



Province of Alberta

The 29th Legislature  
Fourth Session

# Alberta Hansard

Monday evening, May 7, 2018

Day 25

The Honourable Robert E. Wanner, Speaker

**Legislative Assembly of Alberta**  
**The 29th Legislature**

Fourth Session

Wanner, Hon. Robert E., Medicine Hat (NDP), Speaker  
Jabbour, Deborah C., Peace River (NDP), Deputy Speaker and Chair of Committees  
Sweet, Heather, Edmonton-Manning (NDP), Deputy Chair of Committees

Aheer, Leela Sharon, Chestermere-Rocky View (UCP),  
Deputy Leader of the Official Opposition  
Anderson, Hon. Shaye, Leduc-Beaumont (NDP)  
Anderson, Wayne, Highwood (UCP)  
Babcock, Erin D., Stony Plain (NDP)  
Barnes, Drew, Cypress-Medicine Hat (UCP)  
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (NDP)  
Carlier, Hon. Oneil, Whitecourt-St. Anne (NDP)  
Carson, Jonathon, Edmonton-Meadowlark (NDP)  
Ceci, Hon. Joe, Calgary-Fort (NDP)  
Clark, Greg, Calgary-Elbow (AP),  
Alberta Party Opposition House Leader  
Connolly, Michael R.D., Calgary-Hawthorn (NDP)  
Coolahan, Craig, Calgary-Klein (NDP)  
Cooper, Nathan, Olds-Didsbury-Three Hills (UCP)  
Cortes-Vargas, Estefania, Strathcona-Sherwood Park (NDP),  
Government Whip  
Cyr, Scott J., Bonnyville-Cold Lake (UCP)  
Dach, Lorne, Edmonton-McClung (NDP)  
Dang, Thomas, Edmonton-South West (NDP)  
Drever, Deborah, Calgary-Bow (NDP)  
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Ellis, Mike, Calgary-West (UCP)  
Feehan, Hon. Richard, Edmonton-Rutherford (NDP),  
Deputy Government House Leader  
Fildebrandt, Derek Gerhard, Strathmore-Brooks (IC)  
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Fraser, Rick, Calgary-South East (AP)  
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Official Opposition Deputy Whip  
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Gotfried, Richard, Calgary-Fish Creek (UCP)  
Gray, Hon. Christina, Edmonton-Mill Woods (NDP)  
Hanson, David B., Lac La Biche-St. Paul-Two Hills (UCP)  
Hinkley, Bruce, Wetaskiwin-Camrose (NDP)  
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Yao, Tany, Fort McMurray-Wood Buffalo (UCP)  
Vacant, Fort McMurray-Conklin  
Vacant, Innisfail-Sylvan Lake

**Party standings:**

New Democratic: 54 United Conservative: 25 Alberta Party: 3 Alberta Liberal: 1 Progressive Conservative: 1 Independent Conservative: 1 Vacant: 2

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## Legislative Assembly of Alberta

7:30 p.m.

Monday, May 7, 2018

[The Deputy Speaker in the chair]

**The Deputy Speaker:** Good evening. Please be seated.

### 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 5 An Act to Strengthen Financial Security for Persons with Disabilities

**The Chair:** Are there any questions, comments, or amendments with respect to this bill?

**Mr. Cooper:** Thank you, Madam Chair. It's a pleasure to rise and speak to Bill 5 today. I'm so enthralled with the debate. I'm just so curious if the minister might have a few comments.

**The Chair:** The hon. minister.

**Mr. Sabir:** Thank you, Madam Chair, and thank you, Member, for that. I do not have extensive comments, but I want to say that I'm pleased to see Bill 5 come to Committee of the Whole. This bill is important to our government, to many Albertans with disabilities and their families. Bill 5 will help to ensure that Albertans with disabilities are treated fairly and will support families that are planning for their children's future.

Bill 5 proposes two amendments to make this a reality. First, Bill 5 amends the AISH Act to ensure trusts are exempt as an asset when determining eligibility for the AISH program. Secondly, there will now be a one-year grace period if someone receives a large payment such as an inheritance to invest the payment into an exempt asset. This grace period will allow people time to make thoughtful decisions and plan for their future. People will now have time to seek advice and make good choices about how to invest their assets. They won't have to worry about losing their AISH benefits.

For decades the previous government's regressive policies were designed to keep people off AISH. We are working to ensure Albertans have clear access to the supports they need. Instead of making cuts to the program, we invested \$103 million to ensure more Albertans have access to AISH. We are working to make the AISH program more accessible, user friendly, and fair. We are taking strong action to combat poverty and make life more affordable for Albertans who depend on AISH.

I want to thank my colleague the MLA for Calgary-Currie, who met with advocates and families of people with disabilities and heard their concerns. In response he championed changes to the AISH Act with a private member's bill introduced last fall. His bill didn't make it to final reading, but he highlighted the importance of this issue and a lack of fairness in the system that needs to be corrected.

As Minister of Community and Social Services I'm honoured to bring this bill forward. I look forward to this evening's discussion, and I encourage everyone to fully support this bill.

Thank you, Madam Chair.

**The Chair:** Olds-Didsbury-Three Hills.

**Mr. Cooper:** Well, thank you, Madam Chair. I'm not entirely sure how grateful I am that I waited, but I appreciate the minister's brief remarks this evening on what, surely, will be a wonderful time together as we debate this important piece of legislation.

I think that it's fair to begin some of my comments with some sort of general comments around Bill 5 and the importance of the legislation. I live in the constituency – Madam Chair, you'll know, the outstanding constituency – of Olds-Didsbury-Three Hills. In the community of Olds we have just an incredible, vibrant, diverse community and, in particular, a number of folks who are clients of community services. We have a number of just spectacular agencies that provide an incredible quality of life and build into the lives of those with disabilities. I am honoured to represent that constituency and, in particular, those individuals. I have a few of my absolute favourites that pop by my office on a weekly basis. On a Friday afternoon I'm certain that they'll come in and say a big hello, and it brightens my day.

Of course, we have Horizon school, which is a school that is part of the Chinook's Edge school division. They provide very specialized programming in a learning environment that is really second to none, and they do an incredible amount of work. So these sorts of issues are very near and dear to my heart. I also just recently had a number of constituents, some outstanding constituents, contact me about Henson trusts and their desire to be able to set those up. I responded to them that it was my expectation – of course, I would never presuppose a decision of the Assembly, because you just never do know what would happen, but I provided them my best guess – that, in fact, this piece of legislation would quite likely pass through the Assembly prior to the rising of the House. So they were very excited about their ability to do some preplanning for their family and their loved ones.

Now, as you'll know, Madam Chair, those individuals who are on AISH have the ability to earn some form of income and to not have that income have a negative impact on their ability to receive AISH payments. If they have a part-time job or whatever, where they earn additional to the exemption, then that has an impact on their AISH payment. That exemption, you will know, is \$800 per month.

This evening, at some point in time here, I'm happy to move an amendment on this particular piece of legislation because I think that we have a good opportunity to try to make this legislation a little bit more robust. Inside the legislation there are some exemptions about what the income that an individual would receive from the trust can and cannot be used for. I think we should look at all avenues in which we can potentially help an individual. Currently the single exemption, for a single person or for two people if they both receive AISH and have no dependent children, is the first \$800 of the total monthly net income. Following this amount, above the \$800 up to \$1,500 is 50 per cent exempt, for a maximum employment income exemption of \$1,150.

Under the legislation that's before the House, an individual will now qualify for AISH if they have either a discretionary or a nondiscretionary trust in their name, but they would not qualify if they were drawing a set amount of monthly income from that trust. So an individual could do a number of things like repairs to their home, purchase a specialized vehicle, that sort of thing, and that would not have a negative impact on their AISH amount. But if they were receiving an income from the trust, that would potentially have a negative impact on their eligibility.

7:40

This amendment would bring income from the trust in line with the current legislation on income from employment. So if a client has income from a job, that money is exempt, but if they receive a

monthly amount from the trust, that wouldn't be exempt and then, as such, would be clawed back, if you will. Those individuals with a trust would potentially be negatively impacted. This legislation, in my opinion, isn't applied fairly because if they had a job or some other form of income, particularly in the form of employment, it would be exempt, but here, if they have a trust that they could potentially be drawing a monthly income from, it isn't exempt and could then negatively impact the AISH payment.

I'm happy to table the amendment now, actually, Madam Chair, the original for the chair and the appropriate copies, and wait until you are ready to proceed.

**The Chair:** This will be known as amendment A1.

**Mr. Cooper:** I feel that this is a small measure that could make a very large difference in the lives of those Albertans receiving AISH who also have the benefit of a trust. I think that it closes a significant loophole in the current legislation.

The NDP, you know, time and time again have made it clear with their minimum wage hike that they believe in what they call a living wage, yet under their government the cost of living has really increased, and the carbon tax has had such a negative impact on folks, particularly those on AISH. We have heard from a number of AISH advocates that AISH recipients are struggling for some of the most basic necessities, and the current legislation doesn't provide for those individuals to receive any monthly income from a trust – they would be negatively impacted – to be able to do these very, very, very basic things that they might like to do with the benefit of the trust.

The other thing that I might add, Madam Chair, is that we've heard from a number of stakeholders that this would be a very positive step towards protecting the financial security of Albertans receiving AISH. It is a very, very reasonable solution. It does not provide the ability for those receiving AISH to receive \$800 from the trust as well as \$800 from a form of employment. It would be a maximum amount of \$800, so it doesn't provide any additional benefit that someone who doesn't have a trust then would not have available. I think this can be a very positive step forward. I think that it's reasonable. It creates fairness and also doesn't negatively impact those who may be able to benefit from a trust, the way that those who may be able to also have additional sources of income in the form of employment.

I urge the government and the minister to view the amendment for what it is; that is, a desire to assist those who have this trust. I also understand that there may be some nuance in regulation that would need to take place as a result of the amendment, but I think that's very reasonable for the minister to be able to deliver for these very, very important Albertans.

**The Chair:** Do any other members wish to comment on the amendment? Chestermere-Rocky View.

**Mrs. Aheer:** Thank you very much. I want to thank the member for this amendment. As always, it's a pleasure to rise in the House to speak about important issues like this. As the member was mentioning earlier, Madam Chair, we've had the wonderful opportunity to talk to a lot of people about this. This is a great bill to start off with, but just to add on to what the member was saying, we're wanting to look at protecting the financial security of these folks. As we know, there's been a lot of information that has come out recently with regard to how some of these folks that are on AISH are living. I'll get to that a little bit later, but this particular amendment would go a really long way to establishing and protecting that financial security of Albertans receiving AISH, because we don't want to have them be penalized for their parents'

and their family's hard work in this particular situation. The reason for this entire bill is to make sure that parents can feel that should they pass, their children will be taken care of. This just adds an extra piece of financial security to that.

Currently, as I understand it, the single exemption for a single person, or two people if they both receive AISH and have dependent children, is the first \$800 of the total monthly net income. Following this, an amount above \$800 and up to \$1,500 is 50 per cent exempt from their maximum employment income exemption of \$1,150 per month. Under the current legislation before this House the individuals will now qualify for AISH if they either have a discretionary or a nondiscretionary trust in their name, but they wouldn't qualify if they were drawing out a set amount of money from that trust.

What we're wanting to accomplish with this, Madam Chair, is to be able to just set a monthly amount aside from that trust. The amendment would bring income from a trust in line with the current legislation on income from employment. This is actually a loophole that's in the legislation that we would like to see closed. Like I said, it's a good bill. This just helps to close that loophole and helps to make sure that Albertans who are receiving AISH, again, aren't penalized because their parents happened to put money away for them. We want to make sure that they have the ability to have that standard of living and to be able to live their best lives with that. There is a gap there that needs to be closed. It would make a huge difference, I believe, in the lives of Albertans.

The government has been talking significantly over the last two years to make it clear that the minimum wage hike, that they believe in, is what they call a living wage, but under the legislation right now as it stands, the government has increased carbon taxes and other economically detrimental policies. This has put an immense strain on the tight finances of AISH recipients already, Madam Chair. We heard from the AISH advocates and recipients that a lot of them are still living in poverty and can't even afford basic necessities such as hygiene items. Again, just to reiterate, this would be a positive step towards protecting their financial security with a program that is already there, but it just takes into consideration that loophole.

The last time that AISH was indexed to adjust for the cost of living was in 2012, when it rose from \$1,188 to \$1,588, which is significantly lower than the low-income cut-off, which is \$1,699. When we talk about the low-income cut-offs, these are the income thresholds. When we're talking about these, these are when folks are more likely to devote a larger part of their income to the necessities of life such as food, shelter, and clothing and more so than the average family. "The approach is essentially to estimate an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter and clothing." That comes from StatsCan.

Again, we're trying to look at seeing if there's a way – and this is a really good amendment, and I want to thank the member for bringing this forward. It's a very thoughtful amendment that adds to a good bill and closes that loophole to create a larger ability for financial security for folks who are on AISH.

I can honestly tell you, having gone through the process myself with my son, that it is an extremely difficult process to navigate. I can't imagine if my son didn't have an advocate on his behalf to be able to go through this. My husband and I have gone through years and years of paperwork since he was a little, teeny-tiny guy, Madam Chair, years and years of advocating on his behalf to get services that he needed, especially when we were younger. I can tell you that it's extremely difficult. Now, as a parent of an adult child the largest concern, of course, for us is that if we're not here, the financial security is one piece of it but also being able to make sure not only

that he's financially secure – as the member was saying, if there are cognitive disabilities or if a person is physically disabled, there are certain items that they're going to need outside of what AISH can provide in order for them to live their best lives.

7:50

This little piece, this little amendment really, really makes sure that for those people who are able to provide a trust for their children upon their passing, those adults will be able to have it and be able to live their best lives and provide themselves with some financial security. As a parent I can honestly tell you that you have a huge sigh of relief knowing that that's a possibility, that you can do that on behalf of your child.

Of course, there are significant differences between – when there's a cognitive disability, there's also the issue of making sure that you have a person that you can truly trust and to be able to leave these trusts in the hands of those people to disburse them. This is one of those ways that we can make sure that when we're not here, those dollars are getting to our adult children to make sure that they are protected financially as they go through the rest of their lives.

I can honestly tell you that my son is working. He will continue to work. I mean, if he's able to work enough that he has AISH clawed back, that would be just fine, but in the instance that something goes seriously wrong, Madam Chair, it would be good to know that in my absence there is that added ability for him to do that without having it clawed back, for him to be able to have that added financial security. The purpose of these kinds of programs is to give a hand up and to be able to take care of our vulnerable populations, and that extra bit could potentially raise them out of poverty.

Again, if for some reason my son was unable to – I mean, at this point in time we're teaching him about his finances. We're hoping that he'll be able to independently do some of that, but it would be very, very easy, should he not be able to understand that, that he could end up living in poverty without the help of making sure that he has those extra dollars and the person to watch over those funds. We want for him to be independent. We want for him to be able to live his best life.

This amendment helps to create that within this very good legislation. We would encourage our colleagues across the aisle to vote in favour of this amendment. This just makes really good legislation even better by making sure that all Albertans, especially our adult children, the ones that we're talking about with this, have the ability to live their best lives when we're not here to see them. As a parent, like I said, I can't begin to tell you how important that is, what that means to me, to be able to know that that's what will happen.

Madam Chair, my husband and I spent, I think, a couple of hours at our lawyer's office just before – actually, it was in the last session. Unfortunately, this bill didn't make it across before the Legislature rose, and then it came back as Bill 5. But I remember we spent a couple of hours with our lawyer trying to discuss what we were going to do with our trusts and how that was going to work out. It is convoluted, going through the process of choosing a person that will oversee that, but we did ask these questions. This amendment actually comes from a lot of stakeholders asking how it is that we can make this work, how we can make sure that folks that are on AISH are able to have, without taking the system too far – like, we want to just make sure, if they're able to receive that small amount, that \$800, that that AISH will not be clawed back.

I'm sure the member has heard about this as well, and the minister of community services has heard from me many times. I've sent him many cases where people's AISH has been clawed back, and we don't understand why. It can be because of CPP. There have

been a lot of different reasons. It's very convoluted. In this particular situation this will protect those people, hopefully, through legislation from having that clawback happen.

We've had several constituents – and I have more that I'm going to be sending to the minister – that have actually been rejected from AISH on the basis that they had a trust and they were drawing income from that trust. If this amendment should pass, will those individuals have to restart that lengthy process again, Madam Chair?

Like I said to you, the process for me has been nothing short of absolutely overwhelming. It's hundreds of pages. It's a ton of work. One of the facilitators that we work with is wonderful, but we have another one who I think doesn't quite understand the system. For the most part, I mean, the folks that we work with have been fairly helpful. Even the people who are working in the system don't always understand how this all works, and that's been our experience. It's a bit of a mixed bag. When you're a parent and you're in this situation, you feel very vulnerable because you're asking questions about what's going to happen to your child when you're not here anymore.

Maybe the minister can answer this question for me, Madam Chair. Will the individuals have to restart the lengthy process of applying for AISH, or will the government be contacting them directly? I will maybe just leave that to the minister to answer.

Also, if I could, I asked some other questions last time we were debating this. I don't know if the minister has answers to those questions, Madam Chair.

Thank you so much for the opportunity to speak to this.

**The Chair:** Any other members wishing to speak to the amendment? The hon. Member for Grande Prairie-Wapiti.

**Mr. Drysdale:** Thank you, Madam Chair. I rise to speak in favour of the amendment proposed by my colleague the member for the outstanding constituency of Olds-Didsbury-Three Hills. My colleague is the United Conservative critic for Community and Social Services. I believe his amendment complements Bill 5 in a most common-sense way. It is also completely consistent with the current practice. I would like to take a few minutes to review the amendment because it is an important issue, and it will greatly enhance the lives of Albertans who receive financial support from the AISH program.

First of all, let me thank the government for resurrecting this private member's bill, which had died on the Order Paper. I strongly support it, and I am glad to see it here before us this session. The constituency work of a Member of the Legislative Assembly is important, often unseen work, that we perform to serve Albertans. I for one am always pleased when AISH recipients come to my Grande Prairie-Wapiti office when they're running into difficulties with the system. One of the reasons we have offices and staff in our community is to help our constituents navigate government services and programs.

The assured income for the severely handicapped program provides financial and health benefits to 60,000 Albertans with permanent medical conditions that prevent them from earning a full living. This program has been around in its current form for many years, and I believe that it is important for this Legislature to review it on a regular basis to ensure it is working fairly and efficiently. Bill 5 is allowing us to do this, and it is also allowing us to evolve the act that outlines the AISH program in a positive way. Alberta needs to introduce what is known as a Henson trust in the same way other provinces have done. It is natural for parents to want to leave their children an inheritance, and to know that they'll be able to do so without disqualifying them from AISH is a very positive move.

8:00

Now, let me specifically address the amendment before us now. I strongly support it because it will broaden Bill 5 in a way that is completely consistent with the current rules for AISH. I'm pointing specifically to the fact that someone who receives AISH is allowed to earn up to \$800 a month before it affects their monthly income. We all applaud that income rule. It makes sense because earning a living should never be a disincentive. Albertans who can benefit from AISH should not have to decide between earning an income and not participating in a program that has been designed to assist them.

In the same vein, parents should not have to decide whether or not to leave an inheritance to their beloved children because it'll affect their ability to collect a secure monthly AISH income. This Chamber appears to be onside with that concept in Bill 5. Since that's the case, why would we not marry the idea of permitting trusts, which we all seem to support, with the ability of those trusts to provide a monthly income up to \$800, which is the amount already permitted in employment earnings?

The name of Bill 5 is An Act to Strengthen Financial Security for Persons with Disabilities. Doesn't strengthening financial security include an amendment such as the one before us? I know that we tend to break down along partisan lines in this Chamber, but surely this is one of those times when we do not want to do that.

AISH income has not changed for a number of years, and in the interim Alberta has gone through an economic downturn that has been difficult for so many people. The proposed amendment to allow AISH recipients to accept a sensible income from the new trusts will assist them a great deal. It will undoubtedly ease their daily pressures to know that a little more income is available to them. Maybe that's why we're all supportive of the reasonable changes that Bill 5 is proposing to make to the Assured Income for the Severely Handicapped Act. It is hard for many people to make ends meet on a daily or monthly basis, so when government can come up with a common-sense plan like this, one that can assist some Albertans, we all want to do our part and support it.

Madam Chair, I wholeheartedly support this amendment from my colleague for Olds-Didsbury-Three Hills. I believe it is the perfect companion to Bill 5. It will not cost the government anything, and it is a compassionate amendment that I urge everyone in this House to support. Also, we feel that this is a small measure that can make a large difference in the lives of Albertans receiving AISH, and it closes off a significant loophole in the current legislation.

We have heard from AISH advocates that AISH recipients are living in such poverty that some cannot even afford basic necessities such as hygiene items. This amendment has the potential to help raise those on AISH out of poverty by allowing them to draw income from a trust and still receive their full AISH funding.

We would encourage our colleagues across the aisle to put partisan politics aside and vote in favour of this amendment for the betterment of disabled Albertans. Thank you, Madam Chair.

**The Chair:** Any other members wishing to speak to the amendment? Calgary-Currie.

**Mr. Malkinson:** Thank you very much, Madam Chair. I'm just looking at this amendment moved by my colleague for Olds-Didsbury-Three Hills, and I have the AISH income act in front of me. In the amendment, under Exemptions:

- (2) For the purposes of section 3(3)(d), the value of all assets of a person and the person's cohabiting partner must not include
  - (a) the value of any assets . . .

and then it goes on to list (b) and the rest of the amendment here. I'm wondering. Just sort of from my reading, in looking at the act, if an individual on AISH has a trust, is the aim of this to basically prevent a cohabiting partner from also having an exempt trust? Just as I'm looking through this, it touches on a bunch of regulations here. If I could get a quick clarification from the hon. member on that, just to make sure that I understand this as we go through debate, I'd very much appreciate it.

**Mr. Cooper:** I can come back around to you. My intention in the amendment is to have it so that if you had two individuals in a home and they were both receiving an income from employment, the exemptions would be the same in both cases. So if both individuals had a trust, they would both be able to then receive the \$800 as income from that trust. Just as the exemption for employment is the same, the goal is to not have a differentiating factor between the income that they would receive from employment or income that they would receive from the trust.

I'm more than happy to confer with Parliamentary Counsel that that is, in fact, what has been delivered by the amendment and get back to you while the minister provides a response with some of his thoughts and on the importance of the amendment.

**Mr. Malkinson:** Thank you very much for the clarification. I'm going to continue to listen to the debate. Just when I was going through and looking at it – I appreciate the clarification.

Thank you.

**The Chair:** Calgary-Greenway.

**Mr. Gill:** Thank you, Madam Chair. Thank you for giving me the opportunity to speak on this bill and amendment. I do want to say thank you to the minister and the Member for Calgary-Currie for bringing this much-needed piece of legislation so that people who are currently on AISH can take advantage of this bill. I also want to thank you, Member for Olds-Didsbury-Three Hills, for bringing this amendment to strengthen this bill.

Madam Chair, as the Member for Chestermere-Rocky View spoke of her personal experience with AISH, I would echo those comments. Like the previous speakers, I think we can all agree that we're happy to support this legislation, intended just to give much-needed, you know, peace of mind to the families of Albertans who are currently on the AISH program in knowing that with any inheritance they leave, their children will not be disqualified from the AISH benefit just because an inheritance has been left for these individuals.

Now, the amendment that the Member for Olds-Didsbury-Three Hills brought is something that we heard from the constituents and the stakeholders that we did a consultation with. They are the ones who are telling us that this would actually strengthen the bill and that it would be a positive step towards protecting the financial security of the very individuals who are receiving AISH, again, going back to the same thing, making sure that they're not penalized for their parents' hard work and their savings and making sure, actually, that when these kids are on their own, they're taken care of.

Currently the exemption for a single person, or for two people if they both receive AISH and have no dependent children, is the first \$800 of total monthly income, and following this, an amount above \$800 up to \$1,500 is 50 per cent exempt, for a maximum employment income exemption of \$1,150 per month. That will, again, like I was saying, strengthen the bill.

8:10

Under the current legislation before this House, Madam Chair, individuals will now qualify for AISH if they have a discretionary



or a nondiscretionary trust in their name but would not qualify if they were drawing a set amount of money monthly from the trust. You know, we feel that this amendment would bring income from a trust in line with the current legislation on income from employment. I think the intent is that this small measure could make a rather large difference in the lives of Albertans receiving AISH and close a significant loophole in the current legislation.

Now, the NDP have made it clear with their minimum wage hike that they believe in what they call a living wage, yet under their government the cost of living has gone up, Madam Chair, as we can all agree, with the different taxes, the carbon tax, other economically detrimental policies. This has put a strain on the already tight finances of AISH recipients because, as we know, it's a fixed amount. We also heard from AISH advocates that AISH recipients are living in such poverty that they cannot even afford basic necessities such as hygiene items.

The last time that AISH was indexed to adjust for a cost-of-living increase was in 2012, like, six years ago, when it rose from \$1,188 to the current, which is still the same, \$1,588, which is actually still significantly lower than the low-income cut-off, which is \$1,699. The low-income cut-off is an income threshold below which a family will likely devote a larger share of its income on the necessities of food, shelter, clothing than the average family, Madam Chair. The approach is essentially to estimate an income threshold at which families are expected to spend 20 per cent more than an average family on food, shelter, and clothing.

I think the Member for Chestermere-Rocky View already spoke on the same point I'm trying to bring up, that this amendment has the potential to help raise those on AISH benefits out of poverty by allowing them to draw income from a trust and still receive their full AISH funding. So I really hope that the government members will support this simple amendment.

I think the Member for Calgary-Currie had some questions for the Member for Olds-Didsbury-Three Hills, and also the Member for Chestermere-Rocky View had some questions for the minister on how it's going to impact. I'm thinking that if we all work in good faith and, you know, pass this amendment, it can strengthen the bill and actually benefit the people on AISH, the recipients.

We would also like some clarity from the government on what measures will be put in place in the case that a cognitively impaired AISH recipient inherits funds that have not already been put into trust. The Member for Chestermere-Rocky View already touched on it. In this case we are under the impression that the beneficiary could potentially choose to place these funds into a nondiscretionary trust, where they would be able to appoint a trustee and set the terms of spending for that trust. Are there some checks and balances that will be laid out in the regulations to protect the financial assets of Albertans who are on AISH and show that they're getting some sound financial counsel? Hopefully, we'll get some clarification from the minister on that.

The point of this, Madam Chair, the intent of this amendment, is to allow those individuals who are applying for AISH to draw up to, again, \$800 a month of income from a trust and still be approved for AISH. A one-year grace period, the wills-handled-badly clause, for inheritance is important to allow AISH recipients the time to navigate the system and place their inheritance into an asset with exempt status without having to worry about whether their monthly income from AISH will be revoked.

Madam Chair, in the end, I think we already spoke a little bit on this very simple amendment. Let's support this amendment, and let's strengthen this bill and try to help those individuals who are receiving AISH benefits. I truly hope that we will get government members' support on this simple amendment and strengthen this bill so we can all make sure, you know, that nobody is left behind.

The intent of the NDP government, the slogan, is to work hard for Albertans, so let's pass this amendment, and let's show them that we are working hard and that we're doing the right thing and putting partisan politics aside to help those who need us the most.

Thank you, Madam Chair.

**The Chair:** Olds-Didsbury-Three Hills.

**Mr. Cooper:** Well, thank you, Madam Chair. It's a pleasure to rise. Just prior to the inspiring remarks from the Member for Calgary-Greenway, I had committed to the Member for Calgary-Currie that I would just confer with Parliamentary Counsel that the intention of the amendment is not to differentiate between income from employment and income from trust funds and that the exemptions that currently exist amongst cohabiting individuals would not be negatively impacted. That is, in fact, what Parliamentary Counsel has confirmed with me, that both individuals would be able to be eligible, that income from both trusts would not have a negative impact on AISH eligibility.

The longer that we go in this discussion, the more intrigued I am by the fact that the government members haven't provided any indication as to whether or not they intend to support or not support such a very important amendment, that provides certainty and fairness amongst those who both have a trust as well as are on AISH. It's surprising to me, in fact, that we haven't heard from the minister, so I invite him to do so now.

**The Chair:** Any other members on the amendment? The hon. Member for Chestermere-Rocky View.

**Mrs. Aheer:** Thank you, Madam Chair. Well, I'm going to try, too. I've had some questions. [interjection] Okay. I'd like to give a chance to the minister to speak.

Okay. I'm going to try again if that's okay, Madam Chair.

**The Chair:** Go ahead.

8:20

**Mrs. Aheer:** Okay. Thank you. I actually have whole bunches of questions, and maybe the minister can take a few minutes and answer some of my questions. Of course, many of them come from anecdotal and lived experience in my particular situation, but this is a little bit more from stakeholder outreach.

Here's one thing that I think needs to be clear. Persons with disabilities should not be given fewer financial protections than those without. It's a pretty simple statement. That's what this amendment does. The bill is already excellent. The bill is already doing great work. This is an extra step to create financial stability for folks with disabilities.

I have to say that if we're talking about cognitive disabilities specifically, there is a humungous amount of navigating that goes on when you are in this process. Quite often there are special circumstances, especially if a parent is not there or a caregiver is not there to help a person with cognitive disabilities to be able to reach out and find out what's going on. Like I was saying earlier, we've had some great facilitators, great workers over the years, but we've had some that are really difficult to work with as well. I can't imagine if my son was on his own and responsible for working with some of these folks. Even for the ones who are excellent, this is convoluted. It's so complex.

We're simply asking here to make sure that folks that are on AISH have the ability to go into the trusts that are set up by the parents. There's nothing here that the government needs to do other than to allow people who are on AISH to access the amount of money without it being clawed back. I mean, there is a tremendous

amount of frustration on behalf of those – even to get determined for eligibility for AISH, Madam Chair, is a huge process. Sometimes it takes up to 20 weeks just to find out if you're eligible, and then there's an entire process that comes after that. If we're already talking about that, with this particular situation these are people who have lost their caregivers; they've lost their parents. We're wanting to make sure, in advance of that, that there is an ability for these people to be financially secure.

I have a bunch of questions for you, Minister, so if you have a moment to answer these, I'd be very grateful. For example, if there is an AISH recipient that is cognitively disabled and they're able to receive sound financial counsel, the question I'm asking is: if they're not inheriting money specifically to put into a trust and are protected and are able to receive sound financial counsel, how is the government going to help them make sure that that happens, especially if they're only provided with the minimum and there's not an extra amount of money there for special services or to help out with those kinds of things? Has the government thought about that or the ability to look at that specifically?

This is one of the reasons why the Member for Olds-Didsbury-Three Hills came up with this, to provide financial stability. Like, what measures are going to be put in place to ensure that that specific scenario – this is something that as a parent you think about. These are nightmares actually – okay? – because if that person who is cognitively disabled is not able to make financial decisions, they're vulnerable to being taken advantage of. In advance of that, Madam Chair, we're trying to implement ideas and add to an already excellent bill the ability to make sure that our children are taken care of when we're not here. I would love for the government side to be able to answer yes or no on whether this is a possibility. As a parent this is important. I mean, if you say no, say no, and tell us why.

The other question I have. I mean, we don't want recipients of AISH to be penalized for inheriting assets. What happens, then, if AISH is clawed back? For example, if something in my son's life changed and he was financially secure at some point, for whatever reason that was, if it gets clawed back, if something has changed, what measures has the minister taken to make sure that the person who was part of AISH before is able to get back into that situation? As we all know, there are lots of ups and downs in life. We don't know what could happen to our children because we're not here to see that. We're leaving and entrusting our children to other people and situations and, in this particular situation, to government to some degree. What measures are put in there to make sure that an adult who is on AISH who may be cognitively disabled, especially, has the supports to be able to reapply if that is necessary? Or are there measures there to make sure that that person is still part of the system, that should they go through a difficult time or they're taken advantage of – there are a gazillion things that could happen – that that happens?

Again, right now we have people who are being denied. We have couples who are being denied. In fact, I can give you one example of that, where there is a couple, an elderly couple, that have had it clawed back because of their contributions to CPP. Now, the minister has this particular one. I've sent it to the minister. It is particularly invasive because now the wife is also unable to work. She was the one who was able to make things last up until this point in time. He was already being clawed back, and now there's an extra clawback. These are the kinds of things that are happening.

The other question that I'd ask the minister also is: what happens to those that have already been denied AISH because they had a trust fund? Now do they have to go through this process again, Madam Chair, from the beginning? These are very, very reasonable questions. It's a great bill, but is it retroactive? Like, the folks that

already applied that were denied: do they reapply again? What if they're on their own now? What if that trust has already been put in? What measures are there for those people? Life changes real quick. I'm sure things have changed even since the member put his bill forward. There are a whole bunch of things.

Again, the bill is very good. We're asking these questions and we're asking for these amendments to help clarify and to make sure that they are financially stable. Being able to tap into their trust funds helps them to be more financially stable and helps them to be participatory in their lives, to have better lives, to participate in their lives, to feel great about what's going on in their lives, for their parents to know that they're contributing to their lives when they're no longer here to be able to see what's going on.

Like I said, I'm inquiring about a couple of different things. I'd like the minister to tell me about the individuals that have already been rejected from the AISH program for receiving a trust. I would really like to know and understand what's going to be happening with that. It's such a lengthy process, Madam Chair, such a lengthy process. To say that one is disappointed when one is rejected, I don't even think that that language begins to describe what that feels like.

Also, I wanted to ask one other question. As I understand it, Human Services spokesman Aaron Manton said something about the funding increases of \$28.3 million addressing caseload and cost-per-case growth. The AISH program, he says, is one of the most comprehensive of its kind in Canada. But he also mentioned that the child benefit will help families. Could the minister please also explain what that means? Does the child benefit program claw back AISH? Does it stay the same if we were to draw from a trust? This is why this is important. We need to make sure, Minister, that there is financial stability for these folks. If we can exempt that \$800 and if that child benefit is there also: if you could please answer that question, that would be very helpful. It's very confusing. Again, this is an extremely, extremely complex and very difficult situation for a family to navigate, for an advocate to navigate, for a recipient to navigate. We're hoping that that long-awaited advocate will be available to be able to help out with those things. I can't wait to hear about that.

**8:30**

Like I said – and I'll say it again – I am so pleased to support this legislation, extremely pleased. It provides so much deserved protection to some of Alberta's most vulnerable. I really simply have just a couple of concerns, and this comes from a very honest place of lived experience, of understanding what goes into this, of the difficulty. My son is going to be 20 this August. It took me almost a year, Madam Chair – a year – to navigate this whole system, and I am determined. It took my husband and I a year between the two of us, probably mostly our fault because we didn't understand it, but it wasn't like there was a whole lot of ability to find out exactly what to do in this particular situation. We're very lucky, very, very fortunate in our situation.

This comes down to independence and seeing these amazing, amazing people live their best lives. This money doesn't take anything away from the taxpayer or from the business of government or budgeting or anything like this. These are dollars that already belong to these people. We're just asking that the government acknowledge that and exempt those dollars so that that financial stability is there. It costs the government nothing. And to the member's credit who brought this bill forward, it wouldn't even be possible if Bill 5 wasn't on the table, so we're very grateful – very grateful – to even be able to bring this piece forward, Madam Chair. Like I said, we wouldn't even be able to had the member not brought the bill forward. But this addition, that costs the taxpayer

nothing, allows parents to know that when they pass, they're able to contribute to the well-being of their living families, to make sure that the caregivers are able to contribute to the living family members.

As a parent that has gone through this process – I don't know how many people in here have done wills when you have kids. It's a pretty emotional experience going through that. I put it off for a really, really, really long time. I think I was, you know, in denial that that kind of thing ever happens. When you're young – and I had my kids when I was 24 and 26, so I was young at the time I had my children, and as much as I think I'm type A, that's one of those that I put way off down the line, Madam Chair.

**Mr. Cooper:** Not that you would recommend that.

**Mrs. Aheer:** No, no, no. Don't do what I did.

It's funny because our children are grown now. They're going to be 22 and 20 this year. I can't even believe I'm saying that. Anyway, we are working very hard to make sure that they are better at this than we were at the time. But I can honestly say that it's already hard just as a parent going through that process and acknowledging your own mortality as you go through that. It's even more invasive when you know you have a dependant, and that dependant is a person I love with all my heart, every hair on his head. I wouldn't change anything about him. He is spectacularly special in my life, and I think he's spectacularly special to the world, actually. But I want to make sure as a parent that I have the opportunity to do right by my child when I'm not here.

So I would ask: if the minister has a moment to answer some of my questions with respect to this, I'd be eternally grateful. Moreover, if we could have some idea about how the government feels with respect to this amendment.

Thank you.

**The Chair:** Any other members wishing to speak to amendment A1?

**Mr. Hunter:** Madam Chair, it is an absolute pleasure to stand and talk in support of this amendment from my colleague and to welcome the Government House Leader to our side. It's a pleasure to have him here today.

**An Hon. Member:** He's finally on the right side.

**Mr. Hunter:** I've always known him to be on the right side of history.

Madam Chair, from what I see with this amendment, I first of all want to preface my remarks with one of the Auditor General's comments on the state of AISH. This was on Global News back in 2016, so this was a little while ago. The report talked about the AISH program having severe problems with it, and it said: "Auditor General . . . in a new report, says the Assured Income for the Severely Handicapped . . . program is rife with duplication, roadblocks, subjective decision-making, and poor oversight." You know, what's interesting about the program is that this program is designed to help those people who are the most vulnerable in our society.

When I describe the way that our society works here in Alberta – I love to travel, so when I talk to people in different places, I talk to them often of the head and the heart of Alberta. The heart of Alberta is the wraparound services: the health care that we have, the education that we have, the policing and fire and ambulance and social services, the social network that is a cushion for those people who are the most vulnerable in our society. People with disabilities are those people who we need to help. The AISH program is specifically designed in order to be able to help them. The head part

of our society, I often say, is that part that actually pays for this. This is the entrepreneurs, the people who are the wealth creators in our society. They create the jobs and provide that opportunity for us to be able to have those wraparound services for the people who need it most.

To tell you the truth, Madam Chair, when I describe this to people in areas that don't have these types of wraparound services, they think this is fantastic, almost utopian. You know what? I actually am very grateful for a lot of the work that the current NDP government has done for that part of our society, something that I think is very important to Albertans and to the people who need it. Obviously, I've been in this House many times saying, though, that I'm a little concerned about the head part of it, where they're not getting that right so that we can provide for those services. So that's the preface to my comments.

I just want to get to speaking to this amendment. One thing that I really like about it is that it's creating a situation where we're trying – look, there's never enough money to be able to provide everything for those in need in our society. However, whenever we can come up with a solution where the government can incentivize people to be able to stand on their own two feet or create a solution for those people who are disabled so that they can have dignity of life, then I'm very, very much in favour of that kind of a solution.

What I see with this is that it allows for those people who have been careful with their money, parents of disabled kids that have been careful with their money that have realized that, you know, it's not the responsibility of the government to take care of their kids if they're disabled, so they're trying to create some kind of a cushion for them. This is why I'm very interested in this concept. When the Member for Calgary-Currie first brought it forward – I think it was a year ago – I was very intrigued with it. I thought, "Now, there is a really good solution, thinking outside of the box, looking for best practices," and I was actually very impressed that it actually came from the member opposite, on the government side.

**8:40**

Taking a look at the bill, the Member for Olds-Didsbury-Three Hills recognized that there was some concern with the present iteration of this bill. Taking a look at it, I believe that he saw where those problems were, and this is a reasonable amendment to be able to make it better. Now, as has been stated already by many colleagues on this side, this is a bill that we can support. Once again, I go back to the original comments that I made, which are that it's important to have both the head and the heart of society. That heart part, which is these wraparound services, we want to make robust so that it actually helps those people who are in need.

I have a family member that's on AISH. He has osteogenesis imperfecta, brittle bone disease. When he was younger, we would be out playing, and all of a sudden he'd fall and break a leg or break an arm. We didn't really understand it at the time, but as he started to get testing from the medical system we have, we found out that he has this osteogenesis imperfecta. He's not even 50 yet, and he has the bones of an 85-year-old, he's told. Because of the number of bones that he's broken, whenever there's a barometric change in pressure, he obviously struggles. He's in great pain. His knuckles are all gnarled up. You know, this is a difficult thing for him. He struggles with that. He wants to be able to be a productive member of society. He wants to be able to do what he can do because he recognizes the necessity of being able to stand on his own two feet. This is something that he thinks is very important. But because of something that's a genetic issue with him, he's not able to fire on all cylinders, to be able to stand on his own two feet, so he's on AISH. So I do know a little bit about the AISH system because this is something that has affected our family. It is close to my heart.

This amendment provides him an opportunity and an option so that when my parents pass away and my brother is still alive, he will have an opportunity to be able to set up a Henson trust so that he can have the little extra that he needs to be able to live a life of dignity. This is something that my parents have been preparing for for years, knowing that in time they're going to pass away and that they're going to need to help my brother. This wasn't a government-initiated directive. My parents made this something that they wanted to do themselves, knowing that my brother would need this.

What this does, though, this Henson trust and this amendment, is that it actually allows my parents' forethought and good work to be able to be rewarded, and it provides them an opportunity to be able to help my brother without it costing the government anything. I think that when we look for those kinds of solutions and we find them, we should embrace them. Whether you're on this side or on that side, those are best practices that we should embrace.

I wholeheartedly am very much in favour of the Henson trust, and I will be voting for this. What I am also in favour of – and I hope that the government side will take a look at this and see the value of it, whether it comes from this side or that side – is that there are still best practices that we can see from both sides of the House. I think that this was a well-thought-out amendment that can be embraced by both sides.

Just really quickly here, from what I understand, the current single exemption, for a single person or two people if they both receive AISH and have no dependent children, is the first \$800 of the total monthly net income. Following this, an amount above \$800 and up to \$1,500 is 50 per cent exempted, for a maximum employment income exemption of \$1,150 per month. This amendment would address, I guess, the issue of having the 50 per cent exemption, and it would allow them to be able to have what they need, again, to be able to live with dignity.

I would ask the members opposite and all members of the House to seriously take a look at this amendment and to give it some good thought because I believe that some good thought was already established in creating and drafting this amendment.

With that, thank you very much, Madam Chair.

**The Chair:** Any other speakers to amendment A1? The hon. minister.

**Mr. Sabir:** Thank you, Madam Chair, plus thanks to the member from the outstanding constituency for bringing forward this motion. First of all, I appreciate the intent of this amendment. I do want to emphasize that what's in the legislation right now relates to the assets. As such, conservation of income wasn't in the scope of the consultation my colleague the MLA for Calgary-Currie did or within the correspondence and petitions we received. But still, as I said, the intention of this amendment is good, and I certainly support that intention. We should provide the needed resources and services to those who rely on these supports. That is the reason that so far in four budgets the government has increased AISH by \$103 million, to make sure that those on AISH receive the benefits they need.

Under the AISH legislation, if the intent of this amendment is to make income from assets and income from trusts the same as income from employment, I would say that it's not clear. At this point, essentially, trusts, investments, interest, capital gains, rental income, all of those incomes which are passive incomes, are treated the same. What I see from this is that you just want to carve out one trust and leave everything the same, which is at this point exempt. The first \$200 is exempt, and then it's 25 per cent exempt going forward.

The second category in income, with that same trust income, is that if it's an Albertan with a spouse or a partner or a single parent or a couple with children, their trust income, or passive income, is exempt up to \$775. The way it's worded right now: "the income of a person and the person's cohabitating partner." The way I read it and I understand it, to me, it looks like this one doesn't apply to individuals; it's more designed to cover the income of a person and their cohabiting partner. Again, at best, it's not very clear to me.

8:50

When it comes to the treatment of these incomes, like, this passive income is treated differently from employment income. The rationale for that is that employment income is exempt to encourage and incentivize individuals to seek employment while this one, trust income, was treated with other passive incomes like interest income, capital gains income, investments income, so I'm not very clear. In general for employment income there is \$800 per month that is exempt and then up to \$1,500 at 50 per cent, making it a maximum of \$1,150. If the idea was to make this income similar to other exemptions, then I think there is some more work on this amendment that needs to be done.

With that, I will move that we rise and report progress on this bill. Thank you.

[Motion carried]

[The Deputy Speaker in the chair]

**The Deputy Speaker:** The hon. Member for Wetaskiwin-Camrose.

**Mr. Hinkley:** Thank you, Madam Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports progress on the following bill: Bill 5. I would like 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 this report?

**Hon. Members:** Aye.

**The Deputy Speaker:** Opposed? So ordered.

## Government Bills and Orders Second Reading

### Bill 12 Preserving Canada's Economic Prosperity Act

[Adjourned debate May 2: Mr. Schmidt]

**The Deputy Speaker:** Any members wishing to speak to Bill 12? Seeing none, the hon. Minister of Energy to close debate.

**Ms McCuaig-Boyd:** Thank you, Madam Speaker. I'm pleased to rise today to speak to Bill 12, Preserving Canada's Economic Prosperity Act. I want to thank my colleagues on all sides of the Assembly for the contributions they've made to this debate and, in particular, the Member for Calgary-Klein for opening debate at second reading in my absence.

I won't belabour the details of the bill since the Member for Calgary-Klein outlined those in his remarks on May 2; however, I do believe it's worth reminding members of certain elements. First, this bill responds to a particular situation that members in this Assembly understand all too well; namely, the roadblocks that have resulted in the delays to the Trans Mountain pipeline expansion. These roadblocks have been thrown up by the government of British

Columbia, which claims that it has the right to delay a project which has received approval from the government of Canada.

As we all know, Madam Speaker, in Canada it is the federal government, not the government of B.C. or the government of Alberta, for that matter, that has jurisdiction over interprovincial pipelines. Simply put, B.C.'s actions to delay or frustrate the Trans Mountain pipeline are unconstitutional. They're outside of its authority as a provincial government.

By the way, it's worth noting, Madam Speaker, that the B.C. government seems more interested in intervening in matters over which they have no jurisdiction, but in energy development matters that fall under the B.C. government's purview, it's business as usual. One example: the Vancouver Airport Fuel Facilities Corporation is, as we speak, constructing a new 13-kilometre underground pipeline to Vancouver International Airport to supply aviation kerosene fuel from an upgraded marine terminal and adjacent fuel storage facility in the south arm of the Fraser River in Richmond, B.C., and the B.C. Oil and Gas Commission approved a permit for this pipeline. Similarly, the B.C. government recently announced exemption for LNG projects from that province's carbon levy. To be sure, they attached conditions to those exemptions, as they rightly should, including guaranteed jobs for British Columbians, respect for First Nations, and environmental protection. Their conditions sound, actually, a lot like the 157 conditions that the NEB put on the approval for the Kinder Morgan pipeline and the community benefits agreements provided to First Nations along the proposed pipeline route.

At the time of the announcement I suggested that the B.C. government's actions were hypocritical. Now, some people said that my choice of words was a little harsh. Very well, Madam Speaker. Let's try some other adjectives. I'm a former teacher. I'm up to the challenge. How about inconsistent, very, very inconsistent? How about profoundly, shockingly inconsistent? Or, to borrow a phrase from the Member for Calgary-Hawkwood that was used last week, there's a lot of cognitive dissonance going on over there.

But I digress. The point here, Madam Speaker, is that Alberta, in fact Canada needs to access the new markets that this pipeline will provide. Historically the biggest customer for Alberta oil and gas has been the United States, but in recent years that has shifted dramatically. Today the U.S. is our biggest competitor. Because there is one buyer, the oil and gas resources, that belong to all Albertans, are being sold at a discounted price. Albertans and Canadians deserve better. As Albertans we deserve to get the best possible price for the resources we own.

To be sure, getting better value for our resources means value-added activities like petrochemical diversification and partial upgrading, which is why we have introduced Bill 1, but we need action on multiple fronts. We also need to get Alberta's energy resources to tidewater, and the Trans Mountain pipeline can do that. Moreover, it comes with a \$1.5 billion oceans protection plan to better protect Canada's west coast against spills, and it comes with community benefit agreements for First Nations communities along the pipeline route and a great deal of indigenous support.

But it has become clear that the government of Alberta needs more tools in our tool box to motivate B.C. to stop using unconstitutional tactics to delay the pipeline construction and to motivate the federal government to defend its jurisdiction on the decision it made. The Preserving Canada's Economic Prosperity Act would give the government authority to, if necessary, require a licence for any company exporting energy products from Alberta. First, to be clear, companies would not be automatically required to apply for an export licence. They would only need to do so if the government deemed it necessary. The criteria that would be used would be whether adequate pipeline capacity exists to maximize the return on crude oil and

diluted bitumen produced in Alberta and whether adequate supplies and reserves of natural gas, crude oil, or refined fuels will be available for Alberta's present and future needs.

Now, Madam Speaker, our government believes in being strategic. This legislation is broad, so it can be executed in such a way as to maximize its effectiveness while minimizing any potential adverse impacts on Albertans. I pledged from day one with industry that there would be no surprises, and I've been true to my word. I can tell you that industry has been briefed on this bill. While some are understandably nervous about its implications, they are very supportive in the need to get this pipeline built. They understand the need for firm and decisive action, and they are supportive of this bill.

Now, Madam Speaker, if circumstances force us to use this legislation, again, there will be no surprises. We will be fair, we will be thoughtful, and we will be strategic. Let's be clear here. This isn't a step that we want to take, but we will if it means long-term benefits for our industry, for our province, and for Canada. We know that we're on the right side of this issue, and it's not just here in Alberta. Look what people across the country think. National polling shows that two-thirds of Canadians support construction of this pipeline. That's an increase of 10 per cent since February, so it's clear that the work of this government and our Premier is winning over Canadians. We will win, and we will get this pipeline built.

Now, members opposite have tried to suggest during debate on this bill that because we have taken this even-handed approach, because we have preferred mature leadership to bombast and bluster, we lack the resolve to make use of the powers in this bill if necessary. Well, Madam Speaker, as so often is the case, the members opposite are wrong. As part of my commitment to there being no surprises for industry, I took a day away from my constituency to brief the industry on the contents of this bill. My staff and I have spent countless hours meeting with stakeholders. I'm a busy woman. The people I meet with are busy people. I don't believe in wasting people's time, and I don't believe in wasting my own time.

**9:00**

Madam Speaker, if we have to take drastic action to get this pipeline built, we will. Notwithstanding the opposition's penchant for misinformation, this government is serious in its call for unity among the members of this Legislature. So I extend my hand to them. If they have good ideas for the best way to use these powers in this legislation while minimizing adverse impacts on Alberta, I'm all ears. I invite them to share their suggestions. I can't promise, of course, that I will act on them. As I said, we will need to be thoughtful and strategic in our actions if it comes to that, but I am absolutely open to good ideas no matter where they come from.

Thank you for this opportunity to share my thoughts today, Madam Speaker. I look forward to the rest of the debate as it unfolds.

With this, I move second reading.

[Motion carried; Bill 12 read a second time]

### **Bill 13**

#### **An Act to Secure Alberta's Electricity Future**

[Debate adjourned May 3: Mr. Schneider speaking]

**The Deputy Speaker:** Any members wishing to speak to Bill 13? The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thank you very much, Madam Speaker. I'm pleased to rise and speak to Bill 13, An Act to Secure Alberta's Electricity

Future. It proposes to amend a total of four statutes: the Alberta Utilities Commission Act, the Electric Utilities Act, the Gas Utilities Act, and the Hydro and Electric Energy Act.

This legislation is one of a series of bills focused on improving consumer protection for energy consumers and seeks to reintroduce or reinforce the NDP's strategic message. The bill empowers the Alberta Utilities Commission to fine electricity and natural gas service providers up to \$10,000 a day for breaches in customer service such as sending out late bills or overcharging and provides additional options to Albertans who want to generate their own electricity.

It also enables the creation of a capacity market, which is new for Alberta. It clarifies how infrastructure losses and profits are split between consumers and utilities. I take some exception to that. It appears that, at least under the current regime, the government is going to pick up any losses to individual consumers, retail consumers, over 6.8 cents a kilowatt hour. I think there's some mixed messaging here that needs to be resolved, but it does plan a transition to a capacity market from an electricity-only market. Clearly, that's necessary if we're going to incent the clean energy that the government has been wanting to incent, up to 30 per cent of the capacity in renewables. But they're going to have to do a lot of incenting to get that kind of achievement in the next 10 to 15 years.

I was interested to learn that most markets across the world, including the United Kingdom and the U.S., are capacity markets. This was a surprise to me. It's also been a surprise to me to see a government that while we were enjoying some of the lowest electricity prices in a decade, decided that it wasn't good enough to protect customers and have gone off on these tangents with respect to the power purchase agreements and the lawsuits that ensued in association with the carbon levy. They now are signing contracts with the same escape clause that was in there that they decided to overturn.

So there are a lot of interesting and unfortunate changes that have been made to our electricity system, and it's getting more and more complex for most of us to understand where it's going. Certainly, I think that if this government is trying to create certainty in the industry, there needs to be a lot more clarity about how far one is going to go in regulating what has been a relatively deregulated market in which a price signal is going to be felt by consumers. That's being taken away. So the very purpose of this – this government has said that they wanted to incent changes in fossil fuel use and carbon use and electricity use – they're undermining by having fixed prices above which all taxpayers will have to subsidize the sector.

It's created a really ambiguous electricity market, in my view, that is not sending the right signals to consumers. Yes, indeed, if companies fail to properly bill and if they overcharge – many of us will remember that back in 2015 TransAlta had to pay \$56 million for manipulating the power market – yeah, it's really important for us to be able to identify that and to shut that kind of activity down. I think it sent an important message back then that they did this. But I guess the bigger picture here is one of a somewhat confusing direction. It hasn't really been clear to many of us how far this government is going, and it therefore isn't creating the kind of certainty that I think a lot of electricity businesses and operators would feel comfortable with. It may be clear to the government, but it's not clear to many of us just how much they're going to regulate and remove the price incentive in the electricity market.

Madam Speaker, I'm not sure how I feel about the general electricity market. I don't think there's much in this bill that's controversial. They're going to fine inappropriate behaviour, and

that's all good. But the bigger picture in electricity is very perplexing and troubling for a government that says that they want to try to incent different behaviour in consumers and incent new clean energy development. I don't know if we can afford this in the long term, and it'll be interesting to see if we can learn more about how they think these disincentives for efficiency and subsidies for new energy are actually going to serve the longer term price signal. They seem to be following somewhat the Ontario problems that evolved and not learning what we could and should have learned from Ontario.

I'm not fully decided on this bill, but it looks pretty harmless, Madam Speaker, and we'll probably be supporting it. Thank you.

**The Deputy Speaker:** Any questions or comments under Standing Order 29(2)(a)?

Seeing none, any other members wishing to speak to the bill?

**Mr. Hunter:** Madam Speaker, I would like to rise to speak to Bill 13, An Act to Secure Alberta's Electricity Future. One of the things that I thought was interesting about this bill and the narrative that I've heard for the last while now is that the system was broken. In fact, I think it was the Government House Leader that actually said that if it was up to the opposition, they would have crashed the electricity system. He also said that if the NDP had not moved into a capacity market, these electricity providers would not have survived. Now, I don't have the benefit of *Hansard*, so I'm not quoting him exactly. I will admit that. But I will say that that was the intent of what he said. When I heard him say that, I thought to myself: this is supposed to be the government that is the champion of the little guy, the champion of the people, yet here was a statement made by the Government House Leader that they are, in fact, the champion of businesses, the big businesses that provide electricity in this province.

Now, think about this, Madam Speaker. This is an interesting point. Actually, many people in description of the NDP have often said that they are the government of unintended consequences. Yet I think that that's being, you know, very nice, to tell you the truth, because I actually think that they're more accidental.

**9:10**

But I would say this. Here's the situation. We have three parts to this electrical system. I admit that that has not been my past. Before I was a politician, that is not what I did. But in the three years that I have watched this, I've watched one mistake after another. It started out with this idea that they need to revamp the whole electrical system. Now, there are three parts to the electrical system, from what I understand. You've got the retail, the distribution, and the transmission. From what I understand, the retail side was the only part that the PC government in the past had deregulated. The other parts, which are the transmission and the distribution, were regulated parts of that electrical system. Interestingly enough, from what I can see, moving from the system that we had prior to a capacity market is moving to a regulated system.

So here's the problem I have with this from 30,000 feet up. Transmission and distribution costs are now almost 50 per cent of your electrical rates. We've seen a threefold increase in transmission prices alone whereas we've seen a decrease in the retail side. Obviously, the deregulating of this part of the electrical equation actually worked. We probably should have looked at transmission and distribution, but, you know, hindsight is 20/20 vision.

But here we have a situation where we already have that hindsight. We already have the 20/20 vision. We've seen what worked. We've seen that by deregulating that retail aspect or

component of the equation, we drove the price of electricity down, beneficial to all, whereas in that regulated part we now see – I can't remember – an 8.7 per cent guaranteed return on investment to the likes of Berkshire Hathaway. You know, the members are correct. It was not under their watch that that was done. But we can certainly learn from the mistakes of the past, learn from what was done wrong and try to rectify it.

You know, as I look through kind of the press release on this, look through the pros and the cons, which are supposed to actually help a government decide whether or not they're going to be able to move forward with a project or legislation or not, we're in a situation where – some of the things that it says is: while revenue sufficient, this was not a revenue-certain option and would create too much volatility for consumers. Well, revenue certainty is what we saw with the transmission and the distribution parts of the equation. The only thing that was good about the revenue certainty was for people like Warren Buffett. It was not valuable or beneficial to the regular Albertan. It wasn't beneficial to me or to my family as we watched these transmission and distribution charges go from, you know, 20 per cent of your bill to 50 per cent of your bill.

Look, I have no problems with the government taking a look and saying: what is the problem, and how do we fix it? That's what the government is supposed to be doing. But in this situation all I saw was them taking the part of the equation that actually has been working, which is driving down the price of the retail side, and changing the part that actually worked to the part that hasn't worked. In the transmission and the distribution parts of it we've seen substantial increases in those costs. If that's the case, Madam Speaker, I have no idea why the government would not take a look at, again, the best practices and find out how to fix those transmission and distribution parts. Instead, what we see is a meddling in the area where we've seen success.

The other part that I thought was interesting in terms of, you know, the talking points about why this was valuable is that industry, investors, AESO, the Market Surveillance Administrator, and consumer groups asked for the capacity market. Well, of course they did, Madam Speaker. Why wouldn't they ask for it when you're getting a guaranteed 8.7 per cent return on investment? I'm sure they're looking at the distribution of the transmission side and saying: they've got it right; we want that guarantee. No matter what the capacity that they build, they're getting that 8.7 per cent return on investment guaranteed. Well, that is certainty. But why do we want to facilitate that? Why do we want to facilitate foreign profits of the world? I don't understand.

Look, I don't begrudge Warren Buffett for making money, but not on the backs of Albertans, not at the expense of Albertans. We don't have to do that. I'm surprised to see the NDP government, who is supposed to be the champion of the little guy, championing these things for Warren Buffett, the wealthiest man in the world. It doesn't make sense.

Now, I understand why Warren Buffett would invest in this, Madam Speaker. Who wouldn't invest in a guaranteed return on investment? Who wouldn't? I would. But for the NDP government to say that it was a broken system – they didn't finish the sentence. It was a broken system but not the part that they're trying to fix, the part that they're trying to wreck. The retail side was working. We drove the price down.

Now, this concept of certainty – look, if you're going to get into business, it's not certain. You try to be able to do best practices. You try to be able to create efficiencies in your business. You know what? You shouldn't ever allow a business to become too big to fail. This is what it almost seems like with the transmission and distribution sides of the equation for the electricity. You know, Bill 13, I think, is just going in the absolute wrong direction, Madam

Speaker. It is addressing the part of that equation that was already working. Why would you need to upset that part? I'm fully in favour of us addressing the issue of transmission charges going up. I'm fully in favour of us trying to figure out that part of the equation that's not working and that's hurting Albertans.

Are we going in the direction that Ontario did, like the member that just spoke talked about? I would have to say that it looks like we are. I hope that there will be sober second thought on this, Madam Speaker. We do not want to see the same thing that's happening in Ontario. They are driving businesses out for electricity prices, for utility prices. There are lots of other reasons why businesses could get driven out, but for goodness' sake why are they driving them out for utility prices?

This is, in my opinion, a knee-jerk reaction to be able to try to facilitate a broad carbon reduction strategy that they just don't seem to be getting right. Because of that, this is, again, a government of unintended consequences. They go from one mistake to another mistake to another mistake, and the problem is that the people who are actually being hurt by this are regular Albertans, people who are just trying to be able to make ends meet, and the things that I hear from them, Madam Speaker, are: we're being killed by a thousand different cuts; we're being killed by a thousand different cuts.

Now, with the issues that I've talked about here, the other point that I thought was very interesting was when it talks about the fines, fines of up to \$10,000 per day. You know, one thing that I've seen quite evident with this government is them picking winners and losers. If there's a retail area, a company that is not playing the game the way they want them to, they can slap fines on them, and it can be punitive to the point where they can drive them out of business.

9:20

What's sad about this, like I said – I've said this a few times in this House – is that this government is responsible for the loss of \$36 billion of investment leaving this province in the first two years and, you know, more in the last year, quoting the Conference Board of Canada, \$36 billion driven out. You know why they're being driven out, Madam Speaker? They're being driven out because businesses need to see certainty in terms of the rules. They need to be able to say: "These are the rules of the game. If I apply those rules, I have the ability to be able to provide for my shareholders a good return on investment as something that could work." Yet what's happened with this government is that they change it. They changed the rules in the middle of the game. It scares away investors so that the investors don't want to come back.

Now, I don't know if this is an actual term, but this is what I would call policy shock, when you have policies that happen so quickly and policies that are so detrimental to industry or to businesses. Then those businesses are in such shock that they say: "No. We can't continue on. We can't continue to do what we're doing. We have no faith in this jurisdiction to be able to provide a return on investment. We need to leave. We need to take our capital elsewhere." Then you have capital fleeing this province.

Then I hear comments from the members opposite: well, why are they leaving? Well, they're leaving because you're changing the rules of the game in mid game. They don't want to see that. They want to be able to know that, hey, if they apply the rules of the game and you establish those things, then they can do all right. That's why we saw that for a 10-year period during Ralph Klein's day, and whether you like him or you don't like him, the truth is that in a 10-year period there was more foreign investment coming into Alberta than Quebec and Ontario combined.

Why is that? That was because of good policies, Madam Speaker. That was because the policies that the government at the time was

establishing created something that we called the Alberta advantage. The trickle-down effect of that Alberta advantage was that foreign investment came in at such a speed that we had almost a hundred thousand people moving into this province each year, the size of Lethbridge. Obviously, that's going to affect problems in terms of being able to keep up with infrastructure. Often we hear from the members opposite that, no, there was an infrastructure deficit. Well, of course there was an infrastructure deficit. There was an infrastructure deficit because you had a hundred thousand people moving in.

**The Deputy Speaker:** Questions or comments under Standing Order 29(2)(a)? The hon. Minister of Transportation.

**Mr. Mason:** Thank you very much, Madam Speaker. Well, the hon. member opposite in his comments indicated that \$36 billion of investment was lost by this government, he said, over the first two years, and he cited the Conference Board of Canada as the source. Now, I don't remember the Conference Board of Canada saying any such thing.

It's certainly true that investment has ebbed as a result of historically low oil prices and a view in the industry that with the advent of new technologies, namely hydraulic fracturing, and major new plays, for example the Midland play in Texas, there are far more profitable areas for them to invest their capital because the costs are so much lower and it's so much easier to extract the oil and it's not heavy oil so it doesn't need upgrading, all of which makes it considerably cheaper and easier to access. So there has been a change in investment patterns and flows as the capital moves towards new areas of investment, where they can get a quicker return, faster turnover on their capital. That, combined with the sustained relatively low prices over several years, has led to some industry decisions with respect to where the capital will be invested. That, Madam Speaker, has nothing to do with the policies of our government despite the best efforts of the opposition to pin these historic shifts in the investment pattern on some of the policies of this government.

I guess I would like to challenge the hon. member to provide the evidence for his citation that the Conference Board of Canada laid a \$36 billion drop in investment at the feet of the policies of this government. If he can't produce that, Madam Speaker, then I'm going to ask him to withdraw those remarks and apologize.

**The Deputy Speaker:** Cardston-Taber-Warner.

**Mr. Hunter:** Thank you, Madam Speaker. The reality is that the Conference Board of Canada – and I will be willing to submit that and table that in the coming days so that the hon. member can read it himself.

Here are two points that I wanted to make on this. One is that the Conference Board of Canada said that \$36 billion of foreign investment has left. I will table that information. The hon. member is correct. There are changes in technology that have also affected where capital flows; however, we have a situation where that is only one portion of the problem. When I've talked to members from the industry, they have said that policies that this government continues to heap upon them are driving them out of this province. Now, if the truth hurts, you've got to look in the mirror, and you've got to be able to say: "You know what? We're doing something we shouldn't be doing."

That is something that I hoped that the members – you know what? Look, you can point your finger and say that it's this or it's that or whatever, but at some point you've got to start asking yourself: "You know what? These other oil and gas producing jurisdictions are doing well." We have a situation where in this

province just red tape alone causes these companies to leave. When it takes us 10 times as long to be able to sink a well in this province versus what it does in Texas, obviously they're going to go where they can actually get into the ground and start making money more quickly. What the member is saying is that these things don't matter.

**The Deputy Speaker:** Any other members wishing to speak to the bill? The hon. Member for Airdrie.

**Mrs. Pitt:** Thank you, Madam Speaker. It's an honour to rise today to speak to Bill 13, what is called An Act to Secure Alberta's Electricity Future. One might say that it may also be an attempt by this NDP government to fix the thing that they meddled in and messed up so poorly. But, alas, we are here today dealing with this bill, which will essentially make electricity more expensive for consumers. This bill in and of itself is extremely thick. We have had it for a few days here and had some time to go through it and consult with various stakeholders and industry, get some feedback on what they think. It's an extensive piece of legislation here that truly does contain quite a bit of information, you know, for example, to develop some policy framework to allow Albertans to generate their own electricity from renewables, alternative sources.

9:30

One might suggest that Albertans would want to have their say, particularly in regard to that. I think that the government would also particularly like to hear from those that might have some thoughts and opinions on what that might actually mean to them and for them. You know, perhaps it's an extremely positive thing for the people of Alberta. But I'm sure that they would like to provide some input so that they can, you know, feel like the government is listening to them and giving them what they want and what exactly they need.

Sometimes I think, in particular, that government can really, truly miss the mark for whatever reason that might be in actually providing what it is that the people are looking for, Madam Speaker. That can mean various sorts of things, and I wouldn't pretend to know what those are standing here today, but I would certainly like to hear what those are. I think that there is an opportunity to do so in a committee sense, where we can allow Albertans to participate in democracy and have something that they want in their communities come out of this bill; not only that, but for Albertans to provide input on a piece of legislation that changes our electricity market so significantly.

You know, we've been in a deregulated market for quite some time now, and it's worked quite successfully. In fact, I'd never heard there was a problem with it until the government started suing people and messing things up and telling us that electricity prices were going through the roof. Even their own cap rate was higher than we've seen prices at for such a long time. There are a lot of things that aren't making sense, and I think that there's an opportunity here to help Albertans maybe make some sense of what this NDP government is doing. Committee is certainly the way to do that, to really delve in.

You know, Madam Speaker, I think that the NDP need to have the opportunity to explain to Albertans, too, what was really wrong with the electricity market, not after they meddled with it and made a muck but before they meddled with it. Probably, actually, the answer is that there wasn't anything wrong until they started messing with it. I could be wrong. I think that that would be something that definitely could come out of committee.

I would like to move an amendment as such. I'll just wait until you have a copy, Madam Speaker.



**The Deputy Speaker:** Go ahead, hon. member.

**Mrs. Pitt:** Thank you, Madam Speaker. I move that the motion for second reading of Bill 13, An Act to Secure Alberta's Electricity Future, be amended by deleting all of the words after "that" and substituting the following: "Bill 13, An Act to Secure Alberta's Electricity Future be not now read a second time but that the subject matter of the bill be referred to the Standing Committee on Alberta's Economic Future in accordance with Standing Order 74.2."

Madam Speaker, as I had mentioned prior to moving this amendment, this is a massive piece of legislation that in its physical form is quite large, but also it's a significant change to the way that electricity is delivered here in Alberta. There is a need for members in this House to thoroughly debate and provide advice and feedback to this Legislature and to this government on the various components that exist inside of this bill.

The Standing Committee on Alberta's Economic Future in particular has the resources and the abilities inside the committee to bring in our stakeholders, AESO in particular. Sure, yeah, we can give them a call, Madam Speaker. I don't have an ability to record that call, with all the questions that I have, and to post it on the Internet and hope that people tune in and hear that. But we would certainly appreciate an opportunity in a legislative committee to invite our stakeholders – generators, AESO, the Market Surveillance Administrator, investors, and consumer groups – to come and participate in the debate. I mean, there's just so much – right? – from changing from a deregulated market to a capacity market to having components that allow Albertans to generate their own electricity from renewables and alternative sources.

Madam Speaker, I don't know what that looks like. I don't know what the government has in mind. I'm sure that they've consulted with Albertans and that Albertans have given them advice, perhaps. I don't know. I would assume so. This government doesn't have a great history of consultation, so the Official Opposition is allowing the government an opportunity to ensure that they do right by Albertans by making sure that they've thoroughly done the consultation and done their homework and done their research.

I mean, Madam Speaker, there wasn't anything wrong with our electricity until the NDP increased the carbon tax on large emitters. Maybe they don't know that. I don't know. I think they probably do, and I think that's probably why we're in the situation that we're in.

I would like to hear from AESO in particular. I think that this could be done quickly and efficiently here, certainly over the summer. Before the end of summer this could very likely be wrapped up. I mean, this is a huge change.

Madam Speaker, I would probably argue that when and/or if there were to be a change back to a deregulated market from a capacity market at a future date, the NDP themselves would move an amendment to refer to a committee and do some homework and do some research and, you know, allow the government then to participate in proper consultation and that type of thing. I would probably be safe to assume that's what the NDP Official Opposition would do, this of course being after 2019. Maybe that's generous. I don't know.

Madam Speaker, I don't know everything. I'm not going to pretend to know everything. I'm not an expert on electricity generation or delivery – I'm really not – so I would certainly welcome the opportunity to participate in the Standing Committee on Alberta's Economic Future to hear and to learn and to be able to involve my constituents. The people of Airdrie are extremely concerned about rising prices from this NDP government and quite frequently let me know that they're really concerned about the

rising prices from this government. We do know that NDP governments right across the country haven't really done anything but make life more expensive for Canadians across the country. I mean, they're certainly concerned right now because this government in particular has such a close tie with the Kathleen Wynne government in Ontario and the boondoggle mess that her government has created there. They would absolutely be concerned about what their cousin party in Alberta would be doing with our electricity markets as well.

**9:40**

Madam Speaker, I need to allow my constituents the opportunity to hear why this government is doing what they're doing and how they can ensure my constituents that prices aren't going to go through the roof like they have in Ontario, where people are paying more in their monthly utility bills than on their mortgage and their grocery bills combined. We've seen desperate pleas from residents in Ontario because it's so unaffordable to just keep their lights on and in the hot, hot summers that Ontario has to just try to keep it cool a little bit.

I don't want my constituents to not be able to afford to keep the baby monitor on, Madam Speaker, or anything else in their home that they're used to and that they need. I need to be able to put my constituents' minds at ease, and this can certainly be done through the legislative committee. I'm hoping the government will agree that this is an important piece of this puzzle, of this large piece of legislation, that indicates significant changes to Alberta's electricity market in the way it has been and in the way that they're proposing it to be, you know, before they pass this. It's the right thing to do.

I know, Madam Speaker, that this government has learned a lot of lessons over the last three years about consultation and how it annoys Albertans if they don't really do it. But this time they're going to get it right. I know they're going to pass this amendment because it makes sense, it's the right thing to do, and Albertans want to have their say on this bill.

Thank you.

**The Deputy Speaker:** Questions or comments under Standing Order 29(2)(a)?

Seeing none, any other members wishing to speak to the amendment? The hon. Member for Calgary-Foothills.

**Mr. Panda:** Thank you, Madam Speaker, for the opportunity to speak to the amendment to refer Bill 13, An Act to Secure Alberta's Electricity Future, to the legislative Standing Committee on Alberta's Economic Future. I would like to thank my colleague from Airdrie for moving this referral amendment because there is a good reason to do that, and I'll explain why. In my estimation it is essential that Bill 13 be sent to a committee for examination.

Now, we need a public hearing on this bill, Madam Speaker. We need the experts to come in and testify on this bill. Electricity law is perhaps some of the most complex law to understand. As soon as you bring in some of those complex mathematical equations, a person starts getting lost. My good friend the Member for Calgary-Mountain View, I mean, who happens to be their green left best friend, even said that it's very complex. He also said that he doesn't understand why they brought it. He said that we can't afford at this time to subsidize renewables. He is the Liberal member. He said that the Alberta NDP is going down the same rabbit hole that the Ontario Liberals have gone down, which made life hard and made life expensive and, to say the least, miserable for Ontarians. I have lots of friends there who've told me the pain they have gone through and are still going through.

That's why, Madam Speaker, we need experts to come in and testify on this bill. We all need to understand what the implications of Bill 13 mean in regular, everyday, ordinary language because it's very complex. Firstly, we need the Alberta Electric System Operator, better known as AESO or, in the legislation, as the Independent System Operator, ISO. The Member for Airdrie spoke about different stakeholders, so I just want to give a little bit of detailed explanation on: who are all these stakeholders, what are their roles, and why do we need to consult them? The AESO recommended a capacity market, and Bill 13 gives complete power to AESO to design this capacity market, both the provisional rules to get the capacity market up and running and the final rules after it is. The Legislature is being asked to trust the NDP government and give up all the powers to design the market to AESO, and the minister will be following AESO's recommendation for the regulations. That's why we need to hear from AESO.

Now, once AESO brings in rules for the capacity market, the Alberta Utilities Commission, AUC, will be asked to approve those rules. We need to hear from AUC as to how they will go about approving those rules. This is the most fundamental shakeup in the electricity system since the 1990s, Madam Speaker. We need to hear from the AUC on Bill 13.

Next we need to hear from the Market Surveillance Administrator. The MSA is the watchdog ensuring that people are not trying to game the electricity market to spike the prices and gouge customers by being greedy. The Market Surveillance Administrator recommended the capacity market. I think we need to hear from the MSA in person.

Madam Speaker, we also need to understand the relationship between the MSA and the AESO and the AUC going forward. Will the MSA have powers over the AESO, and can the AUC rein in the MSA and the AESO? These are all important questions.

Regular people, like the Member for Calgary-Mountain View explained, like my wife, for example, don't understand. She keeps saying that when we talk about all these acronyms – ISO, AESO, MSA, AUC – she doesn't understand. So I had to go in a simple way, like, using some common mythological language, for her to understand the story, a bit like AESO is the Creator, for example; in her faith it is Brahma. And the MSA is the Preserver; she understands Vishnu as the Preserver. And the AUC is the Destroyer, like Shiva. That's how I had to explain that, because it's very complex.

**Mrs. Aheer:** It's a soap opera.

**Mr. Panda:** Yeah. I had to use different language to my constituents when they call my office or when I door-knock.

Smart people also don't understand because they're not paying attention. They only look at the bills, and when the electricity prices are so high, they start paying attention. Why we got there, how we can fix it: those are now the questions they're asking.

Anyway, Madam Speaker, who else do we need to hear from in a committee? Between the AESO, the AUC, and the MSA we need to call in the generators as well because they are another major stakeholder. For example, Enmax will be an excellent witness. Not only do they own generation assets, including green power; Enmax owns transmission and distribution, which gives Enmax a unique view on the entire electrical system. Enmax was also battling this government over the power purchase agreement debacle and reached a settlement.

We also need to hear from Capital Power, another major generator. As the owner or the co-owner of 4 out of the 6 coal-fired generating units the NDP have decided to shut down sooner, Capital Power will be in a unique position to answer whether or not the

capacity market was needed before or after the NDP coal phase-out, that is costing over \$1.3 billion. Capital Power also won the renewable electricity program auction, auction 1, for 201.6 megawatts to be installed near Medicine Hat. Most of the people don't even know that. There will be much insight to be had from Capital Power on renewables inside the capacity market.

**9:50**

Next we need to hear from TransAlta. As the co-owner of four of the coal-fired generating stations the NDP plan to scuttle and eight of the units federally mandated to shut down, TransAlta will know the score, whether or not we need a capacity market. TransAlta has much experience in renewables also, Madam Speaker.

The other one is ATCO, previously Canadian Utilities. ATCO has three coal-fired units being shut down by the federal coal phase-out and two partially owned units. The NDP has accelerated their phase-out, Madam Speaker. ATCO will certainly have an opinion on whether or not that capacity market is needed and whether Bill 13 is the correct means to make that happen.

We also need to hear from the winners of the renewable electricity program, auction 1. Now, the NDP indicate REP 1 contractors will not be in the capacity market. Maybe they should be, Madam Speaker. Let's talk to them and find out why they're excluded and whether or not they should be in the capacity market.

EDP Renewables Canada Limited is a subsidiary of EDPR. Let's bring them in and hear about the Sharp Hills wind farm near Oyen that will generate 248.4 megawatts, Madam Speaker. EDPR is a global green energy company traded on the stock market in Europe, and they have installed capacity in North America, Spain, and Portugal. It's a Portuguese company, actually. They also have a minor stake in Brazil as well. That's another stakeholder we need to bring in.

Enel Green Power Canada Inc. also won renewables for electricity program auction 1 for two projects, 115 megawatts near Pincher Creek and 30.6 megawatts also near Pincher Creek. Enel Green Power Canada will be able to provide insight into the transmission line build-out that AESO has ordered up in the Oldman River valley. Enel is a subsidiary of a multinational Italian company, Madam Speaker, and they have some operating plants in South America, Europe, India, and South Africa.

You see, Madam Speaker, we have all kinds of people we need to hear from to get advice on Bill 13. We need to hear from the experts who know if electricity on provincial interties can be subject to capacity payments. Does B.C. Hydro site C qualify if it has its own intertie? These are the big questions we need to understand.

Most importantly, after the experts we need to hear from Albertans as well. We need the feedback from regular Albertans in the field who may know something about the capacity markets. Maybe we'll hear that we need this. Maybe we'll hear that Bill 13 will not do what it is supposed to do. Maybe we'll hear that the NDP is right with Bill 13, but let's hear from them. Maybe they'll say that the NDP is wrong, very, very, very wrong. We don't know what they're going to say unless we hear them.

Because we believe the NDP has raised the electricity prices and will continue to raise the electricity prices, Madam Speaker, I trust I have made my case for referring Bill 13 to the legislative Standing Committee on Alberta's Economic Future. I look forward to the debate on this topic.

Thank you.

**The Deputy Speaker:** Questions or comments under Standing Order 29(2)(a)? Cardston-Taber-Warner.

**Mr. Hunter:** Thank you, Madam Speaker. The definition of stakeholder: a person with an interest or concern in something. I was very interested to hear the Member for Calgary-Foothills talk about the different stakeholders. What I would like to know: in his opinion, the value to hearing the stakeholder, in this situation the consumer of electricity, the regular Albertan, the people on fixed incomes, the newlyweds, the young families going to university, the student trying to just make ends meet. I'd like to hear from him: what is the value to being able to have that stakeholder be able to give witness to the devastation that these types of policies will provide for them in their own personal lives?

Look, I think the equation here is important to get right. We need to make sure that those people who have put capital into this as a business are heard. But I am worried about making sure that individual Albertans also get heard, Madam Speaker, because in this equation you've got the supplier of electricity and the consumer of electricity. You know, they create the supply and demand, which is supposed to be able to determine what the equilibrium price is.

But in this situation, again back to this Bill 13, it seems like the government is only addressing what the businesses want, which is certainty. I can imagine businesses coming in and saying: "You know what? We're very happy to be able to get this kind of certainty. It's great to be able to lock in a price. It's great to be able to build something and not have to be able to provide electricity. We just get to be able to make money just because we've created capacity." But what about the cost increases for the regular Albertan – how is that going to affect them? – and being able to have credible witness from them saying: you know, this is really going to affect me materially. I'd like to know from the Member for Calgary-Foothills what he feels is the value of that kind of feedback from the consumer.

**Mr. Panda:** Madam Speaker, the reason I'm supporting this referral amendment is to strengthen this legislation. Like, the previous speaker spoke about the unintended consequences. I saw a pattern here. I picked up this file very recently, and then ever since I've consulted so many stakeholders. It's really complex. Even for someone like me with a technical background, it's spinning my head. The more I dig in, the more I realize it's very complex.

The regular Albertans that the Member for Cardston-Taber-Warner mentioned, it's for them – you know, they may think that the government is protecting the price for them, but how do they protect? I mean, it's going to cost more to generate electricity, to transmit, to retail, and to supply. But if it is costing actually 10 cents a kilowatt hour and if we are saying that we're protecting them by capping it at 6.8, someone else is paying. The young couples he's talking about may not be paying, but their parents, their neighbours, other Albertans, who are the taxpayers, are paying to subsidize the consumer, who is the ratepayer.

Like I said, even the Member for Calgary-Mountain View, who is generally very supportive of this government, said that this is unnecessary because this government got into this mess by bringing in their ideological policy of early coal phase-out. The government says that the federal government, the Harper government, wanted to do it. They wanted to do it in 2030.

10:00

**The Deputy Speaker:** Any other members wishing to speak to the amendment? The hon. Minister of Energy.

**Ms McCuaig-Boyd:** Thank you, Madam Speaker. First of all, I am standing up to speak against this amendment. I wanted to point out that there have indeed been consultations. I sat personally in on a day, on March 15, where we had 96 organizations pull together.

They all came to McDougall Centre, 140 representatives. They were mainly CEOs of the companies. We had the Alberta association of municipal districts, now the RMA. We had AUMA. We had the Aboriginal Financial Services Corporation. We had people like the Alberta Federation of Rural Electrification Associations. We had the Alberta-Pacific Forest Industries. We had the Alberta Utilities Commission. We had ATCO. We had ATCO Electric, Canada West Foundation. We had Camrose Energy. I think every company or stakeholder that was named by the opposite member was part of this list: Enbridge, EPCOR, Capital Power, Husky energy, Imperial Oil.

We had all kinds of investors, big generators, distributors, renewable folks. Again, 140 participants, 96 companies were represented, including municipalities. All of this is on the AESO website, so it's easily available, who we met with. In fact, it may have the names. I think this is all redundant, to do this kind of thing, because there has been very thorough stakeholder engagement in all parts of this in designing the capacity market, Madam Speaker, so I speak against this amendment. I think it's been done, and we need to move on.

Thank you.

**The Deputy Speaker:** Under Standing Order 29(2)(a)? Cardston-Taber-Warner.

**Mr. Hunter:** Thank you, Madam Speaker. The question that I just asked the hon. Member for Calgary-Foothills I would also pose to the hon. minister. You know, all of the names that she mentioned: it's important to have that consultation with those people. I didn't hear her once say that they actually opened it up to the public, to regular Albertans, to know what they are going to feel about this. The truth is that right now we are sitting at around 3 cents a kilowatt hour, and moving up to even a cap of 6.8 cents a kilowatt hour is going to double that. This is a cost to Albertans that Albertans are going to have to bear: at what cost to regular Albertans? They are going to be the ones who bear this. It's the taxpayer, it's the ratepayer that is going to have to bear this.

So the question, again, to the minister that I asked the hon. Member for Calgary-Foothills: what consultation have you done with regular Albertans in order to be able to get their feedback on whether they're accepting of these cost increases? Have you shared with them an economic impact study? Have you shared with them what the cost increases are going to be and what they are going to have to bear? You know, I think that that's a very reasonable question to ask.

If that hasn't been done, Madam Speaker, then if we were to send this to committee, it would allow us the opportunity to be able to hear from those credible witnesses and to find out what the material costs are going to be to them. If the minister could answer that question, that would be fantastic.

**Ms McCuaig-Boyd:** Well, as I mentioned, we had the AAMDC, which is now RMA, I believe, and AUMA. Those are elected groups that represent stakeholders in all of Alberta. I think there would be an opportunity for them to check back with their stakeholders. That's what they're elected to do, to represent everyday Albertans, Madam Speaker.

**Mr. Hunter:** Fantastic to hear. They're great organizations. Once again, were they able to represent and get feedback from regular Albertans that are not members of associations or organizations directly affiliated with something like a company that is going to be benefiting from this?

**The Deputy Speaker:** Any other questions or comments under 29(2)(a)?

**Mr. Panda:** I would like to thank the hon. minister for her comments. If she says that she consulted behind the closed door all those stakeholders that I named, what other deals did they make behind closed doors? Why don't they let them come to the legislative committee and through the legislative committee tell regular Albertans what they discussed, what concerns were raised by the stakeholders, and how they plan to mitigate their concerns? That's what the same stakeholders are telling me. They have huge concerns about this bill.

Madam Speaker, this government has a record. You know, they said that the settlement with Enmax wouldn't have any impact, and then they have backdoor negotiations and deals done with them, and then they settle the case. But in the process Albertans lost hundreds of millions of dollars. This is not small money, hundreds of millions of dollars, which they proudly say that they're spending on infrastructure projects to help Albertans. All that money they blew could have been used for those infrastructure projects. But they don't tell me. We asked so many times in this House how much it costs, whether these coal phase-out settlements accelerated the coal phase-out.

You can blame the Harper government, but the Harper government would have phased it out later, would have let that run through the life cycle. You accelerated it. Then you brought in your carbon tax, which was not campaigned on. Because of that, that triggered the dump of PPAs. That created the necessity for a capacity market. So all these things they won't explain to regular Albertans. They just bury it in small print somewhere, which regular Albertans don't have time or . . .

**The Deputy Speaker:** Any other members wishing to speak to the amendment? Chestermere-Rocky View.

**Mrs. Aheer:** Thank you, Madam Speaker. Wow. This whole discussion is very reminiscent of bills 27 and 34. Interestingly, I think that as we put these puzzle pieces together, we kind of are seeing the mandate or the puzzle come together of what it was that the government was intending at that time and what the fallout is. A lot of this legislation is happening as a result of those two bills. I'm going to be discussing the amendment, obviously, but in order to put it into context, I will also be bringing up aspects of bills 34 and 27 to explain where I'm coming from.

Just to bring up the language of the Minister of Energy, I believe she said "cognitive dissonance." That's interesting. The government has forced unpredictable renewable electricity on Albertans with little forethought of the cost and implications on the taxpayer and the ratepayer, the same person, down the road. Their actions are driven by ideology. I'm not sure. They keep saying that it's in the best interest of Albertans, but I don't quite understand it.

I would like to thank the minister for meeting with 96 organizations and 140 reps. As I understand it, you said that it was on the 15th, a particular day. That's a lot of people to meet in one day. I don't know if you'd call that a consultation or a group meeting. Anyway, I know that my colleague from Calgary-Foothills has spent months meeting with people. It's a significantly different level of consultation, I would suggest, but that's just me.

The Minister of Energy had spoken in the past about ensuring reliable electricity and then went on to blame the previous government and industries about sweetheart provisions and how they had failed to provide the necessary tools for the Balancing Pool and to manage the potential losses for this roller coaster. The minister kept repeating that the PPA costs were being loaded onto

the consumers. Well, I would actually like to speak about the truth and the cost of electricity. Actually, the Member for Cardston-Taber-Warner did a very good job of explaining, especially when it came to the retail piece of this.

**10:10**

Madam Speaker, you could pretend to protect the ratepayer by capping the cost and falsely leading Albertans to believe that we are paying for our usage, misleading Albertans under the smoke and mirrors of a cap that we are paying for our usage. You can't just pretend to try and cover up the costs and say: "Well, you have to pay for it one day. Oh, well." You're pretending to protect people, absolutely pretending to protect people. You say, like: "We're just going to cover it for you. That's what the government is going to do. We're going to cover the cost for you. You don't have to pay for anything." The taxpayer does, and the government triggered this whole shemuzzle, the entire thing.

Let's go back a little. I mean, this is incredibly irresponsible, and now the Minister of Finance can, with the recommendation of the Energy minister, loan money to the Balancing Pool. So let's take a look at this. The government can make loans to the Balancing Pool and then guarantee the obligations to the Balancing Pool with no accountability, no transparency, and no public way to explain where that funding went, a blank cheque. A blank cheque.

Now, let's go into this a little bit more. Let's talk about the Balancing Pool. The Balancing Pool did have a way of taking care of their losses. Those were on the consumer bills, and they were called rate riders, the charges and refunds. Now, let me reiterate, too, that the refunds over the years have added up to \$3 billion, Madam Speaker, \$3 billion. That's what the rate rider does. Those were already there, and interestingly enough the average Albertan, as convoluted and complex as the electricity bill looks, could see the line item of where that was. We have zero utility debt in this province at this point. Interesting.

So we have charges, yes, and there were some times where you had to pay more, but there were also many times where you had to pay less. Those rate riders covered that. They were approved to be used or collected or reimbursed by the regulated market, and that regulated market used the regulated rate of transmission and the distribution utility. Based on that, they can forecast it. It's very transparent.

There's another situation here. I mean, the combination of a system that phased out coal-fired power and introduced wind power – this time frame is too tight, and it has caused absolute chaos, Madam Speaker, for the electricity market and destabilized it to a point that the government now needs to frantically try and step in and put those pieces back together that they broke in the first place.

I agree with the Member for Cardston-Taber-Warner. There were pieces of this that were broken. You decided to break the part that was already working. Madam Speaker, how is that possible? There were definitely things and issues that needed to be looked at, no doubt. The Member for Cardston-Taber-Warner already went into that. But why would the government take the piece of it that was already working and working efficiently, break that wide open, cause this immense chaos, humongous charges that are going to come and be downloaded onto the taxpayer, that they're supposedly protecting, and then blame it on supposed sweetheart deals that happened in the past?

Now, the minister is meeting with corporations and groups and everything like that but isn't willing to use our referral amendment to go in front of committee and transparently explain to Albertans why it is that this capacity market is supposedly so fantastic. What a wonderful opportunity for the minister to actually show Albertans

why this would work. I could be wrong. Let's do it. Let's get together. Let's figure it out. But no, no, no. We're just supposed to acknowledge that all of these people were met on one day and that that's a consultation, and therefore everything is just wonderful.

Unfortunately, though, the costs associated with the changeover to the capacity market and the conversion to natural gas and renewables are significant, and while the government says that it intends to restabilize the market, in actuality, Madam Speaker, the government has spent billions of dollars, billions of hard-earned taxpayer dollars, to fix their mistake. There is nothing stable about that. Again, you can pretend to protect Albertans under the mystique of a cap. Nobody is buying it. Nobody is buying it. It doesn't work in Ontario. [interjection] Oh, yeah, somebody is making money off it, but it's certainly not Albertans.

You know, I'd like to continue on here. The rate riders, just to go back to rate riders, needed to actually be approved by the system. There are experts in the field, and they were the ones that would approve the rate. The Balancing Pool once upon a time was an independent body. Interestingly enough – I don't know if you remember this; this is a little blast from the past – many of those board members resigned en masse because of political interference, Madam Speaker. That's what happened as a result of Bill 34. That's what happened. Interestingly enough, Bill 27 took away the powers of the Market Surveillance Administrator but only on renewables. We'll get into that a little bit later.

Very interesting. You can see these puzzle pieces getting put together. Very disturbing. You don't have to be a specialist in electricity to start adding up the pieces to find out where this government is going. One mistake after another after another after another, and we end up with legislation like this to try and put together this broken mistake that has happened, this debacle, and then more ways to hide it, more ways to hide it from Albertans.

We had the Balancing Pool as an independent body, and we are going to, on this side of the House, stand up against the writing of that blank cheque. These are taxpayer dollars. These are not government dollars.

This is the interesting part, too. You know, the government, with the rate riders, actually, had immense transparency to our ratepayers because they would understand the full cost of electricity. What is the government afraid of? If you want to do this capacity market, Madam Speaker, show us the money. Show us where it's going. Show Albertans what you're doing. Do not hide it underneath a 6.8-cent cap, pretending to protect Albertans, when we know that those dollars and those taxes are going to get spread out across the board in a thousand different other ways and will impact Albertans and their pocketbooks. They're already starting to see the difference.

The government is misleading Albertans, Madam Speaker. The Balancing Pool can recover its costs, and Bill 34 – this is the most interesting part and the most interesting part that actually leads to this bill – removed the checks and balances. That is this government's legacy, removing the things that actually protect Albertans. That's what this is about. You can't hide it in a cap. It's not possible. Everything will come out. It might not come out while this government is in power, but the truth will come out.

Once we start seeing those bills and not understanding – I'm sorry, but Albertans are intelligent and savvy. They're going to understand what's going on. Initially it might look okay with rebates and all this other kind of stuff, and then it's going to start to hit them in their pocketbooks, and, whoa, we're in trouble. We're in trouble, Houston.

Bill 13 shows us where the government was going with this. You know, it's funny. When we were debating bills 34 and 27 – and those were some late, late night debates – we knew, we could feel

that there was something on the horizon, and here we are. I mean, we were concerned about wide-sweeping and irresponsible changes and no limit on spending to backstop the Balancing Pool. Can somebody on the government side please explain this to me? Please. How is it that you can justify spending taxpayer dollars to backstop the Balancing Pool? Once upon a time it actually had excess money, \$700 million to be exact, which went out the door real quickly, Madam Speaker, the minute that this capacity market came on the docket. What happened to those dollars, Minister?

**10:20**

And the debacle continues. I mean, Bill 34 was senseless, absolutely senseless. If you looked at the rate riders, there was only a difference of one or two dollars. There was absolutely no need to do this, but, no, the government decided to do this, and now we can see the fallout and the motive, and now this legislation has to happen. So the government created uncertainty. Then it blamed the market, like it was the market's fault that their renewables scheme wasn't working.

I hope we all understand in this House that low-priced power equals economic growth. Almost 80 per cent of our grid, Madam Speaker, is industrial, and those low prices are key to investment in this province, absolutely key in this province, especially for the job creators, which, my understanding was, this government actually cared about.

Now, the government also talked about how there wasn't any new investment. Well, actually, there was new investment, which also brought on a needed and large reserve margin. That large reserve margin is exactly what we need for spikes or anything that happens within the grid, especially for the industry, especially in this province, Madam Speaker. I mean, why attack the wholesalers, the retailers? Oh, I know. They responded to a few large corporations who did not like the low prices, right? Isn't that interesting? Something that they're always riding this side about, that government is involved. The government decided to choose to side with a few small corporations that didn't like the low prices, and instead they decided to tax these people, that they're sent here to represent, under the smoke and mirrors of a 6.8-cent cap.

**The Deputy Speaker:** Under Standing Order 29(2)(a), Cardston-Taber-Warner.

**Mr. Hunter:** Thank you, Madam Speaker. I appreciate the comments by the Member for Chestermere-Rocky View because she did a very good job of being able to show the timeline of how we got to this point. I actually think that that's extremely important in order for us, again, to be able to see kind of the broad view of what's happening in this market.

One of the things that I was thinking about as the member was speaking – and she got me really thinking about this – was because she was talking about, I guess, motive for why the government is doing this, you know, kind of giving the top 1 per cent of the rich people in this province help, which they always seem to keep on saying that we do. But, in reality, what they're doing is that they're helping a few corporations to be able to maximize profits because there's going to be a guaranteed return on investment.

I was going to ask this question. In terms of the renewables I watched one day when the wind was at about 4 per cent of capacity, so I think that they produced about 4 per cent of the capacity on this one given day. Yet under this bill creating this capacity market, it would actually pay the wind companies the full amount versus the 4 per cent that they actually only produced. So if they had a hundred per cent of their capacity and they're still only producing 4 per cent, the model didn't work.

I asked a person that actually had the largest wind farm in Alberta. I said, "How did you do it?" and they said: "You know what? The only way we could do it was if we sold carbon credits to California." Now, this was, again, not underneath this government, but it indicated to me that the technology is not where it needs to be yet.

So there's a big push for renewables. It'd be great. Again, I've said it many times: I love renewables. But always the problem is that it just doesn't make sense. I have to also be able to weigh the idea of how good renewables are versus the cost of them. The wind at only 4 per cent of capacity is now, under this bill, going to get paid the extra 96 per cent for just having capacity. My question to the member is: how is this not going to create an increased cost to Albertans?

**The Deputy Speaker:** The hon. member.

**Mrs. Aheer:** Thank you, Madam Speaker. I think I was asked the question. Thank you. Actually, to answer, I have some interesting information. I was mentioning this in question period today. Today we were at 3.1 cents per unit, and the government subsidized anything before 3.7. The interesting thing, though, is that the wind today is at a whopping 2.5 per cent of generation, so that's 227 megawatts out of a possible 8,801. That's the rate today. This is really quite interesting, because if you look at that capacity, if the government is subsidizing 100 per cent of that on a day that produced 2.5 per cent, yikes.

You were asking me about how that would impact people. Well, the capacity market, Madam Speaker, will be reflected in higher power bills for the consumer. Since the government has put in the 6.8-cent kilowatt cap – this is the part – the government is going to subsidize your power bill should the power prices rise above. It's smoke and mirrors. It's going to look like you're not paying more. I mean, we were just talking today about what it will cost an average Albertan to pay back their debt, and now we're loading them with this, too, for our future.

I mean, I can't begin to explain how much I love renewables. I completely love them. But the secrecy and the speed by which they're being implemented – it's so costly, Madam Speaker. You know, I can't speak to wind, but the price of solar has been reduced by half since 2011. The market is deciding, and instead of the government looking at the market and allowing the market to decide, they decided to get their fingers into the part that was actually working.

**The Deputy Speaker:** Any other members wishing to speak to the amendment? The hon. Minister of Indigenous Relations.

**Mr. Feehan:** Thank you, Madam Speaker. I would just like to move that we adjourn debate at this time.

[Motion to adjourn debate carried]

### **Bill 17 Tax Statutes Amendment Act, 2018**

**The Deputy Speaker:** The hon. Minister of Finance.

**Mr. Ceci:** Thank you very much, Madam Speaker. I'm pleased to move second reading of Bill 17, the Tax Statutes Amendment Act, 2018.

As I mentioned during the introduction of this legislation, Alberta's tax laws are typically reviewed on an annual basis and amended as required. This process ensures that government policy decisions are implemented and the integrity of our tax system is

maintained. The proposed amendments impact two pieces of legislation, the Alberta Corporate Tax Act and the Alberta Personal Income Tax Act. As indicated at first reading, these amendments maintain consistency between provincial and federal tax legislation. They align provincial legislation with current administrative practices, they address technical deficiencies in the legislation, and they repeal expired provisions.

I'll begin by outlining the proposed changes to the Alberta Corporate Tax Act. With regard to electronic communications over the years Alberta's corporate tax system has moved to reflect the growing use of electronic communications by allowing Alberta's corporate tax administrators to send and receive certain pieces of information electronically. One proposed change through Bill 17 would continue to expand on this ability. Specifically, electronic communications could now be used to send companies notifications that they must file a tax return or provide information necessary to administer the legislation.

**10:30**

This change will only impact taxpayers who currently communicate electronically or those who indicate their preference for electronic communications. Currently the minister may only demand that a corporation file a tax return or provide information necessary to administer the act by serving this demand personally or by registered mail. This change will modernize the Alberta Corporate Tax Act and improve administrative efficiency.

With regard to insurance underwriting, Alberta's general practice is to parallel the federal definition of corporate taxable income. This practice helps keep tax compliance costs low for corporations and administrative costs low for government. The 2017 federal budget announced that starting in 2019, the government of Canada will eliminate the special corporate tax exemption that income insurance companies earn from underwriting farming or fishing properties. The exemption was introduced in 1954 to encourage the provision of insurance in rural districts. The federal government has indicated that this special exemption is no longer needed as Canada's financial sector is best positioned to effectively underwrite the risks associated with farming and fishing properties.

Amending Alberta's corporate tax legislation to parallel this federal change will maintain Alberta's practice of adopting the federal definition of taxable income and will help keep tax compliance and administrative costs low. The amendments also ensure that Alberta's tax treatment for insurance companies is aligned with all other provinces.

Now I'll move on to the proposed changes to the Alberta Personal Income Tax Act. With regard to infirm dependants and caregiver credits through Bill 17 other personal income tax changes are being undertaken as a result of recent federal legislative changes. We are making sure that these federal changes do not impact Alberta's infirm dependant and caregiver credits by putting the underlying rules directly into provincial legislation rather than referencing the federal Income Tax Act. These amendments do not change credit entitlements or who qualifies. Rather, they simply ensure that the underlying legislation supports Alberta's existing policy and the way the credits are administered.

With regard to the climate leadership adjustment rebate the proposed amendment would also clarify that income earned by minors is not included when determining a family's Alberta climate leadership adjustment rebate. This is how the Canada Revenue Agency has always administered the rebate, so it will not impact the rebates these families receive. This change is simply a technical change that aligns our legislation with how the rebate is actually administered.

Lastly, with regard to electoral financing changes the last changes I'd like to explain are housekeeping amendments to both the Alberta Corporate Tax Act and the Alberta Personal Income Tax Act that reflect recent electoral financing changes. As trusts are no longer allowed to make political contributions, we are amending the Alberta Person Income Tax Act to clarify that trusts are not allowed to claim the political contributions tax credit. We are also repealing the political contribution tax credit section from the Alberta Corporate Tax Act since corporations are also no longer allowed to make political contributions.

Finally, the Senatorial Selection Act expired in 2018, so there is no need for the tax acts to allow for a tax credit for contributions to senatorial candidates.

In closing, Madam Speaker, to recap, this bill will maintain consistency between federal and Alberta legislation, it'll align provincial legislation with administrative practices, it'll address

technical deficiencies, and it will repeal expired provincial provisions.

I would encourage all members of the House to support this bill, and I look forward to debate.

I would like to adjourn debate. Thank you very much, Madam Speaker.

[Motion to adjourn debate carried]

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

**Mr. Feehan:** Thank you. Looking at the time and the work that's been accomplished, I'd like to motion for adjournment until 1:30 tomorrow.

[Motion carried; the Assembly adjourned at 10:35 p.m.]









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