Williams: Thank you, Mr. Speaker. I'm honoured to rise on Bill 39 today to speak to the importance of this legislation to Albertans across the province and particularly to my own constituents in Peace River. I want to thank the Minister of Children's Services for all the work that she has done bringing forward the legislation. I want to thank the Minister of Municipal Affairs, then a lowly backbencher with myself, as she did consultation on this legislation. Two women, two individuals who I know worked very hard and care deeply for children in the province: they themselves are mothers of children, and I think that very much informs the approach which we take.

The foundation of this province, of this society, of this legislation from the Minister of Children's Services is looking at families. That's the heart of it, and that's the lens through which we view it. I think that's right for lots of reasons, and we can get into those later. But the truth is that if you don't look at this legislation through the lens of families first in the myriad of different situations that they're in, you could mistakenly come to the conclusion that choice is just for the select few after you look at this when in reality the truth is that choice in education, choice in early childhood education, after this legislation, is deepened and broadened in the province, not narrowed. I want to talk to some of those questions as to how that came about.

First, I want to talk about another woman, a mother in this province, my own mother, a mother of four. We were horrible children, to be perfectly frank, not very obedient. Lord knows I shouldn't be here today except for her own wisdom and patience and grace as she raised me and my siblings. She was a working mother. She's a teacher, the same profession as the member who we heard earlier from Drayton Valley-Devon. In doing so, there were lots of days in which she worked late and worked hard, and my brothers and I were in a variety of child care. That child care, little did I know at the time, was what would be understood as nonaccredited. That was a good choice, Mr. Speaker, for our family. It was a good choice for me. Lord knows I got a lot out of it. It was very, very flexible, and the value that it had for our family and for my mother – there's no reason to say that it was subpar in how I was taken care of. It was high-quality child care. It was high quality because of the love and compassion that the individuals who ran the program had. It was high quality because it was allowed to be tailored to the needs of our family.

I think we run the risk here of focusing on accreditation as the only litmus test that families could be looking at. I think my family is an example of one that looked at it differently. I think that that informs the way we look at this legislation, the way this legislation was drafted: family first, of many different families in different situations. Now, I haven't had the advantage and the experience of soliciting input from all the groups that the minister has or even the minister's critic, the Member for Edmonton-Whitemud, but I have solicited with a number of different experts: the Cobicks, the Friesens, the Quinneys, the Peters, the Betkers, the Driedgers, the Petluks, the Elkins, the Wiebes, the Fehrs, the Gurtsons, the Borles, the Williams. Granted, Mr. Speaker, the last one was very close to home, it was my wife; nonetheless, still experts in their own right. Every one of these individuals was looking for what was brought in this legislation when it comes to child care. Let's talk about what that is and why these families wanted that and why they looked at that through a different lens than we see the Official Opposition is critiquing it.

I think the first thing that we need to consider is the fact that we are increasing transparency to parents. It was a concern. The language was obscure. It was difficult. It was not transparent. It was opaque. It was difficult for individuals, families, often working parents, sometimes, sadly, even broken homes where mothers or fathers were working and they needed somewhere for their children while they earned a living wage. They needed some way to understand what was going on, and the legislation as it was written made that more difficult. It made it so that a select few could understand what was going on, those who had access to the resources to interpret it, had the free time to read it and understand that.

This is simpler legislation, legislation that can be understood by average families by comparison to before. Many aspects of it clarify the nature of the responsibility of a child care provider and how it interfaces with families and parents. I think that's important to understand. I think that also plays to the question of quality and safety. I think there are a lot of examples where the transparency can better inform the safety because now they better understand the nature of the relationship between the provider and the family.

I think we can also look particularly at two instances that my hon. colleague across the aisle the MLA for Edmonton-Whitemud pointed out, that there's an increase in flexibility, for which the official critic even lauds the minister for the work that she did, bringing in more flexibility to the act, bringing in more transparency in the licensing of providers. Interestingly, the critic also is concerned about affordability. Well, Mr. Speaker, I posit that when you increase flexibility and transparency, accessibility and affordability follow. It lessens the burden on the providers. It lessens the burden on the families. It makes it easier for providers to provide that service, to set up, to expand, to do the thing that they're there to do, lovingly care for these children. That's an increase in accessibility. It's smart policy. That's strategic thinking. It's saying that we don't need to overcomplicate these things.

We need to make sure we have standards. We need to make sure that we're concerned for the safety of these kids. At the same time we have to widen the number of folks that want to get into providing this. That's important. That's important because families like mine, when I was growing up, benefit from policies like that. It increases affordable options. That is something that I think should be a win for everyone in this Chamber and all families, wherever they come from, wherever they are in the province, whatever their occupation is.

I think it's important that we don't dismiss the important long-term effect that we have when we reduce red tape, when we look at the transparency for accessibility, parents understanding what's going on, when we look at the way in which we can improve quality by making the relationship between the provider and the parents stronger. All of that will increase the ability for families to afford it because there will be more providers. Strategically that's smart. It will also increase accessibility by consequence.

I think if we're looking at the concerns that the members opposite have, they can find the answers in the ways that they are applauding the act and the amendments we're bringing forward, particularly in the flexibility and transparency. I'm very grateful for the Member for Edmonton-Whitemud being thoughtful in her criticism and bringing forward those constructive points, where the minister has brought forward legislation that they would even say is good in that sense.

10:50

I would like to also point out concerns that the Member for Edmonton-Whitemud had surrounding the comments that my colleague from Drayton Valley-Devon made. Now, the Member for

Drayton Valley-Devon is a former teacher, in his past life. I think that it might have been unfair, the way that the Member for Edmonton-Whitemud brought forward and characterized his comments. The comments made by the Member for Drayton Valley-Devon were saying that ultimately, what brings quality in education is the person teaching. You can have all the degrees and certifications you want, you can have all the masters and PhDs and early childhood education qualifications or high school education qualifications, but what truly brings that quality are the individuals behind the letters, behind the degrees. That's the heart of it. That ultimately is going to be what makes this system work, any system work.

We're not policemen and -women here. We need to make sure that we trust, by and large, the way that Albertans run their lives, that parents make their decisions in an informed way, and that providers run their programs. Just as we do in education, we believe ultimately it's going to be loving, caring teachers that will provide the highest quality. More than any kind of degree they could have, it's the care for the children that matters. I think that when you look at it in that light, Mr. Speaker, it's a lot easier to understand the comments that members of the government side of the benches are making, that this act helps that.

This act allows individuals who work in early child care to more fully fulfill their desire to love and care for those children, to provide that care. If we were to look at the opposite, if we were to look at the alternative to this, we would see less ability for families to have a relationship with those providers, less of an ability for those providers to be able to find flexible solutions that meet the needs of those families and those children in those families. I think that would be a tragedy. It saddens me that the Member for Edmonton-Riverview has said that the opposition benches oppose the legislation. I think that's a tragedy. I think that's the missed opportunity, Mr. Speaker.

The fact is that this legislation is good legislation. It's smart policy that is not so constrictive as to box out Albertans from the decision of how they want their children to be cared for. I think it's smart legislation that strategically will broaden and deepen the number of providers and the quality of care from those providers, because we're letting them into the decision process. We're letting them know more about what's happening. We're making it easier for families to see that.

So, Mr. Speaker, I think that it's imperative that members of this House on all sides truly consider the consequences to families. Families like mine, when I was a child. Before I was political, before I was an MLA, I was just one of four boys. My mom wanted to make sure we had good early childhood education. We did, and that was because my parents were involved intimately in that nonaccredited but very high-quality early childhood education. I think that's really important. I think that is the key to understanding it.

When we start boxing out families from those decisions, when we start to see it as nothing more than a set of letters and qualifications, then we miss the point of early childhood education. It's the children, and it's the families. I think that is key, Mr. Speaker. I'd very much be happy to engage with members opposite on these points and the lens through which we as a government caucus, or at least myself, are viewing this, through the importance of putting the family first and helping them to make decisions that better serve their children.

Thank you, Mr. Speaker. I look forward to a spirited debate, and I thank the Minister of Children's Services for all the work that she did bringing it forward.

The Acting Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available. I see the hon. Minister of Children's Services has risen.

Ms Schulz: Thank you, Mr. Speaker. I really do appreciate the comments made by the Member for Peace River as well as some of the previous comments that were made before.

This really, truly is about families, and it was about recognizing that we are here to listen. For me it was really important as well as for the Member for Grande Prairie, now the Minister of Municipal Affairs, to listen to what families and experts had to say. When we talk about flexibility, the number one thing that came through our red tape portal – and I know that, obviously, as the government committed to reducing red tape, I had to try to figure out: what does that mean? What does that mean, and what impact does that have on those who are doing the incredibly important work of supporting kids and families? For it to come up that much, through our red tape reduction portal, suggested it was something that we needed to look at.

One example of that is providing that flexibility. We heard from Janet St. Germain – she's the founder of New Brighton Child Care in Calgary but also a couple of centres in south Calgary – and she said, you know, practically speaking, quote:

I've experienced many days where I've had two children, siblings, waiting to be picked up by their parents at 5:45; however, because they were in different programs, school-aged and daycare, I had to have three different staff members available: one educator for each child and one program director, out of ratio until closing.

Mr. Speaker, this made it very difficult for her to meet her own staffing needs and, therefore, meet the very strict and stringent requirements as put out in the legislation. This does not in any way reduce the safety of the children in care, but what it does do is that it allows experts, early childhood educators and child care centre directors and operators, to meet the needs of the kids and the families that they serve. I find that that is very interesting and encouraging that this is what the member had heard from many of the families in his constituency.

[The Speaker in the chair]

Also, when we talk about quality, Mr. Speaker, the number one piece that impacts high-quality early learning and child care, the number one thing we heard almost unanimously from parents, early childhood educators, and child care, preschool, out-of-school care operators suggested that it was high-quality educators. That's what it comes down to, so we have maintained wage top-ups, and that's where, obviously, we know that legislation doesn't govern these things on its own. We have legislation, we have regulations that are coming, and then we also have policies and funding decisions that we make. We have maintained those wage top-ups. They are the highest in the country, and we felt like that was very important in maintaining that high-quality care and showing that we really, truly do respect the impact that that has on the safety and quality of child care for all Alberta families.

The Member for Peace River also spoke about transparency, and I know that the Member for Edmonton-Whitemud suggested this change wasn't in the legislation. But I do want to point out that it's on page 8, where we talk about: parent notification of any changes under the program not only need to be posted but also they must inform the parents, because this was something where we did have to increase transparency and notify parents if any changes are being made. I know I spoke to that in my first comments on this bill, so I did want to point out, just for anybody who is looking, that that is on page 8.

And then also I think, you know, we talk a lot about families. I am curious to hear what the Member for Peace River has heard, potentially, from child care operators in his riding. I know that, specifically, a lot of the flexibility concerns that we heard from centres across the province really centred around, in some cases, rural and remote communities, and I feel that the member may have some additional insights on that.

The Speaker: Well, the hon. Member for Peace River has approximately 50 seconds remaining if he chooses to use it.

Mr. Williams: I do choose to, Mr. Speaker, and I want to thank the minister for her comments and question. The truth is that the one that you mentioned was one that I had heard more than once, the concern about mixed-age groups and the lack of flexibility that they had previously in the legislation. The truth is that there are as many reasons to choose a different variety of early childhood education as there are parents and families. They live varied lives. We see this in our own Chamber. We are varied individuals here. That's even more so the case out in the province, across my constituency. There are folks that have all sorts of different work schedules, religious beliefs, cultural practices, different family makeups, and all of that informs the way that they choose . . .

The Speaker: Hon. members, that concludes the time allotted for 29(2)(a).

I see the hon. Member for Calgary-Mountain View has risen to join in the debate.

Ms Ganley: Thank you very much, Mr. Speaker. I am pleased to rise and join the debate with respect to this bill. I will check the time to make sure that I am aware of the time. The time seems to fly when I'm speaking, for me, anyway; perhaps not for anyone else.

11:00

I've made some preliminary comments under 29(2)(a) with respect to this bill, but I think that I will focus my comments on why I think this bill is an abdication of responsibility on behalf of the government and in a way that I find incredibly and deeply concerning. One of the things that's happened sort of in the intervening time is that in late 2018 a fatality inquiry report was delivered, which the government responded to, I believe, in about September 2019.

For those who aren't familiar, fatality inquiries are a process by which the courts attempt not to necessarily assign blame but to determine systemic factors that could have come together to prevent a death from occurring. So the idea here is that someone has died by whatever means, and we're not talking about charging anyone, but the point is to make recommendations to government and to other agencies about ways in which similar deaths could be prevented. I think this is an incredibly important process.

This particular fatality inquiry was held before Judge Hawkes, a man who I know to be very diligent. He had a reputation for being very thorough as a lawyer and as a judge, I believe. I'm going to quote just a little bit from his writing before I go into what the recommendations are and how this bill fails to address them.

The fatality inquiry was into the death of Mackenzy Jane Woolfsmith. She was a 22-month-old girl. She died in an unlicensed day home. Part of what he says is:

The death of a child at the hands of a trusted caregiver is a parent's worst nightmare. That this nightmare is not an isolated incident, but part of a pattern in which children and child care workers are at elevated risk, is a serious public policy issue requiring urgent and sustained [action].

Like many tragedies, the death of Mackenzy was not the result of a single failure, but the interaction of many factors. Understanding and acknowledging that complexity is critical for two reasons; to explain this tragedy as fully as possible for her parents, and the public, and secondly, to provide a context for the scope and scale of the recommendations that follow.

He goes on to outline the fact that in this case the parents worked incredibly hard, that they did their due diligence, that there was no way they could have known this. He also outlines a number of other factors. He talks about the complex problems and why they require a comprehensive response. He says:

The second critical observation arising from the complex and interrelated nature of the causes in this case underscores the need for a comprehensive and integrated response. This tragedy resulted from the combination and cascading effect of several risk factors. No single change will provide an adequate response. A meaningful and appropriate response requires the layering of protective factors to minimize risk

The tragedy in this case was finally and ultimately the product of the criminal actions of . . .

I feel like I shouldn't read the name, just in case, so I won't.

. . . for which she has accepted responsibility and been dealt with by the criminal justice system. However, the fact of her sole and ultimate responsibility does not mean that there are not protective and supporting resources and elements that can significantly reduce the chances of similar conduct by others in the future.

I think it's important to understand that context, because this was a thorough inquiry, and it resulted in a series of recommendations that I think are important. Now, that isn't to say that someone could have known this before. This death was incredibly tragic. It occurred in 2012, so it predates this government, and it predates our time in government. But that's not the point. The point isn't that this was the fault of someone. The point is that an inquiry was completed with the intention of making recommendations, and those recommendations and the responses by the government to those recommendations are publicly available on a searchable database. I know because I instituted the requirement that that happen here in the province of Alberta when I was in government.

I'm reading from a letter dated September 25, 2019, also publicly available online, and it is the response of the Department of Children's Services as of September 25, 2019, to the fatality inquiry. They are required to respond. The first recommendation is: "The legislative framework governing the provision of child care in Alberta should be comprehensively reviewed to address and reduce risk to infants and children in all forms of child care (licensed and unlicensed)." Children's Services responds by saying that this is a priority, that the well-being of children is a priority, and that this will be taken into account in the review of the expiry date for the regulation in October 2020. I assume that review has been completed by now.

What concerns me is what we do not see in the legislation, which is to say any steps to reduce such risk. We have the removal of accreditation and the use of principles instead of accreditation, which means that those accredited standards – they do not have to do with safety; they have to do with early childhood learning – are no longer enforceable. If anything, there's not an increase there; there's a decrease in the regulation.

I think the other thing to note is that we have a move with respect to day homes. We have licensed and unlicensed day homes. The unlicensed ones will stay the same. The licensed ones will now have the same rules as the unlicensed ones. Again, we don't see an increase in any regulation, only a relaxing. I don't know what the outcome of that review was, but those recommendations are clearly not present here in this legislation which is before us.

The next recommendation is:

A specific focus of that legislative review should be to shift the focus from solely regulating the size of unlicensed daycare to a focus on reducing risk and increasing protective factors in all forms of child care. Academic research, the experience of other jurisdictions and the tragedy in this case all illustrate and support the need for risk focused regulation of child care.

The response on behalf of the ministry is:

As part of an overall legislative review, Children's Services will assess moving beyond the legislation's single-focus on the maximum number of children being cared for in a private setting.

The ministry will explore additional means for reducing risk and increasing protective factors in child care settings.

Unlike the last one, where they appeared to have said yes but then didn't implement it, in this case they're sort of saying: well, we'll think about it. Again, this recommendation is not implemented in any way by this legislation. The legislation doesn't do anything to create that regulation.

The next recommendation:

Significant operational and staffing changes must accompany any legislative changes to ensure timely and effective investigations regarding risk in . . . child care settings.

Operational changes include adding the necessary [lookup tool] capacity to track serious incidents and the providers who are involved in such incidents.

This goes on. It talks about a report of the Auditor General. There are multiple recommendations, but suffice to say that the point of the fatality inquiry, the main outcome of that fatality inquiry, was that we ought to be increasing regulation in all forms of child care.

Now, again, I appreciate what the members are saying about choice. I would reiterate that when we talk about choice, we're really talking about choice for some people only. Some people can't afford to make that choice. Now, some people may be making those choices for other reasons, and that's fine. A day home may be a better setting for a number of reasons for a number of children, and I think that that is fine, too. But I do think that this sort of focus on the buyer-beware model – I mean, it maybe wasn't obvious at the outset, right? This is one of those things: you know better; you do better. It maybe wasn't obvious at the outset that that model of sort of buyer beware could be problematic.

11:10

I think that this decision in this fatality inquiry outlines in substantive ways the reasons why there needs to be some regulation or some additional supports, and one of the things it talks about, too, is the need for additional supports for a day home operator who was facing challenges. In this particular case, it appears that the fatality inquiry concludes, or at least as much as it is able, that mental health challenges were a factor, and I think it's worth noting that, you know, potentially having had additional supports from the ministry, having had somewhere to go, might have been protective in this case. I think that's what we need to remember, at the end of the day.

You know, I can read out – well, I probably can't in the time I have remaining – the recommendations to this inquiry, the responses that the government has given, and illustrate the ways in which those are not implemented in the present legislation, but I think that the overall and overarching point I would like the public to understand, if there are, in fact, members of the public still listening at this late hour, is that the fatality inquiry is recommending an increase in regulation, an increase in protective factors around children.

Now, certainly, this was an isolated incident. It occurred as the result of a criminal act. I'm not denying any of that. I'm not suggesting that this was a cause, but I certainly am suggesting that the fatality inquiry does say that had greater regulation been in

place, it might have prevented the death. I think that that's an important factor to note because, yes, people are going to do things that are wrong. People are going to engage in criminal conduct. We can't prevent all of that. But it is the case that as legislators, as government, it's possible to intervene, to introduce increased protective factors, to create a system of regulation that minimizes the number of instances and the impact of those instances.

I think any one of us here, in thinking about our own children and thinking about an incident like this – I think it was put very well in the fatality report itself, that this is the worst nightmare of every parent. I think that if there are steps that we can take to potentially prevent similar incidents in the future, then we ought to take them. That's what worries me most about this legislation, not what's in it but what isn't in it.

This was an opportunity. The government has an enormous amount of legislation. The acts don't get opened all the time. It would be impossible to open every act every year. It would be impossible to open every act even every four years, particularly for a substantive review. There was an opportunity with this act to take into consideration these recommendations, to take into consideration the fact that a court and witnesses and judges and people turned up to hold a public fatality inquiry to come to these conclusions, to make recommendations, to try and make the world just a little bit safer for children, and they have been completely disregarded. That's why I view this act as an abdication of responsibility on behalf of the government, because I believe that in having received the report in 2018, having responded to it in September 2019, they had a responsibility to act accordingly.

Thank you.

The Speaker: Hon. members, Standing Order 29(2)(a) is available if anyone has a brief question or comment for the Member for Calgary-Mountain View.

Seeing none, is there anyone else wishing to join in the debate? I see the hon. Deputy Government House Leader has risen.

Mr. Schweitzer: I move to adjourn debate.

[Motion to adjourn debate carried]

Bill 35 Tax Statutes (Creating Jobs and Driving Innovation) Amendment Act, 2020

Ms Gray moved that the motion for second reading of Bill 35, Tax Statutes (Creating Jobs and Driving Innovation) Amendment Act, 2020, be amended by deleting all of the words after "that" and substituting the following:

Bill 35, Tax Statutes (Creating Jobs and Driving Innovation) Amendment Act, 2020, be not now read a second time but that the subject matter of the bill be referred to the Standing Committee on Resource Stewardship in accordance with Standing Order 74.2.

[Debate adjourned on the amendment October 28: Mr. Ellis]

The Speaker: Hon. members, we are debating Bill 35. We are on amendment REF1. Is there anyone wishing to join debate? The hon. the Member for Calgary-Mountain View.

Ms Ganley: Me again. Thank you, Mr. Speaker. I am pleased to rise and speak to Bill 35. We are on the referral? We are on the referral. This is my first opportunity to speak to this bill, and a referral, of course, intends to refer a bill to committee for further consideration. The reasons why one might support a referral are the same reasons why one might be against a bill in particular.

Bill 35, the Tax Statutes Amendment Act, is probably one of the bills that concerns me most of all the bills that have come from government. Certainly, I think there are two sort of important messages here. The first being that trickle-down economics doesn't work. It was one of the reasons I actually got into politics, to have conversations about that.

I think suggesting that I knew I was going to win the election in 2015 would be an overstatement of the case, but what I did hope was to have conversations with people about how we govern ourselves. I was arguably very naive about how door-knocking worked. I assumed that one could door-knock an entire riding in a matter of a few months and that it involved sort of knocking on the door and having a long, substantive policy debate with the individual you found on the other side. As it turns out, often not the case, but that was the intention as it was back then, to have those conversations, because I believed then as I believe now that this myth of trickle-down economics was having detrimental impacts on our society as a whole and detrimental impacts that rippled throughout society. That is the first point.

The second point is that every other decision that has been made by this government was a choice. The suggestion that there was no choice, that these are the things we had, quote, unquote, to do, is absolutely false. They were choices. A choice was made to rush to give \$4.7 billion away to already-profitable corporations. In fact, a whole series of other decisions were postponed. At the time a budget could not be introduced, school boards couldn't be told how much money they were – well, they were told; they were just told wildly inaccurately, which one might argue is actually worse – and a number of other divisions of government, agencies of government who perform incredibly important work, were not able to find out what their budgets would be because the government had to wait for the MacKinnon panel to come back. But they didn't wait to rush their \$4.7 billion corporate handout. Here we see them rushing it even further. Just for the sake of clarity, because this seems to come up time and again, this is the number that we have taken from the government's own budget. It is, in fact, their number.

This bill concerns me. It concerns me because thus far this handout to very profitable corporations hasn't generated a single job. One certainly can't argue that it was effective as a job-creation tool. In fact, there were 50,000 jobs lost before the pandemic even hit. That's a huge concern. It's wildly ineffective policy, but what makes it much worse than that is that it – or at least the government argues – forced them into a series of other choices.

11:20

So at the same time that we see this government rushing to give money away to profitable corporations not creating any jobs, we see them pulling back on services to Albertans. I mean, I can go through any number of services that have been cut, but I think probably the most important and the most prominent right now are both health care and education.

I point out for the historical records, since this lives in *Hansard* forever, that we are in the midst of a pandemic. In addition to my concerns about cuts to per capita funding in health care and education – honestly, even if per capita funding had been kept the same, I might still have some concerns. Because we are in the midst of a global pandemic, so clearly there should be additional money flowing into health care. I think that's pretty clear to me.

I think there should clearly be additional money flowing into education as well. Why? Class sizes, because cohorts are important. We're limited in the number of people we see, and we're limited in all sorts of ways that impact our health and our mental health and our society and our families in every aspect of our lives, but when the government is asked to do the tiniest thing to reduce class sizes,

they throw up their hands and say: well, it's impossible to make it perfect, so we ought not bother do anything at all. And I just think that that's an absurd response.

Limiting class sizes limits cohorts. It limits the spread of the disease, full stop. If that's not sufficient reason, consider the economic impacts. A class of 30 or 35 students instead of a class of 15 students has more than double the chance of having to self-isolate. Each individual student in that class will have to go into self-isolation more frequently because there is a higher number of kids in the class, so there will be more children who have COVID. It's just math. And that has impacts. It has incredible economic impacts.

It also has impacts on equality. Why? Because primarily it is women who have to stay home in these circumstances, and often these are women who are staying home attempting to do their job and parent simultaneously while also educating their child from an online educational forum. That's a lot to ask. It's particularly a lot to ask of people who are already under a significant amount of stress because of this pandemic. I think that's an enormous concern.

I think that per capita funding to education and health care ought to have increased, but to see it decreased and in particular to see the government, the folks with all the choices, the folks who have responsibility for this claim that they had no choice: it's offensive. It's offensive to me, and I think it's offensive probably to a number of other Albertans because it just isn't true.

These were choices. They were deliberate choices made. Cabinet met. They thought about what was important to them. Money for corporations that created no jobs made the list; the health of our children didn't. And I think that's problematic.

You know, the government has risen over and over again to say that it is impossible for them to do anything, and I say that that's absurd. The idea that it would be impossible to reduce class sizes – they talk about infrastructure. We have a number of children being educated at home, which means we ought to have more room in classrooms, and if that were not the case, we have empty community halls. We have universities that are sitting empty. As far as I know, the government never even went to any of these organizations and asked them if they could use the space, so they aren't even in a position to draw the conclusion that they couldn't do it because they don't have the information, and they are, at the end of the day, the entity responsible for having that information and making the decisions.

When I think about the work the departments do to brief up to cabinet, to tell them what their choices are and how much they will cost, the idea that this government has communicated nothing to the public about the decisions they are making in health care and education has just written the public off and said over and over again, you know: we don't owe you an explanation; we had to do that. Honestly, it's infuriating. It's infuriating not just in my role as an MLA but in my role as a citizen because I believe that governance is important, I believe that power comes with responsibility, and I believe that this government has exercised it in the wrong ways.

Those are the choices that have been made, and what's doubly infuriating about this bill is that it doubles down on a policy which has already been proven to fail, not in other times and other places – and it has been proven to fail in other times and other places – but right here, right now in this place also. It hasn't created a single job. It has had no positive effects.

This government – well, I suppose they have now moved from referring to diversification as a luxury they can't afford to calling it the D-word as though it were somehow a new concept that had just fallen out of the sky and into their laps. I think it's incredibly

frustrating to Albertans because Albertans have been talking about this since at least the 1980s, I would say, probably before.

Ms Hoffman: Oh, since Lougheed.

Ms Ganley: Since Lougheed.

We've been talking about it since Lougheed, so the idea that we would say that we should start to talk about it as though it's a dirty word I think is pretty absurd.

This bill comes forward. It doesn't even double down; it kind of triples down on an already-failed policy that hasn't created jobs, and it does nothing to help the people of this province. In fact, it takes from the people of the province, and that fundamentally is what I think is most wrong with this bill, that it is a transfer of money that could be used for services for all of us – for all of us – in this province, and instead it takes those resources and transfers them to the incredibly wealthy, and mostly to incredibly wealthy who don't even live here in Alberta. I mean, even if you imagined that giving more and more money to people who are already billionaires somehow was beneficial to the economy, it wouldn't even be beneficial to our economy. It would be beneficial to the economy of somewhere else. We've seen a number of companies who had clear numbers outlined in terms of the amount of money that they received from this, and then those companies withdrew from Alberta. They not only didn't create jobs, but they laid people off. It's clearly a failed policy.

I think what a government interested in making policy and governing based on the evidence before them would have done is to say, "Oh, well, it seems this didn't work; perhaps we should consider something else," and not consider something else in a funny little way, talking about the D-word for diversification and putting a little bit of money here and there, but really, seriously consider something else. I think, for instance, of this government's hydrogen plan, the plans to make a plan in three years that might actualize 20 years in the future. I think that by that point the market ship will have sailed on that. That's definitely a huge concern.

At the end of the day what we're talking about is the government taking \$4.7 billion that could have gone to health care, that could have gone to education, that could have gone just about anywhere else. [interjection] I see the government thinks this is hilarious. I don't really think that unemployed individuals and overcrowded classes in a pandemic are that funny, but I guess we can agree to disagree on that.

So far we've seen them rush this tax cut out the door. We've seen 50,000 jobs lost. We've seen them tell nurses, doctors, teachers, school children, worried parents, just about everyone in the province that there's no money for them, there's no money for what they need, there's no money to take care of them, but instead . . .

Mr. Jeremy Nixon: But we're still spending it.

Ms Ganley: You are still spending the money. Yes, the government is correct. They are still spending the money. They're spending it by giving it away to corporations, and that's exactly my point, that they're not cutting it. [interjections] They continue to find this hilarious. Okay. Well, there you go. They continue to cut per-student funding in education and health care. They continue to give that money away to corporations.

With that, I will say that this is a failed policy. It ought not to be continued.

11:30

The Speaker: Hon. members, Standing Order 29(2)(a) is available. Perhaps the Member for Calgary-Klein has something to add.

Seeing none, is there anyone else wishing to join in the debate? I see the hon. Member for Edmonton-City Centre. However, I will confirm at the table. I'm almost a hundred per cent certain he's spoken to REF1. In fact, he has. Is there anyone else wishing to join in the debate? If not, I'm prepared to call the – the hon. Member for Calgary-McCall.

Mr. Sabir: Thank you, Mr. Speaker. I rise to speak to the referral motion on Bill 35, tax statutes amendment act. I think it's an important motion, and I will outline the reasons why it's important.

This government campaigned on a promise that they will create jobs, they will help the economy grow, and they will build pipelines. One of the fundamental policies that they pursued to create jobs and help the economy and build pipelines was their \$4.7 billion corporate handout. When they provided that, initially it was the government's estimate that it would create 50,000 jobs, it would bring prosperity to Albertans, and it would help the economy and all those things. But before the pandemic, after they put this policy in place, Alberta lost 50,000 jobs. That was before the pandemic. The government deficit doubled their own estimates and went up to \$12 billion. Then during the pandemic that trend continued. We saw more job losses, and we saw the government deficit double from that \$12 billion, jumping to \$24.2 billion. This is the piece of legislation that's essentially expediting that corporate handout that we have seen fail everywhere.

I think there are good reasons that this bill should be referred to a committee for further study. As government when we bring forward a public policy, we set certain objectives, that this is the policy, these are the key features of this policy, and it will achieve certain results. In this case, the government put in motion this policy, a \$4.7 billion corporate handout. That's on page 144 of the 2019-23 government fiscal policy. It's listed on page 144 that that's how much this break is worth, \$4.7 billion. Government's stated objectives were that it will create jobs, it will create 50,000 jobs, while the numbers from Stats Canada clearly show that we lost jobs. Especially coming from Calgary, we have seen job losses in many different sectors, in particular the oil and gas sector. That is critically important to the entire province, entire country but particularly so for Calgary, which has many oil and gas companies. The headquarters of oil and gas companies are there. Ever since this policy was brought in place, we have seen pretty much every major oil and gas company laying off people from Calgary, from this province and cutting on their capital investments, moving their investments elsewhere. Clearly, that's not what the stated public policy objective of this government policy was.

Initially we saw EnCana move out of province, out of country altogether, and they benefited from this policy in the amount of some 50 million-plus dollars. Then we saw Husky laying off 371 people. They did cut down their capital investment, and they moved their investments elsewhere, in the United States and towards the east coast, as well. Husky also benefited from this very policy. Then we saw Suncor, also a beneficiary of this policy, laying off people in Calgary, in Alberta. Then we saw TC Energy, who also benefited from this very policy, laying off Albertans, laying off people in Calgary. Then a couple of weeks ago we heard about the Cenovus and Husky merger, and as a result of that, we also saw job loss in Calgary, job loss in Alberta.

I think that's pretty clear evidence that the stated objectives of this government policy are not met, and a policy that has failed to achieve its objective ought not to be put on steroids, ought not to be pursued any further. It is for that reason that we brought forward this referral amendment that will give government an opportunity to hear from Albertans, to hear from experts, hear from economists, hear from Albertans at large about the impact of this very policy.

11:40

When we were in government, on many different occasions we were lectured about the benefit of committee process, which was not that common in Alberta. But since the Premier was in Ottawa for a long time, we were told about all the benefits of committee process work and how the committee process opens up opportunity for experts, opportunity for the general public to be part of these policy discussions. In this particular case, if we pass this amendment, that will send this bill before a committee and exactly open up that opportunity for the public to participate, for experts to participate, for economists to weigh in, and in fact for this government to evaluate their policy.

As I said, there is pretty clear evidence in our ridings. There is clear evidence coming from Calgary, where we have seen many job losses despite government promises, that because of this very policy, we will see jobs return to Calgary, of Alberta. Because of this very policy, Albertans were promised that they will see investment come back to Alberta, investments come back to Calgary, that because of this very policy, we will see some sort of prosperity. Clearly, we didn't see that. We didn't see that in Calgary. We saw job losses in Calgary. We saw a vacancy rate of 30-plus per cent in downtown Calgary, those very towers that this UCP promised during their campaign that they will help Calgary refill, but we have seen an increase in that vacancy rate.

If we move this bill to committee, we will have that opportunity to see what we can do differently that will help Albertans, that will bring jobs back to Alberta, that will bring jobs back to Calgary, that will bring investment back to Alberta, that will bring investment back to Calgary. That's why I think this referral amendment is important. It will be an open and transparent opportunity for all of us here and for the public at large to evaluate the government policy. If there is some evidence that this break is working, we can bring it back, and we can certainly move ahead with these amendments that are contained in Bill 35. But so far what we know is that this policy has not worked. So far what we know is that this policy has not created any jobs. So far what we know is that all major employers in Calgary – EnCana, Husky, Cenovus, Suncor – have laid people off despite getting money from this \$4.7 billion handout. They have not decided to invest here in Alberta. We didn't see any other investment heading to Alberta either. This is particularly concerning for people in Calgary, who have seen job losses pretty much on a weekly basis, especially from those corporations that have benefited from this \$4.7 billion corporate handout.

Sending this bill to committee will give us the opportunity to evaluate this policy in detail and see whether or not this government should be pursuing that any further. Thank you, Mr. Speaker.

The Speaker: Hon. members, Standing Order 29(2)(a) is available, and I see the hon. the Minister of Justice and the Solicitor General has risen.

Mr. Madu: Thank you, Mr. Speaker. You know, I have listened to the Member for Calgary-Mountain View as well as the Member for Calgary-McCall speak on the referral amendment. Sometimes it's so hard to sit here and listen to the members opposite talk about economic policy, tax policy, and the economy. I just wanted to very quickly remind the members of this esteemed Assembly and fellow Albertans who may have tuned into tonight's proceedings that we had the NDP in charge of our province for four years.

Member Ceci: And do a great job.

Mr. Madu: And, by the way, the worst Finance minister in the history of our province is heckling down there. You know, the

Member for Calgary-Buffalo, Mr. Speaker, is the reason why many of us decided to get involved in politics, to make sure that the Member for Calgary-Buffalo isn't the Finance minister of this province given the fact that he remains the worst Finance minister in our province's history.

But, Mr. Speaker, they often talk about the \$4.7 billion even though all reputable economists out there have discredited that allegation, but I know that for the members opposite data and facts don't mean anything. What is important is that the people of Alberta see them for what they are.

You know, Mr. Speaker, let's talk about billions of dollars. Between 2015 and 2019 the NDP, while they were in office, racked up the province's debt. They took a province that was in surplus \$1.3 billion, that Member for Calgary-Buffalo, a province that had a \$1.3 billion surplus to a record \$64 billion. You know, the entire provincial government debt – they want to talk about billions of dollars. The entire provincial government debt in 2015 was \$12 billion. They ran deficits in the billions of dollars. They talk about \$4.7 billion. The members opposite ran deficits – \$6.9 billion the very first year, \$7.9 billion, \$10 billion, \$9 billion – until they were sent packing by Albertans in April 2019. [interjections]

You know, Mr. Speaker, you can see that they're all heckling because they can't stand facts and data. While the members opposite are speaking, on this side of the aisle we allow them to and we listen because facts are important in debate. But the members opposite can't stand that, and that's why they keep heckling all the time.

11:50

The people of Alberta see them for who they are, a political party that took one of the strongest provinces in this country and nearly ran it to the ground. Thankfully, the people of Alberta rescued their province from the reckless socialists. You know, Mr. Speaker, they talk about the vacancy rate in Calgary. They forget that the vacancy rate in Calgary was as a consequence of the disastrous policy that they pursued for four years, reckless spending characterized by debt and deficit. The province had difficulties even borrowing money while they were in charge of our province, so we will not be lectured by the reckless, socialist NDP.

The Speaker: Oh, that concludes the time allotted for 29(2)(a).

Is there anyone else wishing to speak to amendment REF1? I see the hon. Member for Edmonton-Meadows has risen to provide some comments.

Mr. Deol: Thank you, Mr. Speaker. It's my honour to use the opportunity to rise and speak to the amendment on Bill 35, Tax Statutes (Creating Jobs and Driving Innovation) Amendment Act, 2020, to be referred to committee. I think this is a very important referral that I do want to support and encourage the members of this House to support as well.

[Mr. Reid in the chair]

I think one thing, clearly, that both sides of the House probably agree on is that Alberta is going through a very critical situation right now. The theory that the UCP government attempted to build on last year, coming into power, is widely known as trickle-down effects, and this has proven, you know, to be a failed theory. This experiment has been applied in jurisdictions around the world, not in one place, not in just two, three, four, five different countries. Wherever these policies were tested or applied, it did not produce the intended consequences or results as they were claimed by the governments.

I just wanted to discuss some of my own experience, background, where these policies were tested exactly back in the early '90s. Since then one of the greatest examples in India, India's biggest employer, the Indian Railways, that employed roughly 2 and a half million people, let go in these nearly 20 years 1 and a half million employees. Now, in these days, it is being discussed that one of the strongest, profitable sectors of that government is to be sold to private investors. Another million people right now working in the railway sector are facing the risk of losing their jobs in these days. This is the consequence of those trickle-down effects that were implemented.

The Prime Minister of India was projected as one of the brilliant intellectuals, a clean, honest person on the Earth. He was also invited to the U.S. and given the state honour that none of the previous Presidents or Prime Ministers or even after ever received from the U.S. government. Not only that, one of the important sectors that – I'm just trying to remember the exact name. The LIC, the Life Insurance Corporation of India. That helped not only the millions of employees going home but guaranteed income, built up bonuses, also helped to prosper India into education, into health, into infrastructure, and modes of transportation. That was sold under this experiment.

[The Speaker in the chair]

By selling that, you know, the LIC, what we have witnessed in those last 15 years is the destruction of the public education system in India, the public health care system in India. I have more to say on why I want to refer this bill to committee, the situation we are going through. Not only this but the expert advisors in this province are not really in favour of moving forward on this. This is very important for us to actually move this bill to committee.

Mr. Speaker, with these comments I conclude my remarks on this bill, and I also move a motion to adjourn debate.

[Motion to adjourn debate carried]

Mr. Schweitzer: Mr. Speaker, it's been a riveting night of debate. I move that the Assembly adjourn until 1:30 p.m. on Tuesday, November 3, 2020.

[Motion carried; the Assembly adjourned at 11:59 p.m.]

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