

Province of Alberta

The 29th Legislature Second Session

Alberta Hansard

Tuesday afternoon, May 24, 2016

Day 32

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta The 29th Legislature Second Session

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Legislative Assembly of Alberta

1:30 p.m.

Tuesday, May 24, 2016

[The Speaker in the chair]

The Speaker: Good afternoon. Please be seated.

Hon. members, as is our custom, we pay tribute to members and former members of the Assembly who have passed away since we last met.

Mr. Malcolm Glen Clegg October 2, 1933, to May 20, 2016

The Speaker: A lifelong resident of Fairview, Alberta, and former Member of the Legislative Assembly, Malcolm Glen Clegg passed away, surrounded by his family, at his home in Fairview on May 20 at the age of 82. Glen Clegg was first elected to the Legislative Assembly on May 8, 1986, serving as the Member for Dunvegan. He was subsequently re-elected in 1989, 1993, and 1997. During his 14 years of service as a member of this Assembly he served on many committees and served as Deputy Chair of Committees from 1993 to 1997 and deputy government whip from 1999 to 2001.

Mr. Clegg also served in local government, serving in Fairview first as a councillor from 1967 to 1971 and then as reeve from 1971 to 1983. He continued his community service with his ongoing support of the Rotary Club and his two terms on the board of governors of NAIT from 2004 to 2010.

In a moment of silent reflection I ask you to remember Mr. Clegg as you may have known him.

If you would please rise, we will now be led in the singing of our national anthem by Mr. Robert Clark. I would invite all participants to sing in the language of their choice.

Hon. Members:

O Canada, our home and native land! True patriot love in all thy sons command. Car ton bras sait porter l'épée, Il sait porter la croix! Ton histoire est une épopée Des plus brillants exploits. God keep our land glorious and free! O Canada, we stand on guard for thee. O Canada, we stand on guard for thee.

The Speaker: Please be seated.

Introduction of Visitors

The Speaker: Hon. members, with our admiration and respect and years of gratitude to members of the families who have shared the burdens of public office and who serve today, I would like to welcome members of the Clegg family who are present in the Speaker's gallery. Please rise as I call your names and remain standing until you have all been introduced: Mr. Greg Clegg, son of Mr. Glen Clegg; Janis Clegg, daughter of Mr. Clegg; Connor Clegg, grandson of Mr. Clegg; Garrett Clegg, grandson of Mr. Clegg; Megan Carlton, granddaughter of Mr. Clegg; and Dr. David McNeil, a close friend of Mr. Clegg. If we would honour our guests today.

Introduction of Guests

The Speaker: We have some guests. The Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Mr. Speaker. It's an honour to introduce to you and through you to all members of the Assembly 29 fine people from the diverse constituency of Drumheller-Stettler. To introduce the members and the parents and the students of the Lakeview Christian School in this facility is an honour for me. Would they please rise and receive the traditional welcome of this Assembly.

The Speaker: Welcome.

The Member for Leduc-Beaumont.

Mr. S. Anderson: Thank you, Mr. Speaker. It is a pleasure – c'est mon plaisir – to introduce to you today two classes, grades 6 and 7, from the beautiful constituency of Leduc-Beaumont. They are from Saint-André academy, and they are accompanied by – and if you would please stand as I say your names – parent helpers Ms Laurie Widmark, Mrs. Lori Pumphrey, Mr. Ronald Engen; their teachers, Mrs. Angela Rastovski and Miss Katelyn Williamson; and the rest of the classes. Would you stand, please, and could we give them the warm welcome of our Assembly.

The Speaker: Welcome.

The Minister of Economic Development and Trade.

Mr. Bilous: Thank you very much, Mr. Speaker. It's my pleasure to rise today and introduce to you and through you to all members of the Assembly four guests from my constituency. Located in Edmonton-Beverly-Clareview, Africa, It's Time, creates a partnership between Africa and Canada. The organization brings awareness among African diaspora in Edmonton to use their skills and resources to make a difference. I'd ask them to rise as I say their names to receive the traditional warm welcome of this Assembly. Shuni Masikini, Justine Maman Katana, Clotilde Nsimine, and Joe Littlejohn. I ask you to please welcome my guests here today.

The Speaker: Welcome.

The hon. Minister of Education.

Mr. Eggen: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you today to all members of the Legislature an inspiring group of students from my constituency and their social studies teacher, Dan Scratch. I'm proud to have Inner City high school here today. They count among their students some of the most hard-working, intelligent, and inspiring youth not just in Edmonton but the entire province. They are here at the Legislature today. They came by to visit my office. I invite everyone to give them the warm welcome of the Legislature.

The Speaker: Welcome.

The hon. Minister of Environment and Parks and minister responsible for the climate change office.

Ms Phillips: Well, thank you, Mr. Speaker. It is an honour today to rise and introduce to you and through you a multitude of stakeholders representing industry, nonprofits, other associations, and workers who join us for this afternoon's introduction of Bill 20, the Climate Leadership Implementation Act. To our guests in the gallery, please rise when your name is called: Jamie Bonham, NEI Investments; Mike McSweeney and Justin Arnott from the Cement Association of Canada; Mark Ramsankar and Jonathan Teghtmeyer, Alberta Teachers' Association; Franco Savoia, Vibrant Communities Calgary; Alan Myles, the Co-operators insurance; Kevin Lecht, insulators local 110; Steve Clayman, Thermal Insulation Association of Canada; Ed Whittingham and Sara Hastings-Simon, Pembina Institute; Dr. Joe Vipond, Canadian

Association of Physicians for the Environment; and Sean Collins, Jocelyn Kowalski, Nicholas Kwan-Wong, Edwin Edou, and Nakita Rubuliak from Student Energy.

We are proud to have these guests here today. I invite all members to extend to them the traditional warm welcome of the Assembly.

1:40

The Speaker: Welcome.

The hon. Member for Barrhead-Morinville-Westlock.

Mr. van Dijken: Thank you, Mr. Speaker. I would like to introduce to you and through you to all members of the Assembly Ms Livia Kummer. Livia is from Zurich, Switzerland. She is here as an exchange student through Rotary International. Livia is living with Amanda Porter, one of our pages, and is currently attending Sturgeon composite high school for her grade 11 year. Livia is attending session today as she is very interested in representative democracy. I would ask the Assembly to please extend the traditional warm welcome to Livia.

The Speaker: Welcome.

The hon. Member for Edmonton-Manning.

Ms Sweet: Thank you, Mr. Speaker. It is my honour to rise today to introduce to you and through you to all members of this Assembly a group of hard-working and dedicated NDP volunteers from the Fort McMurray-Conklin and Fort McMurray-Wood Buffalo EDAs. They, like thousands of others, are all in Edmonton as evacuees from the fire, but I am glad that they've taken the time to be with us here today in the gallery. I would ask our guests to rise as I say their names: Stephen Drover, former candidate, Fort McMurray-Wood Buffalo; Sheldon Dahl, VP, Fort McMurray-Conklin; Brian Sulz, secretary, Fort McMurray-Wood Buffalo; James Hayward, treasurer, Fort McMurray-Conklin; Peter Fortna, president, Fort McMurray-Wood Buffalo; and Sara Florez, member at large for Fort McMurray-Wood Buffalo. I'd ask all members to give them the traditional warm welcome of this Assembly.

The Speaker: Welcome.

The hon. Member for Edmonton-Castle Downs.

Ms Goehring: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you four wonderful people from the YMCA: Nick Parkinson, Karen Neff, Tim Haak, and Kyle Dias. Nick is the president and CEO of the YMCA northern Alberta and has over 29 years of experience and involvement. Karen is the manager of the Castle Downs Family YMCA. She has been fantastic in the community and plays an integral role in developing our community in Castle Downs. Tim is a board member and has been involved with the YMCA for 43 years. He's married to Janice, who has been involved for even longer. Kyle is the youth adviser for the leaders in training program. You'll be hearing more about their work in my member's statement later today, but for now I'd ask that we give them the traditional warm welcome of this Assembly.

The Speaker: Welcome.

The hon. Minister of Labour.

Ms Gray: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of this Assembly two individuals who do great work in the constituency of Edmonton-Mill Woods. First, I have Mr. Duncan McColl, the principal of Hillview school. Over the past five years Mr. McColl

has worked hard to secure grants to have solar panels put onto the roof of the school, to have an endoscope energy usage monitor installed, and to set up community gardens outside the front of the school. I'd like to thank Mr. McColl for all the hard work and for being an astounding leader for the students that he oversees and teaching them to take better care of the environment.

I also have here Mrs. Deanna Norton, who is the president of the Hillview parent council and who is also part of the Woodvale Community League. Deanna spends countless volunteer hours making our community a better place and has been involved in many initiatives benefiting Woodvale and Hillview. Deanna, your passion and drive are truly appreciated by all your neighbours, including myself.

Please let's give them the warm welcome of this Assembly.

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

Mr. Smith: Thank you, Mr. Speaker. I rise today to introduce to you and through you to the members of this Assembly my wife, Lisa Smith. Lisa and I have been married going on close to 31 years now, and I can tell this Assembly that she is an amazing woman. I first met Lisa in church when she was in junior high, and we started seeing each other while we attended university. She is a graduate of the University of Alberta, an author, the national president of LifeCanada, and the amazing mother of our three children, but most importantly she's the love of my life. Would Lisa please rise and accept the traditional warm welcome of this Legislature.

The Speaker: Welcome.

Ministerial Statements

The Speaker: The hon. Minister of Municipal Affairs.

Wildfire Update

Ms Larivee: Thank you, Mr. Speaker. Much of Alberta experienced a cold, wet long weekend, but unfortunately this did not extend to the Fort McMurray area. The southern edge of the fire received between three and five millimetres of precipitation this weekend. The northern edge of the fire, where it is burning most actively, received none. There is also no significant precipitation in the forecast for the next couple of days.

Mr. Speaker, there were 40 new wildfire starts yesterday. What's concerning is that most of these were due to campfires that were abandoned. There are 17 active wildfires burning in Alberta right now: one out of control, that being the Fort McMurray fire; one being held, the Peace River-Clear Hills fire; 14 under control, including the Lac La Biche fire; and one turned over to the local authorities.

Overall, Mr. Speaker, right now we have more resources working on the Fort McMurray fire, which continues to burn out of control, and fewer in other parts of the province, where the risk has gone down. With the cooler weather and as firefighters contain more perimeter of the Fort McMurray fire, we can now safely deploy more firefighters on the ground, which is beginning to happen. Now that it is safe, around a thousand more firefighters should be on the ground in the next two weeks from across Canada, the U.S., and South Africa, and we welcome these well-trained firefighters coming to our aid.

While fire risk has fallen in most parts of the province, it remains high to extreme in Fort McMurray. Suppression efforts will be a challenge today. Air quality also remains a concern in the region. As of 11 o'clock this morning air quality was 5. The fire has experienced some growth since we were last together, primarily along the northern perimeter. It is now approximately 522,892 hectares. Mandatory evacuations continue to be in place for Fort McMurray, Anzac, Fort MacKay, Fort McMurray First Nation, and Gregoire Lake Estates.

The regional municipality of Wood Buffalo has allowed a phased re-entry to all oil sands sites subject to environment and public health inspections. Re-entry of workers to these sites is subject to similar criteria as for residents of Fort McMurray. One is that wildfire is no longer an imminent threat and that air quality is within reasonable levels. The industrial sites have their own rigorous guidelines according to approved occupational health and safety for their sites. Currently they are assessing conditions and working with the province and the regional municipality to prepare for the re-entry of workers once their own re-entry conditions are met.

Efforts to support the re-entry of residents beginning June 1 continue. Restoration of the hospital and cleanup resumed on Sunday, and the mobile urgent care centre now has an operating room, an anaesthesiologist, an obstetrician capable of surgery, and a general surgeon. The centre is available to anyone in the Fort McMurray region, including first responders, restoration workers, and, when the time comes, Mr. Speaker, to returning evacuees while the hospital restoration work continues.

Progress is being made on safe drinking water, but a boil-water advisory remains in effect until the lines can be flushed, reservoirs are cleaned, and sampling confirms water quality. Water quality sampling equipment is being installed in the Athabasca and Clearwater rivers. Electricity service has been restored to more than 90 per cent of the community, including outlying areas like Anzac and Fort McMurray First Nation. Natural gas has been restored to more than 99 per cent of homes outside Abasand, Waterways, and Beacon Hill.

A re-entry information booklet has been posted on the regional municipality of Wood Buffalo website. It contains valuable information and tip sheets on things to bring with you when returning to Fort McMurray, safety precautions, how to safely clean up after a wildfire, and how to prevent mould. We are still on track for a voluntary phased re-entry beginning June 1, but I remind all Wood Buffalo residents that all services will not be fully operational by then. Some people, as a result, may choose to wait. Others may want to come back just to collect belongings, survey the damage, and seek some closure if they've lost their homes before returning to their temporary accommodations. For those who have an existing health condition, particularly a respiratory condition, or are pregnant, they should wait to return until medical professionals advise it is safe to do so.

1:50

While recovery work is proceeding, we continue to support the evacuees. Mr. Speaker, as of today, the debit card distribution moves to Alberta Works offices in 13 communities. There's the Grande Prairie office, the Lac La Biche office, four offices in Edmonton, one in Red Deer, four in Calgary, and also the Alberta Works offices in Medicine Hat and Lethbridge. As always, anyone with questions, especially those outside of those communities, can call 310.4455 for more information. As of last night, 35,797 debit cards were distributed to 73,395 people, for a total distribution of \$76.4 million.

We continue to receive questions about how evacuees who have left Alberta can get their debit cards. We need to do so in a secure fashion so that the right funds are provided to the people who need it. At the distribution centres and, as of today, at select Alberta Works offices evacuees present proper identification in person, which makes verification easier and efficient. We are looking at options to ensure a similar level of verification for out-of-province evacuees and hope to have something in place soon. Please keep in mind that there is no cut-off date for evacuees to get their debit cards in person. If you qualify, you will get it, and debit cards will be available when evacuees return to Alberta.

Mr. Speaker, we are also continuing our outreach efforts to ensure evacuees have the information they need. The telephone town halls we've held to date have attracted around 10,000 participants or more each night, so we will continue to hold them while the demand is there. This week they will be tonight and Wednesday and Thursday nights. I look forward to answering the questions of the evacuees all three of those nights.

Thank you, Mr. Speaker.

Oral Question Period

The Speaker: The hon. Leader of the Official Opposition.

Carbon Levy

Mr. Jean: Here is the state of Alberta's economy: Albertans are carrying record levels of consumer debt, our economy has shrunk by 4 per cent just over the last year, housing prices dropped by 3.5 per cent in Calgary last month, and the number of Albertans on EI has gone up almost 70 per cent. Times are tough. People are looking for relief, but the NDP's only response is to bring in a tax that hurts and punishes families, businesses, hospitals, schools, and charities right across Alberta. With Albertans already hurting, how can the Premier possibly justify bringing in a carbon tax that makes every single Alberta family poorer?

Ms Notley: Mr. Speaker, our government is proud of our climate leadership plan. We are proud that we are taking steps to finally establish Alberta not only as a participant but as a world leader on environmentally responsible energy development. Our plan has been praised by industry leaders and by environmentalists alike, and we will carry on with it notwithstanding the fact that the folks over there would just stick their head in the ground and do nothing. That is not the way we are going to go ahead with it.

Mr. Jean: During an economic downturn it's often the social services sector that is asked to do almost all of the heavy lifting. Food bank use goes way up, the demand for housing increases, and those seeking addiction services usually increase a lot. But under the carbon tax the cost of heating buildings and driving cars, essential for providing these services to these people, will only increase dramatically. That means less money for those in need. How can the Premier possibly justify a new tax on charities and the most vulnerable in Alberta at a time when they are already spread so thin?

Ms Notley: You know, Mr. Speaker, it's interesting. In fact, when one looks globally at the issue of climate change, the people who are most vulnerable to its effects are the very poor, the very hungry, the very vulnerable, that the member opposite claims to be concerned about. We are concerned about those people. We're concerned about those people across this planet. We're concerned about those people here in Alberta, and our climate leadership plan will ensure that when it comes to the levy, they are properly rebated. We'll achieve climate leadership as well as fairness.

Mr. Jean: This NDP carbon tax also means we will have less money to build hospitals, less money to build schools and hire teachers and nurses. Alberta Health Services pegs heating costs from the carbon tax alone to go up by \$6 million this year. That's 60 fewer nurses, 240 fewer hip surgeries for Alberta patients. Elk

Island public schools alone is pegging costs rising by \$260,000 per year. That's fewer teachers and fewer teachers' assistants in the classrooms. Can the Premier explain why resources should be taken out of classrooms and hospitals to pay for her new NDP carbon tax?

Ms Notley: Mr. Speaker, together Albertans are going to work on the project of reducing our greenhouse gas emissions because it is the right thing to do. Schools will do it; teachers will do it. And you know who's going to love to do it the most? The students in those schools. I can't tell you how many times I have met with students who are so glad that we are finally taking action on this and that they are not living in a province where their political leaders try to pretend that there is no problem.

The Speaker: Second main question.

Mr. Jean: We were absolutely thrilled to see the National Energy Board, Canada's world-class independent energy regulator, give approval to the Trans Mountain pipeline expansion. It was good news. It's proof that our pipeline review process is the best in the world in analyzing the environmental and economic impact of new pipeline projects. But not once in the 553-page detailed report was Alberta's new carbon tax mentioned as any possible solution or reason for approval. Can the Premier please explain why it wasn't mentioned in this report?

Ms Notley: Well, you know, Mr. Speaker, I didn't write the report, so I'm not going to talk about that. What I will say is that as I spoke to people who are still unsure about whether they support Kinder Morgan, particularly people in B.C., they are exceptionally interested to learn about our climate leadership plan, they are very excited to hear about our cap on oil sands emissions, and they are much more likely to consider supporting that application when the decision comes to the federal government in a few months to come.

Mr. Jean: It seems the economic and environmental merits of the new pipelines do not rely on Alberta having a carbon tax according to the National Energy Board, nor does it seem like an important point for mayors in the lower mainland, for instance, in British Columbia, who continue to make anti-energy statements in an attempt to undermine the independent work of our national energy regulator, that does a good job. How can the Premier possibly justify asking Albertans to pay billions in new taxes when it's had zero impact in the actual pipeline approval process?

Ms Notley: Well, let me just begin, Mr. Speaker, by once again reminding the member opposite of the many, many years he sat in government federally in charge of making decisions and by reminding him just how many pipelines got built. I think zero. Zero would be the number.

Our government is committed to having a reasonable, balanced approach to energy development and a reasonable, balanced conversation with people on both sides of the issue because we understand that you can protect the environment and you can grow our energy sector responsibly. The two don't have to be pitted against each other the way those folks like to do.

Mr. Jean: Mr. Speaker, we should maybe ask the more than 100,000 Albertans that are out of work whether we're pitting them against one another.

If the Premier is going to bring in a carbon tax that makes life more expensive for families in Alberta and more difficult for our economy to compete, the government just can't ignore the fact that the National Energy Board along with several environmental activists she shared the stage with last fall have failed to acknowledge that the carbon tax is playing any meaningful role in getting pipelines approved. Why, then, does the Premier continue to insist the carbon tax is bringing us closer to a pipeline when the only thing it's doing is making Alberta's families much, much poorer?

The Speaker: Thank you, hon. member.

Ms Notley: First of all, Mr. Speaker, the carbon levy will not make Alberta's families much, much poorer, but it will ensure that they live in a cleaner, greener province with a much brighter future. That it will do for sure. In addition, it will bring us closer to a pipeline. That's all I have to say.

The Speaker: Third main question.

Farm and Ranch Worker Legislation Consultation

Mr. Jean: Well, Mr. Speaker, more bungle. Bill 6 has alienated farmers across Alberta from the very start of it being introduced. This is no surprise given the refusal of this government to consult on such an important piece of legislation to Albertans. Now, after months of delay, the Bill 6 working groups have finally been announced – tah-dah – but only 29 per cent is represented by ag coalition, a group that actually represents 97 per cent of the ag sector. Meanwhile a former NDP caucus employee and a failed NDP candidate both managed to crack this important list. Can the Premier explain . . .

The Speaker: Thank you, hon. member.

2:00

Ms Notley: Well, you know, Mr. Speaker, it's interesting. The MLA for Strathmore-Brooks disagrees that people should have labour rights. In fact, I think he disagrees with the Supreme Court of Canada and, as an extension, therefore must also disagree with their view of the Canadian Charter of Rights and Freedoms. The fact of the matter is that we are consulting with workers and employers, both of them, and that's something that we have to do as we work to bring people together on this important piece of legislation that will keep farm workers safe.

Mr. Jean: Frustration with this government's inability to properly consult with Alberta farmers and ranchers began to pour in as soon as these panels were named. The Western Canadian Wheat Growers have rightly stated that this NDP government "yet again, kicks sand in the faces of the tens of thousands of hard-working [families,] farmers and ranchers in our great province." I couldn't agree more. Can the Premier please explain how they failed once again to properly work with farm communities in this Bill 6 working group?

The Speaker: The hon. Premier.

Ms Notley: Thank you very much, Mr. Speaker. Just to clear the air and to get the facts out, because sometimes that's a convenient way to have a debate, farm owners and farm managers – there are 35 of them on these, and there are 27 farm workers. So, to be clear, if there is a concern about balance, it's not about workers being overrepresented. On the contrary, though, what this is about is bringing people together to have reasonable conversations in mediated settings so that we can find common cause and move forward in protecting the health and safety of those people who work on our farms. **Mr. Jean:** With this government's mismanagement of Bill 6, it's no surprise that even with these panels, there's no timeline for when these working groups will report back or if their recommendations will even be binding. The result is farmers and ranchers feeling frustrated, with no trust in this NDP government's plan. This uncertainty is only causing more stress to Albertans. Will the Premier please establish firm timelines and guarantee Alberta's farmers and ranchers that they won't be changing the rules on the fly?

Ms Notley: Well, actually, Mr. Speaker, and almost on the contrary, our minister of agriculture has made it very, very clear that here's how it's going to work: we're going to keep working until we find the solutions that work for everybody. If it's done in two months, that's great, but if it takes us into 2017, we'll do that, too, because we're going to listen to people and we're going to hear them and we're going to let them talk amongst themselves to make sure that we have all the information necessary to make the best possible decision. We're not going to put an arbitrary end to it. We're going to make sure that everyone has the time to be heard because that's what we committed that we would do.

The Speaker: The leader of the third party.

Government Communication and Consultation

Mr. McIver: Thank you, Mr. Speaker. The NDP government continues to botch public consultation almost every time they attempt it. We have reports of the Municipal Affairs minister saying one thing on linear assessment to rural communities and almost a completely opposite thing in front of urban communities and something else in this House. To the Premier: can Alberta municipalities believe what the rurals were told by the minister, what the urbans were told by the minister, or is there some other plan that's actually going to happen with linear assessment?

The Speaker: The hon. Premier.

Ms Notley: Well, thank you very much, Mr. Speaker. The fact of the matter is that we're going to put in place a regime which allows and welcomes people to come to the table to negotiate better solutions. Ultimately, there will be a mediated process where they come up with a negotiated solution that depends on their unique circumstances, their income levels, their industry profile, all that kind of stuff. That's the way it's going to work. We need to fix the problem. We need to do it fairly, understanding the unique nature of each community, and that's what the minister is committed to doing.

Mr. McIver: Well, Mr. Speaker, now we have a fourth answer to add to the first three.

Last week government announced a consultation on minimum wage. It seems a little late and rather disingenuous when they've already made it clear they're committed to the \$15 and the Premier doubled down on the timeline at the Leap Manifesto meeting. To the Labour minister: since you've stated that there are as many reports that do not support minimum wage as ones that do, will you now hold back on the increase and listen to what Alberta businesses are telling you, that the \$15 means fewer people hired, fewer jobs, fewer opportunities on the economic ladder for Albertans?

The Speaker: The hon. Minister of Labour.

Ms Gray: Thank you, Mr. Speaker. Members opposite seem to not value the people who are getting paid minimum wage or the work

that they do. We know that at the level of \$15 per hour or less there are 300,000 Albertans that are making those wages. We know that 33,000 of those Albertans are single parents with children. We are committed to respecting equality, respecting income security, and respecting human dignity by moving forward with our consultations on increasing the minimum wage to \$15.

Mr. McIver: Well, with this, Minister, those single parents won't have any jobs at all.

We've also heard the government is reviewing the Workers' Compensation Board, Mr. Speaker. We heard this last year, when the Premier was reviewing it, she said, and then we heard that the Labour minister is reviewing it. To the Labour minister or the Premier: will Albertans see the result of the Labour minister's review? Will you actually table the results in this House, or will that information be kept from Albertans, as was the case with the review that the Premier claims she did last December?

The Speaker: The hon. Minister of Labour.

Ms Gray: Thank you very much, Mr. Speaker. It's absolutely critical that Albertans feel confident that the Workers' Compensation Board provides fair compensation and meaningful rehabilitation. As part of our overall strategy to review agencies, boards, and commissions, I have asked for a very in-depth review to begin. The work is currently happening. I would encourage all Albertans to review what is being posted on that review's website. We are going to be asking for public input. I will be receiving an interim report this fall, with a final report coming next year. Based on the work of this report and the panel, we will then look at what we need to do to change WCB.

The Speaker: Thank you, hon. minister. The Member for Calgary-Elbow.

Public Service Compensation

Mr. Clark: Thank you very much, Mr. Speaker. As Alberta faces a severe economic downturn and tragedy in Fort McMurray, I see people coming together, being creative, and stepping up to help their neighbours. The people of Alberta are doing more with less, and I see this everywhere, everywhere, that is, except the provincial government. The Premier said that she will honour public-sector contracts, but the situation has drastically changed. The province is not in the same position as when these contracts were negotiated, and Alberta's tremendous public servants understand that when 100,000 of their neighbours are out of work, it's only fair to earn the same next year as you earned this year. To the Premier: are you open to renegotiating public-sector agreements to bring in a wage freeze?

The Speaker: Thank you, hon. member. The hon. Premier.

Ms Notley: Thank you, Mr. Speaker. I've answered this question a number of times, but I'm happy to answer it again. Under the laws of our country as well as our province, labour relations collective agreements are a matter of law, and it's not my view that we break those agreements once we've made them.

Now, we will certainly engage in future negotiations in a very careful way, understanding that our obligation is to the people of Alberta, to ensure that we get good deals on new contracts. But we will not be breaching the determinations of the Supreme Court of Canada on this matter and breaching already...

The Speaker: Thank you, hon. Premier.

Mr. Clark: Well, that's very curious, Mr. Speaker, because clearly one group of public servants is being treated differently than the rest. During estimates the Minister of Health confirmed that the budget includes savings from reductions to physician compensation. Now, I think the Alberta Medical Association deserves praise for agreeing to come to the table in difficult times, especially in light of yet another credit-rating downgrade. Now, to the Premier: have you approached other public-sector unions with the same request, that they come to the table to help find savings in an economic crisis?

Ms Notley: Well, Mr. Speaker, what we have done is to go to those groups who are not unionized, and we have said: we want to look at freezing your salaries. For instance, we have done that with senior managers in the government of Alberta and also at agencies, boards, and commissions. The AMA is not a union, and doctors are not union. So, yes, we have approached them as well, and we will continue to do that because we have an obligation on the part of Albertans to try to avoid the 6-ish per cent a year increases that are coming from that particular sector right now.

The Speaker: Second supplemental.

Mr. Clark: Thank you, Mr. Speaker. Now, the Premier and others have said in the past that you can't discuss your plans in order to preserve the bargaining process. Yet the Minister of Health has said that she expects physicians to go along with her assumptions on cost savings, which were laid out in the budget before contract negotiations even began. Again to the Premier: which is it? Are you honouring the bargaining process and existing contracts, or are you prejudging the outcome of negotiations before even sitting down to bargain?

The Speaker: The hon. Premier.

Ms Notley: Well, thank you, Mr. Speaker. Again, we're talking about two different types of conversations. But, to be clear, you can talk about generalized assumptions with respect to cost without that necessarily being negotiations on particular issues. One does not negate the other. So the minister is having respectful conversations right now, and I believe she will continue to do so.

Tourism Promotion 2:10

Mr. Westhead: Mr. Speaker, the low Canadian dollar has increased tourism to Alberta, especially in tourism towns like Jasper, Banff, and Canmore. Given the tough economic times this is good news for these towns. To the Minister of Culture and Tourism: what is being done to capitalize on the effect that the low dollar is having to boost the tourism industry and to support related iobs?

The Speaker: The hon. minister of tourism.

Miranda: Thank you, Mr. Speaker, and thanks to the member for the question. We know that the low dollar is attracting many visitors from around the world to this province. We're working with Economic Development and Trade on job-creation programs. We have worked on capital investment tax credit programs, which will increase Alberta's supply of new tourism products and facilities. This past weekend, for example, I was able to announce the expansion of the Royal Tyrrell Museum. As well, there were previous announcements of expansions of the Calgary Zoo and Fort Edmonton Park. We're investing in world-class tourism infrastructure, which will attract more people to this province. Thank you.

The Speaker: First supplemental.

Mr. Westhead: Thank you, Mr. Speaker. Given that the tourism industry is poised for further growth from both international and domestic markets, to the same minister: what strategies are being implemented to help cities and towns like Bragg Creek become as successful as their more established counterparts?

The Speaker: The hon. minister.

Miranda: Thank you, Mr. Speaker, and thanks to the member for the question. My ministry continues to fund major events that attract visitors, that help build tourism in local communities such as Open Farm Days, Western Canada Summer Games, Alberta Culture Days. We're providing and will continue to provide support for growing rural tourism in this province at a conference that provides workshops and working opportunities. We're going to continue providing that support. We're very proud of the work we're doing so far.

Thank you, Mr. Speaker.

The Speaker: Second supplemental.

Mr. Westhead: Thank you, Mr. Speaker. I'd like to direct my second supplemental to the Minister of Seniors and Housing. Given that tourism-based communities are facing a severe shortage of affordable housing spaces to accommodate the hard-working staff that cater to tourists, what is being done to address this affordable housing crisis?

The Speaker: The hon. Minister of Seniors and Housing.

Ms Sigurdson: Thank you, Mr. Speaker. I'm proud to say that more Albertans will be housed in safe and affordable homes because of the significant capital investment our government is making through Budget 2016. Nearly \$1.2 billion will be spent over the next five years to build new homes and to renew existing housing. Using evidence-based analysis, new housing will be built in areas of need, and we're looking at all areas of the province, including tourist communities.

Thank you, Mr. Speaker.

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

Provincial Achievement Tests

Mr. Smith: Thank you, Mr. Speaker. Provincial achievement tests are administered to improve student learning, inform Albertans about our education system, assist educators in planning for instruction, and hold the government accountable. The Fraser Institute's report on Alberta's elementary schools for 2016 shows that the number of students in grade 6 that are failing to meet the acceptable standards on provincial tests has risen from 14.1 per cent to 15.9 per cent. That's almost a 2 per cent decrease in achievement. To the Minister of Education: what are you doing to reverse this troubling trend and improve the results for all Alberta students?

The Speaker: The Minister of Education.

Mr. Eggen: Thank you, Mr. Speaker, and thanks very much for the question. Certainly, it's very important to deal with these issues around the provincial achievement tests. We want to make sure that

The Speaker: First supplemental.

Mr. Smith: Thank you, Mr. Speaker. Given that one of the vulnerability measures included in the analysis is the gender gap in student achievement and the widening gap between girls and boys in language arts and since boys are falling behind girls by almost 6 per cent in grade 6 and this gap has been a growing concern for years among teachers, to the Minister of Education: how will your government close this gap and even out student achievement levels?

The Speaker: The Minister of Education.

Mr. Eggen: Thank you, Mr. Speaker. Certainly, this gap is significant, and certainly we are looking at these results with a critical eye to make sure that we have the resources in place to make sure our students get the education that they need to focus in on literacy and reading and so forth. For young boys it's very important. One of the best ways to do that is that we managed to save about 1,200 support staff jobs in schools because of the restoration of funding to K to 12 education.

Mr. Smith: Thank you, Mr. Speaker. Given that a number of stakeholders have criticized the provincial achievement tests and have called for an end to them in grades 6 and 9 and since according to grade 3 teachers surveyed by the ATA, the grade 3 learning assessment pilots have failed and given that there is no alternative that would provide Alberta students, parents, administrators, and teachers with objective information about Alberta's education system, will the Minister of Education commit to maintaining the PATs in grades 6 and 9?

The Speaker: The hon. Minister of Education.

Mr. Eggen: Well, thank you, Mr. Speaker, and thanks very much for the question. Certainly, it's important for us to keep a finger on the pulse of where our students are at any given point and to make that demonstrably possible. It's also important to make sure that you work together equally with your partners – parents, teachers, students, the support staff, and so forth – that you're creating the best assessment possible so that you're not just trying a reductive way of doing this but are also, perhaps, providing a diagnostic tool by which teachers and parents can see where their kids are and where they can have that room for improvement.

The Speaker: The hon. Member for Calgary-Lougheed.

Carbon Levy and Postsecondary Education Costs

Mr. Rodney: Thank you, Mr. Speaker. In budget estimates recently I inquired about Advanced Education, the carbon tax, and unintended costs. The Member for Edmonton-Gold Bar stated, "I wasn't involved with any of the consultations with respect to the climate leadership plan." To the environment minister, therefore. If your ministerial colleague did not consult with postsecondary institutions, surely you must have, so please tell us: which postsecondary institutions did you consult with, and will the carbon tax be downloaded onto students?

The Speaker: The Minister of Environment and Parks.

Ms Phillips: Well, thank you, Mr. Speaker. Certainly, through the fall, through the climate leadership plan consultations undertaken by the Leach panel, we did a number of technical engagement sessions with a number of institutional players. Certainly, I examined in great detail efficiency investments that we could make with respect to buildings, codes, retrofits, and so on. That is why we have put aside \$45 million for an energy efficiency agency that will be working with various stakeholders, including institutional stakeholders like postsecondaries, hospitals, and schools, to ensure that we've got the ...

The Speaker: Thank you, hon. minister.

Mr. Rodney: Since we didn't hear any specific answers, we'll try this another way. Given that the minister in charge stated, "We expect administration at universities to manage their budgets accordingly so that... when they're subjected to the carbon levy, the financial administration is dealt with accordingly," to the environment minister again: how do you expect postsecondary institutions to manage their budgets if they have no indication from you specifically what the costs of the carbon tax will be for them?

The Speaker: The hon. minister.

Ms Phillips: Well, thank you, Mr. Speaker. This is why we are undertaking a great deal of work around energy efficiency so that individuals, small businesses, and institutional players like postsecondaries, schools, hospitals, and others can reduce their costs and also, at the same time, reduce their emissions. That's why we are putting a price on carbon. That's why across the spectrum that approach is favoured as a market-based approach that gets to reducing pollution and ensuring that we are preparing Alberta for the economy of tomorrow.

Mr. Rodney: By decreasing, I think she means increasing.

In any case, given that the adult learning review was announced a full year ago and that when I asked in this House on April 7 when it would finally begin, you stated, "in the fullness of time" and given that in Advanced Education estimates the minister indicated that this review will be instrumental in determining how students and institutions will deal with the carbon tax, to the minister: is this now the fullness of time, and will you launch this review before most students resume their classes in September?

The Speaker: The Minister of Advanced Education.

Mr. Schmidt: Well, thank you, Mr. Speaker, and thank you to the hon. member for the question. Of course, we are still in the fullness of time. Once we reach the appropriate time to launch the adult learning review, we will do that. I did inform the member in estimates that the adult learning review will now be conducted in phases, one of which will be a funding and tuition review, that we plan to undertake in the near future. I will keep the member updated as well as all of the other members of the House when we begin those undertakings.

The Speaker: The hon. Member for Airdrie.

2:20 Carbon Levy and Charitable Organizations

Mrs. Pitt: Thank you, Mr. Speaker. From January 2015 to January 2016 the number of Albertans on employment insurance skyrocketed by over 90 per cent. These challenging times increase pressures on charities like the Red Deer Food Bank, whose usage is up 60 per cent, and distress line calls are spiking. Albertans are looking for hope, but this government's job-killing policies and its

rushed, ideological phase-out of coal are just making things worse. To the Minister of Human Services: what are you doing to mitigate the increased demands placed on charities as a result of your ideological, job-killing plans?

The Speaker: The hon. Minister of Human Services.

Mr. Sabir: Thank you, Mr. Speaker, and thank you, Member, for the question. Budget 2016 restores funding to the program, and there is an increase in the line item for employment-related funding. We will be there for Albertans when and where they need the supports from government. We will make sure that we provide the necessary supports.

Mrs. Pitt: I should ask the same question because I didn't get an answer, but we'll do a different one. Given that charities are already facing a double-edged sword, with donations decreasing and demands for their goods and services increasing, and given that the current government has chosen this time to implement an ideological carbon tax on everything, which will increase operating costs for every single charity in this province, why is this government sharpening the blades of an already difficult situation by taking aim at the hard-working charities that Albertans rely on?

The Speaker: The minister of environment.

Ms Phillips: Well, thank you, Mr. Speaker, and thanks to the hon. member for the question. You know, we are working throughout the nonprofit sector, with charities and others, to ensure that we've got efficiency programming that fits their sector because, of course, one size does not fit all. I will just read a quote from Vibrant Communities Calgary.

We applaud the government as it tables the legislation to mitigate the impact of climate change. We especially appreciate the rebate of the carbon tax for the working poor in our province. Coupled with other key initiatives ... it will help to reduce poverty in Alberta.

This is certainly an item that we will consult on carefully

The Speaker: Thank you, hon. minister.

Mrs. Pitt: Mr. Speaker, why does nobody care about the charities from the government side?

Given that some of the United Way's largest and most generous donations come from the natural resource sector and given the current government's ideological manifesto that seems custom made to kill jobs, hurt industry, and punish Albertans, to the Minister of Human Services: what's your plan to deal with the financial burdens your risky, ideological agenda is forcing Alberta charities to carry?

Ms Phillips: Mr. Speaker, the only ideologues in this Chamber are across the way, who would deny the science of climate change and have us do nothing. Meanwhile, on this side of the House, Mr. Speaker, we are pricing carbon so that we can reinvest it in the economy, so that we can invest in energy efficiency across the economy, so that we can make our economy resilient, and so that we can ensure that we understand that the science of climate change is real, and inaction is not an option.

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

The Speaker: Point of order?

Landowner and Leaseholder Rights

Mr. Barnes: Mr. Speaker, residents of Cypress-Medicine Hat elected me to this House to stand up for their property rights. While in opposition the NDP spoke out about how wrong Bill 36 was in stripping landowners of their rights. Now in government for 12 months we have seen no action to reverse this damaging bill. When will this NDP government stand up for landowners and repeal Bill 36?

Ms Hoffman: Thank you very much for the question. Mr. Speaker, here I was hoping that the Official Opposition critic for Health would ask a health question, but I'm happy to enter into this dialogue as well.

We certainly have taken this into consideration and will continue to, and we will be happy to discuss it with all members of this House moving forward.

Mr. Barnes: Mr. Speaker, given that this NDP government is perfectly content with damaging policies that hurt everyday Albertans, like the carbon tax, it's no surprise that they are backing down from their previous stand against Bill 36. Will this government commit to my constituents that property rights are an issue that they will respect? I can guarantee you that you will hear from Albertans.

The Speaker: The Government House Leader.

Mr. Mason: Thank you very much, Mr. Speaker. Well, we have nothing to apologize to that side for on the question of property rights. We were in this House standing up for the rights of property owners in the face of a number of pieces of legislation – Bill 36, by the way, was never proclaimed – and we were standing here talking about due compensation, due process, and all of those things when the Wildrose Party was just a gleam in Preston Manning's eye.*

The Speaker: I believe it's the second supplemental.

Mr. Barnes: Thank you, Mr. Speaker. Given that that member and that government have had a year already and given that property owners, including ranchers in my riding of Cypress-Medicine Hat, some for four or five generations, have worked or lived off the land and given that resource stewardship should be top of mind for all Albertans, will this government at least recognize that ranchers are protecting the land and ensuring the continuing prosperity of our province?

The Speaker: The minister of environment.

Ms Phillips: Well, thank you, Mr. Speaker, and thank you to the hon. member for the question. Of course, our grazing leaseholders and ranchers are an integral part of the economy in southern Alberta, which I also represent. I have had many occasions to meet with them. I am pleased that we're moving forward on the Auditor General's recommendations and, in addition, having really great, productive conversations with farmers and ranchers on how to reduce their greenhouse gas emissions and continue their excellent practices, that already occur around a high-quality stewardship of the land.

Thank you.

The Speaker: The hon. Member for Calgary-Fish Creek.

Renewable Energy Strategy

Mr. Gotfried: Thank you, Mr. Speaker. Our Premier seems to have a keen admiration for Premier Kathleen Wynne and her antihydrocarbon policies. She often identifies the current Ontario government as a key partner for Alberta, with the belief that our interests are aligned. Both Premiers believe that demon coal must be eradicated from the Earth. One of them, for now, has publicly admitted to a profound distaste for clean-burning natural gas. To the minister of environment: as Alberta is already following Ontario's misguided and costly direction on coal, is natural gas next?

The Speaker: The hon. minister of the environment.

Ms Phillips: Well, thank you, Mr. Speaker. Of course, our climate leadership plan ensures an orderly phase-out of our coal facilities and our coal emissions and a phase-in of renewables and natural gas. This has been well laid out in the climate leadership plan. Of course, legislation that we will introduce this afternoon gives practical effect to many of these undertakings. This is a made-in-Alberta climate leadership plan. It establishes us as leaders on the continent and, indeed, as leaders among the world's energy producers.

The Speaker: First supplemental.

Mr. Gotfried: Thank you, Mr. Speaker. Made in Alberta, copied from Ontario.

Given that this government seems intent on following Ontario's lead and given that Ontario's massive public and consumer burden and escalating electricity costs provide a textbook case of the pitfalls of an irresponsible accelerated transition away from coal-fired electricity, again to the minister: can you outline for this House the missteps Ontario made in their costly subsidization of renewables and how Alberta will avoid the taxpayer and consumer burden associated with such policies?

The Speaker: The minister of the environment.

Ms Phillips: Well, thank you, Mr. Speaker. Of course, the hon. member's assertion that we are following anyone in this matter is ridiculous because Alberta is leading in a number of different ways. Our economy-wide price differs markedly from the cap-and-trade approach that has been undertaken by the government of Ontario. Certainly, our coal-fired phase-out is following a different timeline, the federal timeline, that's already established, with the accelerated retirement of six remaining units. Of course, there are many different things about Alberta, which is why we have designed the carbon price as we have, to ensure that we have competitiveness retained for our energy-intensive . . .

2:30

The Speaker: Thank you, hon. minister. Second supplemental.

Mr. Gotfried: Thank you, Mr. Speaker. Leading in job losses and taxes, indeed.

Given that Premier Wynne will be welcomed this week at the Calgary Chamber and given that Premier Wynne's approach to natural gas, bitumen, and the National Energy Board process are all extremely detrimental to Alberta's interests, again to the minister: what is on your and our Premier's agenda? Do you plan to meet with Premier Wynne, and how will you ensure Alberta's best interests are at the forefront of your discussions? **Ms Phillips:** Well, you know, Mr. Speaker, what's on our agenda is a respectful engagement with other provinces on matters related to environment and climate change and not engaging in Twitterstyle hissy fits at every available opportunity. What is on our agenda is to lead this country in pricing carbon, to lead this country in investments in energy efficiency, and to lead this country in terms of our investments in innovation and technology to make our energy industry competitive for the future.

Registry Service Renewal Reminders

Mr. W. Anderson: Mr. Speaker, when this government announced that it was no longer going to issue registration and licence renewal reminders through the mail, the minister assured us that the transition would be, quote, quite smooth. But we are now hearing of thousands of individuals just in Calgary alone, several of whom have been seniors, who have been ticketed for expired licences because they did not receive any renewal notice, either electronically or by mail. Is this what the minister meant by smooth?

The Speaker: The hon. minister.

Ms McLean: Thank you, Mr. Speaker and to the member for the question. We brought in online renewal reminders in order to find efficiencies in government. We have saved over \$3 million this year, and we will continue to save funds going forward. This is about moving Alberta into the 21st century when it comes to renewal reminders. As we move into the future, we're going to need to ensure that we're meeting Albertans where they're at. There will be, as we've seen, some discomfort with change – there always is – but we, going forward, are doing our utmost to ensure that there is as little complication with this transition as possible.

The Speaker: First supplemental.

Mr. W. Anderson: Thank you, Mr. Speaker. Given that the government clearly has no plan for rolling out electronic renewals smoothly – advertising was limited – and, of course, without consultation and given that Albertans shouldn't have to pay more because of this government's inability to manage this issue, will the government consider waiving the fines for individuals until the system has been corrected and is actually running smoothly?

Ms McLean: Thank you for the question. Mr. Speaker, as mentioned by the member opposite, we did roll out notifications for Albertans through radio and print media, largely, in order to ensure that Albertans know that this change is occurring. Additionally, media have done us a great service in letting Albertans know about this, and registries in particular have also helped Albertans out by ensuring that they're getting their renewal reminders online. Going forward, we're continuing to encourage Albertans to sign up for renewal reminders online in order to save the economy...

Mr. W. Anderson: Mr. Speaker, given that the ticket for failing to renew your licence is a hefty \$230 and given that this is starting to look a lot like another hidden tax grab on hard-working Alberta families, will this government waive the fines or reinstate mailed renewal reminders, or will it just admit that this is yet another tax grab on hard-working Alberta families?

The Speaker: The hon. minister.

Ms McLean: Thank you, Mr. Speaker and to the member for the question. Working together with our partners in Justice, we have worked with the city police as well as the RCMP to let them know

about these reminders coming online and to let them know that discretion in these circumstances may be warranted, depending on the particular circumstance of the individual. However, going forward, it's important that all members of this House take the opportunity to inform their constituents that we are going online with renewal reminders. This is the way of the future, and we are headed into the future instead of being still in the past, as the opposition would have ...

The Speaker: Thank you, hon. minister.

The hon. Member for Grande Prairie-Wapiti.

Softwood Lumber Agreement with United States

Mr. Drysdale: Thank you, Mr. Speaker. It's clear that not all provinces in Canada are on the same page when it comes to the new softwood lumber agreement. The last time this happened, softwood lumber companies moved their investments abroad, which harmed Alberta jobs and communities. I asked about where we were at on this issue last fall, and I ask again. To the minister: what have you done to get all Canadian provinces to agree on a new softwood lumber agreement?

The Speaker: The hon. minister.

Mr. Carlier: Thank you, Mr. Speaker. Thank you, Member, for the question. It is a very important question for our industry. Going forward, I'm a little concerned that the Americans are more concerned about what's happening with their presidential election than about softwood lumber. I was somewhat heartened some weeks ago when President Obama himself had mentioned softwood lumber publicly. It was broadcast on CBC Radio. Knowing that we have an opportunity here in a couple of weeks to talk to federal ministers right across the province that are involved with forestry, up in the Yukon, to be able to address this issue head-on, hopefully, going forward, we'll get an agreement on the softwood lumber agreement.

Thank you, Mr. Speaker.

The Speaker: First supplemental.

Mr. Drysdale: Thank you, Mr. Speaker. Given that the forest industry does not all agree on what the parameters of a new softwood lumber agreement should be and given that only British Columbia and Quebec are being vocal about what they think a new softwood lumber agreement might look like, to the minister: how are you speaking up for Alberta to a national audience and ensuring that Alberta's forest industry is heard?

The Speaker: The Minister of Agriculture and Forestry.

Mr. Carlier: Thank you, Mr. Speaker, and thank you to the member for the question. I have been speaking up on the issue, most certainly. We've had the opportunity to correspond with several federal ministers, both myself and, actually, the Premier as well, knowing that it is most important to our industry, and make sure that our federal counterparts know it as well. Those conversations continue, and they will continue, making sure that we get the best deal possible.

The Speaker: Second supplemental.

Mr. Drysdale: Thank you, Mr. Speaker. Given that Alberta forest industry stakeholders are eager for a new agreement and that they are preparing for an expensive four-year court battle if a new softwood lumber agreement is not reached, to the minister: despite

your best efforts with the federal government and other provinces, if you are not successful soon, how many Alberta jobs will be lost while we wait for you to defend one of Alberta's largest renewable industries?

The Speaker: The hon. minister.

Mr. Carlier: Thank you, Mr. Speaker and the member for the question. The Canada-U.S. softwood lumber agreement expired October 12 last year. We have until October 12 this year to write that new agreement, but I do share some of the member's concerns that the Americans do not seem to be, at this point anyway, willing to come to the table with anything fruitful. I'm willing and able and pushing the federal government, as it's a federal agreement, to push our American partners as much as possible to make sure we can get this deal.

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

Agricultural Policies

Mr. S. Anderson: Thank you, Mr. Speaker. This year Alberta has the privilege of hosting the federal-provincial-territorial meetings of agricultural ministers from across the country. The partnership between the two levels of government is vital for the success and prosperity of Alberta's ag sector as well as income stability and many of the supports for our province's hard-working farmers and ranchers. To the Minister of Agriculture and Forestry: how will you use this year's FPT forum on agriculture to ensure that Alberta's farm families and rural communities are well supported?

The Speaker: The minister of agriculture.

Mr. Carlier: Thank you, Mr. Speaker and the member for the question. I'm very much looking forward to hosting colleagues of mine from across the country in late July to talk about some of the pressing issues facing Alberta producers. I'm pleased to inform the House that the hosting and logistical planning aspects of the 2016 conference are on track. I already had the opportunity to cohost conference calls with all provincial ministers and the federal minister to discuss emerging issues facing producers across the country and right here in Alberta. I've already spoken about the need for a good deal for producers in business risk management programs and advances on rail transportation for our agricultural commodities.

Thank you, Mr. Speaker.

The Speaker: First supplemental.

Mr. S. Anderson: Thank you, Mr. Speaker. Given that this government has shown great willingness to work on environmental issues and given that the current federal-provincial agreement Growing Forward 2 funds innovative stewardship plans for our agricultural producers, again to the Minister of Agriculture and Forestry: will you be pushing for a renewed federal-provincial agreement at this year's FPT to help Alberta farmers become even more efficient and environmentally sustainable than they already are?

The Speaker: The hon. minister.

Mr. Carlier: Thank you, Mr. Speaker. The member correctly pointed out the good work that our current Growing Forward agreement allows farmers and ranchers in our province to do on environmental issues. Just last year this agreement allowed us to earmark about \$10 million for programs to improve the

environmental impacts of ag operations, from on-farm solar to watershed enhancement to irrigation efficiency. GF2 concludes in 2018, however. Our government is committed to working with the federal government and other jurisdictions to ensure that the next policy framework negotiation on program development is completed as scheduled to ensure continuing programming between the frameworks.

2:40

The Speaker: Second supplemental.

Mr. S. Anderson: Thank you, Mr. Speaker. Given that many issues in the agricultural sector such as trade, food inspection, and intellectual property are within federal jurisdiction and given that Alberta producers need the support of federal programs to remain competitive, are there any specific issues that the Minister of Agriculture and Forestry will bring forward to his federal colleagues to help support Alberta producers?

The Speaker: The hon. minister.

Mr. Carlier: Thank you, Mr. Speaker. Certainly, there is a wide range of issues that need strong leadership from Alberta, from adjusting to our carbon-constrained future to making sure that we have a regulatory environment that promotes and sustains valueadded agriculture processing. Alberta's voice in the national conversation on agriculture is more important than ever. Personally, I'm looking forward to continuing conversations with my counterparts across the country on how the federal government plans to build research capacity that is complimentary to the groundbreaking work being done here in Alberta so that our province and our country can remain at the forefront of innovation.

The Speaker: The hon. Member for Chestermere-Rocky View.

Kinder Morgan Trans Mountain Pipeline Project

Mrs. Aheer: Thank you, Mr. Speaker. After three years of careful study the National Energy Board, Canada's world-class energy regulator, has come to the conclusion that the Kinder Morgan Trans Mountain pipeline is in the overall public good of our country, but now the Prime Minister is holding this project hostage, with more bureaucracy and time-wasting political panels. This kind of interference amounts to more delays on a project that we need now. Does the Premier trust our independent, world-class regulator to get it right, and if so, will she tell the Prime Minister to stop the games and get out of the way of this important project?

Ms McCuaig-Boyd: Thank you for the question. Mr. Speaker, first of all, we're not going to take advice from the opposition who thinks that things are roadblocks. I question what kind of red tape or roadblocks you're thinking the Prime Minister is creating.

Mrs. Aheer: Well, to answer the minister, there is no red tape. They are roadblocks, and there is a huge difference, just to be clear.

The NEB is an arm's-length, evidence-driven body that uses science, economics, and consultation to make pipeline recommendations. Given that the Official Opposition leader wrote the Prime Minister asking him to quit undermining our world-class energy regulator, quit standing in the way of pipelines, and quit emboldening the naysayers, will the Premier now show some leadership, stop sitting on the fence, and tell the Prime Minister that all of Alberta is unified and wants him to stop interfering in pipelines that have been independently approved by the NEB? **Ms McCuaig-Boyd:** Well, thank you again for the question. Our province continues to work with the NEB on the process. The first step has been achieved in that it goes to the next step. Again, there are three different processes that have to go to the cabinet, and we're going to support those processes all along the way, and we're going to support Kinder Morgan in that process.

The Speaker: Second supplemental.

Mrs. Aheer: Thank you, Mr. Speaker.

The Speaker: No preamble.

Mrs. Aheer: Mr. Speaker, anti-Alberta activists are trying to undermine the integrity of the NEB . . .

The Speaker: Get to the question.

Mrs. Aheer: ... for political reasons. Given that the mayor of Vancouver just called the NEB process, I quote, a sham and vowed to block the project at all costs and given that the Premier's own Calgary outreach manager organized this mayor's campaign against the Kinder Morgan Trans Mountain expansion, will the Premier or her staff be doing anything to counter this mayor's dangerous and misleading claims, that are a direct attempt to damage the reputation of our independent, world-class energy regulator?

The Speaker: The Deputy Premier.

Ms Hoffman: Thank you very much, Mr. Speaker. If you want to talk about somebody attempting to damage reputations, it's the Official Opposition. I am very proud of the fact that we have been working in a collaborative, respectful fashion with elected officials from across Canada. If you want to get something moving forward, certainly, treating each other with respect and not undermining and spreading misinformation are the best ways to do that. We're very proud of our government. We've been consistent. We're proud of the fact that we made good progress last Thursday, and we'll continue to work collaboratively with elected officials and Kinder Morgan to move forward.

The Speaker: I've a request to have unanimous consent for introduction of some guests.

[Unanimous consent granted]

Introduction of Guests

(continued)

The Speaker: The hon. Minister of Environment and Parks.

Ms Phillips: Well, thank you, Mr. Speaker. I'm pleased to have the indulgence of the House to rise to introduce to you and through you a very distinguished Albertan. Dr. Andrew Leach, who chaired the climate leadership panel, has joined us in the gallery today. Dr. Andrew Leach is a professor at the University of Alberta School of Business. He very ably made the recommendations that we are going to be putting into the act today in Bill 20. If the Legislature would give him the traditional warm welcome of the Assembly.

Members' Statements

The Speaker: The hon. Member for Edmonton-Castle Downs.

Castle Downs Family YMCA

Ms Goehring: Thank you, Mr. Speaker. I rise today to speak about a fantastic organization, the Castle Downs YMCA in the glorious constituency of Edmonton-Castle Downs. The Castle Downs Family YMCA opened in 1998 in north-central Edmonton. Eighteen years on, today it is not only a recreation centre but a centre of the community in north Edmonton, serving over 15,000 participants every year through a range of programs. Thanks to the YMCA's opportunity program, everyone can access its services. Affordability is not an issue. It has helped 28 per cent of the centre's total access financial support via the YMCA Strong Kids fundraising campaign.

Since 2008 YMCAs across the country host Health Kids Day. Mr. Speaker, it's a free community event to celebrate what the YMCA does best, creating life-enhancing opportunities to help grow people's minds and bodies. At our Castle Downs centre over 3,000 people attended.

On January 22, 2016, the NBA All-star Kidsfest was hosted here as well. About 1,300 community members joined this free event. Mr. Speaker, I am proud to say that this turnout was three times more than any other YMCA across Canada.

The centre recognized several years ago that the north side of the city has a large and growing Muslim population and therefore decided to have a few programs to suit the diverse needs, especially for the Muslim women. Now they have women's-only fitness classes. The centre also celebrates Eid with a big bash. Last year their Eid celebration was a huge success and provided the whole community an opportunity to learn about each other's cultural experiences. I invite all members of the House to join me in attending this year's celebration on July 10 and see the fabulous work all staff and community volunteers do to put on such a successful cultural event.

Thank you, Mr. Speaker.

The Speaker: Thank you, hon. member.

Oil Field Waste Liability Program

Mr. W. Anderson: Mr. Speaker, the oil field waste liability program, or OWL, performs an important function. If a licensee becomes defunct, OWL prevents the public from having to bear the cost to suspend, abandon, or remediate and reclaim an oil field waste management facility. I think we can agree that this is a good program we can all support. In a time of great economic uncertainty, with a record number of oil and gas companies becoming insolvent, there is a need for this program to ensure that oil and gas companies are paying their fair share. However, the Alberta Energy Regulator requires an outlay of cash to meet the terms of the OWL directive. Depending on the size and scope of the company's operation, getting coverage under OWL can require a hefty financial contribution, sometimes in the millions of dollars.

For an example, one local company in my constituency has been told its OWL fee will exceed over \$2 million from its operating capital. Now, the Alberta Energy Regulator does allow companies to offset the required deposit by performing a facility netback calculation, or FNC, which requires them to disclose their assets, holdings, and/or provide profitability performance estimates for each of their sites. When an FNC was conducted on the company in question, it did in fact have ample assets to offset the required security deposits. However, because the company is a limited partnership, its assets are held by the partnership and not the licensee holder. On those grounds its FNC was rejected by the Alberta Energy Regulator. The issue is not that the funds or assets were not available, no. The partnership has the assets and is happy to post the security deposit. However, the fact remains that on the basis of a technicality and a rejected FNC, this job-creating project has been stopped in its tracks, more red tape consequences.

I urge the government to reconsider its stance on oil field waste liability fees paid by limited partnerships so this project can get moving forward. Thank you.

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

2:50 Leadership

Mr. Fraser: Thank you, Mr. Speaker. I was born and raised in Alberta, and for that I'm thankful. I often think of my childhood and how my father raised me and my siblings. My mother left when I was seven, and I had a lot of questions. I was angry, sad, and frustrated. We didn't have as much as other families, and in my mind we weren't whole. Some might have described us as poor, a broken family. As a child I looked for someone to blame, and I can't even imagine how my dad felt.

He could have blamed my mother. He could have blamed customers. For that matter, he could have blamed anything. But this was not the case, Mr. Speaker. I never, not once, heard my father blame my mom for leaving or blame people who couldn't pay their invoices, that left our family short. My father, even though he didn't have to, took the brunt of everything, accepting and owning his role as the leader of our family. He looked forward instead of backwards. He was hopeful instead of dreadful. He led his family into a better place. He created leaders instead of doubters, including me, even when it seemed unlikely.

Mr. Speaker, I often think of leadership and how to be better. I think of former leaders and the challenges they were faced with. One in particular is John F. Kennedy in the Cuban Missile Crisis. As I look back, I try to imagine the enormity of that crisis and what the President and his advisers were faced with. I imagine the strength, courage, and ownership it must have taken to lead in that moment, not just for the American people but for the whole planet. I also imagine: what if JFK was more accusatory than conciliatory? What if he spent his time blaming and looking backwards at former administrators rather than the task at hand? The outcome could have been disastrous.

For each one of us in this Chamber, we play a role in the future and history in Alberta. It's up to us how we want to be characterized in our roles. Will we blame others for our challenges and stand and be counted only when there's success, or will we stand with it all, good or bad? Hon. members, it's up to you how you'll be defined in the history books. Will you be collaborators of ideas and have the courage and character to own your place in history? For myself and our caucus, we accept our responsibility for the future.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Fort Saskatchewan-Vegreville.

Minimum Wage

Mrs. Littlewood: Thank you, Mr. Speaker. This NDP government committed to moving towards a minimum wage that will support hard-working Albertans, a minimum wage that would mean fewer Albertans working full-time jobs having to go to the food bank in order to feed themselves and their families.

Unfortunately, the opposition isn't on the side of these hardworking Albertan families. On May 9 the Member for CardstonTaber-Warner made a claim that a decent minimum wage is an entitlement, that Albertans don't deserve to earn a wage that helps them put food on the table and live with dignity.

Mr. Speaker, my fellow New Democrats and I fundamentally reject that risky ideology. In fact, it leads me to wonder what the minimum wage would be if the member had his way: \$5 an hour, \$2 an hour, or maybe he would just scrap it altogether. Just because someone makes minimum wage doesn't mean that they're not working hard. The only entitled mentality that exists in this debate is the one the opposition is arguing, the one that says Alberta businesses can't succeed if they pay their employees a fair and decent wage that pays the bills.

These workers are our family, our friends, our neighbours. Of those Albertans making less than \$15 per hour, over 33,000 of them are single-income families supporting children, thousands of single parents that can't afford to buy their children a winter coat, never mind themselves, and who still have to choose between their groceries and their medication. I know the struggle. I grew up in a family where my dad was part of the working poor, where a winter coat was a luxury. This is unacceptable, this is un-Albertan, and this needs to change.

We are working with businesses, with social advocacy organizations, with nonprofits, and with those very Albertans who are struggling to make ends meet. Mr. Speaker, I would strongly encourage the opposition to get on the right side of history here. There is no dignity in advocating for working Albertans to remain in poverty.

The Speaker: Thank you, hon. member.

The hon. Member for Grande Prairie-Smoky.

Social Licence

Mr. Loewen: Thank you, Mr. Speaker. I'll start with apologies to Dr. Seuss's *Green Eggs and Ham.* Social licence is what I hear from the NDPers year by year. It makes me wonder where we buy this social licence we want to try. I do not see them where I buy my fishing licence to catch a fry. I do not see them when I look for my driver's licence in any book. My fishing licence cost 28 bucks. It costs 84 to drive my truck. I buy them at my local vendor, but social licence, I have to wonder where to purchase this right to plunder.

There are folks, it seems, who have to talk, who string us along and balk, balk, balk: Justin Trudeau, of whom I'm no fan because of his crazy tanker ban. Energy East, Coderre's not for it, but the river he fills with Montreal's – it doesn't make much sense, I say, but dump it in he does anyway. For driving and fishing there are regulations, but a social licence, it seems speculation.

When you buy one, where is it for, just the province or the world and more? Will it get us just one pipeline, or will it do for more than a few? Do we renew it every year? I would hope not cos I hope it's good until we rot. Can I buy one for just six billion? Carbon capture has left us reeling. What if we add three billion more of taxpayers' money to lay that bore to the coast to export more, more.

But who is dealing for this licence? I hope the deal is close to sealing. Will we get a solid contract, or will we have to search for facts? Now, pipeline approval, it's up to NEB, but the Premier will claim credit, just you wait and see. The lines we are awaiting were approved before, with the list of conditions getting more and more. I think the questions most want answered, not vague responses but right on *Hansard*, are what will it cost and when will it happen? Are we on a path, or are we just flappin'? We need to get our oil to tide to stop our province's downhill slide, so stop the chat and get right at it.

Though presented in prose, this in no way should distract from the seriousness of the questions and concerns brought up. I want to urge the members opposite . . .

The Speaker: Thank you, hon. member.

Introduction of Bills

The Speaker: The hon. Minister of Environment and Parks and minister responsible for the climate change office.

Bill 20 Climate Leadership Implementation Act

Ms Phillips: Thank you very much, Mr. Speaker. I rise to request leave to introduce a bill, being the Climate Leadership Implementation Act. This being a money bill, Her Honour the Honourable the Lieutenant Governor, having been informed of the contents of the bill, recommends the same to the Assembly.

Mr. Speaker, the climate is changing; there is no denying this fact. Doing nothing is not an option. We must take strong and decisive action. Those actions were announced last November as part of our climate leadership plan, a plan that is the right thing to do today and for future generations.

The climate leadership plan will diversify our economy, create new jobs, improve the health of Albertans, and erase any doubt about our environmental record. It will also open up new markets for our products. Mr. Speaker, Bill 20 ensures that Alberta has the legislative authority needed to realize the bold and ambitious actions laid out in our plan.

Thank you to all guests joining us today for the introduction of this important bill.

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

[Motion carried; Bill 20 read a first time]

Tabling Returns and Reports

The Speaker: The Member for Cypress-Medicine Hat.

Mr. Barnes: Yeah. Thank you, Mr. Speaker. During second reading of Bill 14, the Health Professions Amendment Act, 2016, I spoke at length about the province of British Columbia and how they've gone some distance to study and actually enforce keeping professional associations separate from the public regulatory boards. I would like to table the requisite five copies of the report, and if members are interested, it's got some very good information. Thank you.

The Speaker: Hon. members, I rise today to table two documents. The first is five copies of a motion passed by the National Assembly of Quebec on May 10, 2016, which states:

that the National Assembly offer Albertans its support in the fight against the forest fires that are ravaging the Fort McMurray area; that it salute Albertans' courage; that it highlight [a society for protection of forests'] contribution and that of Quebec firefighters who have left to help their colleagues.

The second is five copies of a motion passed by the National Assembly of Quebec on May 12, 2016, concerning the creation of a single securities commission.

3:00

Hon. members, I believe we had some points of order today. The Government House Leader.

Point of Order Language Creating Disorder

Mr. Mason: Thank you very much. At approximately 2:20 today the Member for Fort McMurray-Wood Buffalo called the Minister of Environment and Parks a hack, not once but twice. This violates Standing Order 23(j), someone who "uses abusive or insulting language of a nature likely to create disorder." Mr. Speaker, that's completely offensive. It's often very difficult to hear, with the zoo-like sounds that come from the Opposition, when ministers are answering questions, but I did hear the hon. member say that twice.

This is not the first time that I have risen on a point of order in connection with that particular member. The lack of respect shown on the other side for ministers who are trying to answer the questions that they put to us, Mr. Speaker, is continuing to be a real problem in this Legislature. If they think that sounding like that and making that racket when ministers are trying to answer questions is helpful to this place, I think they're sorely mistaken.

The Speaker: The Opposition House Leader.

Mr. Cooper: Well, thank you, Mr. Speaker. I rise to speak to the point of order today. I think there are a couple of key points to discuss. I think what we have here are some comments that may or may not have been made off of the record. I think that there's been a long-standing tradition of comments that the Speaker may or may not have heard, and I think you can find some points of order from April 7, 2014, as well as March 19, 2012, with respect to comments that were made off the record and not in *Hansard*. Having said that, if in fact the member did say that, I would be happy to withdraw and apologize, but it isn't traditionally the function of the Speaker to rule what has been said off the record or on the record.

Furthermore, during that particular exchange, Mr. Speaker, the minister used language that makes accusations about this side of the House, that we have risen on numerous occasions to highlight as a concern, in the form of that member making accusations about this side of the House being climate change deniers. This type of language is not helpful when it comes to maintaining order inside the Chamber. I could understand how members of this side of the House would have temperatures rising when the hon. member is making a very serious allegation about members on this side of the House.

Furthermore, I find it rather disappointing that in his point of order the Government House Leader would make an accusation utilizing language that is likely to create disorder in calling us animals by implying that it is a zoo.

The Speaker: To be clear, to the Government House Leader, I think your comment with respect to the sounds of a zoo was unnecessary. To the Opposition House Leader, he did not call you animals. He said that it sounds like a zoo. So, please, it seems to me that both of you might want to withdraw your comments.

Now, with respect to the original point of order I did not hear the comment being made. I accept what the Opposition House Leader said, that if it was made, it was unintended. I would accept it as that and make that decision, with respect, but I did not hear the comment.

I believe there was a second point of order raised by the leader of the third party. Is that correct?

Mr. McIver: Mr. Speaker, I didn't actually catch you recognizing me for that, and it's kind of pointless now to deal with it because the minister that was introducing the bill treated it as debate rather than introducing the bill. Since you didn't recognize me, it's kind of pointless, so I'll just withdraw that.

Orders of the Day

Government Bills and Orders Third Reading

Bill 17

Appropriation Act, 2016

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

Mr. Ceci: Thank you, Mr. Speaker. It's my privilege to rise and move third reading of Bill 17, the Appropriation Act, 2016.

The Appropriation Act will allow our government to implement the Alberta jobs plan. In doing so, we will be supporting families, investing in infrastructure in Alberta, diversifying our energy markets, and supporting Alberta's businesses.

Mr. Speaker, now is the time to act on economic diversification, job creation, and to get Albertans working again. I ask all members of the House to support this bill.

Thank you.

The Speaker: Are there any members wishing to speak to Bill 17? The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Mr. Speaker. I'm rising to speak to Bill 17, the Appropriation Act, 2016. We've got a number of bills before the House right now dealing with overall budgetary matters. Just introduced a few minutes earlier, we've got Bill 20, the carbon tax bill, which will bring forward billions of dollars in new spending. We've got Bill 10, that will repeal any limits whatsoever on the capacity of the provincial government to borrow and to run deficits.

So Bill 17 is before us now, the Appropriation Act. Unfortunately, the government has rejected every single one – every single one – of the dozens of amendments that the Official Opposition has put forward.

You know, earlier in debate today on a separate bill the Minister of Finance presented Albertans with two choices and only two choices. One would be massive deficits, and the second would be a PST. Well, I believe there is a third way, Mr. Speaker, and it's not to borrow from our children, and it's not to massively increase yet another round of taxes; it's to get our spending under control.

Right now this province is spending two and a half thousand dollars more for every man, woman, and child on the operations of government than British Columbia does. Let's put that into context. If Alberta spent as much per capita as British Columbia, we would have virtually no operational deficit. We would still have an overall consolidated deficit, but on the operational side we would be balanced, and it would be a massive, massive step forward to getting our finances back under control.

Now, the government, because they're a new government, likes to talk as if this deficit is taken in isolation, but the fact is that there has been a long road behind us of overspending and overborrowing. Many of us can recall the pride we had when Ralph Klein held a sign over his head saying "paid in full" and we had no debt on the books anymore. We had paid our debt in full, and we had built up to \$17 billion in the sustainability fund, a fund intended to get us through one to two or at most three years of deficits as a rainy-day fund.

3:10

Rather than control spending, the government increased spending. We went though a period of massive, massive spending increases, and as a result the sustainability fund was drawn down.

What happens when you spend your rainy-day fund on sunny days? Well, when the storm comes again, there's not going to be a lot of sympathy left for you when you've already spent your rainy-day fund. That's the position that the province finds itself in right now. We've spent our entire sustainability fund. We've taken on billions and billions of dollars of debt, and now the government, in Bill 10, is proposing to repeal any limits whatsoever – period – on the ability of the government to borrow; hence, the Appropriation Act in front of us today, Bill 17.

Bill 17 is going to continue to increase spending at a massive rate every year of the projected fiscal plan. It can't cut spending in a single year, and even where the Official Opposition has proposed very minor, sometimes even symbolic, cuts to things like the communications budgets in ministers' offices, the government has seen fit to vote those amendments down. They are not accepting a single amendment.

They have stated that they're opposed to cutting even a penny of government except - except - for the emergency budget. The emergency budget is the only part of the budget where this government, at least on paper, is going to cut spending, and it's an old trick.

An Hon. Member: Tourism. They're cutting tourism.

Mr. Fildebrandt: Well, perhaps they're cutting tourism as well.

They are cutting the emergency budget, and it's an old, old trick, where they try to make the deficit appear to be smaller at the beginning of the fiscal year by saying that they will spend less, and then at the end of the fiscal year they say: well, who could have predicted that there'd be a disaster somewhere, that there'd be a flood or a fire or a tornado or a windstorm? These things are going to happen, and we're going to have to spend the money on them regardless. When there's a disaster that happens, it doesn't matter who is in power, the money is going to get spent to fix the problem. Instead, what this is is an old accounting trick where they get to blame it politically at the end of the year and say: "Aw. The deficit isn't our fault. An emergency happened."

Well, Canadians, Albertans plan for this in their private lives. Businesses plan for this. Households plan for this. We know that there's always going to be a difficult time ahead. We build rainyday funds into our household finances, into small business finances. We purchase insurance in the expectation that we could face disasters in our own lives. You know, your home could be damaged in a flood. It could be damaged in a fire. You get household insurance because you know something is going to happen. The equivalent of that for government is the emergency and disaster spending fund, and the government has said: "No. We're not expecting there to be a significant amount of money that's going to need to be spent this year."

I guarantee you, Mr. Speaker. I'll put a hundred bucks down to the Minister of Finance, if he'll take it, that they will spend probably twice as much, at least, on emergency and disaster spending as he is projecting to spend in this budget. The amount of money that they are appropriating right now – perhaps, actually, the Member for Calgary-Currie would take me up on this wager. I know he's done so before.

Mr. Nixon: He keeps losing.

Mr. Fildebrandt: He keeps losing, the poor guy. The poor Member for Calgary-Currie keeps believing the Minister of Finance's numbers will work out as so, and it doesn't end up as such.

I'm offering either the Member for Calgary-Currie or the Minister of Finance or anybody on the government side – I will bet them \$100 that the government will spend probably twice as much on emergencies and disasters as they're actually budgeting to do in the Appropriation Act here, in the budget. [interjection] I don't see any confidence on that side. Could I get a show of hands of a single member willing to take me up on the bet? It's pretty good odds that you will spend twice as much, at least, on emergencies and disasters at the end of the fiscal year as you're projecting to do right now. Can I get a single member on the government side to take me up on this?

The Speaker: Hon. member, through the chair, please. Let's move on.

Mr. Fildebrandt: Sorry. Mr. Speaker, the wager stands to you as well. My apologies. If you wish to take me up on the offer, I would certainly welcome it.

We're going to be spending twice as much, at least, on emergencies and disasters as they're saying that they're going to here. I guarantee you that this government is going to bring forward a supplementary supply bill not more than eight to nine months from now, possibly even sooner, to make up that funding gap. They're going to blame it on everything else even though we are here right now saying that your budget does not appropriately account for how much you're guaranteed to spend on emergencies and disasters. We actually already might be there because of the events of the past few weeks. So there we've got a significant deviation already from what we know will be the year-end results in the budget, from what they're actually projecting in the fiscal plan. The year-end results will almost surely be significantly different.

Now, the hon. Government House Leader just likes to repeat like pulling the string on the back of a doll: oil prices, oil prices, oil prices. Well, when they had a budget here in the fall, we warned them that their oil price projections were ridiculous. We warned that they weren't going to be anywhere close to reality, and they said: "Oh, you're fearmongering. You're trying to hurt confidence in Alberta's finances." Well, we were trying to restore confidence in the finances by putting forward amendments to this bill, to the budget, which would properly reflect the price of oil. They projected a massive recovery in the price of oil that every member of the opposition, I would dare say – I believe that even all the other opposition parties as well said that their price-of-oil projections were ridiculous and they would not recover as they were saying.

In fact, they even provided years 4 and 5 of a fiscal plan without any numbers whatsoever attached to it. They didn't even provide numbers in years 4 and 5 of the fiscal plan to say how much they would bring in from income tax and corporate income tax and oil and gas royalties. All they said was: we're going to bring in a lot of money, and it's going to be really awesome. That's all they said, and we called them out on it, and they said: just trust us. Well, we didn't trust them, but they passed the bill anyway, and what did they do? They didn't come anywhere close to the revenue projections in the very first year – in the very first year – and I guarantee you, Mr. Speaker, that they're probably not going to hit it again.

Indeed, we should open to page 22 of the fiscal plan. I would invite the Minister of Finance to open to page 22 of the fiscal plan right now. This is one of my favourite moments from estimates, and I think it needs to be seen here as well. I encourage all members of this House to open up their fiscal plans right now like this was class I was wondering if the Minister of Finance could read the title of that table for me. He seemed to have some difficulty doing that during estimates. He was unable to read the title, and I spelt it out for him. Math might be hard, but English should be pretty easy for members of the House here. The title of that table was Tax Revenue, and the minister was unable to read it because what they're doing here is bringing forward, as a part of the budget, a massive new tax on Albertans, a massive carbon tax, that is actually closer to \$6 billion a year, depending on how you factor in the rebate system, but popularly reported in the media as \$3 billion a year, in addition to the massive tax increases they've already levied on Albertans.

In the spring session of last year they brought forward a 20 per cent increase in the business tax. They brought forward an up to 50 per cent increase in our personal income taxes, finally doing away with the flat-tax system that, I believe, was a very big contributor to making Alberta the most competitive place to invest, raise a family, and do business in North America. That was in the spring session, and then in the fall session – in addition to that, they kept a bunch of the other smaller tax increases proposed by the previous government – they brought forward a host of new tax increases. Now Albertans are paying far more for things like gasoline and diesel and heating their homes, transporting goods on railways, things like this, that are hurting the competitiveness of Alberta.

3:20

What do they think Alberta needs now? A carbon tax. More taxes. What does the Minister of Finance have to respond to the legitimate concerns of the Official Opposition about what their fiscal policies are doing to Alberta? He bizarrely accuses the Official Opposition of wanting a provincial sales tax. Mr. Speaker, the government has jumped the shark at this point. The NDP has jumped the shark. They don't have any idea what they're doing.

They've stopped even trying to answer questions. They've stopped trying to answer questions. I mean, just during question period we asked questions about Bill 36 and property rights. We couldn't find a single member on that side who even knew what we were talking about. Property rights are a foreign concept to the government across. They've jumped the shark, and they're not even attempting to answer real and legitimate questions anymore. It's because they're embarrassed about what they're doing – they are embarrassed – and if I introduced a 15 per cent cap on the debt-to-GDP of this province just five months ago and five months later I was sitting here trying to repeal it, I'd be pretty embarrassed, too.

This is a budget that is a shot in the dark. They have no idea when they even attempt to maybe get back to a balanced budget. I'll at least give them credit now for being honest and saying that they have no idea. It'll maybe be 2024 but sort of, if things work out really well. This is opposed to the practice of other governments and their own government last year. Just promise to balance the budget at some future date, and every year move it back one more. This is not just an issue that's plagued the NDP. Governments of all partisan stripes in multiple jurisdictions across Canada have done it. Many people can remember, you know, the federal governments in the 1980s under Trudeau and Mulroney. They would promise a balanced budget four years out, and every year they would move their projection one more year down the road. We saw it from the Getty government. We saw it and we see it now from this government.

This is a very dangerous path to get onto because we are now running our ninth consecutive consolidated deficit, Mr. Speaker. We have seen a decline in the net financial assets of this province of approximately \$60 billion - \$60 billion - over the last decade. From 2008 to 2018 projected, we will have had a decline in our net financial assets of almost \$60 billion. It's an absolute meltdown in the balance sheet of this government - it's an absolute meltdown and they have no intention of fixing it. I don't blame this government for inheriting a deficit. I don't blame this government for inheriting a significant debt load and a sustainability fund which has almost run out. I don't blame them for that, but I do blame this government for not caring one iota about actually fixing it. They have no intention of righting the ship.

I think at this point, Mr. Speaker, that they have made a political calculation that their electoral coalition doesn't care about fiscal responsibility. They've made a political choice, a very political choice not based on sound economics, not based on sound finances. They've made a political choice, a political decision. They're hoping that the group of voters that they need to convince to vote NDP in the next election doesn't care about balanced budgets, that they don't care about ending the practice of borrowing in this province, and that they will instead be able to replace the concerns that some Albertans have about deficits with unlimited borrowing so that they can spend, so they can buy Albertans off with their own money.

But the problem with socialism, Mr. Speaker, is that eventually you run out of other people's money, and that is where they are headed. That is why we have had five credit downgrades in this province, why we have had a credit downgrade the very day after they introduced their budget. If it was about the price of oil, we would have had a downgrade as the price of oil went down; instead, one day after they introduced their budget, less than 24 hours, this province received a credit downgrade.

Then the Minister of Finance said: I'm going to make it better and go talk to the creditors, and I'll convince them that I'm good for the money. What happened as soon as he talked to them? They gave us another downgrade. It was the worst thing that he could have possibly done. I ask that the Minister of Finance please refrain from speaking to the creditors of this province in the future. It's very bad for the fiscal reputation of this province. And when did we get another credit downgrade? Just on Thursday, while we were debating Bill 10 to eliminate the debt ceiling whatsoever in this province. That sent a very strong signal to creditors in this province that we're not good for the money, that we weren't even going to promise, however lightly, that we were going to have any limit on borrowing in this province whatsoever.

Instead, we are going to wave some magical diversification wand where the Minister of Finance would so brilliantly direct capital investment in the private economy away from oil and gas and into other sectors, that it would replace the revenue from the oil and gas royalties, that that would somehow convince our creditors that it's sound. But his attempt to convince them led to another downgrade because nobody believes that that's actually a sound plan.

An Hon. Member: There's no plan.

Mr. Fildebrandt: It's not a plan. NDP stands for No Darn Plan, Mr. Speaker, No Darn Plan.

Mr. Speaker, just the other day, as we're debating Bill 10 to eliminate the debt ceiling, in the morning we were talking about this. The Minister of Finance said: "Don't worry yourselves. Just trust me. It's good. This is necessary. I'll just diversify the economy by waving my magic wand, and the creditors will all think we're good for the money." Well, what happened? Just later in that afternoon we received another credit downgrade, our second – our second – from S&P. How many more are there going to be before this government gets serious? Does DBRS have to downgrade us again? Does S&P have to do it yet again? How many times are the creditors going to come knocking on the door of this government and tell us to get our actions together before we actually do something about it?

This is irresponsible, Mr. Speaker. I've spoken about my niece Lucy. She was born right around the same time that the budget was introduced. Lucy is going to have as much debt to her name by the time she is old enough to vote in this province as it would take to put her through SAIT.

Thank you, Mr. Speaker.

The Speaker: Thank you.

The hon. Member for Lac La Biche-St Paul-Two Hills.

Mr. Hanson: Under 29(2)(a)?

The Speaker: No. I believe that 29(2)(a) does not apply in this situation.

The Member for Calgary-Hays.

Mr. McIver: Thank you, Mr. Speaker. I rise to speak on Bill 17, the Appropriation Act, 2016, the government's request from the taxpayers for about \$50 billion to pay for things that haven't been fully disclosed yet. Now, I appreciate that the government has introduced a budget where they've talked about a lot of the things they want to spend money on, but the government itself has admitted that a lot of things are in there that they haven't actually fully disclosed, including a large part of the capital budget. The projects haven't been fully announced yet. I know that the minister in charge of that won't even argue with me there because he understands that.

Mr. Speaker, here's the problem. The government is asking the taxpayers to back them on a whole bunch of money, which is what governments do, and that's fine. But what the government doesn't really have a good answer for is: what's the public getting out of it that's in their favour in the long term in particular? In the short term the government talks about some of the nice things they're going to buy for people, and some of those are good things. They're building away on a school program that the previous government wisely announced and began work on, and the government has wisely decided that that was a good idea and to continue with that.

But, Mr. Speaker, they're falling short in a number of areas. I know that when the government was first announced, they took great glee in repeating over and over and over ad over again complaints, for example, about maintenance, deferred maintenance. They went on at great length, talking about billions of dollars in deferred maintenance and the previous government, what terrible people they were because they had this deferred maintenance. And the government said repeatedly – the minister has a smile on his face when he's arguing with me because he knows that they said this. And they actually had the courage to come in this House and say: we're going to spend a lot more on deferred maintenance because we care. Well, that sounds pretty good except that when you read the government's business plans, all that caring doesn't really get much improvement in the condition of the infrastructure with the deferred maintenance.

3:30

In fact, in the government's own business plan it shows that between now and the end of the capital planning period in those business plans, though they spent lots more money, lots more money, as they promised – that's a promise they kept, Mr. Speaker. They're spending a lot more money. Now, here's the promise they're not keeping. The average condition of the roads and the other infrastructure: actually there's going to be a higher percentage in poor condition and a lower percentage in good condition after spending all that money. Wow. It's kind of making the previous government look pretty good at this point.

But let's move on, Mr. Speaker. There must be a bright spot here, so let's go to the health facilities that the government repeatedly talked about deferred maintenance on and how they were going to spend a lot more money and make it a lot better. In their own business plan, at the end, it shows that they are spending a lot more money, but it shows the percentage of infrastructure in poor condition increases and the percentage of infrastructure in good condition decreases. So they spent a lot more money, and did they go forwards? No. They're promising to go backwards.

Well, there's a promise that the public should be more aware of, which is why I'm talking about it right now, and a promise that the public would have pause about giving them all of this money if they're going to do as they say and spend a lot more money and get less results. It doesn't really add up, Mr. Speaker. It just doesn't add up. What's really crazy about this is that I don't have to embellish this because it's in black and white in the government's own documents. There's nothing I've said here that is in the least bit embellished because they have put it in black and white in their own documents.

Let's move on to government-owned buildings and facilities, where they're spending more money and have promised to slay the dragon of deferred maintenance. Well, once again they've kept that promise of spending more money. But wait, Mr. Speaker. In the business plan the percentages of buildings in better condition, in good condition: whoops, that goes down. The number is smaller.

Dr. Starke: The dragon is healthy.

Mr. McIver: The dragon is healthy.

On the line where it talks about the buildings in poor condition, it's either the same or higher. Mr. Speaker, the promised improvements are not there.

But wait. It gets worse than that, Mr. Speaker, because the government is going to be \$10.4 billion in deficit this year, leading to \$57.6 billion and \$2 billion a year in interest payments without touching the principal. That is if the government's revenue projections come true. Now, I know that they are hoping to have a pipeline bail them out. I would like to think every member in this House is hoping for a pipeline to come. The problem is, Mr. Speaker, that it may not actually bail them out. It will help. It will help a lot. But if you look at the government's projections on revenue, where we asked about it in budget in treasury and finance, the numbers on the revenue from oil and gas royalties actually ship from the province today.

They've already budgeted in a pipeline that doesn't exist, and they're not sure it's going to exist. No. In fairness, maybe it's more rail. We'll be shipping more rail, and we don't know whether the railcars will magically appear or not. The fact is, Mr. Speaker, that they have actually budgeted to sell more oil and gas – this is the government, by the way, getting us off the oil and gas resource roller coaster – in future years than the province has the physical capacity to take away today. They haven't got an explanation about how they intend to have it taken away.

All of these really ugly numbers that I've laid out from the government's plan - and, again, I haven't even had to embellish them, they're so bad. Mr. Speaker, the fact is that the revenue numbers they're projecting may not come in because (a) they don't

have the physical capacity to take away what they say that they're going to take away, and (b) the prices that they have projected for the oil and gas are actually higher than the industry experts say are going to happen. They're in a whole heap of trouble, even much more than they admit to in their black-and-white numbers, which is why all Albertans should pause very, very long and hard before they think that they ought to trust this government with this much money when they are clearly – clearly – without any plan to be responsible with it.

Now, we tried to help. The Progressive Conservative caucus, Mr. Speaker, gave the government the \$4 billion challenge, where if they saved \$4 billion a year in operating over two years, they would have to borrow a lot less. It wouldn't get them out of all the trouble that they're in, but it would help. Of course it's on the operating side, so, you know, \$4 billion a year is \$4 billion a year forever, so over five years there's \$20 billion fewer that could be spent. You would think the government would be pretty darned interested in that, but what did they do? They scoffed. They laughed. They said: forget it; it can't be done. We even kind of showed them how to get three-quarters of the way there. We showed them several examples of where they could find those efficiencies without cutting frontline services, without laying off doctors, nurses, teachers, those things that people love. Yet the government scoffed at it.

They even scoffed at our suggestion based on fact out of Alberta Health Services' own notes, that say that \$3.2 billion a year is roughly the cost of emergency room visits. Of course, the same document says that about 90 per cent of those aren't emergencies. Now, we're not foolish enough to tell the government they could save 90 per cent out of that \$3.2 billion. But if you take the 90 per cent and you go down to 90 per cent of \$2.7 billion, \$2.8 billion, that's the number that you're looking to reduce. That's not how much you could save. Let's just say that the government could cut that in half by delivering those nonemergency services in a nonemergency room. That's actually worth considering the possibility of. There could be a billion dollars and a half a year savings, a billion and a half a year forever, right there, the one piece. That's a pretty big piece of the \$4 billion challenge. We handed it to them, Mr. Speaker, on a silver platter, and they kind of scoffed at us. They laughed at us. They made fun of us. They said: why would we do that?

I'll tell you what, Mr. Speaker. While they're not willing to find any efficiencies, they sure have lots of suggestions for other people to find efficiencies. The environment minister, when asked in this House, "How are schools going to pay for the carbon tax?" said, "They'll find efficiencies." When the environment minister said, "How are charities are going to pay for this tax?" they said, "They'll find efficiencies." When the environment minister was asked how municipalities would pay for this tax, she said - you got it -"They'll find efficiencies." The same goes for not-for-profits, for hospitals, for businesses, for families. The government wants the whole rest of the world to find efficiencies. The first efficiencies they say that they can find themselves and the only efficiencies they say, their words: we'll have to lay off nurses and teachers. Yet, Mr. Speaker, they think the whole rest of the world can find efficiencies where they don't have to stop delivering the services that they do to their families and their businesses and their nonprofits. This government isn't willing to find a single blessed efficiency, yet they pile taxes on, and they expect everybody else to recover from those taxes by finding efficiencies when the government, even when led - led - to water won't drink. They will not drink when led to water.

I have a friend from Mauritius. I don't fully understand the translation, but it's something similar to that, where he says that a horse won't eat Jell-O, but a donkey will. The reference is that somebody that's really, really stubborn won't do that, but the horse

will. It is the same as: we tried to lead the government horse to water, and they would not drink. You know what, Mr. Speaker? That would be okay if it was for their own sake, but it's really for the sake of Albertans that they've chosen not to make the effort. Even when the answer has been to a great extent handed to them on a silver platter, they have chosen not to do so.

Now, we heard today in the introduction – I haven't really had time to get into the Bill 20, but of course some of the money we're talking about here is for that, so I feel comfortable addressing it at least in broad terms, Mr. Speaker. But we did find out in estimates that there is no plan in the budget to spend money on green line LRT. That's what we were told there. You know, one of the things about using less carbon is more public transit, so I don't know where that's going to come from, but we were told in estimates that that is not happening.

Then, Mr. Speaker, as if that wasn't bad enough, that the government won't listen to local advice from farmers or businesses or families or charities or schools or hospitals, they won't listen to international advice either by the people that control the purse strings: by Moody's, who lowered Alberta's credit rating; by DBRS, who has lowered Alberta's credit rating; by Standard & Poor's, who has lowered Alberta's credit rating.

Mr. Speaker, part of the revenue the government is depending upon so that they can still take us into \$57.6 billion in debt is, obviously, from ATB. Well, I don't know how much ATB is going to be damaged. I don't. It's a sad thing because ATB is very dear to a lot of Albertans. A lot of Albertans depend upon ATB for their car loans, mortgages, other things. For example, if it does cost them 1 per cent to 1 and a quarter per cent more to borrow because of the reduced credit rating - and we did hear in estimates, too, that ATB doesn't borrow; the government borrows for them – I think it's a pretty short leap that I'm going to make right now that if it costs the government more to borrow, either it's going to cost the ATB more to borrow or the government is going to eat the difference for them. So you've got ATB in a position now where either they're going to have to make a lot less money or the government is going to need to have a bunch less money for them or they're not going to be competitive in the marketplace.

3:40

It's a pretty competitive marketplace. You can get a mortgage right now for like 2 or 1.9 per cent, so if you add a percentage on to that, that's pretty uncompetitive, Mr. Speaker. Obviously, if ATB has to eat that 1 per cent, I think they'd lose all their mortgage business. I'm guessing, I'm hoping that the government is smart enough not to make them do that, but at some point that 1 per cent or so, whatever it costs more to borrow, is going to cost the taxpayers either through lower profits coming back to the taxpayers through ATB or higher payments on the debt through the government.

Either way, who pays? Taxpayers, the same ones that are expected to find efficiencies at their charities, families, businesses, not-for-profits, municipalities, schools, and hospitals when the government causing all of this can't find a single efficiency anywhere. These are the same people expected to take all the heat to pay more for a carbon tax than they're going to get back. The government hasn't said that, but it's obvious that that's true because what they have said is that they will get the carbon tax back for the gas that they put in their car. They'll get carbon tax for the heat they put in their house. From then on they don't get any more back, but that's not where the expenses end for the households, Mr. Speaker. They'll pay more for anything that rides on a truck because the truck will burn gas, and it'll cost more. Anything they buy in a grocery store, which has a lot of heat and refrigeration, will cost more.

Mr. Speaker, the government hasn't got their act together for this Appropriation Act to ask for this money because they can't explain. They can't make a good case that they're actually going to get the revenue that they say they will. They haven't actually disclosed where they're going to spend all the money. Their plan is to borrow us into oblivion and almost \$60 billion without making a single payment against it, and they won't accept help when it's handed to them on a silver platter. When you add all of that up, they have not even come close to making their case to have the taxpayers, through this Legislative Assembly, furnish them with about \$50 billion to spend on all the things they want to spend on. They ought to be embarrassed for asking, having not done their homework, which is why I won't be supporting this, and I recommend that other members of this House do not either.

The Speaker: Are there any questions or comments to the Member for Calgary-Hays under Standing Order 29(2)(a)?

What other members would wish to speak to Bill 17? The Member for Calgary-Currie.

Mr. Malkinson: Thanks very much, Mr. Speaker. It's my pleasure to get up and speak in support of Bill 17. I have been listening intently to the debate through the various stages of this bill going through the House, and I just wanted to take a little bit of time to, you know, bring my thoughts forward on some of the stuff that's been spoken about in this House.

The hon. Member for Calgary-Hays had, you know, talked about how his party had started some good ideas such as building schools. I know that during the election, at the all-candidates' debate, one of the things that came up is that for those schools the only thing that was built or planned for was the sign saying: new school here. That was about as close as those schools got. I note that there were multiple incidents where some of those schools, in fact, didn't even have land ready for them. It's easy to promise something without money being there to do it. So I'm very proud of our government, that we are actually putting money in this bill to build or modernize 200 new schools because that was an election promise that we made, and we are actually following through on it, which is something that I am very, very proud of.

Now, another thing that was talked about in this House is that certain members of the House do not want to go into debt. The solutions that are brought forward for that are ones that are good catchphrases – "It's the \$4 billion challenge" – which, if you look at it, has a lot of what-if scenarios that have no numbers attached to them. You know, I, too, can say: what if we can save a magically high pile of money? That's easy. I mean, it makes for good talking points whereas we in our budget have actually gone through and found reductions and savings.

We have taken things like – we have bent the cost curve down on health care, which was going up at 6 per cent a year, which was unsustainable. We have taken our government spending, and we are holding it at 2 per cent per year, which is a much more reasonable rate of growth relative to population and inflation growth. That is something that we can be proud of because we found those savings without hurting the front-line workers that we rely on for schools, for health care, for road maintenance, and so on.

Going back to debt, the opposition likes to talk a lot about that, and especially the Official Opposition likes to talk about: we should always have balanced budgets; debt is bad. I'd like to point out that we have had an unprecedented drop in the price of oil, a 90 per cent drop in our oil royalty revenues. To that party: I'm wondering which solutions have been provided. Well, as I mentioned, I haven't seen any. I've seen talking points. I have seen reductions in capital spending, mysterious reductions that, not going into details or whether or not I think they would actually be effective, don't actually add up to a balanced budget either. What you get when you have a party that is so ideologically opposed to debt is that you just get these talking points: we've got to have no debt, absolutely no debt. Well, I wonder: what would you give up?

I will take no lessons from that party when it comes to deficits. I will note that the Leader of the Official Opposition, while in government – if he was so ideologically opposed to debt, I don't remember him standing up against the Prime Minister at the time, who ran five consecutive deficits. I don't remember him in a scrum standing up against the Prime Minister and saying: no, we can't have deficits. I don't recall him calling out the Finance minister of the day about those deficits. Do you know why I don't think he was doing that? He realized that in a downturn it was the right thing to do because it's what kept Canadians working at the time. Here in Alberta, it will keep Albertans working. It will lessen the pain as much as humanly possible.

When you are ideologically opposed to deficits, I guess you are ideologically opposed to the schools and hospitals that go with them. That is why, I would think, the opposition has kept their shadow budget in the shadows. I'm proud of our plan. I'm proud of the schools that it will build. I am proud of the roads that it will build all across Alberta, including the ring road which is very close to my heart, in my constituency of Calgary-Currie. I am very proud of the Calgary cancer centre that will also be built as well as the hospitals and fully funding teachers in our schools. While the opposition likes to talk a lot of stuff when it comes to deficit, it's nothing but partisanship.

Thank you, Mr. Speaker. I'm going to be voting in support of this bill, and I encourage all of my colleagues to do the same.

The Speaker: Under 29(2)(a)?

Mr. Fildebrandt: Yes.

The Speaker: The Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Mr. Speaker. A number of quick questions for the Member for Calgary-Currie in one of our always invigorating interactions. I hope that he'll write them down and actually respond to them point by point.

One, if he could table the requisite five copies of any shadow budget ever produced in the history of the NDP.

Is he now a supporter of Stephen Harper's budgets?

He blames everything on the price of oil. Could he explain at what price oil would need to be for the budget to be balanced under this budget?

He has said that they are holding spending to 2 per cent growth. Does that include spending from the revenue generated by the carbon tax?

He says that they have not cut spending. Could he please refer to line items under the emergency and disaster budget? Thank you.

The Speaker: The hon. Member for Calgary-Currie.

Mr. Malkinson: Thank you very much, Mr. Speaker. I'll take a moment to go through a couple of these. The 2 per cent growth in spending, as the hon. minister of environment has mentioned, in fact, will not go into general revenue. It will be invested back into the Albertan economy or rebated to individual Albertans.

When it comes to Stephen Harper's budgets, as you can imagine, there were a lot of things that Stephen Harper did that I did not agree with. However, he did realize that when there was a massive downturn in the economy – after much persuading, I believe, by the Official Opposition, which was an NDP Official Opposition at the time, he decided to come around – helping Canadians in a downturn was, in fact, a good thing.

There was such a long list.

3:50

Mr. Fildebrandt: Table your shadow budgets.

Mr. Malkinson: Tabling the shadow budgets. Well, I would have to say that, of course, the Official Opposition – I believe that the quote I heard earlier was that, in fact, it is not their job to come up with shadow budgets, so I will have to defer to *Hansard* for the ones you're talking about.

I will leave it at that. Indeed, I am proud of our jobs plan, which is this budget, and I will be supporting it. Thank you.

The Speaker: The Member for Calgary-Hays.

Mr. McIver: Thank you. I'd just ask the hon. Member for Calgary-Currie if he was familiar with the Auditor's report on the building of schools. Particularly, I would refer him to page 5. There's a chart on page 5 with a timeline of the progress made with the schools. Of course, the top box on page 5 shows the progress made on the schools announced when the previous government, the Progressive Conservative government, was in place, when the vast majority of schools announced were actually on track to be built on time.

Then I would refer the hon. member to the box right below that, which is the first box on the timeline responsibilities of the current government, where it shows nothing being done, basically, in the next six months and way more projects being behind schedule than that last one. Had he seen that, how could he possibly talk about performing on those schools when the previous government didn't, when in fact the Auditor's report, produced and printed under this government's time in office, actually shows the opposite of what the hon. member actually said in the House?

Before he goes there, I would also ask him if he's familiar with the top of page 20 of the same report, where despite the fact that government members from the other side say that money was not in the budget to build those schools, the Auditor actually makes it clear that the government obviously had plans to put the money in place as it was needed to build those schools. I'd just ask the hon. member: did he actually read the report, and what does he have to say to those pages that show his government performing way more poorly, way less well than the previous government did in terms of the timelines for building the schools that he talked about when he was on his feet ever so recently?

The Speaker: Calgary-Currie.

Mr. Malkinson: Thank you very much, Mr. Speaker. I will note, of course, that in the last budget that was produced by the member of the third party, they had actually reduced the per head funding for schools by capping it, and that was something that as soon as we became government, we restored. I will note that, of course, the hon. Minister of Education will have to follow up . . .

The Speaker: Thank you, hon. member.

Are there other members that would like to speak to Bill 17, Appropriation Act? The Member for Calgary-Little Bow.

Mr. Schneider: That's close enough, Mr. Speaker. Thank you. I appreciate the opportunity to rise and speak to Bill 17, the Appropriation Act. This is a bill that I won't be able to support. Bill 17 is going to create substantial financial hardships for the people of the province of Alberta. There is a tremendous amount of spending to take place, and there is a tremendous amount of money

that has to be borrowed in order to see that spending. What the Appropriation Act defines is a \$10.4 billion deficit for the fiscal year 2016-17.

Debts and deficits become somewhat confusing to the average Albertan, that doesn't sit in this House or doesn't sit around discussing the budget at length. They're so unlucky to be unable to do that. To help those folks that listen sometimes and some that watch now on occasion, a deficit is defined as "an excess of expenditure or liabilities over income or assets in a given period." Debt is something different. Benjamin Franklin said that "when you run in debt; you give to another power over your liberty." *Webster's* says that debt is simply defined as "a state of owing" money.

Well, we will certainly owe money as a province, Mr. Speaker, more money than ever before. As a matter of fact, we'll be borrowing to keep the operations of the government in a state of continuance; in other words, borrowing to keep the lights on. Borrowing money for operations and capital expenditures is one thing; removing the self-imposed debt ceiling so that unrestrained borrowing is available to those that make those decisions is something else entirely. The government intends to borrow billions of dollars which will be used to fund its operations and will exceed its own legislated debt ceiling in just three years. Total debt is projected to hit a very large number, a number never seen in Alberta, \$57.6 billion by 2019. Also, the government is completely drawing down the contingency account and borrowing \$5.4 billion to cover operating costs this year. The government last borrowed to finance daily operations in 1994.

The deficit, meanwhile, is forecast as a rather large number as well within this budget. Remember that a deficit is an excess of expenditure over income. In this fiscal year of 2016-17 there will be a record deficit of \$10.4 billion. Those are staggering numbers.

We've seen, within this short amount of time since the newest NDP budget has been presented, several bond-rating agencies downgrade Alberta's credit rating. Now, this is not good. Alberta's Finance minister flew to Toronto and New York to sell the so-called job-creation budget in an effort to have bond-rating agencies quit lowering our credit rating. But those agencies, to be perfectly honest, Mr. Speaker, are not interested in whether or not this budget protects Alberta's core services or creates jobs. What bond-rating agencies like DBRS or Moody's or Standard & Poor's are interested in is whether or not Alberta's finances are creditworthy, whether or not this government has the intention to show the ability that the province has to pay back the money that it borrows.

There is increased risk for bond agencies to lend money to this province. The projected profound deficits are one part of the risk: \$10.6 billion, as stated before, in this year; \$10.1 billion in 2017-2018; and \$8.4 billion in the '18-19 fiscal year. The amount of debt, another \$57.6 billion within the next three years, and the rather prolonged amount of time between now and when the budget will supposedly be balanced, in 2024, all of these things reflect the downgrades that we've seen so far, the latest just five days ago. The fact that the province of Alberta has given no indication of how or when it will start to pay back the debt that it has accumulated or will have accumulated is another reason that bond-rating agencies get spooked.

Until we are shown or until debt-rating agencies are shown a plan to tackle the principal, Alberta is going to pay a higher rate of interest on the money borrowed. The cost to pay just the interest will be upwards of \$2 billion per year. That's just the interest, not the principal. The largest expense in government after health, education, and social services will be the money that Alberta is going to have to pay just in interest on the money borrowed: less money for schools, less money for teachers, less money for frontline staff.

The Wildrose caucus did come out with a solid, realistic plan to reduce annual spending by \$2 billion. That information is all very public, Mr. Speaker. There are always ways to achieve modest spending reductions in this budget, but it means making a choice.

In the Appropriation Act, 2016, Albertans will be taxed like they've never been taxed before. Many of my colleagues have spoken about the impact of the newly proposed carbon tax. When it is implemented, starting in January 1, 2017, we'll see the tax Albertans have to pay along with an increase in that tax on January 1, 2018.

Now, I will give one shot in the arm to the government, that came up with the newest budget. Hey, I'm going to say that I think every opposition party in the House probably will claim that lowering the small-business tax was their idea. I don't know anything about what the other opposition parties did or didn't say about the smallbusiness tax, but I do know for a fact that the Wildrose did suggest that lowering that particular tax was important. We're glad to see that the NDP got that job done, lowering the small-business tax from 3 per cent to 2 per cent.

4:00

Back to the carbon tax. This proposed tax is just another massive overhead fee for actual job creators. With increased overhead fees the amount that businesses will be able to set aside for labour will become less and less. The price of fuel, whether fuel for heating buildings or fuel for delivering goods, will increase the cost of those goods to all Albertans, and every Albertan in their own circumstance will see the same additional costs as a result of the carbon tax.

In Alberta we have winter. Now, you can wear three sets of long underwear and three sweaters for five months of the year if you like, but you still have to keep your home warm enough to function while you're in it. This tax means that keeping your home at a reasonable temperature while you're in it is going to cost more. Now, you could turn down the temperature in your house while you take your kids to the rink for hockey practice, but – just a minute – the price of fuel for your car is going to cost more: 4 and a half cents per litre at the pump for gasoline and 5.4 cents at the pump for diesel. Those prices will go up by 50 per cent more on January 1, 2018. This tax will touch just about everything that an Albertan has to use his after-tax dollars to purchase.

What about the costs to the companies that build the infrastructure in Alberta, the companies that build our schools and our hospitals and improve our roads? There has been no exemption for those folks. The increased costs of operation for construction companies will have to be passed on to the government and, in turn, will be passed on to each of us. What about the cost of keeping the lights on in a hospital or heating that hospital or the cost of running an ambulance? These are not hypothetical scenarios. There are actually real numbers attached here. I want to quote from a recent article from *Metro News* of May 11, which reads:

If the government's carbon tax was in place, Alberta Health Services ... would've spent about 38 per cent more on natural gas to power its facilities during the 2015-16 fiscal year.

It goes on to say:

AHS said it spent more than \$17.7 million on natural gas – with more than 4,372,264 gigajoules consumed by all of its facilities – during its 2015-16 fiscal year.

The government's carbon tax will charge an extra [a little more than a \$1.51, just about \$1.52] per gigajoule, meaning AHS would've spent more than \$24.3 million on natural gas, a spike of about \$6 million.

The cost of heating schools and government buildings, the increased costs of busing children back and forth to school, the increased costs of public transit that Albertans who use it will be forced to pay for: those costs will all be passed on to Albertans. According to Edmonton public schools heating public schools will cost an estimated \$630,000 more for the eight months that the carbon tax would apply. Now, unless they plan on exempting school boards, that's money allegedly earmarked for education that is being diverted back to the government as a carbon tax. When you get down to it, it becomes clear that you get a lot less out of this budget than you're paying for.

Mr. Speaker, the facts speak for themselves. This budget proposes a significant uptake in debt for Alberta. Debts and deficits like those proposed here will result in incredibly difficult decisions in the future. And for all the problems that'll be caused by this headfirst dive into debt, perhaps one of the most significant problems is that the government will have so little to show for it when it comes to results. Albertans will pay the price for decisions made in this provincial budget for years, perhaps generations, to come.

With that, Mr. Speaker, I don't intend to support this bill. Thank you very much for the opportunity to speak.

The Speaker: Questions for the Member for Little Bow under 29(2)(a)?

The deputy House leader.

Mr. Carlier: Thank you, Mr. Speaker. I rise to move to adjourn debate.

[Motion to adjourn debate carried]

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: I'd like to call the committee to order.

Bill 10 Fiscal Statutes Amendment Act, 2016

The Chair: We are on amendment A2. Are there any further speakers to this amendment?

The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you very much. I'd like to understand a little bit more about why the government does not feel the need to adhere to the same rules that the average Albertan has to follow with regard to debt. For example, I wonder if there's an Albertan in these terrible financial times in the private sector who is in financial difficulty that has been given the freedom to just change the rules when they're not able to follow through with their financial responsibilities. No; they renegotiate instead of going into bankruptcy. This is one option that they have given the severe circumstances. If they can't pay their loans, are they given a break or told that they can walk away?

The government consistently brings up the \$15 per hour minimum wage and how that will help Albertans and that it's about integrity and that small businesses need to dig in and find a way to pay that minimum wage, not realizing that the cost of doing business will always fall on all consumers no matter what they're earning. The government talks about minimum wage and speaks about hard-working Albertans yet is willing to pull the rug out from under Albertans when it comes to the government's own The well-being of Albertans is tied to the value of their input into the world. We are creators and innovators, oil men, artists, parents, among many other descriptions, and we expect the government to lead by example. We expect them to impose the consequences on themselves, to hold themselves accountable to the Albertans that they represent, yet this government seems to be content to see Albertans struggle as we lose jobs and along with those jobs our dignity as well. There is no minimum wage in the world that can help that scenario.

The government is changing its own laws. Is that change going to be available to anybody who is in difficulty? I'm just curious because if we're going to lead by example, that means that what we are doing here should also be allowed out in the real world.

Just to give an example, we've talked a great deal about how much extra per man, woman, and child we are paying out in this government, which is \$2,000-plus per man, woman, and child. I mean, without going into extreme detail, that's about \$8 billion. To me, that's the deficit right there. How is it that we can have that much more per man, woman, and child and still be going into a deficit? I don't understand how those numbers add up.

Along with that you're changing the laws without a thought to what that means to the future of the province, and that is our children, all of our grandchildren, and the future of this province. With the increased debt ceiling you can borrow more, but you're increasing your interest. Understand that this is what you're imposing on Albertans. This actually is not about us at all; it's about Albertans and Alberta tax dollars. You can blame past governments all you want. You can keep pointing fingers. You can keep justifying, but the break of the debt ceiling at this point falls on your shoulders, and by 2018-2019, when people understand what that means and what that looks like, that will fall squarely on your shoulders and will be the legacy of this government.

4:10

I realize that there is a humongous amount of good intention, and nobody's taking away from that good intention, but understand that there's no amount of good intention that is going to take away that debt. Absolutely nothing. That will be your legacy. There have been many people in this House on this side that have tried to explain what that's going to look like and what that means for you and to try to help with that situation.

The \$2 billion in debt repayment, as you understand by now, I'm sure, isn't even the principal. If you think that you have it bad now, imagine what you're leaving for future governments when they have to take on the debt that you've incurred. I'll bring this up again. Your legacy will not be all of the good things that you've tried to accomplish. It will be what you leave for the future. It will be in the fact that the programs and things that you have promised to people you will not be able to follow through on.

I cannot support this bill at this point. Thank you so much for letting me speak.

The Chair: Any further speakers to amendment A2? Go ahead, hon. member.

Mr. Taylor: Thank you, Madam Chair. I was just reading this over, that

no member of the Executive Council shall receive any salary prescribed under that section until a subsequent report made pursuant to section 6(1) indicates Crown debt will be 15% of GDP for Alberta or less.

We're talking about a legacy. You know, this is what you're leaving, but there are consequences for your actions, and the consequence for the actions in this case is not being rewarded for having a crummy performance, having a poor performance.

Madam Chair, this is really what this is about. We need to make sure that when people are doing things in government, they have accountability. If you look at local governance, in my town they can't run deficits. They have to stay within a budget, and they have to work towards that. The towns take it very seriously, and I think the government needs to as well, and if they're not able to stay within that budget, there needs to be a consequence. The consequence is that they don't receive that stipend, that extra monies for this.

This legacy that the last member talked about: is that what the government really wants to have as a legacy, a legacy of having a debt of something close to \$60 billion, a legacy where we're paying \$2 billion just to service that debt? Two billion dollars can go so far. You can buy so much with that amount of money, and that takes away so many jobs that could have been hired. If you took jobs that were paid at \$70,000 a job and you divide that by \$2 billion, you're looking at over 28,000 jobs that could be hired with that \$2 billion. That's the number it comes out to.

Two billion dollars in debt repayment is what they're at right now, but what happens if oil stays low? They've projected oil to go up, but what happens if the oil prices don't go up to where they want? Now all of the sudden we have a debt that's \$3 billion; \$3 billion is a huge amount of money as opposed to \$2 billion.

I wanted to make a comment for the Member for Calgary-Currie. The Member for Calgary-Currie said that they had budgeted for a modest 2 per cent increase in the budget. Ten billion dollars is not a modest 2 per cent increase in the budget; 2 per cent of that would be somewhere a little less than a billion dollars. So 2 per cent is nowhere near that price. We're talking about something that's 10 times over that modest 2 per cent he talked about. We're talking about numbers that are far more substantial than what the government is trying to portray themselves as having said to have done.

You know, up to this time this bill, to me, ranks as probably the worst, the most dangerous bill that we've got out there, that Alberta's ever seen, period. We're talking about taking the debt ceiling and just removing it. They had 15 per cent, which was a very high debt ceiling, because that allowed them to have around \$48 billion, but now we're looking at something with the debt ceiling being removed. That's so dangerous. Where are we going to be in 10 years' time? If a future government chooses to go down the same path that this government has, what is to stop this government from staying at the \$57 billion, \$58 billion that they're projecting they're going to be at? There seems to be nothing in there to stop that. Does this government have any intention to pay this money back? I don't see anywhere that they have any intention ever. If the government did, you would see a balanced budget, but nowhere in there is there a balanced budget.

You know, in visiting constituents in my beautiful riding of Battle River-Wainwright, I had a lot of conversations, and as we were going through the time when we were talking to them, just as we were going for the election, we talked about the debt and we talked about deficits, and at that point in time the projected number was going to be around \$12 billion. They thought that was crazy. Well, we're now at a place where we're looking at something close to \$60 billion. That's absolutely ludicrous. What contingency plan does this government have if oil, like I say, does not go to the price that they projected? How much will we be in debt? Will the government please give us an answer on that one?

My next question is: why is oil tied so closely with this NDP government? Why do you tie your budget so close to oil? They want to diversify it, but they still tie their budget closely to oil, so I'm not quite sure. I keep hearing from the members across that they want to diversify into tourism. Why isn't it tied into tourism as opposed to oil? Is tourism your shiny pony? I don't know.

I have a lot of issues with this, and again we need accountability. There's no accountability in this budget, so I can't support this budget as it's going.

Thank you.

The Chair: Any other speakers to amendment A2? Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you, Madam Chair. I don't think it's unreasonable to ask the Executive Council to accept some responsibility in this matter. It's simply a performance measure. We ask for it in budget estimates. It's in the business plan in each separate portfolio. In the private sector with any major projects, basically, a lot of the time 50 per cent of your wages is based on a performance bonus. A lot of the banks do the same thing. You know, that being said, I would suggest that a lot of members present might actually be in agreement to give a bonus to the Executive Council if they were to shave a couple of points off the 15 per cent because it would be a benefit to all Albertans if we were to do so.

With that, on amendment A2 I will be voting in favour, and I believe most of my colleagues will as well. I would ask the members opposite to really consider putting some kind of a ceiling on borrowing in this province and on this debt, especially as during these lean times it's very important, and to give some incentive to the Executive Council to try and stick to those numbers that they have put forward. We have to remember that this 15 per cent was voted on unanimously by the other side, to have a debt ceiling of 15 per cent. We're now being asked to exceed this, with no further ceiling to it.

I would ask everyone to vote in favour of this amendment. Thank you.

4:20

The Chair: Any other members to speak to amendment A2? The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Chair. I would like to speak in support of the amendment. I think it's an important amendment. I think it raises some good points. The reality is that government raises taxes on the backs of the people or, as some famous others have said in the past, at the barrel of a gun. That's the only way government raises taxes.

Recently I was doing some reading and thinking back on the period between 1780 and 1820. It's the period of the Industrial Revolution. It's the time of the making of the English working class. It's the time of the rise of nascent unions, the time of guild social programs as they first began to be discovered. Part of the challenge of that era, part of the thing that drove the people to those necessities was, in fact, the burden of excessive taxes by the British government upon them, partly as a result of the wars they'd been fighting with France and for other reasons. The taxes were extreme, they were excessive, they were heavy, and the people themselves were forced into all of these kinds of social groupings and social responses because of the excessive burden of taxes.

I find it extremely ironic that we should now have a government that claims that it wants to be the social conscience of the nation turning around and, in fact, doing exactly the things that the British government did then, piling the burden of taxes upon people. They claim a social licence. Is it a licence to tax, to appropriate the wealth of the people and to leave them poorer? In every nation in the world where taxes are excessive, the people become poorer and impoverished and left with very little. Here we have a government that states in its own fiscal plan that now its greatest source of funding is actually the taxing of the people, riding on the backs of the people.

If this government really cared for the people, they would choose to be accountable to the people. They would put limits upon themselves. They would put their money where their mouth is. The reality is that I think they want their salary on the backs of the people, so they're willing to increase taxes to make taxes the single largest source of revenue. If they really believe in equality for the people, they would remember the lessons from 1780 to 1820 and make sure that they weren't raising taxes on the people and forcing all kinds of suffering and pain upon them.

Every single member across the way here voted for a 15 per cent limit on debt to GDP just a while ago. Now they have the crass freedom to just turn around and say: oh, we don't care about that anymore. How quickly power corrupts, and they claim absolute power, and it corrupts absolutely. They don't have the social licence to tax and appropriate the wealth of the people, and therefore I am going to vote in favour of this amendment. I think it's only reasonable that they should as well, and I think the people of Alberta are going to see it the same way come the next election.

Thank you.

The Chair: Any other speakers to the amendment? Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Chairman. I rose earlier in the House and was cut off by time . . .

An Hon. Member: Aw. Too bad.

Mr. Smith: That felt good to you, did it? There are a few students in my social studies class that would have liked to have had the bell ring a little earlier in some of my classes, too, I'm sure.

I wanted to rise just to finish off a couple of points here. We were talking about being responsible and having responsibility. I guess we have to ask the question, Madam Chair, as we speak to this amendment: why do we have a debt ceiling? Why even bother putting it on? Governments usually place a debt ceiling on themselves to try to bring some limit to their spending, to limit the debt that they're willing to accrue, to start to control their spending. I mean, that's the purpose of a debt ceiling, and it's the reason why you set up a debt-to-GDP ratio. That's why, I would hazard a guess, from what we heard earlier in the year, I would imagine, the NDP government placed a 15 per cent debt-to-GDP ratio on itself. It's why breaking that debt-to-GDP ratio so soon after it was set is so very disturbing. The reasons, the rationale that you gave for it, that you were willing to go into debt but that you weren't willing to exceed a certain level of debt, are disturbing when you see it broken so quickly.

I guess it's why, Madam Chair, this amendment is necessary. The 15 per cent debt-to-GDP ratio was an attempt at accountability. It was supported by the NDP, so we would suggest that perhaps the NDP would be willing to support this other accountability measure, that would hold the executive to account for how it spends the taxpayers' money. You know, the United States is a good example of a country that we could learn from when it comes to this. There are times when a growing debt-to-GDP ratio might be acceptable. For instance, I use the example of former President Harry Truman. In his leadership he said, "The buck stops here," that the accountability stops with the President. It was also under his leadership that the United States achieved its highest debt-to-GDP ratio in the history of the United States of America. Now, why? Well, the United States was involved in perhaps, some would argue, the most cataclysmic war the world has ever faced, fighting the greatest evil that this world perhaps has ever faced. In attempting to confront that evil and in attempting to defend democracy, they were willing to go into and achieve significant amounts of debt, but always there was an understanding that that debt would have to be paid off.

Indeed, if we take a look at the history of the United States, it was soon after World War II that the public debt in the United States began to fall. It reached a low under the presidency of Richard Nixon in the 1970s. So if you're going to set a debt-to-GDP ratio and if you're going to accumulate debt, you need to have accountability. You need to have the ability as a government to be able to pull back from that debt and to lower that debt-to-GDP ratio.

Now, since the 1970s we've seen the United States again begin to accumulate debt, and we've seen the growth of that debt-to-GDP ratio. Indeed, since the year 2000 the debt ceiling in the United States has been raised more than 12 times, which is an indicator of a government that, I would argue, is out of control. Its spending is out of control. Indeed, the debt in the United States continues to rise, and today it stands somewhere around \$18.8 trillion. Each time the government needs to borrow more money to perform the functions that they choose to spend that money on, it raises the debtto-GDP ratio. It continues to borrow, and when it hits that ceiling, it simply raises the ceiling. It's become pretty obvious that they have an addiction to spending and to borrowing and to not knowing how they're going to pay it off.

Governments may borrow in times of war. They may borrow in times of recession. They may borrow when they want to spend but not raise taxes. All of those at times perhaps could be reasonable reasons for borrowing and raising the debt ceiling. However, always, if you're going to do that, the precondition is that you have to have some plan for being able to know how you're going to pay that off, how you're going to pay back that money that you've borrowed, and that is the sign of being a responsible government. I guess that's what we're asking from this government today. What is going to be the sign that you're going to give us that you're accountable for the decisions that you're making? I guess that's perhaps the most dangerous issue that we face and why this amendment, Madam Chair, is actually so very, very necessary.

4:30

This government, this executive, if it wants the responsibility of governing Alberta, must also be willing to be held accountable for its decisions. If setting a debt-to-GDP ratio is unable to hold the government responsible and accountable for its spending and if it's not going to ensure that it comes out with budgets that are fiscally responsible, then we have to look at other ways of trying to make sure that this government is accountable, that the buck actually stops with them and that they are accountable for the decisions that they're making with regard to the public purse.

My argument would be that this amendment actually speaks to that system of accountability, speaks to that idea of responsibility, speaks to that issue of stewardship of the finances that we have given to us by the taxpayers of Alberta. Therefore, I would argue that these ministers, who are responsible for government policy, should pay attention to the fiscal realities that we all face. If they can't, then this amendment would hold them responsible at least in some form of a monetary fashion.

So I would speak in favour of this amendment. Thank you very much.

The Chair: The hon. Member for Vermilion-Lloydminster.

Dr. Starke: Thank you, Madam Chair. Thank you for recognizing me and allowing me the opportunity to participate in the debate on this amendment. I will say from the outset that I rise in opposition to the amendment, and the reason for that is fairly straightforward. It relates back to some of the discussion that we had back when we were debating Bill 201, and that is that I have a fundamental disagreement with members of government, Executive Council or otherwise, being able to make decisions that will directly influence their salary or their remuneration.

I think there is a fundamental flaw with this amendment in that decisions could be made by Executive Council for reasons other than the greater good of the province. Those decisions could be made to benefit themselves financially in one way or the other. While it is popular, perhaps, in some circles to suggest that checks and balances are put in place by having members of Executive Council, members of cabinet, forfeit a portion of their salary if they don't meet certain objectives, certain targets, this is the same sort of short-sighted, lurching kind of incentivization of behaviour that has landed many, many of the corporate CEOs into so much difficulty, not so much the CEOs but indeed the organizations for whom they are responsible.

You know, we can think, really, of the Executive Council, our cabinet, as being the board of directors of this government. As such, they are charged with the greater good of the entire province from a larger, from a writ large standpoint. They should not be making decisions based on whether it's good for their personal financial bottom line or not. They have a much larger responsibility. Those decisions should be made with great clarity as to the responsibility they hold on a larger scope, not on a scope that is confined to the benefits of their own financial well-being. So I have a great deal of difficulty when certain performance measures are tied to that.

It's been demonstrated in the corporate world, for example, with many CEOs being forced now with the pay-on-performance or the pay-at-risk model that was discussed a little bit earlier in the debate, that many CEOs in fact paid so much attention to the next quarterly result and the next quarterly result that they could do a lot of things to manipulate those quarterly results to pretty up the numbers so that they could maximize their own pay-at-risk bonuses. That has resulted in a major, major destruction of the corporate culture of some of North America's at one time best performing companies. You know, the failure to look at the long-term good, the failure to consider in a greater context the benefits to the organization as a whole because of those decisions, I think, is something that we have to guard against in every way possible.

Now, I want to be very clear. I do not support in any way, shape, or form elimination of the 15 per cent debt ceiling. I do not. It's a mistake. It is troubling to me that five short months after we were told that the 15 per cent debt ceiling was miles beyond what we would ever require, we are now in fact being told that it is very likely that in the third year of this government's mandate they will exceed 15 per cent. You know, I am very concerned that that is the direction we are headed, and I am very concerned with the amount of debt that this government is prepared to take on. It is a mistake. It is a significant financial and fiscal mistake.

But to try to eliminate that behaviour by making it tied to personal remuneration, to me, is a bigger mistake. It's interesting that it comes from members of the Official Opposition, who, you know, in the last Legislature spoke out against pay at risk or any kind of executive bonuses for anyone in the senior civil service of government. In fact, bonuses to senior government managers were eliminated.

The other areas that, you know, they were dead set against were any sort of pay-at-risk schemes in any way, shape, or form in government in general. So it seems odd that they would favour it in this particular circumstance but not favour it in the others. I mean, you can't have it both ways. You can't say that pay at risk is good in one area and pay at risk is not good in other areas. In this particular situation to suggest that the additional stipend that is payable to Executive Council should somehow be forfeited on this specific and, granted, very important measurement, to me, does not make sense. It is not good policy.

One wonders if the next thing we're going to see is some other performance measure that's going to be introduced. Pretty soon we'll have, maybe, five or 10 or 15 different performance measures for members of cabinet, that if they check those six boxes, they get X number of dollars, and if they don't check those six boxes or eight boxes or 10 boxes – you know, that's not the way these things work. To me, the suggestion that personal salary, personal remuneration can be influenced by decisions that are made is something that is fundamentally wrong and should be fundamentally rejected.

I will therefore be voting against this amendment. Thank you, Madam Chair.

The Chair: The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. I thank the Member for Vermilion-Lloydminster for his comments. There are certainly a few peculiar historical oversights in the comments. The Member for Vermilion-Lloydminster spoke about the opposition of certain former members of the Wildrose caucus to the concept of pay at risk. I would remind the Member for Vermilion-Lloydminster that they're all members of his party right now, that certainly the members he's referring to do not represent the Wildrose and never will again.

The Member for Vermilion-Lloydminster has talked about corporate CEOs who might want to manipulate quarterly results to make themselves look good. I would remind him of former Minister of Finance Doug Horner, who every single quarter that he was Finance minister manipulated the government's quarterly results to make it look like they were running a surplus.

Now, I remember. I stood in this building downstairs, just outside the press theatre, when the former Minister of Finance introduced, I think, the first or the second quarterly update. It was in September 2012, and it was a brochure. They provided no details whatsoever on the government's financial position. They didn't provide a balance sheet. They didn't provide a breakdown of expenditures. They didn't provide a breakdown of revenues. The government manipulated its quarterly results to make itself look good so that they wouldn't have to report a deficit to Albertans. So while I'm sure you can find examples in the private sector of a CEO or some kind of business executive who might manipulate a quarterly result to make themselves look good because of performance at risk, there are abundant examples from right here in recent history in Alberta where politicians without pay at risk have done the exact same thing.

4:40

Now, I do believe that performance pay or pay at risk is actually a positive model. This has been used in other jurisdictions to incentivize efficiencies. There is a huge incentive within government to build your kingdom, to empire build. Bureaucrats right now have an incentive to have more employees working for them, to have a bigger budget. It's quite the opposite of the private sector, where if you own a business, you have an incentive to maximize profit and minimize costs, that your costs will be justified and result in a maximum possible output of profit. In the public sector, by contrast, both ministers and bureaucrats have a built-in incentive to have a bigger empire, to have more people working for them, to have a bigger budget.

There is no incentive whatsoever right now in government to cut costs except, I might say, within our agencies, boards, and commissions. Under the model that exists currently within many of our agencies, boards, and commissions, supported by the Member for Vermilion-Lloydminster, there is a huge incentive for many of them to meet certain criteria. It's pay at risk, that they are provided with a certain salary that is maxed out if they meet their objectives and is minimized if they do not meet their objectives. We already have pay at risk outside of the core GOA in this province within our agencies, boards, and commissions. We already have pay at risk, and I certainly cannot recall – you can correct me if I'm wrong – a single instance of the Member for Vermilion-Lloydminster standing up before the election last year and condemning pay at risk while he was in government.

This is something that we've had for a very long time in Alberta. We can quibble about the right examples and the wrong examples. There are definitely examples in this province where we've had pay at risk that has not been deserved, where people have essentially gotten these bonuses or the maximum salary allottable when they've not been meeting proper goals. For example, Alberta Health Services executives were being given a significant pay-at-risk bonus while wait times were going up, while the cost of health care was going up at the same time as wait times were going up. Clearly, they're not doing their job when that's actually happening. That is a very good example – or I should say that it's a bad example of how pay at risk should be done. But when you have proper accountability measures in place, it is an important way to incentivize good behaviour.

Now, we do this in British Columbia. In British Columbia ministers of the Crown take a pay cut if they're not balancing the budget. Now, it shouldn't surprise a lot of people that British Columbia, when a lot of provinces went into deficit, ran smaller deficits and for a shorter period of time than other provinces. Right now there is no incentive whatsoever for many politicians to act responsibly. In fact, there is an incentive right now to act irresponsibly. There is an incentive to merely borrow and expect a future government to deal with the problem at a later time and enjoy the glory that comes with being able to cut cheques to everybody and buy off the electorate. We already have incentives built into this system, and right now the incentives are to borrow and buy people off with their own money.

Frédéric Bastiat said that government is the great illusion whereby everybody tries to live at everybody else's expense. That incentive is always going to be there regardless of who is in power, but we would expect that people would as much as possible attempt to minimize that temptation within power, within government, to simply play the game, to live at everybody else's expense.

We have already built in negative incentives, and I believe it is a positive move to try and right these incentives that we provide. Instead of an incentive to borrow and to spend money without any consequence, the instant gratification of financial incentives in this province right now, I think we should change the incentive structure so that politicians have an incentive to take a larger view of things.

If we can't trust the government to do what's right for Alberta, perhaps we have a better chance of trusting them to do what's right when it actually hits them in their own pocketbooks. Right now it's hitting Albertans in their pocketbooks. Albertans are paying the cost of what they're doing. Albertans are getting hosed by this government's actions. The more they borrow, the more they have to tax. The more they tax, the more they hurt the economy and the more they borrow to justify their corporate welfare plans. It is hurting Albertans.

It actually costs Albertans money, what this government is doing, so I believe that we should change the current incentive structure to incentivize good behaviour from governments. I think that if you cannot balance the budget in this province, if you cannot keep your debt to GDP under 15 per cent when we used to be paid in full and with money in the bank, then you're not doing your job. If you're not doing your job, you shouldn't get a bonus for it.

Thank you, Madam Chair.

The Chair: Any other speakers to amendment A2? Seeing none, we'll call the question.

[The voice vote indicated that the motion on amendment A2 lost]

[Several members rose calling for a division. The division bell was rung at 4:45 p.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:		
Aheer	Hanson	Rodney
Ellis	McIver	Stier
Fildebrandt	Orr	Taylor
Gill		
Against the motion:		
Anderson, S.	Goehring	Nielsen
Carlier	Gray	Piquette
Carson	Hinkley	Rosendahl
Ceci	Horne	Sabir
Clark	Kazim	Schmidt
Connolly	Kleinsteuber	Schreiner
Coolahan	Littlewood	Sigurdson
Cortes-Vargas	Luff	Starke
Dach	Malkinson	Sucha
Drever	McCuaig-Boyd	Sweet
Eggen	McLean	Turner
Feehan	Miller	Westhead
Fitzpatrick	Miranda	Woollard
Ganley		

Totals: For – 10 Against – 40

[Motion on amendment A2 lost]

The Chair: We are back on the main bill. Are there any further questions, comments, or amendments with respect to this bill? The hon. Member for Calgary-Hays.

Mr. McIver: Thank you, Madam Chair. I have an amendment that I'd like to put forward with your permission, of course. I'll speak to it when you say that I can if that's okay.

The Chair: Just give me a moment to get the original. Go ahead, hon. member. This will be amendment A3.

Mr. McIver: Thank you. I move that Bill 10, the Fiscal Statutes Amendment Act, 2016, be amended in section 5 by striking out subsection (2) and substituting the following:

(2) Section 3(2)(a) is amended by repealing subclause (i).

What that is intended to do, Madam Chair, is to make it more difficult for the government to borrow for operating. The previous amendment that I moved was to keep the debt cap on, and while this isn't nearly as good as the first one, I think this still improves the bill. It just doesn't improve it as much as what I had previously asked for. It's intended, as I say, to make it harder to borrow for operating expenditures.

I hope members of the House see the wisdom in supporting this. I will sit and listen to the debate.

The Chair: Any other members wishing to speak to amendment A3? The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. I rise to support this amendment. As I've said in this House many times, I think that when done properly, borrowing for capital expenditures is appropriate. It allows us to build infrastructure, to catch up on that badly needed infrastructure build in this province, but it also leaves us with an asset at the end of the day and, of course, creates jobs along the way.

When 100,000 or more Albertans are out of work, I think it is appropriate to borrow for capital expenditure, but I do think that putting a floor on that borrowing or, I suppose, a ceiling is important. If this government is not going to stick with its 15 per cent debt-to-GDP ceiling, which was its previous plan – I thought that was, although perhaps a little high, at least something – I think we should have a ceiling in place where operational borrowing is not acceptable. That will require the government to live within its means and to make some of those challenging and difficult choices that not only governments but Albertans have to make. Albertan businesses, Albertan households have had to make some very difficult choices in the last number of months, more than a year in many cases, as our economy has taken a very sharp downturn.

While I think it is appropriate to borrow for capital to create jobs and to build infrastructure and to leave us an asset at the end of the day, I do think that it is absolutely appropriate to bar any borrowing for operations, which is why I will support this amendment and encourage other members of the House to do the same.

Thank you.

The Chair: Any other members wishing to speak to amendment A3? The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. I rise in support of the amendment put forward by the Member for Calgary-Hays and leader of the third party. I think I would agree with the sentiment from the leader of the third party that this amendment would still leave the legislation worse off than we currently are, because the legislation proposes to remove the cap of 15 per cent debt to GDP, but it would make the legislation less odious, less bad by banning operational deficits.

You know, there are two kinds of deficits here. There are capital deficits and operational deficits. It's important to acknowledge that both are deficits. One is worse than the other; however, both at the end of the day will lead to an unsustainable level of debt if not managed properly. Operational debt is borrowing for the groceries, to keep the lights on. There's no justification for it whatsoever outside of major wars and extreme, extreme disasters. There is no circumstance right now that would justify an operational deficit.

We have squandered the sustainability fund, a rainy-day fund in this province. We've taken on billions of dollars of debt. We've been running operational deficits, actually, most years for the last nine years as well. The difference has been that we were drawing down the sustainability fund, renamed the contingency account, to fund operational deficits as opposed to borrowing for them. That's really the big distinction here. One is worse than the other. Borrowing for operations is worse than drawing down your savings for operations. However, both are generally ill advised when the economy is humming.

We were drawing down the sustainability fund for the operations of the government even when oil was \$100 a barrel, so we've got a very systemic and well-entrenched problem with our fiscal framework in this province right now. We can certainly disagree about whether that is a spending problem or a revenue problem. The Official Opposition has a very clear position on that, and I know that the government has a clear position about where they stand, that they think they need more money no matter what whereas this side of the House generally agrees that we should get our expenditures under control.

Borrowing in general has to be very well thought out before you do it. You know, some folks like to compare borrowing for capital to a mortgage, but they're not the same because when you take on a mortgage, Madam Chair, you purchase an asset that you can liquidate, that you can get money back for at the end of the day, and you pay down the liability on that asset. When you buy a house – let's say that it's \$400,000 – you own that, and you can sell it at any time to create liquid financial assets. You pay it down every year. You don't refinance your mortgage every single year so that your mortgage grows every year. Responsible people normally want to pay down their mortgages in most circumstances.

5:10

By contrast, the vast majority of government assets cannot be liquidated as a financial asset. They're not like the sustainability fund's investments, especially the heritage fund investments. They can be liquidated if necessary. Those are legitimate financial assets.

By contrast, if we build a fire station, you might need a fire station for a community, but if we sold that fire station, we'd probably not get back anywhere close to the value or the cost that it took to purchase the land, build it, and fill it full of the equipment that's necessary. If the government bought a fire truck, they would indeed have an asset, but as fun as it might be for one of us to privately own a fire truck, most of us ...

Mr. Nixon: I own one.

Mr. Fildebrandt: The Member for Rimbey-Rocky Mountain House-Sundre says that he actually owns a fire truck. If you know him, that's actually plausible. Most of us would not find any reasonable use for a privately owned fire truck, although some people on farms do pick them up second-hand.

You know, when you have a government asset, the vast majority of government-owned assets cannot be liquidated into cash anywhere close to the value that the government books them at. The government books the value of these assets at the cost it took the government to purchase them. Let's take, for example, a fire station. The government has to purchase a piece of land, it has to pay to have the building designed, it has to pay to have it built, and it has to pay to have it filled with the various pieces of equipment, the furnishings required. And the government books the value of that at what it cost to purchase it. However, if the government tried to sell that fire station the very day after they built it, they would probably get nowhere close to the actual value of it because private citizens don't have a use for that kind of government asset.

By contract, in the private sector when companies purchase capital assets to help them make money, that asset actually earns a cash return.

Government assets are absolutely necessary. No one is saying that the physical government asset is not necessary. I mean, we might need that fire station, but that fire station is not the same as a capital asset in the private sector, that actually earns a cash return.

The government likes to classify everything as an investment as if it was an equivalent investment in the private sector. But in the private sector you might buy a building to have a store, and that store will earn you a cash return. The government will purchase a piece of property, but it doesn't earn a cash return in the vast majority of circumstances. A toll road would be an exception to that, but we can book that as a private-public partnership. You know, those are examples of government assets that can earn a cash return, but they are few and far between and constitute an extremely small minority of the liabilities on the government's balance sheet right now.

The vast majority of the liabilities on the government's balance sheet are direct borrowing, and they are for assets that do not earn cash returns back as a private-sector investment would, and they are liabilities that cannot be liquidated at a cash value equivalent to what the government actually books the value at.

Borrowing for capital assets might be appropriate in cases where it earns a cash return back, or it might be that you could consider it appropriate, at least justifiable, if they were booking it at the actual value that it could be liquidated at if they put it on the open market. If they tried to sell that government asset on the open market, what could it actually be sold for? Governments do not account right now for what that asset could actually be sold for. As a result, it provides a misleading view to many people about the health of our balance sheets, which are already unhealthy but are significantly less healthy if you look at the actual cash value of these assets.

You know, we can have this debate about the appropriateness of borrowing for capital assets or how that should be done. I think that's more where the crux of the argument really goes: how should we account for the borrowing for capital assets, and what is an appropriate capital asset to borrow for? There will be a range of views here, but I think that, at the very least, we can agree that borrowing for the operations of government has got no excuse. Unless we are faced with a major war or extreme disaster, that completely debilitates the government, there is no reason to borrow for the operations of the government. That is like putting your groceries on the credit card when you've already maxed out your line of credit. At that point it's time to cut expenditures.

If you can't balance at least the operational expenditures of the government, you've got no business calling yourself a responsible government, Madam Chair. That's why I'm pleased to support the amendment put forward by the leader of the third party.

The Chair: Any other members wishing to speak to amendment A3? The hon. Minister of Finance.

Mr. Ceci: Thank you very much. I won't be supporting this amendment. I do believe it's necessary. It's, obviously, in our fiscal plan. Borrowing for the fiscal plan is necessary at this time. It's a requirement to continue to act as a shock absorber in terms of the provision of programs and services to Albertans that they require.

To not borrow for the fiscal plan at this time would mean to cut billions of dollars from the budget. Potentially, you could find those savings by eliminating one of the more significant ministries, perhaps, like Education. Then \$5 billion or so would be cut out of the budget, and you could save the borrowing for this fiscal year – you wouldn't have to borrow for this fiscal year – by about that much. But obviously you can't do that. To continue the programs and services, to continue to provide the same high-quality level of programs and services to Albertans at this time, the necessary borrowing is in place to make that happen. That won't always be the case. The plan we have, that's identified in the Alberta jobs plan, is to invest across the economy through capital infrastructure development and to put Albertans back to work.

The second part of the plan is to ensure that diversification takes place across the economy so that there's less reliance on the unstable platform of revenues that oil and gas has given us in this downturn.

Lastly, the third part of the plan is to ensure that the programs and services we all rely on, we all attend to, we all believe give us the advantage over other provinces in this country stay whole and strong.

That's what this direct borrowing for the fiscal plan does. It's a situation that has repeated in many provinces. A significant number of provinces borrow to supplement their fiscal plans. We haven't done that in the recent past, but we are doing it at this time. It's not something we will rely on forever, but it is something that we believe is necessary so that Albertans can rely on their government and the services it provides.

Mr. Fildebrandt: Madam Chair, I just have a quick question for the Minister of Finance. The Minister of Finance has said that they won't borrow forever. I'm wondering if he can give a specific date in which he intends to balance the budget by, then.

The Chair: Any other hon. members wishing to speak to the amendment?

Seeing none, we'll call the vote.

[The voice vote indicated that the motion on amendment A3 lost]

[Several members rose calling for a division. The division bell was rung at 5:19 p.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:		
Aheer	Loewen	Starke
Clark	Nixon	Stier
Ellis	Orr	Taylor
Fildebrandt	Rodney	van Dijken
Hanson	Schneider	
Against the motion:		
Anderson, S.	Goehring	Nielsen
Bilous	Gray	Piquette
Carson	Hinkley	Rosendahl
Ceci	Horne	Sabir
Connolly	Kazim	Schreiner
Coolahan	Kleinsteuber	Sigurdson
Cortes-Vargas	Littlewood	Sucha
Dach	Luff	Sweet
Drever	Malkinson	Turner
Eggen	McCuaig-Boyd	Westhead
Feehan	McLean	Woollard
Fitzpatrick	Miller	
Totals:	For – 14	Against – 35

[Motion on amendment A3 lost]

The Chair: Back on the main bill. Are there any further questions, comments, or amendments with respect to this bill? The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. I have an amendment to put forward if the pages would come collect it.

The Chair: This will be amendment A4. Go ahead, hon. member.

Mr. Fildebrandt: Thank you, Madam Chair. I move that Bill 10, Fiscal Statutes Amendment Act, 2016, be amended in section 5 by striking out subsection (2) and substituting the following:

(2) Section 3(1) is amended by striking out "15%" and substituting "18%".

Now, off the top, let me state very clearly that the Official Opposition does not support an 18 per cent debt ceiling, nor does the Official Opposition support a 15 per cent debt ceiling. The Official Opposition believes that we should be paid in full again, and after the next election it is my intention that we will put Alberta back on a course to make us paid in full once more, Madam Chair. But in the meantime it is our job to as much as possible ensure that this government does as little damage as possible.

Now, just five months ago, four and a half from when they introduced the bill, this government brought forward a bill that limited the borrowing in this province to 15 per cent of GDP. I remember very distinctly the Minister of Finance standing here and stating emphatically that they would never exceed 15 per cent of debt to GDP. So far his arguments as to why they will exceed 15 per cent of debt to GDP have been laughable, Madam Chair.

We were very clear. When we looked at their numbers from the fall budget, it was very clear that their revenue projections were bunk. It was very clear that their spending projections would take them to borrow enough money to exceed 15 per cent of debt to GDP in relatively short order, and they said: absolutely not; there's no way that this will happen.

The minister has not yet taken the time to stand up and admit that he was wrong. All he has stood up and said is to make his baseless accusations about the Official Opposition, which ran on no new taxes, having some secret agenda to impose a PST, when there is only one party in this Legislature that stands for a PST, and they introduced it today in the form of Bill 20, Madam Chair. There is only one party here that wants to put a tax on everything and everyone, and that is the government side of this Legislature.

Now, we were very clear that this government's borrowing plan would exceed 15 per cent of debt to GDP, but the minister was crystal clear that under no circumstances will they exceed 15 per cent of debt to GDP. I understand why he's embarrassed. He stood here. He's in *Hansard*. I've read the *Hansard*, and he is quite emphatic that we will never exceed 15 per cent of debt to GDP and that to do so would be irresponsible. But the minister is responsible. He is responsible, so he wouldn't do something like that. He wouldn't do something like that because to exceed 15 per cent of debt to GDP would be embarrassing.

I understand why he would be perhaps even more embarrassed to just raise the debt ceiling, to keep some limit on the debt, however meaningless it might be because the government can change it in legislation. I understand why they would be embarrassed to just raise the debt ceiling, which is why they decided just to get rid of it.

Now, let's quickly recap. In the early to mid-1990s the Klein government passed a law to ban deficits in the province, and once the entire debt was paid off, they passed laws to ban government debt in this province. Now, there were minor changes after that during the Stelmach government, which were actually quite reasonable, to allow for limited public-private partnerships and borrowing for capital assets as long as they were valued correctly and they could actually be liquidated as assets. These were very But after that came the total repeal of the Government Accountability Act and the fiscal transparency act. That happened in early 2013, and that opened the door massively to borrowing on the capital side and to allowing government to value its capital assets in a manner not consistent with how it's done in the private sector, that you would be able to value capital assets as though they could be liquidated at that value. I've spoken to that during the last amendment, so I won't belabour the point, but it certainly opened up the door very significantly to borrowing. But operational debt was banned. Operational deficit was allowed as long as it was drawing down the sustainability fund, which was renamed the contingency account. That was really when the floodgates were opened up.

This government, when they were campaigning in the last election, swore up and down Alberta from High Level to Coutts – they promised everybody – that they would never borrow for operations. They promised everybody that they would balance the budget by 2019. They promised everybody that they would eventually get back to balance, just one year later than the Official Opposition and third party were promising to do, but they would get back to balance. They promised they would never ever – ever – borrow for operations. They promised it in every corner of this province.

Then as soon as they got into power, they threw open the floodgates even further. They brought in a bill to allow for operational borrowing. Now the government could borrow for both capital and operations and run massive consolidated deficits, that would exceed \$9 billion in their last budget and \$14 billion on a consolidated basis in this budget. But in that last budget, where they allowed for capital borrowing for operations, they said: don't worry, guys; we're good for the money, and we will never exceed 15 per cent of debt to GDP; that is our new debt ceiling. That, I think, is the third or fourth debt ceiling that's been raised in this province in the last decade. Well, just five months later they are here to repeal their own debt ceiling.

5:30

Now, it would have still been an irresponsible thing to do, but a less irresponsible action would have been for them to increase their debt ceiling. We would have certainly opposed that. I believe that 15 per cent is already far too high a debt ceiling, and I believe that 18 per cent is also far too high, but like we voted for in the last motion, which would outlaw operational borrowing even though we believe the government needs to balance its budget overall, this amendment is seeking to make the legislation less bad. We are trying to minimize the damage that the NDP are doing to Alberta.

They've made a determination that their electoral coalition doesn't care about borrowing and that their electoral coalition will be more happy with all that borrowed money being thrown at them to buy them off. Now, that's how they're going to try and get reelected. I think that's shameful, Madam Chair, to take such a shortsighted view, to depend on the instant gratification that comes with borrowed money. We'd all love to borrow money and spend it right away; that feels good. We all love to have money and spend it in Vegas, but the responsible thing to do is to work hard and save and control your expenditures, make smart investments, and not gamble other people's money away willy-nilly.

So 18 per cent of debt to GDP is, I believe, far too high, but we're giving the government an escape clause here, because 18 per cent of debt to GDP they will not exceed before the next election. Even if they don't meet their current revenue projections, they'll probably hit 16 per cent or 16 and a half per cent. I would personally be surprised if they exceeded 18 per cent of debt to GDP before the next election. What we're doing here is that we are offering the government an escape clause, a get out of jail – well, not quite free – card. It's a very expensive card, but it will allow them to get out of jail here. You know what? It will do more to help the credit rating of this province than the Minister of Finance meeting with our creditors again, certainly. What we're doing here is that we're proposing to make the legislation less bad.

I ask that all members of this House consider voting for this as a small, small token of credibility to our creditors in this province, that we can at least try to prevent yet another credit downgrade. I don't believe that voting for this is going to restore our credit rating. Only one thing will restore our credit rating, and that is getting back to a balanced budget, but we can at least try to take some small, small steps like passing this amendment, which may reduce the likeliness of another credit downgrade. I ask that all members of this House support the amendment.

The Chair: The hon. Member for Spruce Grove-St. Albert.

Mr. Horne: Thank you, Madam Chair. I'm sure it will come as no surprise to anybody in this House that I cannot support the hon. Member for Strathmore-Brooks' amendment here. To be completely honest, I'm a bit concerned about the Official Opposition stance. It was just six months ago that they were proposing 7 per cent, and then they were fighting so hard to keep it at 15, and now they're saying 18. They seem to be little more than shots in the dark as we continue forward.

Even more concerning about this is the fact that they themselves cannot propose any numbers on what they would do if they were on this side of the House. As an Albertan I am quite concerned about that.

Further, I have nothing but confidence that this government will continue with the 15.5 per cent that we are proposing in the next three years according to our fiscal plan. I am proud that we are continuing to invest in our infrastructure, to protect our front-line services, that Albertans depend on, those services that the Official Opposition will not provide numbers on as to how it will impact them.

Thank you.

Mr. Fildebrandt: Oh, the Member for Spruce Grove-St. Albert has sure asked for it here, Madam Chair.

Madam Chair, you know, as I think we've discussed today, I like to have a few friendly bets. I've made two bets with members of the government side so far. One was with the Member for Calgary-Currie. I bet him that the government would miss its revenue projections, and three days after he signed the written agreement of the bet, he had to pony up a hundred bucks. The other wager I made was with the Member for Spruce Grove-St. Albert, who's actually sitting very close to the Member for Calgary-Currie right now. He made an even less wise bet when he bet that Spruce Grove's team would beat the Brooks Bandits, and of course we know how that went. So far we've got a pretty good track record of betting members on the government side.

Now, he said that this is a shot in the dark. He said that this is a shot in the dark. [interjections] Jeez. We hear a lot from the crying side over there.

Madam Chair, the member has said that this is a shot in the dark. You know what a shot in the dark is? Saying that you're going to balance the budget by 2018 and then 2019, 2020, and then 2024. If that's not a shot in the dark, I don't know what is.

You know, perhaps they're firing a shotgun at their balanced budget date. Perhaps they're throwing a grenade right into the credibility of this government. You know, our creditors have no confidence whatsoever in the ability of this government to get back to balance. When the Minister of Finance travelled to Toronto to meet with the creditors, we immediately got a credit downgrade. It was perhaps the worst thing that he could do for the confidence of our creditors in this province, to actually meet with the people lending the money. They met with this guy and said: jeez; they have no plan whatsoever. He said that his plan was to explain their diversification plan. He said that their plan was to read their diversification plan to them. Obviously, anybody with any understanding of economics or fiscal policy would look at that and say that nothing is going to come from that that's going to generate the revenue or the savings that would be necessary to get back to balance. It is a fairy-tale budget, and that is why we had another credit downgrade.

The Member for Spruce Grove-St. Albert is saying: I can't vote for this because it's just a shot in the dark. Well, a shot in the dark is having four different balanced budget dates coming from this government in the last year, Madam Chair. Now, 18 per cent of debt to GDP: that's a heck of a lot of money. I think we're talking about \$75 billion. I'm going to chance about \$75 billion. I'm pretty confident that even they couldn't get there if they went to Vegas. If the whole NDP caucus packed up and got on a Sunwing plane and went down to Vegas and decided that they're going to bet the heritage fund, I'm pretty sure they still couldn't take our debt to GDP up to 18 per cent before the next election. After the next election I'm pretty confident that they'll get there. But they won't get there because I'm confident that Albertans are going to see this for what it is. [interjections]

The Chair: Hon. members, please.

Mr. Fildebrandt: Albertans are going to see this for what it is, and they're not going to have the chance to take us up to 18 per cent of debt to GDP, because the Wildrose is going to do what it takes to balance the budget and make this province paid in full again, Madam Chair.

I don't know what they should be so worried about; 18 per cent of debt to GDP would be the largest increase proportionately of debt by any province in this country in recent historical memory. There is almost no way that they can hit 18 per cent of debt to GDP. There is almost no way. They couldn't do it. But this would at least send a signal to creditors that, well, at least in theory they believe there is a limit at which we should probably not borrow any further, that there is a theoretical limit at which we should not borrow further. I don't think anybody would think that it has very much credibility, considering that they're repealing their 15 per cent limit just four and a half months after they introduced it, but an 18 per cent limit would at least be a token nod that they believe that they should not borrow infinitely.

Now, we have not heard many members on the government side stand up and actually debate the merits of this. We haven't heard many of the members. To the credit of the Member for Spruce Grove-St. Albert, who may regret interjecting in this debate, at least he has spoken up. But I see all kinds of members here who have not stood up and spoken for their constituents. I know that the people of Alberta do not approve of unlimited borrowing in this province. Where are they standing up for their constituents? They're standing up for the party line, Madam Chair. They're standing up for the party line, and they're listening to their party whip. They're not listening to what their constituents have to say. Albertans are clear that you should not borrow for the operations of government, that you should pay your bills, and that if you're going to take on debt, even if you think you should take on debt, there needs to be a limit at which we cap it. Instead, we hear nothing. All we hear is at least one backbencher stand up and say: I don't like limiting it to 18 per cent because my party whip said so.

I would invite members opposite to stand up and be counted. I know that the good people of Banff-Cochrane do not approve of unlimited borrowing. I know that the good people of Calgary-Shaw do not approve of unlimited borrowing.

5:40

Ms McLean: Are you going to come to me next?

Mr. Fildebrandt: The good people of Calgary-East certainly do not approve of unlimited borrowing. [interjections] Oh, Calgary-Varsity. I'm sorry. I was picking on Calgary-East. But I do know that the people of Calgary-East support Energy East, and I do know that the people of Calgary-Varsity do not approve of unlimited borrowing as well.

I encourage all members to defy the party whip and vote for this amendment.

Mr. Mason: Well, I'll be very brief. I know we've got a vote coming up. You know, the Provincial Treasurer has been very clear in the government's fiscal plan that the amount of borrowing to GDP will not exceed 15 and a half per cent, and here we have the Wildrose proposing to take it up to 18. Who's fiscally irresponsible now? You know, it's pretty clear that the Provincial Treasurer has set this out, and it's not at all clear, as the hon. Member for Strathmore-Brooks says, that everybody agrees with him. He's just assuming that, Madam Chair. He's just assuming that.

What the people of Alberta have clearly said and what they clearly said in the election is that they want basic services to be maintained. These people on the other side want their health care there when they need it, they want to have good schooling for their kids, and they want to make sure that they have good roads to drive on, Madam Chair. This opposition likes to try and confuse people by talking about: oh, we could cut billions of dollars out of the budget, but it won't affect services. But when we actually try to find savings, as we heard yesterday in question period, in terms of actually having to find things that you're going to reduce, the crack sealing and the mowing alongside the highways is a place where we made a reduction. But they stand up and they complain about it. They say that you shouldn't be doing that because it has this impact and that impact. What they don't understand and what they'll never understand is that when you actually make changes to the budget, it actually has an effect on services that are delivered. They like to pretend that they can find efficiencies.

I just want to sit down because I know an hon. member has to say a few words, but clearly the Provincial Treasurer, the Finance minister, is saying that debt will not exceed 15 and a half per cent, and they're proposing 18. That's billions of dollars of extra debt that the Wildrose would like to see this government undertake, Madam Chair.

Mr. Hanson: Madam Chair, I'm going to read to you from page 5 of Bill 10. It says, "Section 3 is repealed." Section 3 is that "Crown debt shall not exceed 15% of GDP for Alberta." All we're asking for is to put some number to it. Put some number to it. Put 15 and a half to it, but stick to it. Stick to it.

Last fall during debates on increasing the debt ceiling, we warned the government that it was beyond their capabilities, that raising the debt limit was a bad idea. We proposed some decent amendments, that were all voted down by you guys. I'm going to remind you of what the Finance minister said last fall. He said that "this act will limit Alberta government borrowing to 15 per cent of GDP ... That will provide enough room to allow our government to play its economic role without tipping into overdependence on debt." Those are quotations.

Again, from October 29, another quotation: "The bottom line ... is that a 15 per cent debt to GDP is a prudent benchmark for limiting government debt. With this cap in place, Albertans can be assured that the government's borrowing will not get out of hand." That's a direct quotation from you, Minister, directly from you.

We are not promoting an 18 per cent cap. We just want to see some sort of number that stops you from ruining this province in the three years that you have left.

Thank you.

Mr. Mason: I move that we rise and report progress on this, please.

[Motion carried]

[The Deputy Speaker in the chair]

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

Mr. Sucha: Thank you, Madam Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports progress on the following bill: Bill 10. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in the report? Say aye.

Hon. Members: Aye.

The Deputy Speaker: Opposed, say no. So ordered.

Government Bills and Orders Third Reading

Bill 17 Appropriation Act, 2016 (continued)

[Adjourned debate May 24: Mr. Carlier]

The Deputy Speaker: Any members wishing to speak to the bill?

Some Hon. Members: Question.

The Deputy Speaker: Seeing none, the hon. minister to close debate?

Then I'll call the question.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 5:47 p.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:		
Anderson, S.	Goehring	Miller
Bilous	Gray	Nielsen
Carson	Hinkley	Notley
Ceci	Horne	Piquette
Connolly	Kazim	Rosendahl
Coolahan	Kleinsteuber	Sabir
Cortes-Vargas	Larivee	Schreiner
Dach	Littlewood	Sigurdson
Drever	Luff	Sucha
Eggen	Malkinson	Sweet
Feehan	Mason	Turner
Fitzpatrick	McCuaig-Boyd	Westhead
Ganley	McLean	Woollard
Against the motion:		
Aheer	Jean	Smith
Clark	Loewen	Starke
Cooper	Nixon	Stier
Ellis	Orr	Taylor
Fildebrandt	Rodney	van Dijken
Hanson	Schneider	Yao
Totals:	For - 39	Against – 18

[Motion carried; Bill 17 read a third time]

The Deputy Speaker: Hon. members, the House now stands adjourned until 7:30 this evening.

[The Assembly adjourned at 6:05 p.m.]

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