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The 28th Legislature
Third Session

Alberta Hansard

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Issue 14e

The Honourable Gene Zwozdesky, Speaker

Legislative Assembly of Alberta The 28th Legislature

Third Session

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Legislative Assembly of Alberta

7:30 p.m.

Monday, December 8, 2014

[The Deputy Speaker in the chair]

The Deputy Speaker: Please be seated.

Government Bills and Orders Committee of the Whole

[Mr. Rogers in the chair]

The Chair: I'd like to call the Committee of the Whole to order.

Bill 7 Chartered Professional Accountants Act

The Chair: I'm looking for the first speaker. The hon. Member for Cardston-Taber-Warner.

Mr. Bikman: Thank you, Mr. Chair. One of my constituents, a chartered accountant, has asked if I would ask the hon. Minister of Jobs, Skills, Training and Labour – and I believe that he has already sent you some information on this. He has some trepidation about fighting both a lawsuit and a chartered accountant tribunal hearing over the same subject. He asked if I'd bring an amendment to the legislation, and I believe the minister has received a copy of that. I didn't feel that this was the right course, but I did commit to asking about the process that would ensure that CA tribunals are fair, open, and transparent, with recourse to appeal. Would the minister care to comment on this?

The Chair: Other speakers? The Minister of Jobs, Skills, Training and Labour.

Mr. McIver: Thank you, Mr. Chair. On the matter regarding the constituent of the hon. member that asked for a change, I had my staff look at that, and we're of the opinion that the change, with all due respect to the constituent, is not advisable. The disciplinary hearings under the legislation and civil litigation are different. Disciplinary hearings under the regulatory bodies are designed to protect the public regarding such matters as incompetence, unprofessional conduct, that kind of stuff, while civil litigation generally deals with liability issues. I hope the hon. member will forgive me because this isn't a really technical explanation, but it's kind of like never the twain shall meet.

Under the previous legislation the matters of professional conduct and competence would be dealt with under the regulatory body, and liability issues would be dealt with through the courts. That would be the case before the legislative change, and it would still be the case after the legislative change. We are not of the opinion that we should amend the legislation.

I would be happy to have further discussion with you on that, but I had the folks in the department look at it, and that is the opinion that we have right now, sir.

The Chair: Thank you.

Are there other speakers? The hon. Member for Calgary-McCall.

Mr. Kang: I will be brief, Mr. Chair. It's a great honour to speak to Bill 7, Chartered Professional Accountants Act, 2014. The purpose of the bill is to unify three professional accounting bodies in Alberta – the Certified General Accountants' Association of Alberta, the Certified Management Accountants of Alberta, and the

Institute of Chartered Accountants of Alberta – as the Chartered Professional Accountants of Alberta. As more than 50 per cent of Canada's professional accountants are already using the CPA designation, the merger of three professional accounting bodies in Alberta will ensure that accounting professionals working in Alberta and other provinces are able to better transfer their skills and expertise across provincial boundaries. Furthermore, Alberta will be able to attract more qualified accounting professionals to work and live in Alberta. I think that because our economy has been growing by leaps and bounds, it will be helpful for the Alberta economy to attract more professional accountants. I know there are lots of reasons for the outcome of this bill. It's a good bill, so I'm going to be supporting the bill.

Thank you very much.

The Chair: Thank you, hon. member.

Are there other speakers?

Seeing none, we'll call the question.

[The clauses of Bill 7 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? That is carried.

Bill 8 Justice Statutes Amendment Act, 2014

The Chair: The hon. Member for Calgary-Varsity.

Ms Kennedy-Glans: Thank you, Mr. Chair. It's an honour to rise to speak to Bill 8, the Justice Statutes Amendment Act. As we've discussed before, it's a long list of justice-related amendments to provincial legislation. I also wanted to comment briefly on the debate that we heard during second reading, particularly around legal aid.

Before I do that, I would like to propose two amendments to Bill 8, one that relates to the Limitations Act and one that relates to the Family Law Act. So I take this opportunity to update the Assembly on those changes, but I think we should probably get the amendments delivered, Mr. Chair.

The Chair: Okay. Hon. member, if you would circulate those, we'll deal with them one at a time.

Ms Kennedy-Glans: Actually, I think they're combined.

The Chair: They're combined, so it'll be one amendment, then. We'll call that A1, and we'll treat them as one amendment.

Ms Kennedy-Glans: Thank you.

The Chair: So we'll just pause for a moment while that's being circulated, and then I'll let you start speaking again. You may proceed, hon. member.

Ms Kennedy-Glans: Thank you, Mr. Chair. I'm going to sound a little bit like a lawyer, so my apologies beforehand. I'm going to read out the amendments first, and then I'll try to explain them. The bill is amended as follows.

In part A section 3 is amended (a) by striking out subsection (2); (b) by adding the following after subsection (3):

(3.1) The following is added after section 55.11:

Mandatory clauses
concerning recalculation

55.12 effective March 1, 2015, in making a child support order, the court shall include the mandatory clauses concerning recalculation that are required by the regulations under section 55.8(a.1).

And then (c) in subsection (6)(a) in the proposed section 55.8(a.1) by striking out “section 51.1” wherever it occurs and substituting “55.12.”

In part B section 4(2)(b) is amended by striking out the proposed section 3(1.1)(a) and substituting the following:

- (a) 2 years after
 - (i) the later of
 - (A) the date on which the claimant was served with a pleading by which a claim for an injury is brought against the claimant, and
 - (B) the date on which the claimant first knew, or in the circumstances ought to have known, that the defendant was liable in respect of the injury or would have been liable in respect of the injury if the defendant had been sued within the limitation period provided by subsection (1) by the person who suffered the injury, if the claimant had been served with a pleading described in paragraph (A), or
 - (ii) the date on which the claimant first had or in the circumstances ought to have had the knowledge described in [subsection] (i)(B), if the claimant has not been served with a pleading described in subclause (i)(A).

I feel like I’m back in law school, Mr. Chair.

So what do these amendments mean? We want to make sure that we are as clear as possible.

The Chair: Hon. member, you said “subsection” instead of “subclause” under (ii). Could you clarify your intent under (ii)?

Ms Kennedy-Glans: Subsection (ii): “the date on which the claimant first had or in the circumstances ought to have had the knowledge described in subclause (i)(B), if the claimant has not been served with a pleading described in subclause (i)(A).”

The Chair: Thank you. Please carry on.

7:40

Ms Kennedy-Glans: Thank you.

Let me start with the Limitation Act. The Limitation Act establishes limitation periods for bringing claims, and Bill 8 proposes amendments to the act to clarify, among other things, when the discovery limitation period begins for a claim for contribution under the Tort-feasors Act. So when a plaintiff brings an action, they don’t have to list all the possible defendants who may have been responsible for the injury. However, the current law allows a defendant to bring a claim against another person that they believe is also responsible for the same injury to the plaintiff. This proposed change clarifies how the limitation period runs when a defendant brings a claim against another person responsible for the same injury to the plaintiff, and these wording changes are intended to further clarify this change.

These clarifications were brought forward to us by the Law Society of Alberta, and the drafters of this amendment worked closely with the Law Society to ensure that every lawyer was satisfied with the new wording of this section.

Mr. Mason: That’s an accomplishment.

Ms Kennedy-Glans: Indeed. Happy lawyers.

The Family Law Act is the next change. Under section 8 there are four proposed amendments to the Family Law Act that relate specifically to the child support recalculation program. This program helped separated and divorced parents update their court-ordered child support amounts to reflect changes in their income. It gives Albertans a low-cost and convenient way to ensure that their child support amounts are kept current without having to go to court. Since the recalculation program began in 2010, it has helped many Alberta families avoid having to go back to court, thus reducing pressure on parents and on our court system. While the program has been successful, there are opportunities to improve it to help more vulnerable Albertans and enhance client service and further increase access to justice, which we all care about.

The first of the amendments is a mandatory clause that will be required in all future child support orders to specifically indicate whether or not the support may be recalculated by the recalculation program. This requirement is aimed in large part at creating more awareness of the recalculation service so parents understand they have an option to update child support without having to go to court, and the intent is to have this requirement apply to all child support orders after March 1, 2015, including those granted under the Divorce Act.

However, as it presently stands, the mandatory clause amendment is in the general child support order division of the Family Law Act, which sets out a narrower definition of child support order that doesn’t cover those granted under the Divorce Act. So to address this minor oversight, the amendment that I just read proposes that the mandatory clause requirement be moved from the general support order division of the Family Law Act to the division that deals with the recalculation program. The recalculation program division includes a broader definition of child support order, which means that the mandatory clause would apply to child support orders under the Family Law Act and the Divorce Act.

That’s it for my comments on the amendments.

I just want to quickly comment on one of the items that was raised when we were doing second reading. It’s the Legal Aid Alberta funding, certainly something that has been discussed in this House. You know, we all recognize the importance of legal aid services as a means of ensuring that low-income, vulnerable Albertans receive the help they need in court proceedings. [A cellphone rang] Is it the Law Society phoning? No, I don’t think so.

As we understand, we must play our part to ensure that Legal Aid Alberta has the support it needs so that we ensure better access, and that’s why we provided that organization with an additional \$5.5 million to address its budget shortfall for this year. This funding also allows them to raise financial eligibility guidelines so that more applicants, including individuals receiving AISH, have greater access to services.

That said, it’s also critical to focus on the long-term sustainability of the program. We believe that the demand for legal aid services will continue to grow just like everything else is growing in Alberta, and we are working with Legal Aid Alberta to assess their needs and the appropriate level of funding for 2015-16 and onward. Discussions will also focus on how we can ensure a predictable and long-term plan for the delivery of legal aid. At the same time, we are continuing to work with our federal partners to encourage them to fully participate in this jointly funded program.

Mr. Chair, the revised amendments to the Limitations Act and the Family Law Act bring them in line with their intended purpose, and I thank you for your consideration of those amendments.

The Chair: The hon. Member for Calgary-Shaw.

Mr. Wilson: Thank you, Mr. Chair. I'm wondering if the Member for Calgary-Varsity can just help us understand, I guess, where the amendments came from, how they came to be. Considering that this is a relatively new piece of legislation, I'm just trying to understand the processes. Considering that I'm not a lawyer, I appreciate you trying to explain it but just want to make sure that what is happening is moving things in the right direction, as was the original intent of this.

Thank you.

Ms Kennedy-Glans: I'm actually very happy to answer that question. It's a very legitimate question. The Law Society and many other groups have been consulted for a long, long time on the amendments in this bill, and I think I referred to the work that had been done, the consultations. These changes came about just to make sure that we further clarified them. In particular, the change to the Limitations Act came about through discussions led by the Law Society.

The Chair: Are there other speakers to the amendment?

Hon. Members: Question.

[Motion on amendment A1 carried]

The Chair: We're back to the bill. Speakers to the bill? The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Well, thank you very much, Mr. Chairman. I'd like to just offer a few comments with regard to the bill. It is primarily just housekeeping of many of the justice statutes, and it certainly does bring the legislation in line with the current court rules and changes in legislation and changes "with leave of the Court" to "with the permission of the Court."

The Court of Queen's Bench Act and the Provincial Court Act ease the process for the reappointment of masters in chambers and judges respectively, and they transfer the responsibility for some appointments from the Lieutenant Governor in Council to the Minister of Justice and Solicitor General.

There are primarily housekeeping amendments to the Estate Administration Act and the Wills and Succession Act. As well, the Notaries and Commissioners Act and the Oaths of Office Act have small changes that amount to a clarification of who is meant by a lawyer. The fact that the member believes that all lawyers in the province are in accordance with this act is in itself a very fine piece of jurisprudence or whatever it is. I don't know what it is. It's just unusual.

There are more substantial amendments. The Limitations Act clarifies the limitation period for a third-party defendant.

The Perpetuities Act allows qualified environmental trusts to exist in perpetuity, which is not normally allowed. The qualified environmental trusts are a special kind of trust under the Income Tax Act of Canada that are maintained solely for the purpose of accumulating funds to finance future reclamation of a qualifying site such as an oil sands mine or a pipeline in Canada. In the spring these trusts were dealt with in Bill 7, and we cautiously supported that because they seemed like a good idea as they ensure that funds are set aside up front for remediation of pipelines and mining.

Finally, the Family Law Act has changed concerning the child support recalculation program, which allows a calculation of child support payments due to changes in income without having to go to court. That just makes good sense.

We are generally in support of the changes because they are a modernization of our legislation, and we support changes which address unintended consequences or confusion caused by other legislation. We want to ensure that we create the highest possible quality of legislation in our province.

7:50

We'd like to focus, though, a little bit on the Court of Queen's Bench Act and the Provincial Court Act as the proposed amendments don't do anything to address the serious issue of access in Alberta. We're concerned about access to justice and legal aid in two regards, and that is notwithstanding what the hon. member has just said about increased funding. One, there has been a consistent pattern of underfunding for legal aid. Many Albertans have been denied access to legal counsel as a result. Secondly, many of the most vulnerable Albertans do not qualify for legal aid. For example, Mr. Chairman, an Albertan working a full-time job and making minimum wage is not eligible for legal aid because they make too much money. An Albertan receiving assured income for the severely handicapped is not eligible for legal aid. I have to ask why that is, why we would not automatically just make sure that that access was available.

I think other members of our caucus have probably talked about the importance of legal aid. There is, I guess, a quote from Court of Queen's Bench Chief Justice Neil Wittmann, who said that there is certainly connectivity between the legal aid issue and self-representation that affects our whole system. It's a systemic problem and gives rise to more and more time being spent on cases where there is not legal representation for all parties.

Mr. Chairman, I just want to indicate that we have been strong advocates for better access and more equitable access to justice, and we have been critical of this government's failure when it comes to legal aid. The announcement by the Minister of Justice and Solicitor General in the fall of a one-time transfer to Legal Aid of \$5.5 million is simply not sufficient. Legal Aid predicts that they need another \$8 million a year and will have a deficit in the order of \$15 million by 2016-17. They've had to reduce their services. They've cut the drop-in services. They cut 35 jobs in regional offices and 12 in Calgary. At the same time, there have been 33,000 more applications for legal aid services. As a result, there have been increasing obligations in Alberta courts for government-appointed lawyers for individuals denied legal aid.

I can go into that in a lot more detail, Mr. Chair, but I just want to make sure that we're on the record that the steps that have been taken with increased funding on a one-time basis are just not adequate and will not address the fundamental problem we have in this province with legal aid. I just want to indicate to the House that notwithstanding that and as this is primarily a housekeeping bill that does simplify and streamline a number of acts, we will be supporting this bill.

Thank you, Mr. Chairman.

The Chair: Thank you, hon. member.

Are there other speakers to the bill?

Mr. Kang: Mr. Chairman, we will be supporting Bill 8, too. It is mainly a housekeeping bill, so I think it will fix a lot more.

There were some issues raised about legal aid. You know, those concerns will always be there. This bill, with orders to reflect income changes, does help further the idea of reducing the burden

on courts. This bill will take some pressure off the courts because with the recalculation of support the parent won't have to go back to the court again to get the support increased.

It's a good bill in all other senses, so we'll be supporting it. Thank you.

The Chair: Are there other speakers to the bill?
Seeing none, I'll call the question.

[The remaining clauses of Bill 8 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? That is carried.

Mr. Oberle: Mr. Chairman, I move at this point that we rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Calgary-East.

Mr. Amery: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following bill: Bill 7. The committee reports the following bill with some amendments: Bill 8. I wish to table copies of all amendments considered by Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Thank you, hon. member.
Does the Assembly concur in the report? Agreed?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

Government Bills and Orders Second Reading

Bill 9

Condominium Property Amendment Act, 2014

[Adjourned debate December 3: Mr. Rowe]

The Deputy Speaker: I recognize the hon. Member for Calgary-Shaw.

Mr. Wilson: Well, thank you, Mr. Speaker. I appreciate the opportunity to address the House on Bill 9, the second version of the Condominium Property Amendment Act, this one also 2014. We saw one of these in the spring. After many years of consultation, here we are again.

Mr. Speaker, I am going to be proposing an amendment at this point, that we refer this bill to the Standing Committee on Families and Communities. Before I get started, I will pass that along, and we'll go from there.

Mr. Wilson moved that the motion for second reading be amended to read that Bill 9, Condominium Property Amendment Act, 2014, be not now read a second time but that the subject matter of the bill be referred to the Standing Committee on Families and Communities in accordance with Standing Order 74.2.

The Deputy Speaker: Hon. members, this is a referral amendment, so we will treat this as amendment R1.

I'll invite the hon. Member for Calgary-Shaw to continue to speak to the amendment.

Mr. Wilson: Thank you, Mr. Speaker. You know, this is another attempt to save this government from itself. Today they introduced Bill 2, which might as well have been titled that. But this is just another example of – they've tried. They've tried with this bill to get it right.

Mr. Dorward: So do you.

Mr. Wilson: As much as the Member for Edmonton-Gold Bar may disagree with me, as he often does, one thing he can't disagree with is the government's history of ramming and rushing legislation through this House.

Let's run through a few of them, shall we? Bills 45 and 46: it was about a year ago last week, I think, we found ourselves here in this House, Mr. Speaker, and this government was adamant about passing these bills.

An Hon. Member: Relevance.

Mr. Wilson: The relevance is that this government is incapable of writing legislation that stands the test of time and is actually usable in a way that we need it to be written and in a way that our stakeholders in this province need this bill to be written, Mr. Speaker.

8:00

As I try to make a case to this House for the amendment, which is to refer it, the reason we need to refer it is because, like many of the bills we've seen in this House, it is at this point in time insufficient.

If I may continue, Bill 45 and Bill 46, both of them, have not been . . .

An Hon. Member: Relevance.

Mr. Wilson: You can challenge the relevance all you would like.

The Deputy Speaker: Through the chair, hon. member.

Mr. Wilson: I think I just laid out my case, Mr. Speaker. Thank you.

Bills 9 and 10, earlier this spring, on pension reform: what happened with those? Nowhere to be seen. How about Bill 1 from earlier this spring? Well, that's now going to be repealed by Bill 11 in this session.

What we see is repeat after repeat performance of this government doing things the wrong way, consulting after they've written a bill or not even doing it at all. Let's look at Bill 10. It was just last week. You guys can't have that short of a memory. [interjection] Apparently they can.

Let's also think about the New Home Buyer Protection Act. This was a bill that was brought forward – I believe it was in the fall of 2012 that we first dealt with this bill, Mr. Speaker, and then this past spring we had, again, amending legislation for a bill that this government passed.

We have tried time and time again in the opposition to save this government from itself, and time and time and time again they walk straight into a wall or they do something, and the only time they realize that they've made a mistake is when the public uproar reaches a point where they have to retreat.

What I'm presenting here in the House right now, Mr. Speaker, is an amendment that would, hopefully, allow this government to hit the pause button, which is crazy in the sense that they've already been consulting for five years on this bill. It's their second crack at it, and they still haven't got it right. But that, in and of itself, should be reason enough to send this to committee, where it belongs. Get it right. It affects too many people, and we don't have the opportunity to come back and fix a mistake in a few months' time. Let's just do it right the first time.

Thank you.

The Deputy Speaker: Thank you, hon. member.

This is, again, on amendment R1. Are there other speakers? The hon. Member for Fort McMurray-Wood Buffalo.

Mr. Allen: Thank you, Mr. Speaker. I'm listening to what the hon. Member for Calgary-Shaw is saying. But when I'm thinking back to my constituency, back in 2004 in Fort McMurray we had a condominium complex that opened that had significant deficiencies that, through both board governance and issues with the developer, led to that entire complex – seven buildings – being deemed unlivable in 2011, which evicted over 300 residents, 168 units. What Bill 9 is doing is correcting a lot of the issues. It ties together not just condominium accountability, the governance of the boards, but it ties it in also with the New Home Buyer Protection Act and our Safety Codes Act, which is going to give protection to the buyers that we so desperately need.

Two years ago the Ministry of Service Alberta began a consultation process with Albertans that was overwhelming in its responses. In fact, it was so overwhelming that they had to extend the dates to allow for additional consultation. This is not a matter of us changing something that came up before. This bill was brought forward in the spring, earlier this year, and this government prorogued. As the hon. member knows, that means that it died on the Order Paper. We're simply bringing this bill back. There are no significant changes to this bill. This bill is important, Mr. Speaker. I have had constituents in the last month phoning me saying: "When is this bill coming to the table? When is it coming to the Legislature? It's important. We need this to happen. We need it now."

There is significant development. This province is growing at a rate of a hundred thousand residents per year. As we grow, particularly in our urban centres, we are going to more of a densification in our key areas where there's a lot more condominium living. Affordability is a factor and condominiums are part of that. Therefore, we need to have this protection in place as soon as possible for the residents of Alberta and those that are moving here to assist us with our economic development.

Mr. Speaker, I cannot support this amendment. My constituents need it. We need this bill to pass at its earliest convenience.

Thank you.

The Deputy Speaker: Thank you, hon. member.

Speaking to the amendment, the hon. Member for Olds-Didsbury-Three Hills.

Mr. Rowe: Thank you, Mr. Speaker. I rise to speak in favour of this referral motion, and I would encourage my colleagues in this Chamber to support and vote the same. I will take a little bit different tack than my colleague did on this issue. Last night I attended an event hosted by the Canadian Condominium Institute. This event took place last night at the Chateau Louis and was attended by 200-plus people with approximately two days' notice to attend that meeting. Two hundred-plus people: the room was

jam-packed. At this event they voted and almost unanimously rejected supporting Bill 9 in its current state.

I congratulated the government earlier this year on the near five years of consultation, but this government has fallen short on including real consumer protection and stricter building accountability measures. It is important for Albertans that we get this bill right and listen to the experts at the Canadian Condominium Institute.

Now, the hon. Member for Fort McMurray-Wood Buffalo mentioned a couple of instances in his riding regarding that Penhorwood condominium project. That was a total disaster. We have young families who've probably made their first investment which will be their biggest investment in their lives. Those people were given hours to vacate that property because it was so condemned. It was ready to fall down at a moment's notice. These people are still making mortgage payments on property they haven't lived in for two years. That's how serious this is.

Mr. Speaker, there are several key areas that the CCI is asking for amendments on, and I'd like to list them here in our House for the info of my colleagues: voting procedures and processes, financial reporting, convening of meeting to elect first board, contributions and accountability of problem owners, rules and regulations set by board of directors, bank account information. These are not minor aspects of the bill. These are significant, with long-lasting consequences.

That is why I urge all members to support this motion to refer Bill 9 back to committee for further review. This way we can ensure that the proposed legislation is sound and responsible. This bill is a large one. It's very complicated. It's taken lawyers hours and hours, days, to analyze and absorb the full impact of it. We in our party have six or seven amendments that we'll have to put on the floor if we don't refer this back to committee. It affects thousands and thousands of Albertans, including first-time buyers who have very, very little knowledge of the real estate market, of the condominium act, or anything else. They're just putting money down, and they take what's handed to them.

Seniors are also downsizing from single family homes that they've lived in for 40, 45 years. They're looking to get out of the maintenance and everything else. They're buying into this and finding out: uh-oh, what have I done? It is extremely important that we get this right the first time.

There's a company in Calgary, Alberta, and the acronym for their name is DIRTT. Members, that stands for Doing It Right This Time. Let's do this right, now. Let's take it back to the committee, get it sorted out, hear from the stakeholders on the bill itself, not what was proposed.

I compliment the government on doing extensive consultant work before they drafted the bill. They should have taken that bill back to the people, back to the stakeholders, and asked them, "Did we get it right, or what do we need to change?" and then brought it to this House.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. member.

Other speakers to the amendment? I'll go to the hon. Minister of Service Alberta, then the Member for Edmonton-Highlands-Norwood.

8:10

Mr. Khan: Thank you very much, Mr. Speaker. It's an honour to rise and speak to this amendment. I'll put some good faith into the amendments coming from Calgary-Shaw. I trust that his heart is in the right place, but unfortunately I can't support this amendment.

As I think we all know and appreciate, Bill 10 speaks to condos, which we . . .

The Deputy Speaker: Bill 9, hon. member.

Mr. Khan: Bill 9. Sorry. Thank you.

We all know that 1 in 4 new builds in this province are condos, and that number is closer to 1 in 3 in the major metro areas. What Bill 9 is going to establish, Mr. Speaker, is a greater level of consumer protection. It's going to establish consistency for developers. It's also going to establish consistency and best practices for condo boards, which will create a much better ecosystem, if you will, for condos and for people who are buying condos.

As the Member for Olds-Didsbury-Three Hills suggests, we know that the people who are buying condos are quite often first-time buyers, and we want to provide them with those protections. We also know that there is a larger percentage of seniors who are moving into condos, and we want to be able to establish a comfort level and security and best practice for all Albertans when it comes to establishing condos.

Now, the Member for Olds-Didsbury-Three Hills mentioned a meeting that took place last night with a very good organization, CCI north. I want to thank the Member for Olds-Didsbury-Three Hills for attending. I also want to thank the hon. Member for Whitecourt-Ste. Anne for attending and taking exhaustive notes. My office has a copy of the amendments that were raised last night at the meeting, and I think the conversation was very constructive. We've reached out. We've spoken to the president of CCI north tonight, and we've let them know that we're going to address those amendments. As suggested by some of the conversation across the aisle, a great number of the details and specifics of Bill 9 will be sorted out in regulation. What we've told CCI and what we're telling all of our stakeholders is that they will continue to be involved in that stakeholder engagement as we build the regulations.

I just want to come back again to some of the comments made by opposition members about this bill and some of the criticism about stakeholder engagement. Again, I appreciate the comments from Olds-Didsbury-Three Hills in terms of our robust consultation when it has come to the condo act. You're right. The old laws are closing in on 20 years, and we need to establish some new laws. I want to thank our Member for Fort McMurray-Wood Buffalo. He's absolutely correct when he says that Albertans need these protections now.

We know that the former Bill 13 was presented in the spring and made it all the way through first reading. Contrary to what some of the folks over there have suggested, the bill is substantially similar. I know that Olds-Didsbury-Three Hills knows that because he's a sharp critic, Mr. Speaker. He's taken a look at the law, and he knows. I've told him: this bill is substantially similar; you can start preparing your critique and your investigation of the bill by starting where we left off with Bill 13. It's interesting that the feedback that we received last night from the meeting didn't speak to any of the new elements that we've introduced. There are a couple of new wrinkles, but again it's substantially similar, virtually identical to the bill that we saw last spring in Bill 13.

Now, had we been able to, you know, maybe even work a day or two longer, we would have been able to pass Bill 13, and we'd be well on our way to working on those regulations and bringing this forward. We anticipate, Mr. Speaker, that through the Department of Service Alberta it may take a year or maybe even a little bit more to work through those regulations. I want this condo act to be established and be in place to provide confidence and assurance to Albertans when it comes to condo regulations.

What I'm afraid of, Mr. Speaker, is that if we push this back to the committee, we're going to be two years out before we see any substantive changes to our condo act. I don't think that that's what the opposition wants. I listen in question period on a daily basis about how they think our government doesn't move fast enough. They don't think our government is agile enough. They don't think our government is responsive enough for Albertans.

Some Hon. Members: Hear, hear.

Mr. Khan: See? I think we've got agreement.

Unfortunately, what the Member for Calgary-Shaw is offering us in this amendment just doesn't get the results as quickly as we want to bring them to Albertans.

I also want to address this thought that perhaps there wasn't any consultation that happened over the summer. That's not true. I want to provide the members across the aisle with assurances that although we weren't able to get the bill through in the spring, we took the additional time to tighten it up a little bit, make some legalese changes to it, also make some minor improvements, but all the while continuing our consultations. If you'll indulge me, those consultations – and, again, I want to thank the hon. Member for Sherwood Park for working over the past 18 months and leading those consultations and continuing on those consultations over the summer.

Although we have some feedback from CCI north – as I've said, my office has spoken to them, and I will speak to them – what we do know is that this bill is substantially similar, and we didn't get that feedback from CCI north in the spring, which is interesting. We asked CCI north to continue on in the dialogue in the summer, and unfortunately they weren't able to participate with us. I'm sure there were some logistical reasons for that. But as the hon. Member for Olds-Didsbury-Three Hills does say, CCI north has expressed some concerns, and there are some others who have.

If I may, we have the Association of Condominium Managers of Alberta, who we've done stakeholder engagement with. I'm going to read a list of those who we've done the stakeholder engagement with and are really wanting this bill to move forward. There's the Association of Condominium Managers of Alberta, the ADR Institute of Alberta, the Alberta Land Surveyors' Association, Alberta Real Estate Association, Building Owners and Managers Association, Canadian Condominium Institute of southern Alberta – that's CCI south – the Canadian Home Builders' Association, the Insurance Bureau of Canada, the Real Estate Council of Alberta. We have 4,000 submissions, Mr. Speaker, through our web portal in terms of providing feedback.

An Hon. Member: How many?

Mr. Khan: Four thousand, Mr. Speaker, and, through the chair, some of the largest volume of feedback that my office has received while I've been minister was when this session was prorogued. My office received countless e-mails from stakeholders saying: "Please don't let Bill 13 die. Please move fast. Please get this important legislation in front of the House." That's what we're doing with Bill 9, so I cannot support these amendments.

I want to thank everybody for their attention, and I again want to thank the hon. Member for Sherwood Park for her stalwart work on this bill. I want to thank the Member for Fort McMurray-Wood Buffalo for his comments. [interjection] Calgary-McCall has been phenomenal on this issue as well.

And I do sincerely – and I mean this – look forward to some of the amendments from the opposition. I think if we can work

together, I'm all for establishing Bill 9 as the condominium act that's going to satisfy and foster a successful ecosystem for consumers, for developers, for condo boards.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. minister.

Standing Order 29(2)(a) is available. If someone would like to ask the minister any questions, you can do that.

If not, I'll just recognize the next speaker, Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Speaker. I will be supporting the amendment. I do think that it would be very useful at this stage to have some open public consultation. The minister has given a list of other organizations that have been consulted, but he didn't share with us the degree to which there was support for the bill as a whole or for specific aspects of the bill. It is a matter of concern that the northern Alberta chapter of the Canadian Condominium Institute is still very concerned. In fact, the meeting that occurred last night, which was attended by our MLA for Edmonton-Calder, expressed real concerns about the bill.

I think it's fair to say that the government has a ways to go before it sorts things out. Now, the government likes to sort things out in regulations rather than doing it up front and out in the open in terms of changes to the bill. We have seen lots of – I've heard that many times, actually, Mr. Speaker, where, you know, maybe you don't like the bill exactly the way it is: just vote for it, and we'll sort it all out once we do the regs, you know, and it'll all be okay. That may be the case sometimes, but it's certainly not always, and it's not an assurance that leaves me with enough comfort to be prepared to support this bill at this time.

8:20

Like our friends in the Wildrose, we have a number of amendments that we want to bring forward, but I think it would be better to do this out in the open and involve the opposition and have some real discussion about how we can improve this bill with the people that do that. I think there are some real issues, that there are some real deficiencies in this bill, Mr. Speaker. For example, the consumer protection measures in this bill are not strong enough, and I think they need to be strengthened. I'll speak more about that later. There is not enough accountability on the part of builders and developers of condominiums. That's what I think the core of the concerns are. It may be that some of those organizations representing builders, developers, and so on are satisfied with the bill, but that may not be for the right reasons. So I think it's important that we have some real, public accountability.

I know the government has consulted, but you know, when the government doesn't consult, it usually gets things wrong, and when the government does consult, it still sometimes doesn't get things right. I think that this may well be an example of that. So for that reason, Mr. Speaker, I will be supporting the amendment that has been put forward.

Thank you.

The Deputy Speaker: Hon. members, Standing Order 29(2)(a).

I'll recognize the Member for Calgary-McCall, followed by Calgary-Bow.

Mr. Kang: Thank you, Mr. Speaker. It's just a great honour to speak in favour of the amendment. I will be supporting this amendment as the minister claims that this bill was developed with input from a wide variety of stakeholders such as the Canadian Home Builders' Association, the Canadian Condo-

minium Institute, the Alberta Real Estate Association, the Real Estate Council of Alberta, legal experts, and condo owners. In many key areas such as the creation of a framework for a dispute tribunal the bill simply grants the government regulation-making authority. That could have been much stronger. Some stakeholders are now saying that they were expecting much more from this legislation. This legislation doesn't go far enough. Sufficient time is needed for all affected parties to provide more input into this. If that can't be done in this session, then the bill should be carried over to spring 2015.

As the Condominium Property Act is amended every 15 years or so, it is important to get everything right in the latest amendments. Let's do it right the first time. With all the time that government spent consulting on this legislation, you would think they could have been much more specific in prescribing remedies to the problems. In many areas, however, we will have to wait for the regulations before we know exactly what is being proposed. In this new era, Mr. Speaker, where accountability is supposedly paramount, this degree of government by regulation is simply not acceptable. Remedies must be written into the law so that they can't be changed behind closed doors at the whim of the government.

Key stakeholders such as Anand Sharma of the Canadian Condominium Institute and eminent condo lawyer Robert Noce are now saying that Bill 9 is not prescriptive enough and that amendments are needed to fix those other deficiencies. If the government is intent on getting out of the current legislative session as quickly as possible, it should at least have the decency to delay this important bill until the spring, when it can be dealt with in a reasonable and unhurried fashion, Mr. Speaker.

This is what this amendment is trying to do, Mr. Speaker. Let's get it right, and let's refer it to committee as the amendment is trying to do.

The Deputy Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available.

Seeing none, the Member for Calgary-Bow.

Ms DeLong: Thank you very much, Mr. Speaker. I just wanted to say that there were extensive consultations when it came to the condominium act. One of the things that I did as an MLA was that I made sure that condominiums in my constituency – I don't have as many as many people have, but I do have them in my constituency, and one of the things I did was to make sure that the people that were actually living in the condominiums had feedback on this bill. I continue to get feedback from them, and what they're saying is: "Please. Let's please just get this passed because we need it."

Thank you very much, Mr. Speaker.

The Deputy Speaker: Thank you.

Standing Order 29(2)(a) is available.

Are there speakers to the amendment?

Seeing none, I'll call the question of amendment R1.

[Motion on amendment R1 lost]

The Deputy Speaker: We're back to the main bill. The Member for Calgary-McCall.

Mr. Kang: Thank you, Mr. Speaker. It's a great honour for me to stand on behalf of my colleague from Calgary-Mountain View. I move that the motion for second reading of Bill 9, Condominium Property Amendment Act, 2014, be amended by deleting all the words after "that" and substituting the following:

Bill 9, Condominium Property Amendment Act, 2014, be not now read a second time because the Legislative Assembly believes that the bill delegates too much authority to the Lieutenant Governor in Council to make regulations respecting the details of the legislation and, in many cases, does not prescribe specific remedies in the bill itself, and further input from the stakeholders is required to address the provisions lacking detail in the bill.

The Deputy Speaker: Hon. member, do you have that amendment with you? This is a hoist?

Mr. Kang: No, a reasoned amendment.

The Deputy Speaker: A reasoned amendment. All right. I stand corrected. This is a reasoned amendment. If you'd circulate that to the pages, hon. member.

For the record, hon. members, this will be amendment RA1.

You can speak to the amendment, hon. member.

Mr. Kang: Thank you, Mr. Speaker. I think this amendment is self-explanatory. We believe that a piece of legislation of this magnitude should not be rammed through in the middle of the night during the dying days of this session. With all the time that the government spent consulting on this legislation, you would think that they could have been much more specific in prescribing remedies to the problems. In many areas, however, we are being told that we will have to wait for the regulations before we know exactly what is being proposed.

In this new era, where accountability is supposedly paramount, this degree of government by regulation is simply not acceptable. As I said before, remedies must be written into law so that they can't be changed behind closed doors, Mr. Speaker. As before, on record key stakeholders have pointed out that, you know, this government should at least have the decency to delay this important bill until the spring session, when it can be dealt with in a reasonable fashion and in an unhurried fashion. I think the government is trying to rush through this bill. It's a big bill, and I believe there are about 50 amendments. Because this bill is a very important bill and it will impact many Albertans, I think this Assembly owes it to them to get it right.

I'd like to ask all members to support this amendment, and I'm looking forward to the debate, Mr. Speaker. This is a big bill, and I think they should take time to review it and do it right.

Thank you.

8:30

The Deputy Speaker: Are there any speakers to the amendment? The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Why not, Mr. Speaker? I really like this amendment. This is an amendment that I am going to photocopy and put in my files. This amendment could be used on almost any government bill because almost every government bill of any substance at all that we deal with always refers a whole bunch of really important stuff to the cabinet to decide behind closed doors – behind closed doors – if you can believe it.

Is that any way to govern a province? I don't think so. I think that we in fact should insist that this government put forward the substantive elements of its legislation in the legislation and not deal with it in regulations. That is becoming and has over my time here become an increasingly pervasive strategy on the part of the government and not one that I think is either democratic or open or in the interests of the public as a whole.

Mr. Speaker, for those reasons I will be supporting this amendment as well as photocopying it, and I'll just have a little

thing on my computer where I can just replace the name and the bill number because I think we'll have use for this in the future.

Thank you, Mr. Speaker.

The Deputy Speaker: Standing Order 29(2)(a) is available.

Seeing none, I'll recognize the hon. Deputy Government House Leader.

Mr. Oberle: Well, I just want to point out for procedural information for those in the House, Mr. Speaker, that generally, when you propose an amendment to a bill because the bill is being rammed through in the middle of the night during the dying days of the session, at least one of those three conditions should generally be true. In this case none of them are. In the case that you propose such an amendment when none of those three conditions are true, it has the flavour that it might have been photocopied from somewhere else, which the Member for Edmonton-Highlands-Norwood suggests is a good strategy. I suggest we defeat the amendment and move on.

The Deputy Speaker: Standing Order 29(2)(a) is available.

Other speakers to the amendment?

Hon. Members: Question.

[Motion on amendment RA1 lost]

The Deputy Speaker: Back to the bill. Any other speakers to the bill? The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Speaker. Well, I was hoping that we could have an opportunity to deal with this in committee, but I think I'm prepared to deal, too, with the substantive elements of the bill. This is just a mildly revised version of the Redford government's proposed changes to the condominium act that were put forward in the spring of 2014.

This particular bill will make a number of changes, not all of them negative: broader consumer protection with more disclosure to buyers, including home warranty information, occupancy dates, and notice of changes to the purchase agreement; developers will have to deposit buyers' deposits with an authorized trustee, pay their fair share of condo fees for unsold units, and have a professional building assessment on buildings converted to condos. That's good, and that's important, I think. It will change board governance with explicit voting procedures, required notice of annual general meetings, owners' meetings to replace board members, and notice of insurance changes. It will delegate authority to the Real Estate Council of Alberta to regulate and set standards for condo managers. It will develop a clearer scope of government authority and stiffen penalties for offenses and create a framework for a dispute resolution tribunal as an alternative.

Mr. Speaker, in Alberta there are more than 8,000 condominium corporations in operation. Condominiums account for approximately 20 per cent of homes sold annually, and 1 in 3 homes sold in Edmonton and Calgary are condos. Because condominiums are such a big part of our province's housing market, it is important that we get it right the first time to ensure that condo owners are taken care of and protected, but despite nearly five years of consultation and two revisions of the legislation, the government continues to fall short on protecting condominium owners and addressing long-standing issues in the industry.

First, we're concerned about the lack of input from condo owners in the process. People who own condominium units need to have some say in the process and the laws that govern their arrangements. We've heard a lot from the government on the ways

in which developers were consulted and the ways in which the proposed legislation has been improved to better accommodate them, but there has been little outreach to stakeholders in the owner community. The Canadian Condominium Institute northern Alberta chapter says that the province has ignored their calls for more complete consumer protection measures and strict builder/developer accountability.

As a result of this there remain many issues that this bill does not properly address, including clarity in matters of insurance, property manager accreditation and training, and document disclosure to owners. Because of the clear problems we're hearing about this bill and the utter lack of notice and complete consultation with all concerned stakeholders, we would like to see the legislation delayed. It's been pushed forward too fast, and not everyone has had their voice heard. Albertans, especially those who live in condominiums, deserve to have their voices heard when it comes to the laws and rules that govern something as fundamental as their homes. We understand the need to update the legislation, but again we want to make sure that we get it right the first time on behalf of the increasing number of people who do own condominiums.

One of the core reasons this bill needs to be given fuller consultation is that so many of the matters that impact condominium owners on a day-to-day basis are just not dealt with in the legislation. They'll be dealt with behind closed doors through regulation, and we don't think that's the appropriate way to deal with these important public issues. The processes surrounding changes that will impact people's homes should happen with the full light of legislative oversight so that as many people as possible can contribute to productive changes in the legislation.

There are a number of things that we'd like to draw the Assembly's attention to. First of all, property insurance: some of the most serious issues facing all condominium corporations in the province are issues related to property insurance. While certainly the condominium boards and owners and possibly the government can do nothing about the rising of premiums, the government could have and should have addressed other insurance issues in Bill 9, including: what property must the corporation insure, and what must the unit owners insure? Second, if a unit suffers damage because of an insured peril, who should actually be responsible for overseeing the work of restoring the inside of the unit, the corporation or the owner? And, three, who should be responsible for paying the deductible portion of an insured loss and under what circumstance?

Under Bill 9 developers are only required to provide as-built documents if they exist. It does not require them to produce them. The as-built documents are construction drawings produced upon completion of a project or particular job. They reflect all changes made in the specifications and working drawings during the construction process and show the exact dimensions, geometry, and location of all elements of the work completed under the contract. A finished building rarely corresponds exactly to the original plans in every detail. This normally happens because of unforeseeable on-site complications and variations from the original plans. Sometimes these things can create considerable difficulty, and it's important that they be produced in every instance.

So these are just a few examples, Mr. Speaker, of what we believe are important matters that have been omitted from the bill. It's clear that the consensus among the condominium owners does not exist with respect to this bill, and certainly the meeting last night attended by 250 people that object to this bill as it's

presently formulated is a good indication for members opposite that it may not just be quite ready to go.

On that basis, Mr. Speaker, we'll be opposing the bill as it's currently written. We will have amendments at the committee stage, and if they're passed, we will be very pleased.

Thank you, Mr. Speaker.

8:40

The Deputy Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available.

Are there other speakers to the bill?

I'll afford the Member for Sherwood Park the opportunity to close debate if you so decide.

Ms Olesen: I'll call the question and close debate.

The Deputy Speaker: All right, then. The hon. Member for Sherwood Park has moved second reading of Bill 9, Condominium Property Amendment Act, 2014.

[Motion carried; Bill 9 read a second time]

Bill 11

Savings Management Repeal Act

The Deputy Speaker: The hon. Minister of Human Services.

Mrs. Klimchuk: Thank you, Mr. Speaker. I rise today on behalf of the hon. President of Treasury Board to move second reading of Bill 11, Savings Management Repeal Act. As you may recall, the Savings Management Act came into force on April 1, 2014. The act established two innovation-related notional endowment accounts within the Alberta heritage savings trust fund: the social innovation endowment account and the agriculture and food innovation endowment account. The act also established the Alberta future fund as an account within the heritage fund. Lastly, the act permitted the transfer of \$200 million from the heritage fund to the Alberta heritage scholarship fund to be earmarked for trade scholarships.

Over the past several months, Mr. Speaker, the government has taken some time to take stock of where we are as a province, where we would like to be, and what we need to get there. Our conclusion with respect to this bill is that there are higher priorities for income generated from our savings. This is well within the context of our commitment to sound, conservative fiscal principles and certainty within the context of our current fiscal condition and the substantial drop in oil prices we have seen since the summer.

Mr. Speaker, the Savings Management Repeal Act will eliminate the social innovation endowment account, the agricultural and food innovation endowment account, and the Alberta future fund. The \$200 million allocated to the Alberta future fund will be retained in the unallocated portion of the heritage fund, and plans to allocate another \$1.8 billion over the next nine years to the Alberta future fund will be cancelled. No money has been disbursed from the future fund. The money for the trade scholarships will remain in the Alberta heritage scholarship fund and will be used for that purpose.

Mr. Speaker, we certainly don't take repealing a bill lightly, and in doing so, we aren't saying that there is no merit in the objectives of the bill. We certainly have not stepped back from promoting a skilled workforce, and in that case I think an endowment approach is the right way to deliver trade scholarships on a sustainable basis, so we've left that alone. But the other three streams of activity are things that the government could fund

through the normal budgeting process, provided the government concludes these are high priorities.

The reality is this. We are cancelling setting aside \$2 billion in heritage fund assets for an Alberta future fund that many across the House opposed. We're cancelling a social innovation endowment, the object of which did not have a clear purpose in the minds of many Albertans and would have paid out \$45 million per year. We're eliminating an agriculture and food endowment that would have paid out \$9 million a year. Mr. Speaker, if we feel the objects of any of these endowment accounts are priorities, we can simply budget for them. We don't need endowments to do so. But we're still adding to our successful scholarship fund to create more trade scholarships to help expand Alberta's skilled workforce.

In short, repealing the act is the right thing to do, and now is the right time to do it.

Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. Minister.

The first speaker, the hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Mr. Speaker. It's my pleasure to rise and talk tonight about Bill 11, the Savings Management Repeal Act. No surprise that we're not going to borrow to save to spend. It didn't make any sense in the first place.

Three things I want to talk about: how we got here, where Alberta could have been from when Peter Lougheed started this fund in 1976, and then a different way to protect this asset for future generations, for future Albertans, in terms of better services, more services, less taxation, and better infrastructure.

How we got here. As the members for Calgary-Shaw and Edmonton-Highlands-Norwood have said, this government so consistently seems in a hurry, seems to want to do things behind closed doors in regulations and rules. With what I've seen in my short two and a half years, I'm going to suggest that you might as well because your consultation doesn't work very well either. I remember when the then Finance minister came to Medicine Hat on the government plane – thank goodness we no longer have those – and said things like: we went around the province last year doing our budget consultations, and it will be passed. Of course, this was just in March of 2014. Again, the Finance minister.

In public forums like the budget consultations and the Economic Summit last year many Albertans expressed support for using a portion of our savings for strategic, future-orientated investments. Bill 1, which we're now eliminating, the predecessor to the Bill 11 repeal act, reflects this desire by defining and implementing a renewed vision and purpose for a portion of our savings. I find this humorous and odd because everybody I talked to in Medicine Hat, even at the consultation, and everybody I talked to at the economic forum at the U of A said that it made zero sense to borrow money to save money and to spend money. It's no surprise that we're not coming up with notional funds or extra funds for social innovation, agriculture and food innovation, the Alberta future fund, and the expansion of the Alberta heritage scholarship fund when we're borrowing money like we are.

I want to talk about what could have been. Peter Lougheed started this fund with \$17 billion in 1976. Surprise, surprise that today, all these years later, all that we have is the same \$17 billion. Our government has pulled out \$33 billion over that time – \$33 billion – taking one asset, the royalties earned from our oil and gas industries, our hard-working Albertans that have added tremendous value to that asset, and it's gone. It's not there. It's been spent. Some studies have been done that show that if we'd have just left this interest to compound, if we'd have just left this

interest to grow from the original \$17 billion that Lougheed put in in 1976, we could have some side of \$233 billion today. Last year's estimate was \$210 billion. Good work at AIMCo and great markets over the year showed a 16 per cent return. That would have been a staggering \$32 billion of interest and revenue generated on money that this government didn't save, on money that future generations don't have access to.

Why is it important? You might remember when I released my infrastructure report a short time ago. The Fraser Institute released a report called Alberta's \$22-billion Lost Opportunity. Mark Milke from the Fraser Institute outlined how our Alberta government had increased spending 54 per cent more than population growth or inflation, more than this 80,000 or 90,000 or 100,000 people moving here every year, more than the 2, 3, or 4 per cent inflation we've gone through since 2005-2006, on operations and programs. Twenty-two billion dollars. I look at the \$33 billion that was pulled out of the interest earned on the heritage trust fund. Okay. From 2005 to 2006 is not the same length of period that from 1976 to now is, but with a little bit of discipline, with some efficiencies, with priorities – priorities – how much better could we have made it for the next generation?

8:50

I do support the fact that this Bill 1, the Savings Management Act, should be repealed under Bill 11. Again, it doesn't make sense to borrow money – and I think our borrowings are up to \$11 billion now – to save money. The old argument used to be that we have to borrow to spend because we can earn these higher returns. Well, in our heritage trust fund committee meeting two or three hours ago it was mentioned how the Canadian stock market, which is 8 per cent of our funds, is down 5 per cent in the last three months, and that probably doesn't count today's mayhem. So borrowing to save and to spend doesn't work for a household; it doesn't work for a government either.

One of the pros of repealing Bill 1, repealing the Savings Management Act, is that it does reduce some of this obscure accounting. We don't have to worry about notional funds and different funds of social innovation, agriculture and food innovation, the Alberta future fund, and ways to play that game. I am concerned, though, that it still allows this government to take out every bit of interest earned above the rate of inflation. We can be playing this game forever, stealing from future generations, not putting in the discipline needed to look for efficiencies, not putting in the discipline needed to look for private innovation.

But rather than just criticize, rather than just point out what could have been different, what should have been different, I want to talk about some ways to actually do something different. As the Auditor General said, you can't make a law for everything, so in the absence of laws you have to fall back on principles. What if we did not transfer any portion of the heritage trust fund, including our annual earnings, into the general revenues until the total annual earnings from the fund exceeded that of the average annual provincial revenues from oil and gas?

Mr. Wilson: What an idea.

Mr. Barnes: What an idea.

The approximately \$11 billion or \$12 billion we get from royalties: what if we left that money in there until the fund generated \$11 billion or \$12 billion? Would that go a long way to cushion oil dropping 40 per cent in a four- or five-week span? You've been the government for 44 years. You've certainly had the opportunity to do it.

What if we invested at least half of all the surpluses? First of all, what if we budgeted the price of oil, the price of natural gas conservatively? If we are a Conservative government, why don't we pick a conservative estimate to budget on, and then let's invest at least half of all the surpluses in the heritage fund until the total annual earnings from the fund exceed that of the average annual provincial revenues from oil and gas? So we'll direct some of the fund, again, to protect against these shocks. When we have a surplus, let's take 10 per cent of that surplus and give it to Alberta municipalities so they can build additional municipal infrastructure as well.

So a thought-out plan to conservatively estimate what revenues will be, a plan to save for future generations – I mean, with this great asset base we have of oil and gas, wouldn't it be great to leave the next generation at least some base of another asset that could add greatly to their future services, their public services, keep their taxes down, and create a better standard of living?

In summary, I too support the Savings Management Repeal Act. I'm surprised that the consultation was as ineffective as it was way back in March, but at least it's a step forward to having a more wholesome look.

Thank you.

The Deputy Speaker: Thank you, hon. member.

I recognize the hon. Minister of Energy.

Mr. Oberle: Well, thank you, Mr. Speaker. I'm pleased to respond and to speak on the bill and, in fact, respond to the last speaker. I think that for the benefit of those of you that are home, the last speaker was a fiscal conservative, a member of the Wildrose Party. It probably wasn't immediately evident if you were just listening to the speech.

He actually said in his speech that if we had this fund, we could provide more services, better services, and less taxes. That sounds like something the NDs would say except that at least the NDs know that you have to raise taxes in order to pay for whatever you're going to provide. It really expresses the view that your spending should expand to the level of funding available. I don't think that's the job of government at all.

He talked about the superfund and mentioned Norway. That's exactly the pickle that Norway got themselves into. Yes, they have the superfund. They also have a debt-to-GDP ratio approaching 50 per cent. Notice that Alberta doesn't have any debt at all. Okay? You've got to be careful what you wish for.

I don't think it's the job . . .

Mr. Barnes: Point of order.

Point of Order Clarification

The Deputy Speaker: Your citation, hon. member?

Mr. Barnes: Standing Order 23(h).

The Deputy Speaker: Okay. Would you speak to your point of order?

Mr. Barnes: I would. I do not recall mentioning Norway. I just think that as a fiscal conservative who's to say that in the future we couldn't save all the interest that this fund earned? Who's to say that we couldn't have lower taxation? Who's to say that we couldn't, you know, continue those principles? It's a point of clarification, and I appreciate the chance to clarify.

The Deputy Speaker: So you're just trying to clarify.

Hon. minister, to the point of order.

Mr. Oberle: I apologize unreservedly, Mr. Speaker. I thought he was referring to Norway with the fund. He's talking about something else, but he did refer to a large fund. I thought he was talking about Norway. I withdraw that.

The Deputy Speaker: Okay. So that point of order is dispensed with, hon. member. The minister has withdrawn his comment, and you were looking for clarification. I think we're good.

Mr. Barnes: Yes, we are. Thank you.

The Deputy Speaker: Thank you very much.

Hon. minister, you may continue with your comments.

Debate Continued

Mr. Oberle: Thank you. Then he talked about the \$22 billion forgone. He forgot to mention the fact that the growth in our budget has been below population growth plus inflation rate for the last four or five years. You know, it's a double-sided argument.

The point is, I think, Mr. Speaker, that a fiscal conservative might look at this and say: "Well, you know what? It's not really the job of the government to hoard the taxpayers' money, to stuff it in our mattresses or our socks or anywhere else we might stuff it. The best place for that money is in people's pockets and out there in the economy."

I do agree that the heritage savings trust fund has to be built to a level. Let's leave it at that. If the member has some productive ways that he suggests that might happen, I suggest that he table those in committee, and we can examine them. Certainly, we're always open to suggestion. I would say that the topic of the bill before us is of course doing exactly that, trying at this stage to guarantee that that fund is not spent. All of us agree that there is some value in maintaining the fund at some level, and on that basis, Mr. Speaker, I would very strongly recommend that the whole House, regardless of our beliefs, vote to support the bill.

The Deputy Speaker: Thank you, hon. minister.

Other speakers to the bill? The hon. Member for Edmonton-Highlands-Norwood.

Mr. Mason: Well, thank you very much, Mr. Speaker. Well, I think . . .

The Deputy Speaker: My apologies, hon. member.

Standing Order 29(2)(a) is available if you wish to . . .

Mr. Dorward: I wanted to 29(2)(a) him.

The Deputy Speaker: Well, no, then. Hon. member, it starts now. We'll start with the Member for Edmonton-Highlands-Norwood, and if you'd like 29(2)(a) after that, there will be an opportunity. Edmonton-Highlands-Norwood.

Mr. Mason: Thank you very much, Mr. Speaker. Well, hon. Member for Edmonton-Gold Bar, you missed your chance, but you can 29(2)(a) me if you like.

Mr. Speaker, I'm excited to get up and speak after hearing some of the comments a bit earlier tonight with respect to this bill. Now, I'm going to say at the outset that we actually will be supporting this bill because this bill falls under the category of repealing stupid legislation.

9:00

We have seen the government's legislative record in the past number of years: Bill 19, Bill 36, Bill 50, bills 45 and 46, bills 9 and 10, all of which fall under the category of stupid legislation that needs to be repealed. Some of it has been. You know, bills 9, 10, this 10 – that's two 10s in a row – 28. We've seen plenty of examples. Now the government is repealing their former Bill 1. I think, Mr. Speaker, that it's unprecedented that the government's flagship piece of legislation should be repealed by the same Legislature that passed it in the first place. [interjection]

Well, you know, the hon. member talks about being under new management. I know that that's what they'd like us to believe, but there are exactly four guys that have changed, Mr. Speaker. Everybody else is exactly the same as they were under the old management. So it's not really new management. Picking up a couple of Wildrosers is not exactly the kind of thing that indicates a real change of direction for this government.

You know, we had a grave concern with the direction of the previous Bill 1 under the premiership of she who must not be named. It was like the government was reading stuff on Twitter: "Hey, that's a good idea. We're going to do that." All these new and innovative ideas were just stuff they were pulling off the Internet. Alabama did something, or Colorado did something: "You know, that sounds interesting. Let's make a new law." That's how it was.

Now, of course, we would hope that under the so-called new management this would be changed, but I think the recent events around Bill 10 show that the pattern is still in place. It's still a pattern. It's still happening. We felt that the social impact bonds idea was another fad from the States that some minister's assistant found while surfing the Internet, something that allows the government to privatize social problems and to in fact avoid responsibility for sound public programs that actually help people get out of poverty, which should be the objective of government programs. They added a profit motive to social services that I think most Albertans found very distasteful.

Since somebody, you know, actually quoted the Fraser Institute a little earlier, I think I can probably bring up the Parkland Institute. Ricardo Acuña of the Parkland Institute says that the reality, however, is that these social impact bond schemes will only serve to further pad the bank accounts of wealthy investors while turning the very concept of public services on its head and eliminating funding for a broad range of projects and activities. That's why we opposed it, and that's why we're happy to support this bill.

My mother always told me that it was really rude to say "I told you so," so I won't, but I do think that I do need to make some response to the Energy minister's comments with respect to that because I think he's partly right and, of course, partly wrong. He's certainly wrong about Norway. The debt-to-GDP ratio in Norway is more about 30 per cent. If you look at its net debt, which means, of course, including their fund, the net government debt as a percentage of GDP, according to the IMF, it's minus 165.5 per cent, which means that they have a massive – massive – asset benefit over whatever debt they may hold.

The fact of the matter is that Norway, because it charges people who are extracting its natural resources, that belong to the people of Norway just like the resources in this province belong to the people of Alberta – it charges a fair economic rent for those resources – is able to bring in considerably more money, particularly when the price of oil is high. Instead of spending that money on government programs and thus robbing from future generations, they have wisely and prudently invested it.

Now, what's been the result of this? The Minister of Energy wants to focus on some kind of debt-to-GDP bogeyman and misstated the actual situation. But for Norwegians the reality is that their standard of living has risen significantly, and the level and nature of government programs and funding for government programs has increased very substantially. Norway is now one of the richest countries in the world as a result of adopting a set of principles for the management of petroleum resources that were developed by Peter Lougheed, the first leader, the first Premier, of this Progressive Conservative dynasty.

If there's ever an indication that they've lost their way, it is this. Norway, having studied and adopted Peter Lougheed's principles for the development of the oil and gas industry, has moved to a place where they don't have to worry about drops in the price of oil like we do. They don't have to lay off nurses and teachers every time the price of oil goes down because they prudently invest. Their future generations don't have to worry about the current generation spending all of that nonrenewable resource revenue that belongs to all generations just on themselves, to fund their social programs. They can fund their social programs without having to steal from future generations.

It is a very important comparison, I think, that needs to be drawn. It cannot be dismissed just simply by saying: oh, gee, their debt-to-GDP ratio is too high. That doesn't make any sense at all. What's important is that they recognize that the resources, the oil and the gas in the North Sea, belong to the people, not to the oil and gas companies. They belong to the people. The oil and gas companies can provide a service by taking it out of the ground and refining it and getting it to market and selling it, but ultimately it does not belong to them, and they have to pay a premium to do that. They make good money doing that, but the bulk of the money, the bulk of the benefit, comes to the people who own the resource in Norway, unlike here.

Peter Lougheed had set a goal that 30 per cent of the total value of the natural resources should come to the people. Under Social Credit it was only 10 per cent. Guess what it is now. It's 9 per cent. So we're collecting less on the oil and gas resources that we as a people here in Alberta own than the Social Credit government was in the 1960s. Of course, now we're still in the situation where I guess about 30 per cent of our program spending is funded from nonrenewable royalty revenue, which is extremely volatile. That's why I say that we're stealing from future generations. We're using their resources to pay for our health care, and that's just not right.

That brings me to the second point. It's not a question, as the Energy minister says, that the NDP wants to raise taxes. One of the things that happened when natural gas royalties were so high in the early part of this century is that the government gave tax breaks to the people who needed them least. For example, they took the personal income tax and instituted a flat tax. They cut tax rates massively for the wealthiest in our society and, at the same time, brought in increases for middle-income earners.

When we say that we want to go back to progressive income tax, yes, we want everybody to pay their full share, and, yes, some people will certainly have a tax increase because they've been getting away with murder for years, but for the bulk of Albertans it actually would be neutral or even be a small decline in the taxes that they pay. That's just in the interest of fairness and equity.

9:10

In terms of corporate income tax a tax break was offered – and this is on profits of corporations. This is only on profitable corporations, on the money that they declare as a profit. The government has set a goal of reducing the corporate tax rate in Alberta from 15 and a half per cent down to 8 – in other words,

cutting corporate tax almost in half – and they're pretty much along the way. They're down to about 10 per cent, Mr. Speaker. So there has been a substantial reduction in revenue, and it increases the dependency on royalty revenue to pay for programs.

Now, I think we can do better as a province, Mr. Speaker. When the price of oil goes down, we shouldn't have to be rushing for the emergency exits. We shouldn't have to be talking about cutting program spending, you know, laying off teachers and nurses, cutting all kinds of important programs, that were important the day before but suddenly are expendable because we're not managing our economy and our finances as a province properly. I think when the public as a whole realizes how unnecessary and stupid it is to cut your program spending based on the price of oil in a given month or in a given year, then this government has got some real answering that it's going to have to do to the people of Alberta for the squandering of our resources and for the mismanagement of the economy.

It's not good enough to say: "Oil prices are down, and all bets are off. We're going to break our campaign promises. We're going to cut program spending, cut health care, cut education." I don't think the public buys that anymore. Why didn't you fix this? Why didn't you fix it so that you were protected from changes in oil prices? Lord knows, we all know that the price of oil goes up and down. If the government doesn't know that by now, there's something really, really seriously wrong.

Mr. Speaker, we can do better as a province. I think Albertans need a government that actually thinks like an owner and puts the people in the province ahead of their insiders and their friends and their corporate donors. I think the province of Alberta needs a new government.

Thank you, Mr. Speaker.

The Deputy Speaker: Standing Order 29(2)(a) is available. Under 29(2)(a), the hon. Member for Strathcona-Sherwood Park.

Mr. Quest: Thank you, Mr. Speaker. I just have a couple of questions for the Member for Edmonton-Highlands-Norwood. Keeping in mind that when we go to the Norway comparison, we're part of a federal system where this province transfers net payments out every year of \$10 billion to \$20 billion, approximately. Norway has amongst the highest corporate and personal income taxes in the world. They have a 1 per cent asset tax, so if your house is paid for and you've got some RRSPs – say you've got a million dollar net worth; you write a cheque to the government every year for \$10,000. They have a 25 per cent sales tax, five times what we pay here in Alberta. My question is: which of these huge increases in taxes to corporations and especially to individuals, especially the 25 per cent sales tax, does the member suggest that we force on Albertans?

Mr. Mason: Well, none of the above, Mr. Speaker. What I suggest is that we set an appropriate royalty level, as set out by Peter Lougheed. Peter Lougheed didn't talk about a 25 per cent sales tax. He didn't talk about these massive taxes that the hon. member is talking about, and I'm not talking about them either. I'm talking about being sensible, acting like owners, and making sure that we get full value for the resources that we allow those companies to take out of the ground on our behalf, on behalf of the people of this province.

Now, the tax question is another matter. Certainly, the two tax cuts that were brought in under Ralph Klein at the time that natural gas prices were sky-high and we were bringing in \$8 billion in natural gas royalties in a single year need to be reconsidered. Getting rid of the flat tax would be a really good

start. That doesn't mean that you want to bring in a sales tax. We're opposed to a sales tax. You know, he's posing a false choice, Mr. Speaker. He's saying that you can't talk about what Norway does with its royalties and how it saves its money without adopting all of their other programs and all the other tax structures, and that's just absolutely not true. It's simply not true.

A sensible approach to our natural resources and the royalties that we can get from them and a sensible approach to savings is very important for this province, and the government can't just sort of say: you know, you can do what we're doing, or you can do something else that's completely alien. That's not how this debate is going to go, and I would encourage the hon. member to try and separate some of these issues. We may like some things about the American justice system, for example, but that doesn't mean we want to adopt their criminal justice system completely. We may like some things about the Americans' health care system, but that doesn't mean we're going to adopt everything about it. I think we can raise the intellectual level of the debate here a little bit and stop posing false choices.

Thank you.

The Deputy Speaker: Thank you, hon. member.

There's still some time left under 29(2)(a).

Hon. members, if I could ask you just to keep the side conversations down to a murmur, please. Thank you.

The hon. Member for Calgary-McCall.

Mr. Kang: Thank you, Mr. Speaker. I will be brief. I will have a little historical overview about the heritage trust fund. On July 3, 2014, the former Finance minister Ted Morton claimed that the Alberta government took in \$216 billion in nonrenewable resource revenue between 1977 and 2013, the 36-year period in which the Alberta heritage trust fund has existed. Of that less than 6 per cent has been saved. The heritage trust fund was established in 1976 with an initial \$1.5 billion deposit from royalties and another \$600 million from general revenues. Between 1976 and 1982 the province saved 30 per cent of the resource revenues, and the heritage trust fund grew to be \$12 billion. During this initial period it was estimated that the fund could top \$50 billion by the year 2000 if we had been saving that 30 per cent in the heritage trust fund.

However, by 1982 Alberta had already ratcheted down the percentage of resource revenue saved to 15 per cent, and by 1987 the province stopped making deposits entirely. Alberta did not make a single deposit to the heritage trust fund between 1987 and 2005. Through the nineties our yearly income from our initial investment was spent, and over that time Alberta lost \$7 billion to inflation alone. The Fraser Institute noted on March 4, 2013, in a report that between 1977 and 2011 the heritage fund earned \$31.3 billion on its assets, but the Alberta government withdrew \$29.6 billion. The report also says that as of December 31, 2012, the heritage fund was valued at \$16.4 billion, not much more than its \$12.7 billion value in 1987, when the province stopped making deposits linked to resource revenues.

The Calgary Chamber of Commerce calculated in 2011 that had Alberta continued to save 30 per cent of resource revenues in the heritage trust fund, it would now be worth over \$128 billion, Mr. Speaker. Had we been saving, by the year 2012 we could have been sitting on a nest egg with \$128 billion. You know, I think the income from \$128 billion alone could have generated enough income to keep us off the roller coaster ride of oil prices.

9:20

By contrast – here comes Norway again – Norway's oil fund's formal name is the government pension fund global. It was worth

\$840 billion as of the end 2013. It grew by \$200 billion in 2013 alone, Mr. Speaker, despite the fact that the country only started saving resource revenues in 1996. Though use of the fund is limited to 4 per cent, the amount of money that figure represents is growing. The oil fund has quadrupled in size since 2005 and will grow by 15 per cent by the year 2020. That's the government estimate there.

So that's a little bit about the history of the heritage trust fund. Mr. Lougheed was the visionary leader who established the heritage trust fund, and Norway and Alaska permanent funds were established way after Mr. Lougheed established it. So they took a page out of his book, and look where they are now and where we are now.

In 2014 the Alberta Liberal caucus opposed the Savings Management Act when it was debated and passed. The Savings Management Act was very vague about who would be eligible to receive funding through the Alberta future fund and the two endowment accounts. This lack of clarity could lead to monies going to private companies who really shouldn't be funded through such means. In the case of the Alberta future fund there was also the potential that it could be used as a form of slush fund to reward loyal corporations or individuals.

Our caucus was also critical of the fact that social innovation endowment was at least already intended to pave the way for the use of social impact bonds in Alberta. Budget 2014 revealed that Alberta is on track to be \$21.6 billion in debt by 2016-17. Arguably, the government should not be creating new endowment funds as long as it's in debt and that debt continues to grow.

These are the reasons, Mr. Speaker, that we are going to support this bill, because it's going to repeal all those endowment funds, which were created under the former Premier's flag. So I will be supporting the bill, but those were the concerns.

The Deputy Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available. The hon. Minister of Energy.

Mr. Oberle: Yeah. Mr. Speaker, I just need to quickly provide a point of clarification. I said that we had no debt. We do, obviously of course, have debt. We have no net debt, Mr. Speaker. I looked it up. Norway's net debt right now, their actual debt, is \$115 billion. Obviously, they've built their debt to a point where their operational budget can't service that debt, so they're faced with a choice of raising taxes to cover their debt. They have no other choice, which is why they have, as the Member for Edmonton-Strathcona pointed out, the impressive levels of taxation they have given the fact that they actually are in the no net position. They can't service their debt from their operational budget.

So I've got to ask the hon. member a question. Given the conversation today – for example, the NDs talked about: let's not cut any postsecondary education spending. We've talked about all this, levels of service. Even the Wildrose tonight said that we could have more services, Mr. Speaker. So how would the hon. member think that we should fund ourselves going forward? Should we increase the level of taxation in order to greatly increase the heritage savings trust fund and still provide services to Albertans? He's talking about a very, very impressive increase in the level of taxation. Would he support that, Mr. Speaker?

The Deputy Speaker: The hon. Member for Calgary-McCall.

Mr. Kang: Well, Mr. Speaker, I think we are on record to have the progressive tax, and if we bring in the progressive tax, we should adopt Saskatchewan's fiscal model, and I think they are the

second lowest tax jurisdiction in the country. I think that will fix lots of our problems.

Thank you.

The Deputy Speaker: Any others under 29(2)(a)? The hon. Member for Edmonton-Highlands-Norwood on 29(2)(a).

Mr. Mason: Thank you. It's Calgary-McCall, right?

The Deputy Speaker: Calgary-McCall.

Mr. Mason: I'd like to just provide a little comment for the hon. Member for Calgary-McCall and just to indicate with respect to the comments made by the Energy minister that in fact Norway has – I'm looking at the debt clock. Now, this is the most right-wing economic website you'll ever find. You know, it's got all kind of ads for how you can get rid of Obama and all kinds of stuff, and they have it for every country, but they have a disclaimer underneath it for Norway saying that the net assets of Norway exceed their debt – the government assets exceed the debt – so they're in a positive position. I just wonder what the hon. Member for Calgary-McCall thinks about that.

Mr. Kang: Well, I think that had we kept our taxes where they were – like you said, we'd adopted a flat tax and the corporate tax cut, right? – I think we could have been in a better fiscal position, too. As long as there's no net debt, I think anybody will be in a better fiscal situation. I think Norway is still better than us. I think we should bring in a progressive tax. I think we should be saving for our future generations. We shouldn't be spending these royalties as fast as they come out of the ground, and we shouldn't be robbing our future generations from the kind of living standards that we have. They deserve a better living standard than what we have today. We have to fix our fiscal regime to save some for the future generations.

With the way oil prices are, what if they are down to 30 bucks a barrel? What are we going to do? How are we going to have the predictable, sustainable funding for even our operating budget, for our hospitals, for our teachers, for the schools? How are we going to build new roads? How are we going to build new hospitals? If we don't save anything, the money has to come from somewhere. We have to raise the taxes, or we have to borrow. What options do we have? We're still the lowest tax jurisdiction in the country, and I think that there should be fair taxation system in place. We should all be paying our fair share, and we are talking about paying the fair share.

Thank you.

The Deputy Speaker: Thank you, hon. member.

Other speakers on the bill? The Member for Calgary-Shaw.

Mr. Wilson: Well, thank you, Mr. Speaker. It is indeed a pleasure to stand and rise and engage in this debate on Bill 11, Savings Management Repeal Act. I always do enjoy it, especially when the other side actually does stand up and engage. Normally, we're used to just the heckling.

Mr. Mason: Which is better than snoring.

Mr. Wilson: It's true. That is better than the snoring, Member.

Here we are, Bill 11, and the thing that I love the most about this government, Mr. Speaker, is the fact that they are so willing to change. It reminds me, again, of another Winston Churchill quote. "To improve is to change; to be perfect is to change often." Well, I tell you, these guys are certainly striving for perfection, falling quite short but striving for perfection. I think that if they understood my

sarcasm at all, they may wish to stop pounding on their desks. I don't think it's the kind of change that they should be all that proud of. In fact, I would suggest that there is one member across the aisle who has the ability to look anyone in the eyes and say that they believe wholeheartedly and have stood on their convictions around Bill 11, and, Mr. Speaker, that is the Member for Calgary-Varsity. She did what was right. She saw this Bill 1 come across last spring, and she saw it for what it was. She left, and she sat as an independent.

An Hon. Member: Was that why?

Mr. Wilson: That was one of the reasons why.

Here's what we're talking about, Mr. Speaker. We now see a PC caucus that's going to stand and defend the brilliance that they have around bringing forward Bill 11, which is simply repealing Bill 1, that they all stood and supported vehemently in the spring. It's ludicrous. It's kind of a phenomenon to watch. You know, we saw it during the summer, when our new Premier ran against this government's record. He ran hard. He ran hard, and he's still running.

9:30

It seems to me that the talk around the heritage savings trust fund is an important one to have. The case that my hon. colleague from Cypress-Medicine Hat laid out here was a hypothetical scenario. I'll give you another example of a hypothetical scenario. Let's just say that, hypothetically, the previous Premier, Premier Redford, was never your leader. Think about all the hypothetical scenarios you've run in your head over the past number of years had that not happened. Well, here's the hypothetical scenario that we are running on the heritage savings trust fund. It's pretty simple if you follow along. Peter Lougheed started the investment in 1976. It was a great idea. Let's save some money that we're making off of our resource revenue.

I remember my parents, when I was younger, Mr. Speaker, telling me how much pride they had in the fact that they were saving money for future generations and using that fund to set up a province that was going to prosper long into the future. It was a brilliant vision. The problem is that this government, when times got tough, continued to skim the interest off of the fund, and year after year after year what we've seen is this fund not actually grow.

Now, there may be a case to be made that that money at the time was necessary to be used and spent, but that's not what we're talking about. We're talking about the hypothetical scenario that that original investment had just simply been left in the fund as, for example, a retirement fund. This government often likes to compare the massive levels of debt it's taking on to a home mortgage. Well, let's talk about this in, you know, terms that maybe they'll understand. Let's think about it as though it's an RRSP, where you put money in and you allow the magic of compound interest to do its work, and over almost 40 years, 38 years later, that fund from its original investment would now be worth roughly \$200 billion. That is simple compound interest. It's the same thing that we base our retirement plans on, Mr. Speaker.

When we talk about that, we say: let's, hypothetically, understand that from 1976 to 2013 we've got roughly \$200 billion. We know that last year Leo de Bever and AIMCo were able to get a 16 per cent return on our heritage savings trust fund. That's pretty good money, and it's not too difficult to do the math to figure out what the return on that is. As the Member for Cypress-Medicine Hat said, in a hypothetical world if you had \$200 billion and you received 16 per cent interest in one year, \$32 billion. That's not bad.

Now, again, what we're trying to discuss here is how great it would be to have that cushion right now as a province. We know that oil and gas go up and down. We understand that. Everyone gets it. It's part of living in this province. We've seen it time and time and time again. What we don't necessarily understand, Mr. Speaker, is the importance of having a plan that ensures that when you're spending money and you're spending taxpayers' dollars, you're doing it in a responsible way.

The Minister of Energy earlier tonight suggested that for the last four or five years their budgets have been spending less than the rate of population plus inflation. Now, I do not have the numbers in front of me, Mr. Speaker. I would be interested to see that. I'm not sure if he's referring simply to operational spending or if he's referring to the overall budget, but we have had some very, very, very high budgets in this province over the last number of years.

If the hon. Minister of Energy, who was first elected in 2004, will recall, there was also a savings fund called the sustainability fund in place when he got here. Ten years later that's gone, and we're now \$11 billion in debt. Now, I'm not saying that it's simply his fault. It's obviously not. I'm saying that there is a class of government here. They can call it "under new management" all they want, but at the end of the day these are the same people that had that money in their savings, and it's the same people who find themselves in debt.

When he goes and compares what other members in this House are suggesting around Norway, that they have \$150 billion of debt and their operational revenues can't actually even service that debt cost, well, that's the exact argument that we give on an almost daily basis about why we shouldn't be going into debt in an irresponsible fashion, because the debt-servicing costs are upwards of what is going to be a billion dollars out of our pocket, out of our own tax dollars right here in this province, by 2016.

This province isn't going to stop growing any time, Mr. Speaker, so what does that mean? Does that mean that we're \$20 billion in debt by 2016, and then it's going to be okay to be \$40 billion in debt by 2020? And then it's: "We're going to keep growing. We need some more hospitals. We need more roads. We need more schools." We understand all of these things. I guess it'll be okay if we're \$60 billion in debt by 2024. It's just like a mortgage, right?

What we're talking about here: I'm happy to engage further. The Member for Calgary-Mackay-Nose Hill is glaring at me. I think it's important to reflect on what we can do now. We know where we're at, Mr. Speaker. We know that the heritage savings trust fund is worth roughly as much today as it was in 1976. We have an opportunity. It's going to be tough. We recognize that with the price of oil, there are going to be some very tough decisions to make. And I fully respect that the toughest thing that a government has to do is to make decisions and, you know, decide how they're going to spend scarce resources and how they're going to allocate those dollars. That is not going to be an easy task. I do not envy them. But it's what they asked for. They went around and knocked on every door in this province and asked for this opportunity, as did we. The people chose them. We're okay with that. That is now their task. That is what they have to do.

At the end of the day what we would like to be able to do, Mr. Speaker, is to say to the government: "Now that we're back in this really tight time, let's recognize the error of our past, that under Premier Stelmach we started spending at rates that were much higher than population and inflation. Let's use that knowledge to now recognize that we have to get back to that." When we do and we get to the point where we can start running surpluses again, it's

time to seriously start reinvesting in that heritage savings trust fund.

We over here have been talking about 50 per cent of surplus dollars going directly into that. That's a manageable plan. That's surplus dollars. Now, we're starting a little bit behind the eight ball here, but that's okay. We've got, hopefully, some time. All that we're saying in these benches over here, Mr. Speaker, is that we need to find an alternative way of offsetting our oil and gas revenues in this province, and the way that we believe we can do that is by building that fund so that the interest generated from it weans us off our reliance on oil and gas. It's that simple.

Bill 11 is a good step in that direction. We believe that it was a mistake to set up those slush funds in the first place. We're happy to see the government come around and see the light.

With that, I'll take my chair. Thank you, Mr. Speaker.

The Deputy Speaker: Thank you, hon. member.

Standing Order 29(2)(a) is available. I'll recognize the Member for Calgary-Mackay-Nose Hill.

Dr. Brown: Well, thank you, Mr. Speaker. I do want to make a comment, and that is about the argument that the Member for Calgary-Shaw has made, and the Member for Edmonton-Highlands-Norwood and the Member for Cypress-Medicine Hat, as to the fact that we could have had all these billions – \$20 billion, \$200 billion, or whatever it is – if we only had kept all of the interest in the heritage savings fund.

Well, that's a specious and a fallacious approach to financial management, and the reason is because, number one, this government has had programs which are without parallel in any province in the country. Take seniors' programs, for example. We have the best seniors' programs in the country. We have a health care system that's the envy of many places around the world. If you're going to have a stroke or a heart attack, I tell you, have it in Edmonton or Calgary because you're going to be better treated there than in almost any place in the world. We've got an education system that is fantastic and that performs consistently amongst the best in the world. We have infrastructure that we've built with the savings after inflation-proofing, that we've built with the interest in the heritage savings. We've got schools, and we've got hospitals. We've got roads, we've got bridges, and we've got infrastructure that we would not have been able to build if we had just plowed it into some savings account.

We've got low taxes. Let's talk about the low tax regime that we have here in the province of Alberta. We wouldn't have had that low tax regime if we just piled all that money away. No, we wouldn't have it. No. Because you know what? That subsidized the programs and the infrastructure that we have. And the low taxes: guess what low taxes have done? They have caused people, businesses to come to this province because of the Alberta advantage. [interjections] Sorry?

9:40

The Deputy Speaker: Through the chair, hon. member.

Dr. Brown: They've caused businesses to come to this province, they've caused people to come to this province in unparalleled numbers, greater than in any other province in the country and better than in any other regime in North America. In fact, last year it was over 100,000 people that came. They voted with their feet for what we do in the province of Alberta, and it's not to stick money in a sock or put it under the mattress but to use it for the benefit of Albertans.

The Deputy Speaker: The Member for Calgary-Shaw to respond.

Mr. Wilson: Well, I didn't quite get a question in there, Mr. Speaker. I appreciate the feedback, and it's very difficult to disagree with the fact that what we have in Alberta is a fantastic province. There's no question. We have a lot of things to be proud of here. We do. It's not just simply because of the PC government, though. Some would argue that it's despite them.

I'll start with health care. We spend more per capita on our health care system than many of the other provinces across the country do, and we all know that our health care system, once you're in it, is fantastic. Absolutely. There's no question. We get some of the best front-line service you can get in this country. The hon. member is correct. The problem is the administration of our health care system. The costs in Alberta per capita are much higher than in other provinces, and it doesn't translate into better service as a whole.

We'll talk about the education system. Sure, we've got a good education system. Again, no question. Standards are slipping. We're not in a perfect scenario. Mr. Speaker, our PATs just came back, and our scores are declining.

We're talking also about seniors. [interjection] I love the hon. Member for Edmonton-Gold Bar, and I would just ask, Mr. Speaker, just one time that he have the capacity to have the courage to stand in this House and talk about the convictions that he clearly doesn't actually have. You just sit there and you heckle and you heckle and you heckle.

Mr. Dorward: Point of order, Mr. Speaker.

Point of Order Allegations against a Member

The Deputy Speaker: Hon. member, you have a citation for this point of order?

Mr. Dorward: Yes. It's Standing Order 23(h), "Makes allegations against another Member," that I sit here and heckle and heckle and heckle. I don't think I heckle, heckle, heckle.

Mr. Wilson: To respond to the point of order, Mr. Speaker?

The Deputy Speaker: Yes, please.

Mr. Wilson: I believe that truth is the ultimate defence, and I don't believe that there's a single member in this House who would not agree that the Member for Edmonton-Gold Bar has a bit of a habit of heckling from his chair. I'll allow you to make your ruling, but an allegation, Mr. Speaker, would be something that, according to the next citation under Standing Order 23, would probably also require it to be false.

The Deputy Speaker: Hon. Government House Leader, did you want to get in on this?

Hon. members, I think we seem to be looking for a clarification here, and I think the point has been sufficiently clarified between the two members.

If I don't hear otherwise, I'll invite the Member for Calgary-Shaw to continue for another 37 seconds under this 29(2)(a) if you so desire.

Debate Continued

Mr. Wilson: I will finish my 37 seconds. I appreciate the opportunity to address this House.

What I will say is that I agree with a lot of what the Member for Calgary-Mackay-Nose Hill has suggested. I agree that everyone in

this House – it doesn't matter which party you're from or whether you're sitting as an independent in this House – wants to make this province the best it possibly can be. We just may have different ideas and different views about how it is that we're going to get there. But what you cannot question and what no member in this House should be able to question is the outcome that every one of us here is looking to achieve, and that outcome is the best possible Alberta that we can have.

Thank you.

The Deputy Speaker: Thank you, hon. member.
Are there other speakers to the bill at this point?

Hon. Members: Question.

The Deputy Speaker: Seeing none, the question has been called.

I'll offer to someone on behalf of the Minister of Treasury Board to close debate.

Mrs. Klimchuk: Mr. Speaker, I move that we close debate, please.

[Motion carried; Bill 11 read a second time]

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

Mr. Oberle: Well, thank you, Mr. Speaker. In light of the hour and the progress made tonight and the exhausting debate we've had to this point, I would like to move that we adjourn until 1:30 tomorrow.

[Motion carried; the Assembly adjourned at 9:46 p.m. to Tuesday at 1:30 p.m.]

Table of Contents

Government Bills and Orders

Committee of the Whole

Bill 7	Chartered Professional Accountants Act	425
Bill 8	Justice Statutes Amendment Act, 2014	425

Second Reading

Bill 9	Condominium Property Amendment Act, 2014	428
Bill 11	Savings Management Repeal Act	433, 435, 440

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