



Province of Alberta

The 30th Legislature
Third Session

Alberta Hansard

Wednesday evening, April 27, 2022

Day 25

The Honourable Nathan M. Cooper, Speaker

Legislative Assembly of Alberta
The 30th Legislature
Third Session

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Independent: 3

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Legislative Assembly of Alberta

7:30 p.m.

Wednesday, April 27, 2022

[The Deputy Speaker in the chair]

The Deputy Speaker: Hon. members, please be seated.

Government Bills and Orders Third Reading

Bill 13 Financial Innovation Act

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

Mr. Toews: Well, thank you, Madam Speaker. I rise tonight to speak about and move third reading of Bill 13, the Financial Innovation Act.

This legislation would create a regulatory sandbox to help finance and fintech companies develop new products and services in Alberta. Madam Speaker, the benefits of Alberta being the first province in Canada to offer this kind of service are apparent, and I'm proud to highlight them during debate of this bill. These benefits include economic diversification, job creation, strengthening Alberta's reputation as a province that welcomes innovators and new ideas, and, of course, the potential for new investment from a growing sector of the economy.

I want to reiterate today that the protection of Albertans' privacy and personal information is our top priority. We built protections into the legislation itself. Applicants would be required to meet stringent eligibility criteria. For example, they would be required to provide a business plan that includes details of what would be tested and how consumers would be protected. Any time we receive a request for exemptions to the Personal Information Protection Act, we would consult with the office of the Information and Privacy Commissioner, and in fact that commissioner and Service Alberta would need to approve those exemptions before the application could proceed.

We're also taking steps to ensure Albertans are fully aware of the companies participating in the sandbox and the products and services that they're testing. A public website will disclose all relevant information, including the name of each participant, a description of the product or service, any and all exemptions for each participant, and any terms, conditions, and restrictions the participant must follow.

Madam Speaker, if you would indulge me for a few more minutes, I will reiterate the benefits Alberta will see from this proposed legislation one last time. At last count nearly 63,000 Albertans were employed in the financial services sector in this province. From 2000 to 2020 Alberta's GDP in this sector grew at an annual average rate of more than 4 per cent, outpacing growth in all other provinces. In 2020 the financial services sector contributed over \$14 billion to the provincial GDP. When we talk about diversifying Alberta's economy, this is the sort of thing we're talking about: taking meaningful steps to attract new businesses, investment across a broad spectrum of economic sectors, growing and diversifying our economy.

That's why, Madam Speaker, I encourage all members to support this bill. Thank you.

The Deputy Speaker: Are there members wishing to speak to Bill 13 in third reading? The hon. Member for Edmonton-Rutherford.

Mr. Feehan: Thank you, Madam Speaker. I appreciate the opportunity this evening to enjoy this fine evening indoors and talk about this most important Financial Innovation Act. You know, as I read through the act and, of course, listened to the minister introduce third reading, I certainly am seeing many things to be happy with and things that I can support in terms of this particular bill. I'm sort of glad to see, actually, that the UCP kind of went to school on what the NDP did in their government when, through the Alberta Securities Commission, we also created a similar sandbox initiative, that turned out to be, I think so far, relatively successful. I'm glad you picked up on the idea.

You know, I think that it's quite a good step for a government to try to create space for innovation and creative business ideas, so I'd certainly like to see that happen. I mean, the advantage of this kind of a sandbox thing is that people get a chance to try out things that either regulations have prevented them from doing in the past or where the circumstances have just not been there for them to test the waters properly, with the right kind of supports and guardrails up in case. It's good to have a sandbox that allows that opportunity to kind of see: can we push the barriers out a little bit, can we go a little bit farther than we used to go, and can we do so expeditiously, with the right structures in place to allow that to happen?

The disadvantage, of course, with any kind of innovation is that you actually don't know a lot about it. The very nature of it is that things are going to happen that you couldn't have likely predicted. Now, of course, you do your job and your due diligence. You sit down and try to guess what kind of things will happen, and you try to make sure that you've got everything in place to ensure the integrity of the process as it moves forward. But the very nature of creativity is that you're exploring new areas and boldly going where no man has gone before. You never know what kind of troglodyte you might actually run into as you venture forth.

So we need to be a bit cautious here because certainly, with any kind of creativity, there is an increased risk factor. The protection of consumers I think is something that we need to keep centre and foremost in our consideration of the level of risk that we are prepared to accept as a society, because not all actors have been good actors in the history of humanity. Sometimes when people are allowed room, they take that to take advantage of others and to go into places and do things that were not intended but were also not outlawed.

That brings us to a place where we have to kind of look at: can we trust the government to be on top of this and make the right kind of decisions? Of course, we've had some real serious reasons to be concerned about our trust in government over the last little while. We've certainly seen a number of actions taken that, you know, leave people pause to be concerned. I mean, only yesterday I had the chief executive officer of the Nechi Institute in to talk about the fact that the government summarily evicted them from their place of residence, that they had been in for 36 years, and without any kind of consultation, just simply delivery of a registered letter saying: you've got three months to get out.

Of course, at the same time the government minister stood up in the House and assured the House – it's easily found in *Hansard* – that he would work to find a new location for them. Here we are two years later, and no work has been done in that effort. You know, it leaves us wondering: well, if the government doesn't say what it's going to do in this case, will they say what they're going to do in this other case?

You know, similar things can also be said about things like the doctors' contract, which was, again, summarily, single-handedly killed by this administration without consultation with the doctors. They just went in and said that this contract is no longer valid, with no appropriate negotiations, those kind of things, no notice. We

know that the government has taken positions like that that make us wonder: what happens when things start to go awry with regard to this new Financial Innovation Act? Will the government have the best interests of the public, or will they use it as an opportunity to pursue gain for themselves and not for the citizens of the province of Alberta?

We know, for example, that the government also made changes to the indexing of both AISH and the seniors' benefits and, of course, the indexing of your income tax, which, I'll remind everyone in the House, is due on Saturday, I think it is, so you'd best get it in. In that particular case, the government again made decisions to change the rules not for the benefit of the recipients. The AISH recipients have lost money as a result of this, the seniors' benefits recipients have lost money from this, and Albertans will be paying somewhere in the neighbourhood of an extra billion dollars in future years as a result of this change by the government. None of these things were announced ahead of time or consulted on. They were simply done summarily by this government.

7:40

So it leaves us in this place where people have to say: "Okay. If we are entering into a world where we are pushing the boundaries and looking for new, creative ways to move forward with our money, who is going to be there to protect us from the obvious increased risk that's associated with doing something that's new? Who is going to make sure that we are, as citizens in this province, well taken care of?" People are quite used to in this province having a sense of security in our banking because we have put in rules and structures over the last hundred years in Canada to ensure that people's deposits are protected and that there's security attached to them.

You know, in Canada when someone gets their paycheque put into the bank, there is no doubt in their mind, the average citizen's mind, that when they arrive at the bank the next day and they put their card into the machine, they will indeed be able to withdraw that money, because they know the system works that way.

I know that in the States they've had some problems with some schemes because they allowed some extra range. There was a credit union – I'm not sure that's the right expression in the States – in the States where people made their deposits, and the CEO essentially just took 100 per cent of them, then closed up shop, so they lost all of their deposits. They went into the CEO's salary. So we've seen financial innovation be terribly devastating in the States because of the lack of regulation.

We can go on and talk about a number of other crises that have occurred with regard to short-term credit and loans, the housing and loans debacle in the States, and so on. We know these things can go awry – we've seen terrible examples – and we have long taken pride in Canada that we watch these horrendous things happening in the States but actually not happening in Canada. Why do they not happen in Canada? Because in Canada we accept that the role of government is to ensure that people cannot take advantage of these situations. So we are in a place now of having to depend on the government to do exactly that.

But I ask the question of the government: what safeguards are in place to ensure that as these risk factors are met for the first time, we have the preparation, both in terms of the structures, the people, the technical knowledge, and so on to move ahead and, of course, the regulations that would allow us to actually move ahead? That's always difficult, I understand, because you don't know what the risk factors might be. Really creative people can be creative in quite horrendous ways sometimes. Of course, we wouldn't necessarily think that that would ever happen, but all of a sudden somebody

does something and we go, "Good Lord, we didn't anticipate this was going to come out of this particular bill," but it does.

So we have to ask the government: do you have sufficient safeguards in order to ensure that the citizens of this province are well protected? Do you have the technical capacity to deal with this in-house? If not, are there people who could be brought in to provide the technical capacity when the time comes? Do you need to establish now some contracts for people to be watching the process, people with the expertise to identify problems before they become big problems, while they're still, you know, in the nascent stage of development? Those are the kind of things that we really need to make sure of.

We also need to make sure that in this international world that we have, people don't come into Alberta, use it as a chance to do some things, and then shift all the monies and products offshore, where they cannot be held to account by Canadian laws and Canadian judicial systems. We just have to be cautious of all that. Now, I'm not anticipating, you know, that all these horrendous things I'm talking about will happen. What I'm saying is that they might happen, and it's the job of the government now to say: what will we do to ensure as much as possible that we prevent them from happening in the first place and that we are ready to identify them as they begin happening and before they become a real crisis for the average citizen?

I'm also very concerned about the level of information that will be provided to citizens who may engage in some of these new possible transactions. Their expectation is that these new vehicles, whatever they may be, will be, you know, essentially the same as the old vehicles in terms of their own risk factor, and that may not be true, so we need to have a pretty strong set of regulations about public disclosure that these are new vehicles, that there are potentials for risk, that you may find yourself in a situation that you would not normally expect using other vehicles that are available to you in the financial community.

You know, it's just an issue of being forewarned fairly, and that implies, of course, informed consent. You can only agree to engage in these transactions if you understand what it is you're agreeing to. There really needs to be a fairly stringent set of regulations around how these things need to be described not only to the citizens who buy them but, of course, to the professionals who helped market them, financial advisers and so on, so that they indeed are not able to sell these new vehicles unless they have been properly trained in the implications and the risk factors involved.

These are the kind of questions I have about this particular bill. I intend at this point to support this bill because I do believe in creativity. I do believe in innovation. I think that's how we move forward. Certainly, it's why I have long supported issues such as renewable energy, because I think it is about moving forward. It is about trying something new and making sure that we as a province are not laggards holding back, waiting for the last minute to get onboard, but really are at the forefront of innovation so that people come to us to seek that kind of knowledge, the same, you know, kind of thing that we were doing when we were building our renewable sector here in this province.

We understood that we may not be the only people in the world – maybe not the largest in terms of our CO₂ emissions, but if we learn to handle them very well in this province and to protect sort of a middle-class style of living while at the same time protecting the environment, that kind of knowledge would lead us to be experts in the world. People would come to us, and we'll be able to make profit from selling that kind of knowledge throughout the world.

The same thinking applies here in this case. The creativity is supported. The idea that we cannot go back to the past economy of the 1970s or 1980s, that we need to move forward into a new kind

of economy, is something that certainly we on the NDP side of the House have celebrated regularly. We wish that more often the government would be focused on where the economy is going and not where it has been.

I guess I will wrap up my ever-so-brief comments at this time by saying that I hope that all things go well from here on and that we actually as a province benefit from this kind of change.

Thank you.

The Deputy Speaker: Are there others to speak to Bill 13 in third reading? The hon. Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Thank you very much, Madam Speaker. It's my pleasure to speak to Bill 13. My voice is a little off as I've been talking quite a bit today, but it's my pleasure to rise and speak to Bill 13. I believe this is the first opportunity that I've had to speak to this bill.

I have a number of comments I want to make. You know, I guess I can start off with my position on this bill, in which I do support this bill. I have declared on a number of occasions in this Chamber over the past several years that I am more than happy to give credit where credit is due, so I will thank the Finance minister for bringing this bill forward. I think there are quite a few elements of this bill that I can definitely get behind.

I know that my colleagues have outlined a few of their concerns. I listened to the Minister of Finance, when he moved third reading, talk about some of the consumer protections that exist in this piece of legislation before us, and I do appreciate that. I appreciate that, Madam Speaker, because it shows that the minister and the government have been listening to a number of questions that my colleagues have raised throughout the different stages of this bill, and I appreciate that the government is addressing them and taking those concerns seriously. That's nice to see.

7:50

In my comments on this bill I will take a friendly poke at the minister in that some of the concerns that have been raised by my colleagues and others around risk and risk mitigation sound awfully familiar, in fact, so familiar that I believe some of the UCP members raised those exact same concerns on my bill, Bill 203, creating a venture fund that Albertans can invest in. You know, with that, I say that with a half smile for the minister, which I'm sure that he appreciates, through you, Madam Speaker.

It's important, you know, to recognize that there are some risks. I was happy to hear the minister earlier talk about that companies that are looking for an exemption from the Personal Information Protection Act, or PIPA, have to apply for that exemption, that it's not granted *carte blanche*. I think that's an important measure, an important oversight. Glad to see that it's not just given *carte blanche*. Again, Madam Speaker, it's not because there is a lack of trust with our companies and financial institutions. I think it's just good oversight to ensure – and I would imagine that financial institutions welcome this oversight themselves. Why? In a given industry if there is a bad actor in that industry, it tarnishes all of their reputation, and financial institutions recognize that. Quite frankly – I mean, I'm sure the Minister of Finance can attest to this in his meetings with these institutions – they don't want to see bad actors. It hurts their reputation. It hurts the industry reputation. They want to see proper oversight when it comes to legislation like this one before us.

Now, again, I will, you know, make a comment that it is good to see that the Finance minister has finally embraced diversification. I'm sure that – and I say that partly in jest and partly in truth. I mean,

the reality is that there have been moments where I have misspoken in my political career.

Mr. Eggen: No.

Mr. Bilous: I know. They were really rare. In fact, you'd have to dig hard to find them.

I'm sure that that comment around diversification is one that the Finance minister shakes his head every time he hears the opposition repeat it. I will give him the benefit of the doubt, that that's likely not what he meant.

In all seriousness, it is important to recognize that, you know, yes, Alberta's prosperity has been largely driven and due to our thriving oil and gas sector. That, I don't think, anyone can dispute, not credibly, anyway. But I think it's important to recognize that Alberta has also been home to a number of other sectors that have flourished and flourished over a many number of years.

I always take pride in the fact that the city of Calgary has the second-largest number of financial institutions and headquarters in Canada. That's no small feat, Madam Speaker. Yes, you know, if you speak to someone from Toronto – it's a stereotype, but I feel like it's fairly accurate – they believe the universe revolves around them. It's nice to see that western Canada and Alberta punch above their weight when you look at the size of our population and the revenue and GDP that's generated from this province and from a number of sectors.

I mean, I'm happy to give a shout-out not only to the financial sector, which – Madam Speaker, I don't know if you know this. Well, you probably do, but many Albertans probably don't know that the financial services industry employs over 60,000 people. That's a significant number of Albertans who make their living working in the financial industry. I'm very proud of, you know, not only our energy and financial industries but our agricultural sector, our forestry sector. Alberta's life sciences is, honestly, one sector that probably doesn't get enough attention when you look at some of the breakthroughs in medicine and in innovative health devices that have come from Alberta. We know that we have an incredibly strong tech sector. We know we have really strong interactive digital media gaming companies here in the province.

We have a tourism sector that we recognize has been hit incredibly hard over the past few years with COVID, but it is a resilient sector that I'm confident, with the right supports, will make a significant comeback. I am glad to see that the government has looked at COVID as an opportunity to reposition some of our institutions, like Travel Alberta, to develop destination products, which is unique to the rest of the country. I've said this to the minister, you know, that I agree with it, and well done.

I think there are significant opportunities that our province has, and some of those have come from policy and from legislation. Some have come, quite frankly, from the innovative entrepreneurs that call Alberta home. Could that be because Alberta and the west had quite a few folks who settled from jurisdictions like Ukraine and other parts of the globe where they had to be incredibly innovative in making a living? You know, I'm proud to be part of a province that has such a rich history but has also turned out, I would argue, some of Canada's best entrepreneurs and innovative companies.

This bill before us creates a regulatory sandbox or at least puts regulations on hold temporarily and, as I had said, with some measures of oversight. They have to apply for those regs to be put on pause so that they can experiment. Now, I appreciate that as soon as we talk about that, there are concerns that members have as far as: how do we ensure that there is proper oversight? How do we

protect the privacy of Albertans? How do we ensure that companies who are coming here to experiment will in fact stay here to develop products and not take advantage of the legislation before us, come to Alberta, experiment on a couple of products, and then take those learnings elsewhere? I think it's paramount that Albertans will get to benefit from putting these regulatory requirements on hold so that companies can truly experiment and be innovative in their processes.

That oversight: again, I believe the minister addressed that, but I would feel more confident knowing that companies cannot use Alberta as a stopover on their way to a final destination to implement their learnings that they gather here in Alberta. [interjection] I see the Minister of Finance rising. I am more than happy to give way.

8:00

The Deputy Speaker: Sorry. I hesitate to interrupt. Just for the record – actually, my apologies. You may have an intervention.

Mr. Toews: All right. Well, thank you, Madam Speaker. I just want to respond to the Member for Edmonton-Beverly-Clareview, who rightfully raises a concern that companies would come into Alberta and simply use us as a testing ground and ultimately leave the province. We're limited to a degree in terms of what we can do. We can't trap people here in the province against their will. But what we have as a requirement is, in fact, that a company be physically present in the province during the time that they're active, testing a new product, a novel product within Alberta. I believe that's the best we can do, and I'm convinced that when they move to Alberta, if in fact they've come to this province, that in fact, given the entrepreneurial culture, the optimism in this province, and the incredibly competitive business environment, they'll choose to stay.

Mr. Bilous: Thank you. Through you, Madam Speaker, to the minister: thank you for those comments. I appreciate that. I know that in my time in government we looked at, when it came to accessing health data, which – any life sciences company will tell you that Alberta is the crown jewel in North America because of the fact that we are the only jurisdiction that has a single health care delivery system. We are the only one. There is no other jurisdiction in Canada that has a single health care delivery organization. Because of that and because Alberta is such a diverse province, made up of 4 point something million, every company in life sciences that I had sat down with in our time in government was eager to come to Alberta.

One of the conversations that we would have is: how do we ensure that the data that they are accessing stays in Alberta? I appreciate that the minister has required companies to be active in Alberta. Now, I'm not sure – and, you know, I'll beg forgiveness of the House – if there's a time frame around that or if companies could, while they are under a certain company banner – that law applies to them. But if they shut down that company and open a new company in another jurisdiction, can they then transplant those learnings elsewhere? I'm not advocating, Madam Speaker, that we are trying to force companies to stay here or limit them to only operate in Alberta. I think that would be short sighted. I just want to make sure that whatever data or benefits they experience from being here in Alberta, because Alberta is being innovative and allowing for processes that currently don't exist anywhere else in Canada – I'm not sure about North America – they will use that data or those learnings here in Alberta so that Albertans can benefit from being the sandbox. Again, I think the minister partially answered that.

My hope is that there are other potential mechanisms to ensure that Albertans share in that benefit. Again, I'm not talking about limiting those companies from operating elsewhere. I'm not talking about them taking those learnings and applying them to other jurisdictions. I mean, I appreciate that that's how global commerce works. I just want to ensure that Albertans will continue to benefit from this for the long term. Again, as I've said, I think . . .

The Deputy Speaker: Are there others to speak to Bill 13 in third reading? The hon. Member for Calgary-Bhullar-McCall.

Mr. Sabir: Thank you, Madam Speaker. I rise to speak to Bill 13. I can say that I agree with the idea in principle. Certainly, as my colleagues have mentioned, I do have questions. I do have concerns. We do live in an increasingly digitalized world where innovations, innovations in particular in the tech sector, are changing things, are changing economies, are changing the way of doing things rapidly around us. It's important that we also change and position ourselves, our economy in line with those developments, benefit from those developments and not get left behind. It's nice to see this bill coming forward.

The minister also mentioned that this is how the minister envisions to diversify the economy. Maybe nobody else from my side was there, but I was at an event in Calgary where the minister said that diversification was a long-term luxury, and . . . [interjection]

Mr. Toews: Well, thank you, Madam Speaker, and thank you to the member for giving way, for an opportunity to once again, for probably the eighth or 10th time in this House, clarify those comments of over two years ago. The question that was posed to me was in the context of government revenues. At the time we did not have the luxury to diversify the province's revenues. That was critical. We were not in a position where we could look at adding another tax, where we could consider another revenue source at a time when we were looking to position our economy for maximum competitiveness and certainty. I appreciate the member giving way and allowing me to just provide clarity, once and for all, for the comments around revenue diversification with respect to government revenues. I fully appreciate diversification.

Mr. Sabir: Thank you, Minister, for telling us his view of what he meant, his, I guess, redefined position. While I was sitting there, I heard in no uncertain terms that the context there was that government was moving back towards the policies of the past. That was the context I understood. It was attended by business leaders. It was attended by industry leaders, which are far ahead when it comes to technological developments and diversification ideas. That was the question, the context of the question. The minister then said that diversification was a long-term luxury. But glad that it didn't take that long, and at least we are talking about it, and we are discussing ideas of how we can benefit from the technological developments around us and how we can use those to innovate and diversify our economy.

8:10

There are many aspects of the bill which are quite positive, which are quite clear, but there are many details that are left to regulations and not just regulations; pretty much ministerial orders and minister's discretion and the minister working with Service Alberta's consumer protection legislation, the in-charge minister, that will be Service Alberta.

I said that there is broad agreement on the policy approach, that we are taking steps to benefit from technological developments in trying to diversify our economy, but this legislation leaves a lot of

details out. I do understand that they can't put every detail in the legislation. Then it gives enormous powers to the cabinet and minister, and I'm sure that some of these powers will assist or may assist a regulatory sandbox. They may assist us to implement the regulatory sandbox.

But at the same time these powers also require that this Assembly and Albertans trust this government. That's a very challenging position to be in given the record of this minister and this government. We are finding it difficult to trust that this government will do the right thing, get it right. We are asked to trust that this government will take all steps needed and necessary to protect consumers, to protect Albertans' interests while these new financial products are developed and introduced in Alberta's market, especially those products that Albertans have not seen before, that they're not familiar with, and they may require a certain degree of understanding of fintech and new technological developments.

Madam Speaker, the key issue here is trust. The bill has positive aspects to it, but should we trust this minister and this government on this issue? [interjections] Some colleagues suggested yes, but I may say that this minister was taken to the cleaners on KXL, a \$1.3 billion tag for Albertans. Should I trust this minister?

Some Hon. Members: Yes.

Mr. Sabir: Then I can come up with new examples. Those who participate in debate: I might draw examples from their portfolios as well.

When Albertans were getting sick, when Albertans were dying, when their loved ones were dying, when the senior care system was struggling, again they asked us: trust us. The result is that we saw 4,000 neighbours – 4,000 Albertans died during wave after wave, wave after wave of this pandemic, and Albertans entrusted them to look after their health care system, their well-being. And, Madam Speaker, they did fail Albertans on many fronts. Throughout the pandemic they were fighting and bullying doctors, health care professionals.

Mr. Rutherford: Point of order. That was bad timing.

The Deputy Speaker: That was a point of order.

Point of Order Relevance

Mr. Rutherford: Madam Speaker, things were going so well there for a little bit. I rise on 23(b). I think the member has strayed quite far off the Financial Innovation Act, and I would just ask, through you, Madam Speaker, that we get back on topic and talk about Bill 13.

The Deputy Speaker: The hon. Member for Edmonton-North West.

Mr. Eggen: Yeah. No. I think, Madam Speaker, it's clearly a matter of debate. The member is just making a direct connection between the elements of Bill 13, that require quite a lot of ministerial authority in the Finance minister, and then, you know, to the degree to which – can we trust that based on other clues that we've had over the last couple of years?

The Deputy Speaker: We're having such a pleasant evening, and I think we can carry on in that manner with some caution given to, certainly, the hon. member to make his comments most relatable to the bill and the debate at hand. I know he has the extraordinary

ability to do so. I very much so look forward to that continuation of the debate.

The hon. Member for Calgary-Bhullar-McCall.

Debate Continued

Mr. Sabir: Thank you, Madam Speaker. Thank you for your caution. It's my first time speaking to this piece of legislation, and at third reading usually there is a broad leeway, that you talk to the bill in its final form. As I mentioned, that bill leaves out many details. It boils down to the trust in the minister and trust in government, whether or not we should be supporting this piece of legislation. That's exactly what I was saying. There were certain questions that we should trust, and there are many examples – and I gave a few examples – where we shouldn't trust this government. For instance, when they were in opposition, when they were not in charge, they were against bracket creep, the tax on inflation, but when they were put in charge, that's exactly what they did. They signed a public health guarantee; they didn't follow through on that.

All these examples do require us to, I guess, question the government on the provisions of this bill and the things that are not included in this bill. For instance, there are some requirements that are identified in this bill. For instance, exemptions: when it comes to exemptions, then 8(1)(c) gives a whole lot of powers just on the minister's sole discretion, that he can exempt from "a requirement to engage qualified and expert third party consultants."

Then he can exempt from the Consumer Protection Act as well, which is, I guess, the most important aspect. We didn't see some clear safeguards other than again we are asked to trust the minister and the government. The provision says:

8(2) The Minister may, with the agreement of the Minister responsible for the Consumer Protection Act, exempt a Sandbox Participant from any provision of that Act or any regulations under that Act on [the] terms, conditions and restrictions agreed to jointly by both Ministers.

Basically, the entire consumer protection legislation: instead of finding some way, creating some certainty that there will be certain protections that will stay intact, that there will be protection that will not be compromised, the government chose to write the legislation in a way that the minister, with the help of a fellow minister – if they both agree on something, they can exempt the sandbox participant from the provisions of the Consumer Protection Act, any regulation, order made under that act.

8:20

That's, I guess, a very broad power that government is giving itself. Consumer protection legislation is long. There are many different areas. There are many protections that they could have identified where we need not give ministers power to override those protections.

Also, this idea of a sandbox is not novel to this government. When we were in government, we came up with these ideas as well. We worked with the Securities Commission, we worked with Alberta Treasury Board, and we came up with a way to adjust the exploitations in payday loans. We came up with solutions for that. Our view was, our focus was that we were focused on Albertans. We were focused on consumer protection.

Here the government is singularly focused on doing this experiment on Albertan lives without saying anything in this piece of legislation on how they will be protected other than that that will be at the whim of the government and the ministers. So that is a serious concern because it's a new, novel idea and there need to be stronger assurances to Albertans that they will be protected and the consumer protection legislation and other similar legislation and

regulations will not be waived, sandbox participants will not be exempted from following those protections. We didn't hear that.

Then, even on publication of information . . .

The Deputy Speaker: Are there others wishing to join the debate on Bill 13 in third reading? The hon. Member for Edmonton-North West.

Mr. Eggen: Well, thanks, Madam Speaker. I appreciate the opportunity just to say a few words in regard to Bill 13 in third reading. I mean, generally I think it's clear that our caucus has found this to be more good than bad, right? There are a number of innovations here that reflect initiatives that we did take and move forward on when we were the government in regard to these so-called regulatory sandbox initiatives. So as an extension of those things, I guess, inherently we do find it to be a positive choice to make.

I think that there are a number of issues that we need to just be wary of when we're engaging in this kind of thing. I think that the issue of government competency in a new initiative like this is definitely something to think about. That's not to disparage the elected members but, rather, the capacity of TBF to be able to have the expertise to quarterback something like this – right? – because clearly from behind the scenes there's a lot that needs to be done. So I would implore this minister, Madam Speaker, to make sure that he is sufficiently surrounded and staffed with people that can administer this and to watch over it amongst the TBF department, because that's where a lot of this will lie.

You know, I think that another issue that we need to watch on an ongoing basis, presumably, if this passes here tonight – I've got a feeling it will. That is to make sure that there is sufficient public disclosure around the new products and services that might come of this initiative. I know that this bill inherently gives quite a lot of power and latitude to the minister, so that minister, with that power and latitude, can also make sure that there is sufficient oversight and that at every step of the way people are getting enough information about what it all entails, like consumer protection information, too, like some sort of a warning label thing where new a product, service, technology, whatever it is, you know, just given that people have to know that it's just not something that – maybe it's new, and people have to have some degree of buyer beware kind of thing, right?

Further to that, as well, there's a tendency, I think, amongst Albertans and maybe Canadians in general that we have quite a lot of confidence and sort of inherent trust in our financial institutions, so we don't want to have new operators taking advantage of that, right? You sort of just think, "Oh, well, a bank is a bank is a bank; they never fail," and away you go. I heard the hon. Member for Edmonton-Rutherford talk about American examples, where, you know, the banks fail on a more regular basis, and that kind of thing just doesn't happen as much in Alberta and Canada, so forthwith there is kind of an inherent sort of trust in our banks.

I've kind of noticed, doing – what was I doing? – my taxes and my ethics disclosure the last few days, that that trust is not necessarily warranted, you know? It's like trying to get something out of a stone sometimes with these banks, especially now that it's all online and there are no actual humans in a room that you can talk to. But that's my own little personal beef for the day. It is a reflection that usually I do trust my bank, too. They're not going to lose my money. I think a lot of Albertans feel the same way.

With a new thing, a new sandbox initiative like this we have to make sure that consumers are protected and their trust is reinforced. They'll say: "Wow, this is new, this is innovative, and I feel like the government has my back in this regard." With all of those things

together, Madam Speaker, I certainly do speak in favour of this bill. I've got a feeling that, you know, we'll all watch carefully, Minister, of course, to make sure that this gets off the ground and that it creates an interest not just here in Alberta but across the country and indeed around the world.

Thanks.

The Deputy Speaker: Are there others to join the debate on Bill 13 in third reading?

Seeing none, would the hon. Minister of Finance like to close debate?

Mr. Toews: I'm going to waive.

[Motion carried; Bill 13 read a third time]

Government Bills and Orders

Second Reading

Bill 19

Condominium Property Amendment Act, 2022

The Deputy Speaker: The hon. Member for Grande Prairie.

Mrs. Allard: Well, thank you, Madam Speaker. It's a pleasure to rise and address the House this evening.

Before I do, with your indulgence, Madam Speaker, I just wanted to say hello to my good friend Denise and her son Roman, who are very keen to join us in the gallery this evening, all the way from Grande Prairie, Alberta. Welcome.

With that, Madam Speaker, I'll get back to the business at hand. It's a pleasure to rise this evening and discuss amendments to the Condominium Property Act. Approximately half a million people . . .

The Deputy Speaker: My apologies, hon. member. You are moving . . .

Mrs. Allard: Oh, sorry. I rise to move second reading.

The Deputy Speaker: On behalf of . . .

Mrs. Allard: On behalf of Minister Glubish.

The Deputy Speaker: The hon. minister . . .

Mrs. Allard: The Minister of Service Alberta.

The Deputy Speaker: Please proceed.

Mrs. Allard: Thank you. Wow. I'm distracted. I'm distracted.

With that, Madam Speaker, I will start again. One more time, it's a pleasure to rise this evening and discuss amendments to the Condominium Property Act. Approximately half a million people, or 12 per cent of Albertans, live in condos across the province. This is a huge cohort of the population, Madam Speaker, and these Albertans cut across all age demographics. As we know, younger Albertans tend to make their first home purchase in a condominium unit, and we also know that many older Albertans like to downsize to a condo from their detached homes to benefit from all that condo living has to offer.

8:30

While condominium corporations manage their own affairs through their own governance, protections and standards for Albertan condo owners exist through the Condominium Property Act. Our government has made making life easier for Albertans a top priority, and oftentimes we do that by reducing unnecessary red tape that holds Albertans back from getting things done. That has

carried on into this government's approach to legislating requirements for companies, societies, and even for condominium corporations, Madam Speaker. I am proud of all the work the Minister of Service Alberta has done to bring common sense into our basic legislation. The most important part of supporting Albertans is our approach to legislation, and it's listening to stakeholders across industry who know best. You know, the minister is not an expert on condominiums, and I don't think many or maybe any in this House are. That's why we consulted with condo owner groups, condo managers, and condo lawyers. I'm pleased to share that it is their feedback that has informed the provisions contained in Bill 19, the Condominium Property Amendment Act, 2022.

How did we get here, Madam Speaker? In 2019 we inherited a set of regulatory reforms to the condo property regulation written by the opposition during their time in government. The minister did his due diligence in reviewing the proposed changes to make sure that these made sense and were actually going to help condominium owners and corporations. It's a good thing we checked their work. The regulations as written were rejected by the condominium industry. They told this government that the NDP amendments to the regulation would have created headaches for condo boards and would in no way solve the major challenges faced by those who volunteer their time as board members. We ended up pausing the regulations to do a deeper dive, and I'm glad that we did.

The minister and his team at Service Alberta made improvements that cut red tape and actually made the lives of condo owners better. This government brought those regulations into effect in January of 2020. From there, our work was not done. While consulting with community members, our government heard concerns about unproclaimed act amendments that had been left over from a previous act for several years. Both involved very important matters for condominium corporations: the rules around voting in meetings and recouping the cost of damages. These provisions were to be implemented in the final set of regulatory amendments from the 2014 bill. When the folks in the condo sector talked about these leftover amendments, they were very blunt with us. They told us that those amendments as is were going to bring in too much red tape and be a financial and an administrative burden for condominium corporations. However, they knew that this government would take their concerns seriously, and we did, Madam Speaker. They knew that we weren't afraid of a bit of hard work to get these amendments right. The minister's department got to work.

Throughout 2020 and 2021 Service Alberta had regular meetings with a group of dedicated representatives from community groups representing condominium owners, boards, managers, and lawyers to develop, in conjunction with our working group, a better approach to voting and damage chargebacks, an approach that made sense, Madam Speaker. These amendments are practical, they're realistic, and, most importantly, they are aligned with what condo boards actually want and need while protecting owners' rights. They're the result of a lot of hard work but also a testament to our government's commitment to supporting a healthy condominium sector and to listening to those in that sector.

I'll now take a closer look at what our government has brought forward in this bill. With respect to voting, Madam Speaker, one of the unique aspects of condominium living is that as a condo owner you're basically a shareholder in the corporation that is responsible for maintaining the property, common, managed, and real. Roughly once a year as a member of a condominium corporation you get to attend an annual general meeting, or AGM, to discuss matters relevant to the operation of the development, including the

corporation's finances. At a condo AGM owners have things to vote on, big and small.

Currently voting in condominium corporation meetings is solely based on how many shares an owner has in the corporation, commonly referred to as unit factors. In unit factor voting, Madam Speaker, the votes from owners of larger units or owners of multiple units carry more weight than the votes of smaller units or of one unit. It's a proportional representation. For many larger issues such as large expenses or legal situations this makes perfect sense. Owners with a larger stake in the development should in fact have more say in things. But for smaller housekeeping matters, such as approving an agenda, unit factor voting isn't as efficient and is unnecessary. We've heard that it slows the meeting down, takes away time from the needed discussion, and takes away time to vote on more important matters.

The original 2014 amendments on voting sought to regulate various methods of voting such as show of hands and voting in writing. Our working group told us that setting complex requirements around different ways of conducting a vote was just far too cumbersome. Voting needed to be simplified. If passed, our amendments would enable an alternative method of voting on routine or simple matters in a condominium corporation meeting. Each eligible owner would have one vote regardless of the size or number of the condos that they own. In this way, voting can be as simple as a show of hands, and condominium corporations can use this simplified method whenever they need it.

We also wanted to make sure that we're not negatively impacting the current rights of voters. That's why any time the simplified version of voting is used, an eligible voter can still require that a unit factor vote be held instead, provided this is asked for before the simplified vote result is announced. This is a protection enshrined in the amendment act. If a condominium corporation prefers a different method, they will have the flexibility to do so. Corporations will be able to establish an alternative method through its bylaws, which owners vote on and must approve by a higher majority threshold. Condominiums want to have the flexibility to use the method that works for them, and that's what we're delivering today, Madam Speaker, should this bill pass.

With respect to chargebacks the other changes we're bringing forward today will provide condominium corporations with important tools to protect the financial security of all owners and their corporation. As any homeowner will tell you, one of your biggest fears is property damage inside or outside. In condominiums, where people own common property in addition to their personal unit, shared property damage can cause a whole bunch of headaches and costs. For example, guests could damage the hallway walls during a visit or while they are helping to move furniture in and out of the unit. This could amount to hundreds or even thousands of dollars in damage to the common property. Who pays for that, Madam Speaker?

For condominium corporations recouping the costs of damages can be a big expense, especially if the person that caused the damage doesn't want to pay for it or denies causing the damage. With our current laws condominium corporations often end up in court claiming costs of repair for damages attributable to owners or occupants. Obviously, going to court costs a lot of money for corporations and a lot of time for volunteer boards. Those costs often end up being shared by all of the owners in the corporation through increased monthly condo fees, special assessments, or insurance claims. Madam Speaker, this is unfair for the vast majority of condominium owners that are responsible shareholders in the condo corporation, who want their common property well maintained while keeping condo fees low and sustainable.

The 2014 amendment specifically sought to prohibit the inclusion of costs as a result of damages by an act or omission of an owner, tenant, or occupant as a contribution. This was wrong, Madam Speaker. If this had gone forward, corporations would have been left with no way to try to recoup those unpaid costs, leaving them having to go to court or else passing on costs to all owners to cover, including potentially the court costs incurred. Our amendments would allow condominium corporations to charge back damages directly to an owner, occupant, or the person for whom the owner or occupant is responsible, as set out in the regulation. This means that if an owner or occupant invites people over and they damage the hallways or the common room or they run into the garage door, the owner or occupant can be held responsible for repairing that damage.

The chargeback can include the cost of repairs or the insurance deductible cost, whichever is less, related cost services, as well as reasonable administrative and legal fees. This chargeback would be a contribution, so if they do not pay it, the corporation could place a caveat on the condo's title. Now the board will be able to also include reasonable administrative costs and legal fees when placing a caveat. Time and money will be saved by condo corporations, which will benefit the entire group of owners. It is hoped that this mechanism will lead to more predictable condo fees for all owners as unpredictable costs of damage can now be allocated solely to those responsible for creating it.

Finally, Madam Speaker, minor amendments. While the changes to voting rights and the introduction of damage chargebacks are the main focus of these amendments, there are some other minor changes we're making to improve the act. One of the most common questions that pops up in a condominium is the matter of who is responsible for repairing or replacing the windows and doors in the building. Is it the corporation or the individual owners? This is covered in both the act and regulation, which is confusing because the important information is not all in one place and not clear. It's often overlooked. These amendments we're proposing will make this easier to understand by moving all of the relevant sections from the regulation into the appropriate section of the act, so they'll be all together and in one place.

8:40

Exterior windows and doors will remain common property unless that particular condominium corporation's condominium plan had them listed as personal property in 2000 and also passed a special resolution before September 2002 to keep them that way. There will be no changes to who owns windows and doors because of these amendments. We're just making the legislation more user friendly and more clear for the benefit of all condo owners and all Albertans.

Another change is required in light of amendments we made last year to the regulation. In 2021, due to the removal of building assessment reports under the New Home Buyer Protection Act, we amended the condominium property regulation to replace our requirement for building assessment reports with a new converted property study. This study must be conducted whenever an existing building is being converted into a condominium and provided to potential condominium buyers before they could purchase a converted unit. Last year's changes strengthen consumer protection measures by creating clear, informative, and comprehensive requirements for the study and ensuring it is certified by an architect or an engineer. A number of wording changes need to be made to the act to reflect the new name of the study as well as to account for transitional considerations.

Lastly, we will also be repealing a couple of obsolete transitional provisions that have expired and are just simply no longer needed in the act.

In conclusion, Madam Speaker, I'm confident that these changes to the Condominium Property Act will bring immediate benefits to the more than 8,000 condominium corporations and 12,000 condominium owners in Alberta who are their shareholders. If passed, our government will continue to work hand in hand with the condominium industry to implement a supporting regulatory framework that will enable condo owners to take full advantage of the added flexibility we're introducing through Bill 19. I have to rephrase that. Sorry. It's half a million owners who are their shareholders. For these reasons, I am pleased to bring this bill forward and move that it be read for a second time.

Thank you, Madam Speaker.

The Deputy Speaker: Wonderful.

Welcome to our guests in the gallery. I hope you find this evening riveting. It's been a while since we had guests in the evening, so this is a first for us. Welcome, welcome.

The hon. Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Thank you very much, Madam Speaker. I will attempt to be as riveting as possible for our guests in the gallery although I'd like to get them to lower their expectations right from the get-go, and then they'll be less disappointed.

It's my pleasure to rise and speak to Bill 19, the Condominium Property Amendment Act, 2022. It's good to see that the government is bringing forward this piece of legislation. I have a number of questions. I have a couple of concerns. There are a couple of points, from my understanding of my first reading of this bill – again, recognizing, Madam Speaker, that first reading was recently tabled.

I want to start off my comments by just flagging to members – and I appreciate the member that moved second reading on behalf of the minister was, you know, reading second reading notes, and I appreciate most of the comments. There were a couple in there that were a little bit of a drive-by to our party, which I think is quite unnecessary.

I recognize that modernizing condominium legislation is important. Our government did start that work. I was, for a period of about six months, the Minister of Service Alberta. I did engage in a number of consultations with condominium owners, condominium associations who were asking for an update, which is completely reasonable. Members will hear in my comments that there are certain aspects of this bill that I do find reasonable and that I can support.

I'm hoping to bring to members' attention that, yes, we may have two different political frames on how we deal with situations, but the fact is that we're all wanting to get to the same outcome, which is improving the current condominium legislation.

You know, I'll be the first to acknowledge, Madam Speaker, that there are a couple of – I believe we amended this piece of legislation twice in our four-year term. Was there more work to do? A hundred per cent. I'm just trying to get away from this whole "let's always blame the other side for A, B, C, D, E, F, G" as opposed to: some important first steps were made, we're moving that another step forward, and let's continue to build. I guess I'm trying to say: let's look at this from a glass-half-full point of view as opposed to a glass half empty.

Now, it should be noted that, Madam Speaker, as you're well aware, we are in the middle of an affordability crisis here in the province of Alberta due to a number of factors. You know, in this piece of legislation I think that there was an opportunity to look at how, through modernizing condominium legislation, we can make it as easy as possible for Albertans to be able to get into the housing market. Many Albertan first-time homebuyers enter the housing

market through condominiums because their prices are often more affordable than single-family dwellings. We recognize that the biggest investment most Albertans will make in their lifetime is in their home, and Albertans should be able to protect that investment. It's important to ensure that condominium owners are supported and that condominiums remain affordable.

This bill does bring forward some new legislation that ensures that condominium owners are held more accountable for damages. Now, I appreciate that in her speech the member talked about how damage chargebacks will allow for condo corporations to charge condo owners for damages to common areas and property damage. It's my understanding that the government has identified this to be used for small fees. But as we've seen in many pieces of legislation, Madam Speaker, the details are left to regulations. Members of the opposition are not privy to those discussions on where that bar lies.

Again, as has been articulated many times in this place on a number of different pieces of legislation, the government says, "Trust us," and the opposition recounts numerous instances where the government has said one thing and done another and where when we talk to constituents and Albertans, they're telling us that they feel their trust is broken with the government or the government has broken their trust.

You know, my hope, Madam Speaker, is that the minister in Committee of the Whole will be able to provide a little more context on what kinds of damages or fees the condo board can impose upon condo owners. What is the government currently thinking is reasonable to put forward to cabinet to bring out in the regulations? The minister should have a number and should be well aware of it. Again, having served in this role, I know that the department would have already laid out a number of different proposals. So the minister, I hope, will be open and honest with the Assembly on his line of thinking and where he's looking at getting cabinet approval.

8:50

One of the challenges I have with this bill in its current state, Madam Speaker – and it's a pretty significant challenge – is that disputes that exist will have to go to the courts. This was something that through consultations that go back quite a ways – as far as what condo owners wanted to see, it was a dispute resolution tribunal. You know, I appreciate the government talks about how there still is due process. The challenge with the government – and it was asked today to the minister in question period, to which the minister responded that it's not something the government is currently looking at and it may come in the future. That's pretty significant.

A dispute resolution mechanism would do a number of things. One, it would ensure that condo owners have access to a process that is timely, will give them a definitive answer, and will give them access to justice. At the moment the only recourse that a condo owner has is to go to court. Well, we know for a fact that the courts are so backlogged today because of a lack of Crown prosecutors, which – instead of just saying that it's the UCP government's fault and they're terrible, I'll point out the fact that when we were government, our Justice minister was berated by the then opposition UCP about not appointing enough Crown prosecutors despite the fact that the federal government had a significant responsibility in that. Yet here we are today looking at putting a dispute resolution through the court system where there is a current lack of Crown prosecutors and more action should be taken by this government.

Mr. Shandro: You're not even going to acknowledge that I'm standing?

Mr. Bilous: I see the member is standing, but I'm not going to give way at this time.

The disappointment is that there isn't anything in this bill – and maybe this isn't the right bill – to be able to address the current backlog in the court system, but there is a backlog in our system. By not including a dispute resolution mechanism that would free up more court time, because it would be dealt with elsewhere, this is a challenge. This is a challenge that is going to burden an overburdened system. So, Madam Speaker, that's significant, the fact that there isn't a commitment from government with a time frame on when and how to implement this.

I know that in other jurisdictions, Madam Speaker, there is a tribunal system. In fact, I believe it's in British Columbia that there is a Civil Resolution Tribunal. So it'll be interesting to see – and I'm guessing maybe the minister has access to this information – looking at resolution times, so the length of time for a resolution, through a system like British Columbia that has a tribunal versus Alberta to this day, which system is more efficient, which system will save tax dollars. My guess is that a tribunal system, which diverts cases away from an overburdened court system, will be more efficient and get to a speedier outcome, which is better for condo owners but also will free up judges, Crown prosecutors, and court time. Maybe it's not Crown prosecutors, but going through the courts still is the use of court resources. That's a pretty significant piece that's missing from this bill.

There was a real opportunity, I think, to address a number of outstanding concerns. As I said at the outset, I'm not about to just stand up and criticize this bill in its entirety and, you know, blame the government for everything from the weather to – I don't know. I can't think of another example. The point is that I'm trying to look at this bill from a perspective of: what is in here that is positive, that I do like, and where can it be amended? Quite frankly, I think that's the primary role of the opposition, Madam Speaker.

Again, you know, I'll comment on – I'm sure I don't have too much time left, but I will comment on elements of this bill that I do like. The fact that changes to the voting process at condo meetings will allow easier access and quicker votes I think is a good thing. I know that that's what condo associations have been asking for. I appreciate that this government, through this piece of legislation, is continuing the work that was started under the previous NDP government. That's a compliment to both governments, which I appreciate is probably a rarity in this place.

Part of another area just of concern is again: how much of the detail is being left to regulations? I appreciate the argument that if you put everything into legislation and, let's say, there's a piece that the government gets wrong or that needs to be tweaked, it has to go through a lengthy process to be revamped. I get that. But there are a number of elements of this bill that are being left to regulations.

You know, I do appreciate a comment that the minister made in, I believe it was, his press release, when he just talked about some of the changes being made – for example, when we're talking about damage to elevators, garage doors, common spaces – that this legislation is intended to protect responsible owners and ensure that they're not bearing the costs of the irresponsible condo owners. I appreciate that. I think, in fact, most condo owners would also appreciate that, that there should be a certain respect of their shared areas. I think most people follow that, but of course there are examples of those who do not, and it can be quite costly.

I will wrap up my comments, Madam Speaker, by saying that, again, this bill, I think, has some elements that I could support. It's got some shortcomings. I'm hoping the minister will be open to a robust dialogue and potentially amendments coming from the opposition or government to augment and enhance this bill. I will state that we are in second reading. I haven't had a full, in-depth analysis of the bill at this point in time but wanted to at least get some of my initial observations of the bill on the record, again

recognizing that, you know, there is more work to be done in this area and that condo owners are looking for enhancements to existing pieces of legislation.

With that, Madam Speaker, I will take my chair. I'm interested and eager to hear comments from members. At this point I see my colleague the Minister of Justice rising, and I will give way.

9:00

The Deputy Speaker: Is this an intervention?

Mr. Shandro: Nope. No. He didn't accept the intervention.

Mr. Bilous: Oh.

Mr. Shandro: Oh. You are? I thought you didn't accept the intervention.

Mr. Bilous: No. I wanted to. I thought I was, but I just realized that I don't think I can give an intervention because I'm the first responder to . . .

Mr. Shandro: You said you were done.

The Deputy Speaker: Oh, that's fair.

Are you done speaking then? You have about two minutes.

Mr. Bilous: Well, I'm in the middle of wrapping up. This was, like, the crescendo of my speech, and it's been interrupted, Madam Speaker. I hope that *Hansard* will – no; I hastily tried to give you the floor, through you, Madam Speaker, to the minister, although now I'm very interested to hear what he's going to say with his full 15 minutes.

With that, Madam Speaker, the jury is still out on whether I'll be supporting this bill or not. There are elements that I'm intrigued by. There are certain elements that I do support, and we'll see where we end up with this bill post Committee of the Whole.

Thank you.

The Deputy Speaker: The hon. Minister of Justice.

Mr. Shandro: Well, thank you, Madam Speaker. I rise because I'm inspired by the words of my friend the Member for Edmonton-Beverly-Clareview. I've seen a theme in what he's said in the Chamber for the last week, I mean, I think even on Monday. We see his comments in the Chamber that evening, tonight: there's a bit of a theme of him advocating for being the elder statesman here in the Chamber, advocating for decorum, advocating for us to consider working together. On Monday I think he was saying that if only we could see fewer personal attacks, for example, in this Chamber. And as I walked home after hearing those words, which I agreed with, I just thought how frustrating it must be for him to be in a caucus that listens so little to him.

Now here he is advocating for us to be able to work together, be able to listen even if we come from different political perspectives in this Chamber, to be able to debate various pieces of, at some times, like this piece, nonpartisan legislation, to be able to come to the right solution for Albertans. Yet here we see the member, for whom I have a lot of respect, saying something that is grossly incorrect, that we have this shortage of prosecutors.

One thing he said that was correct is that when they were in government, the former Minister of Justice and Solicitor General under an NDP government did have that legitimate criticism, and they only had at that time 404 prosecutors, but today we have 453. And, yes, there are vacancies for us to be able to fill. I think there are 42 further vacancies for us to fill, and we have the commitment

to prosecutors to fill those vacancies, and that is frustrating for them, and we're committed to working with them.

But we keep on seeing the NDP saying things that are blatantly untrue, in particular when it comes to our workforce capacity. We keep on seeing the NDP saying for years that we have doctors fleeing the province, which is not true. We continue to see doctors, net increases in numbers of doctors, coming to this province. We've heard – I remember hearing in question period from Edmonton-Manning that we as a government have fired nurses. Blatantly incorrect. We have increases, hundreds if not thousands of increases, in nurses in government compared to when the NDP were in government. Now we have this comment.

Madam Deputy Speaker, I see you having concerns about the relevancy. I am answering to the advocacy of the member opposite and correcting what was said that was inaccurate. I thank him, though, for his words Monday night and tonight, and I hope that all of us do listen to those words, but I hope that he is included in the audience and listening to the words that he's saying tonight.

Thank you, Madam Speaker.

The Deputy Speaker: Thank you, hon. minister, for that.

The hon. Member for Edmonton-Rutherford.

Mr. Feehan: Thank you, Madam Speaker. I welcome the opportunity to actually get us back on to the bill itself after our meandering. I certainly don't agree with much of what I just heard. I think I could spend a lot of time arguing against it and demonstrating that it isn't accurate, but I think we should probably stick to the bill at hand, as I'm sure you would like us to do.

I want to just talk about a couple of different areas of this in our first conversation about this bill. Of course, I think that updating the regulations regarding condominiums is something that everyone, on both sides of the House, I think, would generally agree with. Of course, the NDP, when they were in government, introduced many of the changes that were required. Some of them we anticipated would be brought forward by proclamation by the UCP and were not. Much of what we're seeing here is work that was originally conducted in consultations by the previous government and introduced into legislation by the previous government but was hampered by the current government. I'm glad to see that after three years they sort of have found the light but, unfortunately, have done so in a pale way.

I certainly would have appreciated it had they just simply moved ahead with the regulations as had been written by the previous government because we wouldn't be having to spend our time now relitigating that which was already litigated in this House. And, really, it's not that contentious. We all in this House understand that buying a place to live is actually one of the significant historical moments in the lives of many people. Not often do you spend this kind of money on anything else. It's usually the largest purchase ever made by an individual, and it certainly allows them to participate in the economy in a very different way as they build equity and then they're able to use that equity to engage in a variety of other factors.

I certainly have learned the significance of having that kind of equity when I work with First Nations, where many people who live on reserve lands cannot develop that equity and subsequently have a great deal of difficulty in moving ahead financially.

So I welcome any attempt to move forward to make purchasing property more readily available to people in society and to ensuring that when they do purchase that property, they have every opportunity to be successful. But I also appreciate that that means they have responsibilities that go along with the privileges of ownership. In this case I see that the intent of the government here

is to ensure that that responsibility is, you know, appropriately handled in a good way.

I think I'd like to talk about two aspects of the bill that I think are problematic and that perhaps we can come to some conclusion on. The first one is short, because it's actually the change in the voting procedures. I know that the primary change here is moving from the ability to use unit votes – that is, each unit in the building gets one vote on a decision – to having owner votes; that is, if there are multiple owners of a unit, they can all vote in a meeting, and so on.

I understand the reasoning for this. You want to be able to have people come into a meeting. You want to encourage all participation of everybody in the building to come down and do part of this work of managing your condominium board and so on. So, you know, facilitating the ease with which all that happens seems to make some sense. And I wasn't particularly worried about this section because it actually indicates that while owner votes are being used, a request for unit votes can be made and must be adhered to if that request is made. So we are back to the place of one unit, one vote.

9:10

I wasn't going to comment too much on this section until I heard the Member for Grande Prairie talk about this section of the bill and suggest that it made some sense to move toward owner votes rather than unit votes, not for the reason I just explained, the ease of moving things along, but because she suggested that it makes sense that those who had more invested should have more voice. I think that's a very particularly dangerous idea. It's an idea that those with wealth have more voice in a democracy, something that I find abhorrent. Now I'm very concerned about whether or not I should support the bill because if we allow ourselves to believe that those with more money should actually, literally have more votes in this case – because they have a bigger unit and have more people involved in the ownership of it, is the argument that was presented – then we are suggesting that all people are not equal and that money trumps citizenship rights, and this is something that I cannot support.

Now, having come into the House wondering whether I will support the bill, I am nervous to support the bill. I only bring this up because of my concern at hearing the message being given by the Member for Grande Prairie, but I can see that as the bill is written, it actually does allow for people to request the unit vote and that that takes precedence once the request is made. It makes me feel like maybe I don't need to be completely nervous about that. I just was very concerned at what I heard and felt, that in a democratic society that kind of presentation of ideas needs to be addressed immediately. Having done so, I'll move on to the other concerns that I have with regard to the bill.

Now, the whole intent of this section of the bill is a problem that many condominium boards and condominium owners were experiencing with damages being done in common areas that were very difficult to recoup, and I realize that that is a problem. I certainly have had conversations with condominium boards in my area that had suggested that that was the issue. The problem presented to us when we were in government and, I assume, also presented to members opposite is that the only way, really, to recoup those costs was to take someone to court for the damages and sue them as someone who has done something to your property, not as a member of the condo but just as someone who – the same as if someone randomly had walked down the street and, you know, pulled your lamppost down. The condo owners were saying: "This doesn't make sense. We actually should have some mechanism within the condominium act to allow us to actually address these

kind of problems, to levy a fine just for the cost of the damage that's being done."

The whole point of this is to remove the problem of damages being done from the court system, so something I can support although I would've liked to have seen, of course, some more detail in terms of the thresholds that would be allowed. Are you allowed to do this for any amount of damage done, or is it, as in some places, like in British Columbia, only for damages under \$5,000? What are the mechanisms for ensuring that? Now, I guess some of that is going to come out in terms of regulations, so I will have to wait, but that always makes us nervous on this side of the House, because we certainly see that regulations are frequently used by this government to do things that were not what we expected to have happen, and it's very discouraging when we see it.

What they have done in this case is they have said to the owner-operators – that is, the corporations – that "We don't want you to have to go to court," and then they immediately set it up so that now the individual who is being charged has to go to court. We have a situation of what's good for the goose should be good for the gander, but it is not. In this case, as the Conservatives so often do, they came down on the side of corporations and went against the individual. So the individual doesn't have the privilege of going to a process that is outside of court in order to challenge any fines that are levied against them.

If the Conservatives felt that it was important enough to move this out of the court system in order to, you know, move it to an appropriate place in terms of handling it and to keep these kinds of things out of what is already an overburdened and difficult court system to get justice in our society right now because of the cutbacks and the fact that the federal government was prepared to provide us with more judges but this government failed to apply for them – we're in a difficult place in terms of the pressure on the courts right now, so I supported the intent here. And then what did they do? They put us back into the courts except that, in this case, they put an individual with fewer resources in the difficult place of having to do it rather than the corporation. So you protect the corporation, but you don't protect the individual. What does that say about your value system?

That's why I am concerned about this particular bill. They could have resolved this by simply doing nothing; that is, all they had to do was put forward the regulations as designed by the previous government for the enactment of a tribunal system for resolutions to take place outside of the court system. All they had to do was just get out of the way, yet again, as we have seen so many times with this government, they got in the way. They got in the way in order to make life better for corporations and more difficult for average citizens in this province, and that's very problematic.

You know, I tend to have faith in people, for the most part, in that if they've done something bad like, say, ruined a garage door, it was probably by accident. It's unlikely that you intentionally ran your car into a garage door in order to cause conflict or damage to a building, but you may have done so because there were slippery conditions or any other number of things. I think we should start in the place that the individual who is being questioned for the damages was not a horrible human being trying to do something terrible but, rather, someone who found themselves doing something by accident that was quite unfortunate and, as such, should be treated to the possibility that they can talk about what was happening for them, how it came to be, and to raise any mediating factors that would suggest that maybe it wasn't completely their fault and so that costs might be shared.

It seems like a fairly decent thing to do, especially for people who are having to live together because they have a shared investment

in a condominium, and a tribunal would have allowed that to happen. If the government had simply gone ahead with the tribunal as written up by the previous government, we would not be in the place of having this discussion today, and we would not be in the place of the Conservatives yet again making a decision on behalf of corporations that they will not give to individual citizens. Why they are always doing that I actually, really, do not understand.

Now, other places in the country have similar things to the tribunal, at least things that could have been used as a model if they didn't want to use exactly the one that had been set up under the NDP government. Ontario, for example, has an arm's-length one, and they just have a \$50 charge for every unit in order to help pay for those tribunal costs. Nova Scotia actually has a condominium dispute officer, so a person whose job it is to resolve these kinds of things. In all of these cases the government has not set up the individual against the corporation. They've simply provided an opportunity to do that without having to go to the courts. This government, though, has pushed us back into the courts, has made the decision that the burden for that court action is now on the person with the least amount of resources – and the individual always has less than the large corporation does – and it was unnecessary to do it. There is no imperative to go in this particular direction.

Thank you.

9:20

The Deputy Speaker: Are there others to join the debate on Bill 19 in second reading? The hon. Member for Edmonton-Gold Bar.

Mr. Schmidt: Thank you, Madam Speaker. I'm pleased to offer some comments as well on Bill 19, the Condominium Property Amendment Act, 2022. Let me just, first, thank my colleagues from Grande Prairie, Edmonton-Beverly-Clareview, the Minister of Justice, and Edmonton-Rutherford for their thoughtful comments.

I just wanted to say that, you know, the minister meandered off topic, and I think my friend from Edmonton-Rutherford called him out on that. He was, like: "Hey, that's the opposition's job, to try desperately to fill time on bills. That's not the minister's job. He's got many more important things on his plate, including a pending Crown prosecutor strike." So I hope that he does his job and lets the opposition do our job, which is trying desperately to tie anything that we want to talk about to the things that we have to talk about, like the Condominium Property Amendment Act, 2022, Madam Speaker.

I do want to talk about comments related to three things. First of all, I do want to address the issue of affordable housing, because I think that condominiums are an important part of the puzzle of solving the problems of affordable housing. I do want to talk about some of the issues that condominium owners in my riding are facing and how they're not addressed in this piece of legislation. Then I want to talk specifically about the issue of a condominium owners tribunal and why that's left out of the legislation and what I hope to see this government take action on in the very near future.

First of all, my comments on affordable housing. Madam Speaker, I have lived in the province of Alberta for almost my entire life, and I will say that the affordability crisis in this province is as bad as I remember it ever being, possibly with the exception of skyrocketing mortgage rates and inflation in the early 1980s, when Albertans were just leaving their keys in the mailbox and going back to Ontario and Newfoundland and wherever they came from before they moved to Alberta to work. It is harder now, I think, to afford a house in Alberta than it has been at almost any other time in our history.

We are certainly seeing the effects of this affordability crisis every day in the riding of Edmonton-Gold Bar. I saw an article reporting that the city of Edmonton is seeing skyrocketing homelessness rates. We certainly see that every day in Edmonton-Gold Bar. The boundaries of my riding include the North Saskatchewan River valley on the north side and the Mill Creek Ravine on the west end of the riding. Those river valley locations are now the homes of what appear to be hundreds of people who can't afford to live anywhere else. It's creating an incredible amount of stress not just for those people who find themselves without homes but for the people in the communities that neighbour those areas as well. It's creating a lot of hardship for everybody, and the government is not doing anything to support people in being able to afford a home.

I recognize, Madam Speaker, that affordability is not the only consideration when it comes to contributing factors to the houselessness crisis – there is a complicated web of circumstances that people find themselves in that contribute to being without a home – but the government is doing its level best to make sure that it doesn't address any of those circumstances whatsoever. In fact, we see the government walking away from a number of commitments that it had made previously to deal with this issue.

I'm thinking specifically about a couple of supportive housing projects that the city of Edmonton is building in my riding, one in King Edward Park and the other in the Terrace Heights neighbourhood. Because the provincial government has failed to live up to the expectations that it set for itself to provide funding for those projects, now the city of Edmonton is in the position of having to fund those entirely on their own, with no help from the provincial government. What were supposed to be incredibly innovative, very helpful supportive housing projects will be a shell of their original intent. I'm afraid that instead of helping to address the houselessness crisis that we see every day in Edmonton-Gold Bar, it will only make matters worse or, at the very least, be an expensive failed attempt at addressing the homelessness crisis. I certainly hope that the government turns its mind to addressing other issues of housing affordability to the same extent that it's turning its mind to addressing the issues that condominium owners face.

Now, I will say that this bill is remarkable in that it neglects to actually address the issues that condominium owners are talking to me about these days. Madam Speaker, the number one issue that I've heard from condominium owners over the last three years, since the last election, is the issue of skyrocketing condominium insurance. Almost every condominium complex in my riding has had somebody come forward to my office to tell me about the financial hardship that the condominium boards find themselves in because of skyrocketing condominium insurance rates. I know that many condominium corporations in my riding have had to level special assessments against their owners just to cover the massive increases in condominium insurance that those boards have faced over the last couple of years. That's not fair. It creates an affordability crisis that the condominium corporations are not able to address. It's well within the purview of this government to address the issue of skyrocketing condominium insurance, and they are doing nothing about it.

In fact, I'm beginning to think, Madam Speaker, that the more profits that flow into insurance companies, the happier this government is. We certainly see that with car insurance, we see that with life insurance, we see that with other types of home insurance, and we're seeing it with condominium insurance. It sure would be nice if we had a government that actually acted in defence of everyday, average Albertans instead of acting in the interests of profitable insurance corporations. That's something that I would like to see the government bring forward in the very near future,

action on the issue of controlling the cost of condominium insurance.

Lately we've also been hearing a lot from condominium owners in the Edmonton-Gold Bar constituency about the skyrocketing utility rates. Now, a good deal of condominium corporations levy a condominium fee against the owners and residents of the condominium corporation that includes some of the utility costs. It's either heat or electricity. Some or all of these costs are covered through the levying of a condominium fee, and many condominium associations now are faced with hiking their condominium fees significantly just to be able to afford the utility costs. That's also not fair.

It's even more frustrating for condominium owners in my riding because, unlike on the issue of condominium insurance, where the government has made no promises to provide affordability relief to those people who have to pay those costs, this government has made a promise to get utility costs under control. Yet we've seen them fail to live up to the commitments that they've made time and time again, ever since we heard the throne speech at the end of February. Condominium owners are waiting patiently, incredibly patiently, for relief on their utility costs, and there's nothing in this bill that will provide that for them.

I certainly hope that we hear from the government soon about when condominium owners can expect some kind of relief on their utility rates, because they can't afford to wait much longer. They've run out of patience with this government.

I want to turn now to this issue of a condominium tribunal, which is also not in this piece of legislation, but my friend from Edmonton-West Henday asked the minister to address the issue of condominium tribunals. When she responded to my friend in question period earlier this afternoon, she said: what a lovely idea; we should do something about that sometime. Unfortunately, what we're seeing is that now is not the time that the government thinks that they should do something about it, which makes me wonder, well, when? If the government thinks that it's a great idea, why not put it into this legislation now?

9:30

Because it's certainly the case, Madam Speaker, that condominium owners and condominium boards have long needed an effective dispute resolution system that diverts people from the courts. It will save those people time and money, and it will also provide people with modest means an avenue to seek justice when one would be denied to them because they can't afford to go to court.

Let me just say that I think that Alberta has long been an innovator in this space of providing quasi-judicial bodies to resolve disputes outside of the courts. [interjection] I'm sorry that the Minister of Infrastructure is so bored listening to the debate. You know, if he's frustrated with the things that I have to say, I challenge him, then, to bring forward amendments to actually address the concerns of condominium owners. I'm sure that he has the same complaints to his office that I'm getting in to my office in Edmonton-Gold Bar. The only advantage that I have is that I don't have the power, as a member of the opposition, to bring forward the kind of meaningful legislative changes to actually address those issues. But the Minister of Infrastructure does, so why doesn't he, instead of just expressing his discontent with having to be here, actually do something meaningful to address the serious and legitimate concerns that people who live in condominiums bring forward day after day after day?

On the issue, though, of tribunals, Madam Speaker. As much as I would love to see this piece of legislation contain some kind of framework for a quasi-judicial dispute resolution system, I have my

doubts that the government would actually fulfill its commitment even if it made one. The reason I say that is because we saw early on in the spring of 2020 the government bring forward changes to the residential tenancy dispute system to allow for mobile-home site owners to bring their disputes to the residential tenancy dispute resolution service, which was a much-welcomed change. But what I said at the time – and I tried to bring forward amendments to actually solve some of the problems that we were pointing out at the time, which, unfortunately, the government voted down without really giving a fair hearing to or even coming up with a meaningful compromise. We see those problems manifesting themselves to this very day.

You know, one of the things that we told the government at the time was that the cap on the damage limits that currently existed in the RTDRS were too low, that \$50,000 was too low; it needed to be raised. In fact, the government could just proclaim a section of the Provincial Court Act, as I understand it, that would raise the limit of damages that can be sought in the Provincial Court to \$100,000. They don't even have to make a legislative change. They could just proclaim that today if they wanted to. That's something that I think would apply to a condominium tribunal as well, because the damages that condominium boards and condominium owners fight over are significant.

[The Speaker in the chair]

I don't think that the \$50,000 charge would be adequate for a tribunal should the government ever put forward the effort to bring forward such a thing to the Legislature.

The other issue that we see . . . [Mr. Schmidt's speaking time expired]

Thank you, Mr. Speaker.

The Speaker: Are there are others? The hon. Member for Edmonton-Manning is rising.

Ms Sweet: Thank you, Mr. Speaker. Pleasure to rise to speak to the Condominium Property Amendment Act, 2022. I do want to follow up on the comments here on the tribunal that my colleague was speaking about, and the reason for that is that I'm a little concerned about how the process will work when it comes to individuals that may be residing in these condos or, for example, renters that may be living in these condos that may be considered nuisances – nuisance? It's late.

Mr. Neudorf: A nuisance.

Ms Sweet: A nuisance – yeah; thank you for the help – to their neighbours or may not be able to get along with their neighbours or however that would look, that ultimately would become targeted by their surrounding residents. The reason that I'm concerned about that is that if we start looking at a chargeback process, the chargeback process sets up a system where basically the individual is assumed guilty and must prove innocence versus being able just to be deemed innocent and therefore being proven guilty.

You know, an example of that might be something where it's a townhouse situation, and there are individuals who have shared walls, and somehow mice get into the building or something like that happens. It creates issues for more than one resident, but for some reason there is only one resident that is targeted as being the issue. There may not be enough evidence to substantiate that that's where the mice came in. There may be pre-existing relationships where there have been conflicts in the past, where people decide that that is the resident that they would prefer to maybe have move out, or they would like to make it as uncomfortable as possible so

that they choose to vacate the residence, or whatever that process is.

I think the issue here is that it doesn't set up an environment where we can ensure that people are being protected. That is where I struggle with this piece of legislation. I think that if there was a process within the legislation that would ensure that condo owners, or if they have renters, have a mechanism where they're able to go through a process that is a fair process, that is a balanced process and doesn't assume that the individuals are guilty first, then maybe this bill wouldn't be as problematic as I think it is. But that is where I fundamentally struggle. To not have a tribunal, which exists in other jurisdictions, that allows individuals to be able to go through somewhat more of a mediation process, then I think that it has a potential to be used maliciously. I'm not saying that the legislation is being drafted in that context. But because of how it is drafted, it could be used maliciously to target individuals residing in condos.

I think we all come from a place of good intention, and the intent is not to have that happen. However, I'm sure at some point all of us have lived in communal spaces, whether it be an apartment building, a condo, a dorm, any of those sorts of things, where there are tense relationships between your neighbours. Those relationships can sometimes escalate and can create very uncomfortable situations. This would be a tool, then, that could be used to try to penalize an individual or a group of individuals, to try to encourage them to vacate a premises or to make it financially inconvenient, I guess would be a word, to try to encourage them to move on. I don't think that we should be looking at a piece of legislation that has the potential to do that without putting safeguards in place.

9:40

When we look at other jurisdictions that do have this piece, this buyback component, we have seen that there is that component that is attached to it. We also only have one other jurisdiction in the country that actually does this, which I believe is Ontario. But if we look at British Columbia, we look at Ontario, Nova Scotia, they all have some form of a tribunal process.

In B.C. the tribunal process is able to resolve disputes for any amount and handles other issues that are under \$5,000. So if there is damage to your neighbour's property from bedbugs, for example, that may somehow get through the walls, that can go to a tribunal before it is deemed that that person is guilty. I think that's important to have because, again, to target – I think, you know, I'll go back to using the bedbugs example. Bedbugs spread quite quickly and are very hard to get rid of. If you're living in a condo situation that is an apartment-style condo or even a row house and bedbugs are able to get from one unit to another unit and to spread and you have to fumigate, you don't necessarily know. People can assume that there may be a specific unit where they're coming from, but you have to be able to demonstrate that there is evidence of that, and this doesn't allow that to happen. What this does is that it allows for someone to target a specific unit and say: that's the unit that has the bedbugs, and that unit now should be responsible to fumigate the whole building. It's a problem.

Again, if you were in B.C., that would go to a tribunal. The decision would be made. Evidence would have to be provided to substantiate that that person is actually, as would be said, guilty of creating that nuisance and creating that financial cost. In Ontario, you know, again, there's a tribunal authority which supports condominiums and does have a levy. You still have to pay an administrative fee, but it also can do, like, mediation and dispute resolutions. The same with Nova Scotia.

So I think if we're going to look at a piece of legislation that's going to enable this to happen, there has to be a mechanism in place

to create fairness. I would be curious to hear from the government why there wasn't a mechanism considered to ensure that condo owners aren't being deemed guilty immediately and why there isn't an appropriate process so that when these financial levies are being placed on to a condo owner, it is done within due process.

I mean, I think we've all at some point experienced a conflict where, you know, people get annoyed because their neighbours aren't shovelling their sidewalks or whatever, and you have to go and talk to their neighbour. Sometimes those conversations go well, and sometimes those conversations don't go well. I'm sure there are members in this Chamber who have worked in enforcement that have probably responded to some of those calls about conflicts between neighbours. How quickly those situations can escalate. So to put neighbours against neighbours to have to resolve these issues I don't think is necessarily the best approach, to be fair.

I think that, you know, we have a mechanism under the landlord and tenant act where if there is a dispute between a landlord and a tenant, they can go to the landlord and tenant act and they can have resolution and they can have mediation, and those processes can be followed to make sure that both parties are entering into the conversation with clear definitions and clear roles and responsibilities and outcomes so that if there is rent that is due or if there are damages to property or any of those things, there is a very clear, defined mechanism that's in place and there is an opportunity for someone to be an intervenor.

So why we wouldn't do something similar for that when it comes to condos I'm a little bit confused by, because ultimately those relationships are similar. You are working in communal spaces, and everybody has a financial invested interest in those spaces. Most condos are, obviously, owned. There is, as we all know when it comes to our financial investments, some emotional attachment to those investments, and you want to make sure that your investment is protected. I would have liked to have seen under this amendment that there is a mechanism for that to happen.

If the government doesn't think that the tribunal is the best mechanism, that's fine, but then what is the mechanism? What is the government willing to do to put in place to ensure that this happens? It can't happen under regulation. There have to be some teeth within the legislation that is enabling this to happen. To put it in regulation doesn't create the same form of legality, I guess, that you would need, especially when it comes to providing and enforcing some form of financial penalty. I mean, that is one of my biggest concerns. Again, I appreciate that the government is not totally keen on it, but I would encourage them to look at coming back to the Legislature and providing the tool that they would be willing to look at, then. When you start talking about being able to leverage penalties, which is what I think – you know, we talk about a buyback. That is sort of – it is a penalty, a lien on an owner. There should be something in place that allows that mediation and that adjudication to happen.

Now, in relation to some of the other pieces of the legislation around voting, I'm a little confused around why the government felt that if there are two people that are residents of a property, they both need voting rights. I'm curious to hear about what the need behind that was. I think that if you have one person in the home, odds are you're talking to the other person in the home and you probably have a consensus, but maybe you don't. I mean, it is stuff that's pretty simple. You're talking about agendas and approval of agendas. You're not getting into some of the more maybe controversial discussions around approving of, you know, upgrading of infrastructure that's going to cost and increase condo fees or any of that kind of stuff. I mean, I am curious as to why that was deemed a

necessity and why it needed to be legislated through this piece of legislation, but I guess it is what it is.

I mean, I think that is the biggest piece that I think I wanted to speak to, so I won't carry on farther than that. I would like at some point maybe someone from the government to explain, though, why we wouldn't try to create a tribunal, or whatever you want to call it, to ensure that mediation and adjudication is available and appropriate so that when these conflicts arise, they can be done in a supportive way and not create further conflicts that could escalate to uncomfortable situations for other residences.

Thank you, Mr. Speaker.

The Speaker: Are there others? The hon. Member for Edmonton-Castle Downs.

Ms Goehring: Thank you, Mr. Speaker. It's my pleasure to rise this evening to speak to Bill 19, the Condominium Property Amendment Act, 2022. I have to say that I really appreciate the comments of the debate tonight. You know, this is something that I can speak to with personal experience.

When I was considering a career in social work, I took a job through the city of Edmonton to become a mediator, and part of that training was being able to shadow mediators and be part of the process through the city of Edmonton. My very first real-life mediation was through a condo in Edmonton, and it was the condo board and the residents of that condominium. You know, I was able to see first-hand what, essentially, I guess, a tribunal could be. It was the city of Edmonton that provided a mediation service. I was there as a mediator. The whole purpose of that was to allow the condo residents and the board to come together, both share their sides.

9:50

I'm not sure, Mr. Speaker, if you've ever been part of a mediation, but it truly is a collaborative process, where the whole purpose of the mediation is to be able to collectively present your issues, your concerns, have the reasons why those concerns haven't been addressed, and to come up with a mutually satisfied agreement. It's traditionally lower cost. It's traditionally much more easier to arrange. From being a mediator and also later in my career working in the courts, I can say that a mediation is a lot more collaborative, friendly experience.

So when we're talking about condominiums – and, you know, I think this piece of legislation does have some things that make sense when it comes to the ease of voting, those types of things. Those make sense, but we're in the middle of an affordability crisis. We're in the middle of an Alberta court system that is not doing what it needs to do. There's a tremendous backlog.

I can't see how creating a piece of legislation where the first step is to force resolution through the courts is the answer. I know that through the court system there are many systems within that, like JDR, judicial dispute resolution. Those are opportunities within the court system itself that allow individuals to have something alternative to court. Even the courts have acknowledged that there's space where it should be resolved outside of the formal court setting. When I see this come forward and I see that it's missing, you know, kind of the piece that absolutely makes sense, which would be a tribunal, I'm just confused why that's been neglected, why the first step is to go to court when even the courts themselves are structured in a way that tries to use court as the last resort.

There are many different plays and features that are structured within the court system itself that would allow people to resolve their issues outside of needing to be in court. That's because the cost of running court cases is quite expensive. The manpower, the space, having lawyers and judges and clerks and all of those people

that are required just to have a hearing can be quite financially cumbersome, but it's time as well. Trying to find docket time is difficult. Trying to find time where all members can come together with that court time is difficult.

When I think to my experience in both the court system and the mediation system – and it's interesting that my first experience was through a condominium – it worked. Having a neutral third party bring the parties together in a space that was agreed upon by both parties was effective. It took a few hours, but at the end of the day, Mr. Speaker, what happened was that they came to an agreement, which is binding through a mediation agreement. We had capacity as the mediators to create an agreement. It wasn't just an arbitrary meeting. There was a result at the end of it. I know that through a tribunal there is also the opportunity to have a court order at the end of it.

So it takes what the courts are already doing in the sense of trying to avoid court time, yet this piece of legislation goes straight to court. I think that when we're talking about ways to make life easier and more affordable for Albertans, doing that only makes sense, so I just am unclear about why that piece is missing. I know that when we were government, we had started that process, but that didn't translate. We know that that was being asked, and it's not reflected in this piece of legislation.

You know, when we look at investments that Albertans make, I would argue that probably a home is one of the biggest purchases. This is a thing that people aren't just going to want to leave unresolved. This is something that they've invested their hard-earned money into, their home. It's a place that is often a sanctuary for us, and when there is a dispute that requires intervention, it's something that should be dealt with efficiently and in a timely manner. Leaving that out of this just simply doesn't make sense, Mr. Speaker.

I know that the issues that I was participating in were things that the residents of this condominium had been struggling with for quite some time. Usually what happens is that it's attempted to be resolved at the board level, so it's quite extreme when it gets to the place where they feel that it can't be resolved, but the next step shouldn't be court. We're looking at a court system right now in Alberta that is incredibly far behind. There are trials that are being dismissed based on time alone, not on anything other than that. To think that something that's impacting your residents needs to go before a court is quite significant.

I think when we hear the government talk about really wanting to help and make a difference, there are pieces of this legislation that do make some changes and make some streamlining decisions, but I don't think court is the solution for condo owners when there is conflict. These are their neighbours. These are people that they live with, that they see perhaps every day. To make it such an extreme resolution doesn't make the situation any better, Mr. Speaker. I can tell you that by the time, in my experience, matters get to court, everything else has been exhausted. It is kind of a last step, last resort, place.

I can tell you that the lawyers that I've worked with over the years and the judges that we've put matters before really try hard to try everything else – mediation, JDRs, even conversations off the record – to try and resolve things, so I think a tribunal would have been the logical first step when we're looking at resolving issues with condo owners. This isn't something that is a major corporation fighting this unknown entity. This is your neighbour, these are the people that you see every day, and it's your home. I would hope that a piece of legislation could have really incorporated what Albertans are asking for, and an easier way to dispute and resolve issues should have been included. Like, we have no understanding

why it wasn't included in the bill. We have no understanding if it was based on cost, if it was accessibility. It just doesn't make sense when the UCP had promised that they would create a tribunal, and then it's not in the legislation where it could have been created.

I think that, you know, being able to be in this position and have that insight into what Albertans are asking for is incredible, and I know that a tribunal is what has been asked. I think that when we're talking about legislation, we need to be honest about what's in front of us and what's missing. I think that that is glaringly obvious, that that is a big piece that has been left out of this legislation. I would

love to hear some of that rationale and reasoning, and I hope that in further debate we do get to hear this.

With that, Mr. Speaker, I would like to move to adjourn debate.

[Motion to adjourn debate carried]

The Speaker: The deputy government whip.

Mr. Rutherford: Thank you, Mr. Speaker. I move that the Assembly be adjourned until 9 a.m. on Thursday, April 28, 2022.

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

Table of Contents

Government Bills and Orders

Third Reading

Bill 13 Financial Innovation Act 943

Second Reading

Bill 19 Condominium Property Amendment Act, 2022 948

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