



Province of Alberta

The 30th Legislature
First Session

Alberta Hansard

Wednesday evening, November 6, 2019

Day 40

The Honourable Nathan M. Cooper, Speaker

Legislative Assembly of Alberta
The 30th Legislature

First Session

Cooper, Hon. Nathan M., Olds-Didsbury-Three Hills (UCP), Speaker
Pitt, Angela D., Airdrie-East (UCP), Deputy Speaker and Chair of Committees
Milliken, Nicholas, Calgary-Currie (UCP), Deputy Chair of Committees

Aheer, Hon. Leela Sharon, Chestermere-Strathmore (UCP)
Allard, Tracy L., Grande Prairie (UCP)
Amery, Mickey K., Calgary-Cross (UCP)
Armstrong-Homeniuk, Jackie,
Fort Saskatchewan-Vegreville (UCP)
Barnes, Drew, Cypress-Medicine Hat (UCP)
Bilous, Deron, Edmonton-Beverly-Clareview (NDP),
Official Opposition House Leader
Carson, Jonathon, Edmonton-West Henday (NDP)
Ceci, Joe, Calgary-Buffalo (NDP)
Copping, Hon. Jason C., Calgary-Varsity (UCP)
Dach, Lorne, Edmonton-McClung (NDP)
Dang, Thomas, Edmonton-South (NDP)
Deol, Jasvir, Edmonton-Meadows (NDP)
Dreeshen, Hon. Devin, Innisfail-Sylvan Lake (UCP)
Eggen, David, Edmonton-North West (NDP),
Official Opposition Whip
Ellis, Mike, Calgary-West (UCP),
Government Whip
Feehan, Richard, Edmonton-Rutherford (NDP)
Fir, Hon. Tanya, Calgary-Peigan (UCP)
Ganley, Kathleen T., Calgary-Mountain View (NDP)
Getson, Shane C., Lac Ste. Anne-Parkland (UCP)
Glasgo, Michaela L., Brooks-Medicine Hat (UCP)
Glubish, Hon. Nate, Strathcona-Sherwood Park (UCP)
Goehring, Nicole, Edmonton-Castle Downs (NDP)
Goodridge, Laila, Fort McMurray-Lac La Biche (UCP)
Gotfried, Richard, Calgary-Fish Creek (UCP)
Gray, Christina, Edmonton-Mill Woods (NDP)
Guthrie, Peter F., Airdrie-Cochrane (UCP)
Hanson, David B., Bonnyville-Cold Lake-St. Paul (UCP)
Hoffman, Sarah, Edmonton-Glenora (NDP)
Horner, Nate S., Drumheller-Stettler (UCP)
Hunter, Hon. Grant R., Taber-Warner (UCP)
Irwin, Janis, Edmonton-Highlands-Norwood (NDP),
Official Opposition Deputy Whip
Issik, Whitney, Calgary-Glenmore (UCP)
Jones, Matt, Calgary-South East (UCP)
Kenney, Hon. Jason, PC, Calgary-Lougheed (UCP),
Premier
LaGrange, Hon. Adriana, Red Deer-North (UCP)
Loewen, Todd, Central Peace-Notley (UCP)
Long, Martin M., West Yellowhead (UCP)
Lovely, Jacqueline, Camrose (UCP)
Loyola, Rod, Edmonton-Ellerslie (NDP)
Luan, Hon. Jason, Calgary-Foothills (UCP)
Madu, Hon. Kaycee, Edmonton-South West (UCP)
McIver, Hon. Ric, Calgary-Hays (UCP),
Deputy Government House Leader

Nally, Hon. Dale, Morinville-St. Albert (UCP)
Neudorf, Nathan T., Lethbridge-East (UCP)
Nicolaidis, Hon. Demetrios, Calgary-Bow (UCP)
Nielsen, Christian E., Edmonton-Decore (NDP)
Nixon, Hon. Jason, Rimbey-Rocky Mountain House-Sundre
(UCP), Government House Leader
Nixon, Jeremy P., Calgary-Klein (UCP)
Notley, Rachel, Edmonton-Strathcona (NDP),
Leader of the Official Opposition
Orr, Ronald, Lacombe-Ponoka (UCP)
Pancholi, Rakhi, Edmonton-Whitemud (NDP)
Panda, Hon. Prasad, Calgary-Edgemont (UCP)
Phillips, Shannon, Lethbridge-West (NDP)
Pon, Hon. Josephine, Calgary-Beddington (UCP)
Rehn, Pat, Lesser Slave Lake (UCP)
Reid, Roger W., Livingstone-Macleod (UCP)
Renaud, Marie F., St. Albert (NDP)
Rosin, Miranda D., Banff-Kananaskis (UCP)
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UCP)
Rutherford, Brad, Leduc-Beaumont (UCP)
Sabir, Irfan, Calgary-McCall (NDP)
Savage, Hon. Sonya, Calgary-North West (UCP),
Deputy Government House Leader
Sawhney, Hon. Rajan, Calgary-North East (UCP)
Schmidt, Marlin, Edmonton-Gold Bar (NDP)
Schow, Joseph R., Cardston-Siksika (UCP),
Deputy Government Whip
Schulz, Hon. Rebecca, Calgary-Shaw (UCP)
Schweitzer, Hon. Doug, Calgary-Elbow (UCP),
Deputy Government House Leader
Shandro, Hon. Tyler, Calgary-Acadia (UCP)
Shepherd, David, Edmonton-City Centre (NDP)
Sigurdson, Lori, Edmonton-Riverview (NDP)
Sigurdson, R.J., Highwood (UCP)
Singh, Peter, Calgary-East (UCP)
Smith, Mark W., Drayton Valley-Devon (UCP)
Stephan, Jason, Red Deer-South (UCP)
Sweet, Heather, Edmonton-Manning (NDP),
Official Opposition Deputy House Leader
Toews, Hon. Travis, Grande Prairie-Wapiti (UCP)
Toor, Devinder, Calgary-Falconridge (UCP)
Turton, Searle, Spruce Grove-Stony Plain (UCP)
van Dijken, Glenn, Athabasca-Barrhead-Westlock (UCP)
Walker, Jordan, Sherwood Park (UCP)
Williams, Dan D.A., Peace River (UCP)
Wilson, Hon. Rick D., Maskwacis-Wetaskiwin (UCP)
Yao, Tany, Fort McMurray-Wood Buffalo (UCP)
Yaseen, Muhammad, Calgary-North (UCP)

Party standings:

United Conservative: 63

New Democrat: 24

Officers and Officials of the Legislative Assembly

Shannon Dean, Clerk
Teri Cherkewich, Law Clerk
Stephanie LeBlanc, Clerk Assistant and
Senior Parliamentary Counsel
Trafton Koenig, Parliamentary Counsel

Philip Massolin, Clerk of Committees and
Research Services
Nancy Robert, Research Officer
Janet Schwegel, Managing Editor of
Alberta Hansard

Chris Caughell, Acting Sergeant-at-Arms
Tom Bell, Assistant Sergeant-at-Arms
Paul Link, Assistant Sergeant-at-Arms

Executive Council

Jason Kenney	Premier, President of Executive Council, Minister of Intergovernmental Relations
Leela Aheer	Minister of Culture, Multiculturalism and Status of Women
Jason Copping	Minister of Labour and Immigration
Devin Dreeshen	Minister of Agriculture and Forestry
Tanya Fir	Minister of Economic Development, Trade and Tourism
Nate Glubish	Minister of Service Alberta
Grant Hunter	Associate Minister of Red Tape Reduction
Adriana LaGrange	Minister of Education
Jason Luan	Associate Minister of Mental Health and Addictions
Kaycee Madu	Minister of Municipal Affairs
Ric McIver	Minister of Transportation
Dale Nally	Associate Minister of Natural Gas
Demetrios Nicolaides	Minister of Advanced Education
Jason Nixon	Minister of Environment and Parks
Prasad Panda	Minister of Infrastructure
Josephine Pon	Minister of Seniors and Housing
Sonya Savage	Minister of Energy
Rajan Sawhney	Minister of Community and Social Services
Rebecca Schulz	Minister of Children's Services
Doug Schweitzer	Minister of Justice and Solicitor General
Tyler Shandro	Minister of Health
Travis Toews	President of Treasury Board and Minister of Finance
Rick Wilson	Minister of Indigenous Relations

Parliamentary Secretaries

Laila Goodridge	Parliamentary Secretary Responsible for Alberta's Francophonie
Muhammad Yaseen	Parliamentary Secretary of Immigration

STANDING AND SPECIAL COMMITTEES OF THE LEGISLATIVE ASSEMBLY OF ALBERTA

Standing Committee on the Alberta Heritage Savings Trust Fund

Chair: Mr. Orr
Deputy Chair: Mr. Getson

Allard
Eggen
Glasgo
Jones
Loyola
Nielsen
Singh

Standing Committee on Alberta's Economic Future

Chair: Mr. van Dijken
Deputy Chair: Ms Goehring

Allard
Barnes
Bilous
Dang
Gray
Horner
Irwin
Issik
Jones
Reid
Rowswell
Stephan
Toor

Standing Committee on Families and Communities

Chair: Ms Goodridge
Deputy Chair: Ms Sigurdson

Amery
Carson
Ganley
Glasgo
Guthrie
Long
Neudorf
Nixon, Jeremy
Pancholi
Rutherford
Shepherd
Walker
Yao

Standing Committee on Legislative Offices

Chair: Mr. Ellis
Deputy Chair: Mr. Schow

Goodridge
Gray
Lovely
Nixon, Jeremy
Rutherford
Schmidt
Shepherd
Sigurdson, R.J.
Sweet

Special Standing Committee on Members' Services

Chair: Mr. Cooper
Deputy Chair: Mr. Ellis

Dang
Deol
Goehring
Goodridge
Gotfried
Long
Neudorf
Sweet
Williams

Standing Committee on Private Bills and Private Members' Public Bills

Chair: Mr. Ellis
Deputy Chair: Mr. Schow

Glasgo
Horner
Irwin
Neudorf
Nielsen
Nixon, Jeremy
Pancholi
Sigurdson, L.
Sigurdson, R.J.

Standing Committee on Privileges and Elections, Standing Orders and Printing

Chair: Mr. Smith
Deputy Chair: Mr. Schow

Carson
Deol
Ganley
Horner
Issik
Jones
Loyola
Neudorf
Rehn
Reid
Renaud
Turton
Yao

Standing Committee on Public Accounts

Chair: Ms Phillips
Deputy Chair: Mr. Gotfried

Barnes
Dach
Feehan
Guthrie
Hoffman
Nixon, Jeremy
Renaud
Rosin
Rowswell
Stephan
Toor
Turton
Walker

Standing Committee on Resource Stewardship

Chair: Mr. Hanson
Deputy Chair: Member Ceci

Dach
Feehan
Getson
Loewen
Rehn
Rosin
Sabir
Schmidt
Sigurdson, R.J.
Singh
Smith
Turton
Yaseen

Legislative Assembly of Alberta

7:30 p.m.

Wednesday, November 6, 2019

[Mr. Milliken in the chair]

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

Government Bills and Orders Committee of the Whole

[Mr. Milliken in the chair]

The Deputy Chair: I would like to call the committee to order.

Bill 20 Fiscal Measures and Taxation Act, 2019

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to this bill? I see the hon. Member for Edmonton-Beverly-Clareview has risen.

Mr. Bilous: Thank you very much, Mr. Chair. Before we get started on debate for Bill 20, I'd like to make a request, that in dealing with Bill 20, votes be separated so that we can vote on each of the sections separately. The sections are as follows: sections 1 to 5, 7 to 8, 11 to 12, 14 to 15, and 23; sections 6, 9, 10, 13, 16 to 21, 22 and schedule 2, section 25 and schedule 3; and sections 24 and 26.

The Deputy Chair: Okay. What I'm going to do is that I'm actually going to take the opportunity to just quickly review that. What I mean by that is that I think you might have missed a schedule. What I'm going to do is that I'm also going to list off all the sections, but I'm going to give them blocks as well.

What we're going to do – assuming that we go forward with your request, then it'll be: block A will be one block of sections, and that'll be your sections 1 through 5, 7, 8, 11, 12, 14, 15, and 23; block B will be section 6; block C will be section 9; block D will be section 10; block E will be section 13 and schedule 1, which is the one that I think you may have missed; block F, which is section 16, 17, 18, 19, 20, 21; block G, section 22 and schedule 2; block H, section 25 and schedule 3; block I, sections 24 and 26.

If you could just let me know if that's what you're looking to do.

Mr. Bilous: Yes, Mr. Chair. Thank you very much. My apologies; I did miss section 13 tied with schedule 1. Thank you for that correction, sir. These are what I'm proposing.

The Deputy Chair: Thank you very much to the Member for Edmonton-Beverly-Clareview for his request.

I understand that past practice of this committee has been to allow a member to request that a vote on a bill such as one that is as complex as this and deals with several distinct propositions be divided and that then those votes be conducted in groups. Accordingly, I will permit the vote on Bill 20 to be divided once the debate has ended. For the clarity of all members, we will continue to debate all clauses of Bill 20 together, but when there are no further members wishing to speak and we move forward with the vote, then we will vote according to each block as previously noted.

Are there any hon. members wishing to speak to the bill? I see the hon. Member for Edmonton-City Centre has risen.

Mr. Shepherd: Well, thank you, Mr. Chair. It is a pleasure to have the opportunity to rise in the House tonight to speak to Bill 20. It feels like it's been some time since I've had the opportunity to be

here for an evening session, so good evening to everyone. Pleasure to see you all here.

Bill 20, the Fiscal Measures and Taxation Act, 2019: in many respects, Mr. Chair, I would say that this is a cornerstone bill for this government. While it covers a very broad spectrum of changes in a number of different areas, it sort of really does speak to what I see being the economic philosophy of this government. We've had the opportunity, I guess, to hear a lot from the ministers and members of this government about what they want to see for the economy of Alberta and how they think that we are going to get there.

Now, indeed, I think all of us in this House want to see Alberta's economy thrive. We all want to see a more diverse economy. We all want to see Alberta doing well, and, indeed, Alberta still, Mr. Chair, to be clear, is doing quite well within the larger context of Canada. We are a fortunate province. But we recognize that the last few years have been incredibly difficult for people. We've had some very challenging times as an economy, with the world-wide drop in the price of oil, the impacts that's had, the shifts in investment, the changes in resource markets, the continuing challenges in gaining pipeline access to get our product to a better price in other markets. Those have indeed had their toll.

But when I think about what I'm hearing from this government about how they view the economy here in Alberta and how they think that we are going to get it back on its feet, it reminds me a little bit of high school, in particular when we talk about how we're going to build investment in the province. Now, what I mean by that is that I think back to high school – you know, high school is an interesting place to be. There's a certain social hierarchy, and everyone is a little bit insecure, and everybody is trying to build their social capital. Some think that the best way to build your social capital, to build your opportunity, your chances for your advancement and your place – often, Mr. Chair, when we're in high school, we don't see that far into the future. We only see what's in front of us; we have a bit of a limited understanding of what the world is like.

But one of the approaches people take is to say: "Well, hey. Who are the cool and rich kids? They've got something. If I can connect myself with them, if I can be friends with them, then that's going to get me ahead pretty fast. I can build a lot of social capital pretty quickly, and that doesn't require a lot out of me. I just have to make sure that I offer enough stuff that they're going to like me. If they like me enough, then I get some of what they have, and they're going to share that with me, and that's going to help me get ahead." Now, Mr. Chair, what I would say is: yeah, that works sometimes, I guess; if you change enough stuff about yourself, if you make enough compromises, if you sacrifice enough things about your own identity, then perhaps you're accepted into that cool clique and you get to enjoy some of those benefits. But it can also disappear just as quickly as you got it.

But, you know, Mr. Chair, you can also choose another path. You can choose to actually invest in yourself. You can choose: "You know what? Hey, maybe I don't fit in a cool rich clique. Maybe I'm not there, but I can build my own talents and skills. I can get to know myself. I can know what's possible for me. I can study, I can invest my time, I can invest my energy, build my own skill set, build my own opportunities and make friends that are going to stick with me. I build skill sets and opportunities that are going to carry on for a long time and are not dependent on anyone else."

Now, Mr. Chair, when I look at this government's approach to business and investment and when I hear them talk about what they want to see for investment in Alberta, what I hear them saying is that their biggest interest is chasing after the rich cool kids. What I hear them saying is that they're only interested in the absolute

biggest businesses, the businesses outside Alberta, that international capital. That is what they want to bring to Alberta. That's what matters. That is the only way Alberta is going to get ahead. Now, let's be clear. This is a global economy. It is a global market. Indeed, we need to work with a global perspective. There is incredible value in having international investment in the province of Alberta, which we continue to have.

7:40

But, Mr. Chair, the question is: how much do we think we need to sacrifice to continue to chase after that as the be-all and end-all and the ultimate good? Now, this government has answered that. They feel that we should be willing to sacrifice up to \$4.7 billion, and they feel that cutting the corporate tax down to 8 per cent is all that we need to do, well, that and, you know, reducing red tape and some other ambiguous things around creating efficiencies and that sort of thing. But really the centrepiece is this reduction, to 8 per cent, of the corporate income tax.

And when I hear them talk, they are not talking about how that's going to necessarily help Alberta businesses. What I generally hear them talking about is how that's going to bring in all this international investment and people from outside the province. Now, Mr. Chair, again, that is valuable, and that is important, but we also need to be building our industries here in the province. We need to be investing in ourselves. What I hear this government saying is that if you're a band geek or if you're in the AV club or the computer club, they're not interested in you in this high school. If you're in the film industry, if you are in the tech industry, if you're working in innovation, if you're working in anything, to some extent, outside of oil and gas, they don't have an interest. They will offer the 8 per cent corporate tax rate. They will offer that \$4.7 billion corporate tax giveaway, which does nothing for a lot of those industries because those are industries that are building something here in Alberta from the ground up.

I have quoted, time and again, from the A100, a group of investors here in the province of Alberta, Alberta-born and -raised investors who have invested here in the province of Alberta and built successful technology companies here in Alberta and want to invest back into successful technology companies here in Alberta, people who are experts and knowledgeable in this field, who say that a corporate tax cut does next to nothing for the tech and innovation industry. What is needed are incentives that actually help people invest back in their businesses here in Alberta to build skill sets, to build talent, to build innovation, to build products that stay here in Alberta.

Mr. Chair, today in the estimates for Economic Development, Trade and Tourism the minister had this strange notion that somehow building export capacity for Alberta businesses is sending business outside of Alberta. What a ridiculous concept. When Alberta businesses access other markets, when they expand into other places, they are building Alberta business.

Earth Water, a company from right here in Edmonton, started out with a couple of university students who had the idea that they would sell bottled water and put those proceeds back through the United Nations program to do social good. They're now in cafés and groceries stores across North America. They've expanded into tea and coffee. And now they've expanded into the country of Japan, and they did that through support through Alberta's economic trade office, who brought them out there and introduced them to stakeholders. They expanded their business, and now they are in grocery stores across Japan. That is money that flows back to Alberta and creates jobs here. This is an Alberta-born business that is not going to pick up and run because the price of oil drops.

Now, again, Mr. Chair, I recognize the value of global investment, bringing money in from outside, but what I heard from the Minister of Economic Development, Trade and Tourism today is that that is all this government is focused on. They are going to be turning the focus of every one of our international offices to bringing investment back to Alberta. They are turning away from trying to help Alberta businesses access global markets, at the same time that we are trying to do exactly that for one of our most important industries, recognizing the oil and gas industry.

Again, we are putting, apparently, all of our eggs in that basket. We are turning away from Alberta companies that are looking for the support of government to help them build, just like in the 1970s. Before we had an oil and gas industry in this province, government invested to create and support the research that got the ability to extract oil from sand to the point that commercial business was interested in investing in it. A corporate tax cut would have done nothing to start the Alberta oil and gas industry. It wasn't proven yet. That took the forethought and the investment and the vision of the government of Peter Lougheed. Premier Lougheed made the investments to kick-start an industry that is now the pride and joy of every one of these government members, and deservedly so. It's brought us a long way. It's going to carry us a good ways further.

The fact is, Mr. Chair, that we need to support other kinds of companies to do exactly that. We have other raw resources we could be building on in this province. They're right here at the University of Alberta: medical technology and medical research that's being commercialized and turned into products using investments through Alberta Innovates to get them to the point where they're then ready to go out and seek outside investment, which in part was empowered by things like the Alberta investor tax credit. Just like when we were starting out with oil and gas in Alberta, no commercial company thought it worth while out of the gate because it was yet unproven, so Premier Lougheed came up with a system by which the government derisked investment to convince other people to step up and try to put a bit of money in. The Alberta investor tax credit, just like investor tax credits in multiple jurisdictions across Canada, worked exactly the same way. It derisked that initial investment that allows these starting, fledgling, small companies to get up and going.

Again, Mr. Chair, what I am hearing from this government and what I'm seeing from this government is that they are not interested in those companies. If you haven't already proven yourself, well, forget it; we don't have time for you here in Alberta. You have an idea? That's lovely. Go figure it out, and when you've got something going on, come back and talk to us.

Mr. Chair, we have incredible opportunities here. We truly, truly do. I talked about medical research and innovation. Of course, we have AI, and I will commend this government for continuing to invest in AMII, in artificial intelligence research here in the province. Now, they are committing less than what our government had hoped to commit – fair enough – but they are maintaining that investment. I salute them for that. They at least have that much forethought. It's my hope that they will continue to make that investment because that is another raw resource we have here in the province of Alberta. We are ranked third in the world. That is why Google brought DeepMind, their artificial intelligence project, here to Edmonton. I haven't had a chance to visit their headquarters here in Edmonton, but from what I hear after my visit to talk with the folks at AMII, that's one incredible space. These are companies that are not afraid to invest when they're given the opportunity.

But what I heard from the minister of economic development and trade today in our estimates for her ministry is that they are not interested in trying to do what companies like Google would like to ask them to do. What this government has to say to Google is: you can have

part of our \$4.7 billion corporate giveaway, and that is all we have to offer. We are not going to invest in supporting postsecondary spaces for the kinds of employees that Google is looking for. I talk to tech companies in and around downtown Edmonton all the time: folks developing apps, products, all sorts of different things. They cannot find enough people who have the knowledge and the skill set that they need. Now, this government says: well, we don't want to pick winners and losers, and we don't want to just choose one thing over the other. But this government is very specifically looking to invest more in apprenticeships and the trades.

7:50

Again, apprenticeships and the trades are important. They are a part of the oil and gas industry; they are a part of the construction industry. They are part of many things which drive our province forward, but they are specific industries. This government is willing to pick particular winners, but on others it simply is choosing to look the other way. It's unfortunate, Mr. Chair. I don't think it has to be one or the other. We could be investing in both. Unfortunately, what I see in this bill is the government again sort of doubling down and saying: "No. We gotta chase the cool, rich kids. They're going to be the only ones that can save our province." No thought to those that are actually trying to build and invest in something new here in our province to help complement. This government has no plan B, and plan A has a few problems, too.

Ultimately, I don't understand why this government is choosing to simply do it this way. Now, the minister of economic development and trade said that, you know, the Alberta investor tax credit had some problems. It was too bureaucratic, too many layers, too many things. Well, by all means then, please make it better. This is a successful program in multiple jurisdictions across Canada. This is what made Alberta competitive for tech investment. As the A100 said, a broad-based corporate tax reduction does not do anything to make Alberta more competitive for tech.

Mr. Chair, you can't just simply try to plant full-grown trees. You've got to build the soil, and what builds the soil is when new and aspiring entrepreneurs here in the province of Alberta have the support and the opportunity to try new ideas and fail and try again, because every successful checked jurisdiction in North America, indeed probably in most of the world, was built on 100 companies that tried and maybe five that succeeded. That is only possible when we are able to create that sort of supportive environment, and government needs to be part of that mix.

At multiple events that I've attended with individuals from the tech industry here in the province of Alberta, they have made that a hundred per cent clear. There is not a successful tech jurisdiction in the world that did not have some level of government support, just like we would not have an oil and gas industry in this province if the government had not stepped up to help get that ball rolling.

Mr. Chair, this does not have to be either/or. I can wear a T-shirt that says "I love Alberta oil and gas" as well as a T-shirt that says "I love Alberta tech." In fact, it was the philosophy of our government that those two things go together.

The Deputy Chair: I see the hon. Member for Edmonton-Beverly-Clareview has risen to join debate.

Mr. Bilous: Thank you very much, Mr. Chair. I'm going to pick up on some great points that my colleague the Member for Edmonton-City Centre made. I agree. You know what? The government talks a good game about diversification, but when rubber hits the road, we're not seeing actions follow words.

You know, we just came from estimates in Economic Development, Trade and Tourism, and I can tell you that there are

a number of points that I want to make that are directly tied to this bill. Again, I'll echo some of the sentiments of the companies. I think the first thing that, you know, maybe we need to ensure all members understand is that the tax credits that our government introduced came from the private sector. They're not New Democrat tax credits. They came from the private sector, who has said to us and to previous governments that Alberta needs these to level the playing field.

The characterization that these are boutique tax credits is actually a mischaracterization. The investor tax credit is sector-wide. It is open to every single sector. It is not picking winners and losers, although there is some irony and possibly some hypocrisy when the interactive digital media tax credit is "a boutique tax credit, too bureaucratic" – these are, of course, claims that the other side is making – "only serves a number of companies and is very complicated; we want these broad-based tools," but in the next breath the film industry gets a tax credit. I'm not sure how in members' minds that isn't contradictory, where one sector gets a tax credit, but another tax credit that's open to multiple sectors is considered boutique and, therefore, needs to go. You can't have it both ways. You can't argue two different things out of, you know, two different sides of your mouth and say: yeah, these are totally different.

Now, I'll be the first to admit, Mr. Chair, that I am in favour of the film tax credit program. You know, we introduced a number of tax credits in our term, and we did increase the funding for the film production grant program. Where I think the government missed the mark on the film tax credit – and I'm confident that if we'd had a second term, we would have introduced a film tax credit, not to replace the production grant. The production grant is really meant for the smaller cultural industries, the small cultural films that are being produced here in Alberta. The film tax credit was and is and could be a better tool to bring in some of the larger productions like *The Revenant* and other blockbuster films. I believe one of the *Ghostbusters* was shot here in Alberta. The film tax credit can help attract those larger productions, who said to us that the cultural film screen grant was not big enough and it wasn't the right tool. Fair enough. But I think the challenge is that this government is throwing that program out to move to the tax credit program, which is now, again, hurting the cultural industries, and the film tax credit has a cap and is not a big enough fund to be able to attract the big blockbusters.

Now, Mr. Chair, in my opinion – again, you don't have to take my opinion; listen to the film industry, who were at estimates tonight and who are irate and talking about folding up shop and moving to other provinces – both programs are poorly executed. So getting rid of the first one hurts the small cultural industries, and not using the precise tool, an adequately sized, uncapped film tax credit, will not help the big industry to the level that it could.

I can tell you that British Columbia last year had \$4 billion in revenue from the film industry. Last year. Now, members, you know, may jump up tonight and talk about how the screen production grant was oversubscribed. You're right. It was. But do you know what that tells us, Mr. Chair? It's that it was a popular program that was working. You know what? This year the film industry has seen record numbers. Why? Because our government funded the screen production grant. They were on track to have another record year this year. Do you know what happened, Mr. Chair? When the UCP formed government, they iced the program.

It was a little unclear in estimates earlier, which we tried to clarify. You know, the minister had talked about how the program is continued. No, it isn't. It's been frozen since the election. So when we talk about quoting companies who have said, "We are leaving Alberta," it's the companies that are saying that. So

throwing back rhetoric is not acknowledging that this freeze has in fact impacted industry.

8:00

Again, this is a very competitive industry, Mr. Chair, and we are competing with large centres that have significantly larger supports. Again, in British Columbia, in Vancouver especially, but also in Ontario there is no cap on their film tax credit. So when blockbuster movies look to come – we're talking large projects employing thousands of people and turning out, you know, hundreds of thousands if not millions of dollars of revenue for hotels and restaurants, and the impact is significant – they're doing that in other jurisdictions, and Alberta will not be able to compete with them. I can tell you that.

But I want to touch a little bit on the interactive digital media tax credit, again, you know, a tax credit that provided a 25 per cent tax credit on labour. This is for companies where their number one driver of cost is labour. Again, programmers are well skilled. They're obviously well educated. They're paid well. These are good, mortgage-paying jobs. An interactive digital media tax credit helped level the playing field. In fact, Alberta was middle of the pack, at best, with what we offered. Quebec has got a 37 and a half per cent tax credit, and they also have a booming industry. Again, digital media companies generate billions – billions – of dollars.

When the government talks about diversifying the economy, I mean, so far, quite frankly, Mr. Chair, all that I've seen is lip service, because tools that were actually working are tools that are being gutted. The investor tax credit is a 3 to 1 return on investment, and I think it's shameful when the minister says: well, that only helped a couple of hundred companies. Okay. So your message to them is: "You're not important. You're a tech company. You're an investor. You know what? Your money is not welcome here. Go somewhere else." That's how the industry is interpreting it.

The province of British Columbia has had an investor tax credit since 1985. It works, is working. It provides a number of different opportunities, Mr. Chair. It provides opportunities for British Columbians to invest in B.C. companies. When you look at your tax-free savings account or your RRSP or maybe you've saved a few thousand dollars and want to spend it on a company in your province, the investor tax credit lets you do that, and it also derisks your investment.

You see, the corporate tax cut does not benefit these start-ups. I've said this before, but it's worth saying again. These start-ups have no retained earnings. They're not withdrawing money from their company. It gets reinvested. This government could put the corporate tax rate at zero, and do you know how many start-ups that would help? None. It would help none because they're not withdrawing their funds. What they need is a tool to help them scale faster. By scaling faster, Mr. Chair, they're going to hire more people, they're going to grow, they're going to grow the economy, and they're going to grow their businesses here in the province. That's a good thing. The investor tax credit was open sector-wide to any company that had to apply.

Now, members opposite in estimates today talked about how cumbersome it was. I appreciate the fact that they were quoting sources when we first announced the investor tax credit. I'll be the first to admit that initially, when we rolled it out, yeah, the application process was a little cumbersome. So we took that feedback, and we simplified it. But I can tell you, Mr. Chair, that what we won't do is allow companies that are home in other provinces to set up a shell company in Alberta, not provide any jobs for Albertans, not benefit the Alberta company but have access to an investor tax credit. That's the only thing I can think of that the

other side is proposing by saying: yeah, there's too much red tape. Well, no. There needs to be oversight on tax dollars.

But I appreciate that the program needs to be simple enough so that companies fill out a one-pager, qualify, and now they don't need to go back to government for anything else. They can go out and raise capital and offer a 30 per cent tax credit in addition to whatever equity agreement they have with their investors.

I also think it's disingenuous, coming from the other side, that these types of investments are unwelcome. The investor tax credit is scaled and layered with the Alberta Enterprise Corporation – we talked about that tonight, Mr. Chair – an incredible vehicle that leverages dollars through their entity, which is funded by the government, and matches them with industry dollars, venture capitalists, to create a fund which then invests in companies, and many of those companies are here in Alberta. A very successful program, it was started under the PCs. I'll give a shout-out to former Premier Ed Stelmach; it was started under his government. They started with \$100 million. We recapitalized them over the last four years, another \$75 million. Now, I've asked the minister if she'll consider recapitalizing them, because they are an incredible vehicle. At the moment there are zero dollars in this budget, but I'm hopeful that maybe the government will see the value of the Alberta Enterprise Corporation. But what helped to leverage the dollars was offering an investor tax credit that would help the companies scale even faster.

My frustration, Mr. Chair, is that the only thing I can see is that ending the investor tax credit, the digital media tax credit, SRED, and the capital investment tax credit is ideological. There are no two ways to slice it. The return on investment is there. The numbers are there. The government talks about how it's about finances. Well, open the books and look at how it was benefiting. The capital investment tax credit: \$200 million of tax credits leveraged \$2.2 billion worth of investment. Two point two billion: those numbers sound pretty good to me. This was a tool that helped.

The challenge, Mr. Chair, is that – you know what? – there isn't a silver bullet. I can tell you that what's not helping is that these cuts to the interactive digital media tax credit, to the investor tax credit are coming at the same time as cuts to postsecondaries. We invested in 3,000 new tech spaces around the province. Why, Mr. Chair? I don't know if you recall, but the city of Calgary was pursuing Amazon, Amazon's HQ2 bid, right? Amazon was saying: we want to go global for our second headquarters; any city is welcome to be in the running. I can tell you that we supported a bid by the city of Calgary, including a number of different offerings that we had. We were unsuccessful, but what we learned from that is that Alberta has some incredible talent, but we don't have enough graduates to land the big fish.

Here's the irony. Today in estimates the minister was clear that they're not interested in helping Alberta companies access new markets. That's what she said when I talked about the export expansion program: we don't care about Alberta companies going global; we want to bring the big investment back home. I think, quite frankly, again, it doesn't have to be either/or. That's quite short-sighted. We need to support Alberta companies accessing new markets so they grow back here at home and hire more people. It's a win-win.

We also need to attract investment back to Alberta, a hundred per cent. Companies like Google, Apple, Facebook, Amazon are not going to come in droves to Alberta. Now, I know that Google is here with DeepMind – I'll talk about that in a second; that's artificial intelligence – but those big tech companies have said that they go where the talent is. What this government has missed is that of their top three things that they look for, a low tax rate is not in their top three. It's not. Talent is what they're looking for. Quality

of life is what they're looking for. You know what they love about Canada? Our public health care system. You know why? Because it saves them millions of dollars. They like our quality of life, they want talent, but they want to see that we don't just have the talent today, Mr. Chair, but that we are graduating talent that will continue to sustain their business.

You know where else there was an opportunity, where the window is closing and we're missing it, Mr. Chair? With the current President in the U.S. putting a huge limit on the H-1B visas, which are visas for people coming from countries around the world. Tech companies don't care about the colour of your skin or the religion that you practise. They want talent, and they will take talent from any country. You know where Canada has a leg up over the U.S.? It's that we, too, value people and don't care where you come from or what religion you practise. These companies are looking to make strategic investments in Canada, but we've missed the boat if we think that simply dropping the corporate tax rate is going to attract these types of companies. They want talent.

8:10

Those 3,000 tech spaces that we committed to: do you know how many saw the light of day? Four hundred and six. Four hundred and six, and those spaces are as good as gone when the funding is gone, so by the end of this year. Again, there is evidence that there is demand. Industry is asking for it. You know what? I encourage the government to talk to MobSquad, based out of Calgary, a great company that we helped bring here to Alberta. Every time I talk to their CEO, he tells me how much it hurts that to get talent, he's got to go outside of Canada. We have the ability to develop that talent here, but it takes investments. Massive cuts to our postsecondary system are not going to prepare our young people for these jobs.

You know, Mr. Chair, for me, what's frustrating is that investments in the tech sector – first of all, let me back up. Technology is not a sector. There is no such thing as a tech sector. Technology is applied to every other sector, from oil and gas and energy to agriculture to forestry to manufacturing to health care. It's an enabler. By making those investments, we are in fact supporting our oil and gas sector.

I mean, I'm sure the members all know that technology to do pipeline monitoring uses artificial intelligence. There is an incredible company out of Calgary called Hifi, that had some government support, which has a state-of-the-art pipeline monitoring system. I encourage members to ask them for a tour. It'll blow your mind what these guys are doing. It's based on, again, using technology, artificial intelligence, and ensuring that the people that are graduating from our postsecondaries have these skills, because the world is going digital.

Mr. Chair, Alberta has an incredible opportunity in front of us. I was disappointed that not only the \$100 million that we committed to artificial intelligence got cut, but now it's an extra \$34 million over four years. I said to the minister: I'm worried that Alberta will slip from third place in the world when it comes to artificial intelligence to who knows what position. And we will. We will lose the third spot without sustained investments to grow this area, which, again, has applications to every sector.

Mr. Chair, it's with disappointment that I rise to speak to Bill 20, to say that these tools, again, don't have to be politicized. They didn't come from the NDP. We didn't think of them. They came from the private sector, who said: we've been asking previous governments for these tools; please enact them. And we did.

You know, again, in putting all of Albertans' eggs in a corporate tax cut basket – well, I can tell you, Mr. Chair: how many jobs have we seen created from the corporate tax cut? I think zero. What we

have seen are companies that have said: "Thank you. We will take that \$50 million or \$250 million and go spend it in another jurisdiction." If the corporate tax cut is such a silver bullet, then why is it that companies like Husky are saying, "Yeah, well, we're not going to invest in Alberta, but thank you very much for that gift"?

There are tools, like these tax credits, that had results. They were measurable. The minister and the government have access to them. Honestly, Mr. Chair, if they sounded like a great idea but weren't producing the results, I would not be standing here speaking so passionately about these. This is about supporting Alberta companies to grow and scale here at home. Yes, we want to land the big fish, but guess what?

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to Bill 20? I see the hon. Member for Edmonton-Highlands-Norwood has risen.

Member Irwin: Yeah. He kept us in suspense. Thank you, Mr. Chair. I can't wait to return to my colleague from Edmonton-Beverly-Clareview because he left us hanging there.

Mr. Bilous: Oh, I'll be back.

Member Irwin: You'll be back. I know you will.

What I'd like to do is to shift gears a little bit here and speak broadly about Bill 20. You know, this is a giant Bill 20. It may actually be the largest that I've had in my hand here in the House, but bigger is not necessarily better in this case. The use of omnibus bills is something we saw under the Harper regime, and it's something we've seen in other jurisdictions. I would argue that it's quite ill advised, because there are so many elements in Bill 20 that are not related, each of which merits a debate on their own. I'm quite concerned about this because I think it's a sneaky tactic by this government to try to bring in, I guess, death by a thousand cuts. There's a lot in here to digest and a lot in Bill 21 as well and in some of the other bills that I think are forthcoming, and they impact a lot of people in this province.

I appreciate very much the comments of my colleagues from Edmonton-Beverly-Clareview and Edmonton-City Centre. I really appreciate the work that they both have done to build and support the tech sector and the tech industry and, in fact, support start-ups in particular, and I know both of those colleagues are hearing a lot from folks in the industry about their concerns.

I've actually heard a little bit as well. It's not industry that I'm as intimately connected with as my colleagues are, but I actually spoke with one young woman. She works in tech, and she's involved with a start-up. She's worried, she said. She was explaining to me what she heard was coming down the pipe and what, in fact, did come with the rollback of some of the tax credits. She said: "You know, I'm just someone who's new, who's starting out. All I want to do is build and build this province." Every cent that she makes gets reinvested, and the work that our NDP government did to try to help companies like hers was life changing, as my colleague talked about. I mean, we were able to attract and retain a whole lot of really effective folks in the industry. She's one example of someone who is quite worried. Just as my colleague mentioned, you know, some of these folks will possibly leave to other jurisdictions where it's a friendlier climate. That's certainly a concern to me.

But I would like to shift gears a little bit and talk about some of the things that concern me, because, again, this is a giant omnibus bill. One of the things that caught my eye was ending the access to the future fund, the Alberta cancer prevention legacy fund, and the environmental prevention and enhancement fund. You know, to be honest, I didn't know a whole lot about each of these, so I did a little

bit of digging. I was curious in particular about the Alberta cancer prevention legacy fund. This fund is disestablished under what's proposed here in Bill 20, and the fund's assets shall be held in the general revenue fund.

Now, I guarantee you that some of the members opposite will talk about how it's not actually all that harmful, but before I get into that and before I counter those arguments, let's talk a little bit about what the Alberta cancer prevention legacy fund does. I'm going to quote from their website here. It says:

We are a team of innovative leaders, scientists, and public health experts who specialize in cancer prevention. We take what we know and we find out what works right here in Alberta. ACPLF partners with communities, employers and health service providers who are interested in pioneering new approaches. Then we help bring solutions to the rest of the province, with a focus on groups who tend to have higher rates of cancer.

None of the things that cause cancer are easy to change on our own. So we're preventing cancer by helping to shape our communities, workplaces and health system to make it easier for all of us to take proven steps to prevent cancer every day. This can be by making healthy food options available and affordable for everyone; by building communities that provide shade and support being active; by encouraging our workplaces to support healthy choices; and by having our health care providers routinely talk to us about cancer screening tests we're due for.

And the list goes on.

It's very fascinating, actually. I didn't know a lot about it; I can be totally honest about that. They go on to talk more about some of the screening tools that they provide, some of the pretty neat, actually, interactive tools, whether it's about HPV vaccines or quitting smoking.

Now, my point in saying all this is that, you know – as I said, I think the members opposite will say: “Oh, you know, the funds aren't being lost. They're just being streamlined. We're trying to save some dollars here and there.” This is the loss of dedicated funds to address something as crucial as cancer prevention. I assure you that I am quite certain that there's not anyone in this House who's not been affected by someone with cancer. I worry about the movement of this fund to general revenue funds. In the future, I mean, doesn't that leave these funds vulnerable? I don't think I'm wrong in saying that we need – I mean, it's because of the foresight of previous governments to set up funds such as these – to recognize that those funds must be dedicated and they must be protected.

8:20

I worry greatly about this. I worry that this government is starting to set a precedent and is attacking pretty crucial funds that do really important behind-the-scenes work. Again, I bet the average Albertan can't tell you a lot about the Alberta cancer prevention legacy fund, but I would bet that their family has been impacted in some way by some of the programs and supports that they offer. You know, this leads to less accountability, and I worry about the stability of these funds. It's the pernicious nature of a bill like this, that sneaks a whole lot of little things in there, and as I said, when you unpack each on its own, you start to recognize that there could be a lot of long-term detrimental effects.

I want to talk about another aspect – and, again, I think each of us could speak for hours on any of the pages of this bill – the loss of the tuition tax credits. Actually, I met with two young people – gosh, it must have been last week now – who said that they're very worried about this. It was good that they acknowledged their privilege, too, and they acknowledged that, you know, not everybody benefits from tax credits, but they acknowledged that they certainly do. They're worried about this. They're actually two

folks that work with student union executives, and they said that this is just another attack on postsecondary students.

I think I recapped this last week, but let's just go through the list of all the attacks on postsecondary students. In Bill 20 here we've got the loss of the tuition and education tax credits. What else do we have? We've got the tuition freeze being lifted. We've got the student loan increase. The minister is saying that it's minimal, you know, that it's just \$15 a month, it's nothing, that sort of thing, just as our Premier would say that the deindexing of AISH is minimal as well, right? I mean, again, put yourself in that person's shoes. We know. We spoke with a number of AISH recipients today who noted that it certainly is onerous and that when you're struggling every day to make ends meet, a few dollars extra a month makes a huge difference. Okay. I've listed off a few of the things there.

Again, how is it that a student is going to be getting ahead? I appreciated what my colleagues, especially the Member for Edmonton-Beverly-Clareview, talked about, you know, how you're raising tuition at a time when you want to be attracting students to some of these sectors like, for instance, the tech sector, right? There's not a lot of motivation for university students to even necessarily pursue an education.

That reminds me. Somebody shared with me on Twitter just the other day. She said that she's just becoming so deflated. She's someone who's struggling to get ahead, and she wonders sometimes if she should even enter postsecondary education. Of course, a number of people jumped in and said, “Yes, it will be worth it,” but you can imagine that she's just one of many young people who is struggling with that decision right now. And it shouldn't be that way. It shouldn't be that way at a time when we should be very much investing in our young people, not attacking them.

Wow. Like I said, there's so much to unpack in Bill 20. One of the interesting things about Bill 20 is the film credit. Now, let me just refer you to the exact – yeah. It creates a film and television tax credit act under economic development and trade. Now, I'm proud that in my riding of Edmonton-Highlands-Norwood we actually have a vibrant arts scene. I'm really proud of that, and I've had an opportunity to talk to a lot of folks who work in various areas of the arts, including the film and screen industry. In fact, as I was pondering the large omnibus bills ahead of us earlier this evening, I received an e-mail from one person who actually works in the film and screen industry. His name is Robert, and I told him that I would read his letter tonight and share his concerns.

Ms Hoffman: Do it.

Member Irwin: Thank you to the Member for Edmonton-Glenora for that go-ahead.

I am going to share that because he's someone who is working directly in this industry, someone who lives a few blocks from me and understands the industry a whole heck of a lot more than I do. Again, I can admit when I don't know a whole lot about something. I don't know a lot about this industry, but I'm learning. Let me share with you his thoughts. I'll just read the whole letter even though he has a few personal things in there.

We've met and chatted many times in the neighbourhood [at] the Carrot, Bike Edmonton North Shop, Zocolo. I am one of several thousand skilled Albertans working in the screen industry. I thought we'd bump into each other to talk about the issue [that I want to address] but you're probably busy in that big building by the High Level Bridge.

He's correct; I am.

If I may I'll let a unified voice of all Alberta Film/Media workers speak:

There was tremendous opportunity for Alberta to diversify the economy and create thousands of jobs in the latest budget.

The need for content is at unprecedented global levels. With Alberta's reputation for diverse locations and talented Albertan crew who bring that can-do spirit to every production, we would be positioned for success with the pre-requisite of a competitive and predictable incentive. Alberta would be part of a global industry and location of choice.

The [UCP] promised us that they would:

- Convert the Alberta Screen-Based Production Grant into a tax credit with greater flexibility to allow Alberta to compete for major media projects with provinces like British Columbia and Ontario. We will consult with stakeholders in the film, television and digital media industries to create an optimal tax credit designed to attract large productions and series.
- Incentivize media production in rural areas, following the lead of Manitoba's film tax credit.

They say:

[You know what?] We [appreciate] the move to a tax credit; however, the money allocated to the overall fund is not sustainable enough to grow our industry and capture the jobs and investment seen in other jurisdictions. Comments have been made from this government that this government must "clean up the mis-management by the previous government due to oversubscription of the incentive". With all due respect, the incentive grant program has been oversubscribed for years (even with the previous conservative government). This is due to the overwhelming success of our industry, our local producers and foreign producers know the great opportunities available here.

Our industry provides not only great opportunities for Albertans who have trained in Alberta post-secondary institutions, Alberta businesses who service the industry but with a booming industry, Albertans who have been laid off from other sectors (oil and gas for example) can easily transition into our sector.

Foreign productions bring their investment dollars (we are talking millions) to set up shop in Alberta for our locations. Locations that include dozens of small communities – Drumheller, High River, Irricana, Canmore, Beiseker, and Fort Macleod to name a few. Without a competitive tax credit and a rural incentive, it will have a negative impact on those communities who have seen a migration of businesses and tax-paying Albertans to other jurisdictions.

We [ask] you now to support the Alberta Screen Industries. Invest in the tax credit at the same level of funding (\$45 million per year) and watch our industry grow and provide returns on the investment.

Wow. That's the end of his letter. He says:

Kind regards,
Robert

I want thank Robert and the folks from ACTRA for sharing that letter.

I want to reiterate the importance of listening to those folks who work in that industry day in, day out. I appreciated how much he talked about the investment that's been created because of the work that he and others in the industry have done. The comment about rural communities, which the members opposite represent: they're quite certain that any growth, any progress that's been made in those communities will flee, will leave. That's quite shameful to think about, especially knowing just how important that diversification is.

Folks like Robert are hard-working folks who do so much to add to the cultural vibrancy of our communities, and I urge this government to respect them and to listen to them. As I said, you know, I'm willing to admit when I don't know enough about something. I don't know a lot about the film and screen industry – I'm starting to try to learn – but I trust the experts, the ones who

have built this industry here in Alberta, the ones who've helped to make it thrive.

I really do urge the government to think about this and reconsider this. We gain so much from the contributions of the arts. I think we're all so proud when we see Alberta in movies and blockbusters. I know I certainly am even if it's in the Rocky Mountains. I mean, I don't live near the Rockies, but what a cool thing, to be able to say that Alberta is being showcased. So I take their warning seriously when they say that we are at risk of losing some of the strength of this industry. Again I want to urge the members opposite to really think about that and to listen to the experts, because I know they feel like they're not being heard right now, and it would be a shame to lose them.

8:30

I'm not going to speak about a whole lot more on Bill 20. Like I said, I really wanted to focus on the impact to some of these smaller things like the Alberta cancer prevention legacy fund, like some of these smaller funds being rolled into general revenue and issue a warning that this could have serious impacts in the future. When we're talking about something as important as cancer prevention, I think it's a fair warning, isn't it? I know my colleague the former Minister of Health certainly recognizes the critical importance of a fund such as that one as well as, I mean, the impacts of eliminating the education and tuition tax credits, something that I think, you know, some of the members opposite would say are seemingly minor. Again, when we're talking about, I guess you could say, a tax on postsecondary students right now, that's just another one to add to the list. It helps out a lot of families. I know a lot of families benefit from being able to claim those education and tuition tax credits.

Like I said, I'll end with my final point, just around, really, the importance of supporting our film and screen industry. As I said, I wanted to share the words of somebody in my neighbourhood, a constituent, Robert, who's quite concerned. He works in that industry. He's worked in the industry for many years. He's helped to contribute to that thriving industry here in Alberta, and he's quite worried about the loss of that industry.

Thank you, Mr. Chair.

The Deputy Chair: Thank you.

Hon. members, are there any other – I see the hon. Member for Edmonton-McClung has risen to join debate.

Mr. Dach: Thank you, Mr. Chair. A pleasure this evening to rise and speak to Bill 20. As other speakers have mentioned, we're talking about an omnibus strategy embedded in this bill. That seems to be a favourite effort on the part of this government. I know that the session started a couple of weeks earlier than we have traditionally started, with great expectations that we'd be seeing lots of legislation come down. The government warned it to be a full slate of legislation, that we needed to start early to get on with things and make sure that we had enough time to complete fulsome debate on all these measures that the government wanted to bring forward. What happened is that, for the most part, we piddled away a couple of weeks in October, time which could have been used dealing with some of these measures that are in this omnibus bill and having a full debate about many of them individually as individual pieces of legislation rather than having them introduced in an omnibus bill, which really doesn't seem to have a dedicated rationale or theme throughout it. There seemed to be a lot of disparate measures that were tossed into the omnibus bill just kind of randomly. It's unfortunate that we're approaching legislation this way in this House.

Overall, what I really get the sense of is that this government seems to be somewhat rudderless. The vision is lacking in terms of where, in fact, we fundamentally want to end up. We're in a period of time, Mr. Chair, when this province, the people of this province need serious measures that look well beyond the four-year life cycle of this particular government, that recognize the unique situation that we're in. Fundamentally, we're in that situation not as the government likes to claim, that the four-year term that the previous NDP government had put us in a financial hole; it's because we had mismanagement that lasted for decades in advance of that four-year period, where we ended up not planning to transition away from fossil fuels, and we ended up being complacent.

For whatever miracle of capitalism that the previous governments previous to our government had up their sleeve, they found it wise to rely upon one market primarily for the export of our petroleum products and never built any more than one pipeline to tidewater, which we still rely upon for export to international markets. That is what stuck us in the situation that we're in, and that is what we should be focusing our strategy on right now, a much more diversified strategy than one which simply looks at balancing the books in an effort to see at the end of a four-year cycle a balanced budget but no real vision for the long term. That's a shirking of the responsibility of any government, in my estimation, Mr. Chair, a responsibility to really recognize that we're in a transformational time frame, a shift where we need to take steps and take measures to prepare ourselves for the new economy that we're entering into, that's being thrust upon us whether we like it or not.

That's what we tried to do over the four years that we had to ensure that our young people found jobs, found hope, found opportunity, and that we had new investors come to the province to take advantage of the opportunities that we tried to incubate here through things such as the interactive digital media tax credit, the capital investment tax credit, community and economic tax credit, Alberta investor tax credit, scientific research and experimental development tax credit. Those investments in incubating companies and the minds and efforts of the talented people who were behind those companies that took advantage of those tax credit opportunities, those were the people who are going to sustain opportunities for our young people in the future. When we see in the next couple of decades a transition away from fossil fuels, opportunity exists to finance from the economic rent that we extract from those fossil fuels over the next two or three decades while we have a global market and the opportunity to extract global or world price by exploiting those markets that still exist and transitioning by investing in new technologies, artificial intelligence, in the grey matter that we have in the young population that we have in this province.

I just have difficulty getting excited about the vision that this government doesn't seem to be sharing, doesn't seem to be having in its foundation. Fundamentally, the only thing they seem to be thinking about is simply a balance sheet, a balance sheet where they say: "Hey, we're going to go ahead and take a race to the bottom. We're going to go and balance our books, and we're going to do it by taking away social programs, where it's going to hurt people and it's going to make people suffer more so than they would have under a program that wasn't so austere." Yet it seems as though they're willing to accept that suffering as a cost which they think is acceptable.

The people of this province have a great challenge to meet together, yet this government seems to be wanting to pit people against each other and pull us apart. And, really, it's a tragedy that during this time of transition we can't have a government that sees that the real way forward is to identify the issues or the challenges that we have in populations of our economy and people who happen to be unemployed. Rather than embrace those populations and those

people and say, "Look, we all have a responsibility to help those individuals," what we see instead, Mr. Chair, is a government that says, "Look, those people are hurting. We're going to make you hurt just as much so the pain is shared by everybody." Well, that's a rather scandalous proposition in my view, and one that's totally unnecessary.

We will end up, Mr. Chair, at a balanced budget and a debt position that was very similar under this government to what the previous NDP government would have ended up at. Maybe it would have been a year later that we would have reached a balanced budget, but the actual debt would have been fairly similar over a similar period of time. Yet in order to get where this government is taking us, they're really slamming a lot of people. They're looking at measures and proposing in Bill 20, perhaps, to attack those who may squawk the least or to put the powerful in their place. I speak of the repealing of the city charters for Edmonton and Calgary and putting a new local government fiscal framework act in its place. [A cellphone rang]

8:40

The Deputy Chair: To the hon. member, however, given that it is the season of Movember, I will direct the hon. Member for Edmonton-City Centre to the Speaker's office at some point with a donation.

The hon. Member for Edmonton-McClung.

Mr. Dach: Thank you, Mr. Chair. I promise to be more riveting and gain the attention of more members in the second half of my speech. Nonetheless, it's a challenge that I hope to rise to.

What I was speaking about was basically managing the transition, Mr. Chair. I believe that Bill 20 is an example of a government doing a woeful job of doing that. It's a real abrogation of responsibility of government to seriously understand that we face an intergenerational hand-off, an economic transformation that few jurisdictions go through, yet we could see it coming. It's unfortunate that this slow-motion failure to recognize and to prepare our economy for transition from fossil fuels to greener energy, a greener economy, and to diversify our economy, truly do so, is something that this government seems to reject as a responsibility.

This whole budget, including the measures proposed in Bill 20, rings hollow as far as a project to create any kind of excitement for young people in this province. It rings hollow for those individuals who should be able to expect assistance from their government, not to be left begging as a result of austerity measures that are employed to grab a few million dollars here, a few million dollars there, and too bad, so sad if it's going to hurt you; you're going to contribute that way to the effort of this government to reach a balanced budget, and you're not going to vote for us anyway, so we'll take these measures and run.

Also, it's a matter of looking at Edmonton and Calgary's political power. The political equation in this province is something that the previous Conservative governments have taken a look at. They made some significant attacks upon the budgets and downloaded or off-loaded the responsibility to provide public services down to the cities of Edmonton and Calgary, or they ended up really slashing the capital amounts that the cities of Edmonton and Calgary had expected.

In this particular case with Bill 20 we are amending the funding agreements for the LRT in Edmonton and Calgary so the provincial cash can come after 2023. As a result of that, we may end up seeing delays in projects, delays in employment, higher unemployment than otherwise would have taken place. We're going to see the negative effects of economic development that won't happen, infrastructure that should have been put in place, and it's

infrastructure that is public expenditures that provide good-paying jobs and really increase the efficiency of both the cities of Edmonton and Calgary. By putting a pause, as the government likes to say, on the provincial cash by amending these funding agreements, they're only making things worse. It seems as though this government is intent on making things worse just to reach this goal of balancing a budget. It rings hollow with anybody who is suffering as a result.

It's a retreat. These measures proposed in Bill 20 are a retreat from hope, a retreat from optimism. They're a retrenchment back to a former day, when we saw previous Conservative governments looking as if a Holy Grail was reducing the deficit to zero when in fact the creation of that balanced budget ended up with another kind of deficit. We're seeing that all over again. A repudiation of history is what this measure proposes.

Hopefully, we'll see the government perhaps changing its mind on some of these measures proposed in Bill 20. I know that the mayors of Edmonton and Calgary and many other citizens are really shaking their heads at why it was necessary to attack the power centres of Edmonton and Calgary and rightfully questioning the motivation of the government as to whether it's simply a matter of extracting cash so that the government can balance its budget or whether the motivation was really a political motivation, whether this government is looking at squashing whatever political opposition there might be to their agenda of minimizing the role of government in the lives of Albertans.

I think that there's a global discussion on, and it's a healthy one to have. I certainly am on the side of believing that government has a role to play and a responsibility to lead when a population, when an economy, and when a political jurisdiction face significant challenges. To simply do as this government has done as their centrepiece, cough up \$4.7 billion and hand it over to corporations and suggest that laissez-faire capitalism will save the day by having these corporations who receive these corporate gifts invest in companies that will create jobs, has been totally discredited.

So far, of course, during this government's reign, we've had a drop in employment in this province of at least 27,000 jobs and counting, and we have seen the flight of numerous companies who have benefited from this \$4.7 billion tax giveaway. Husky, of course, is one, EnCana is another, and the list has grown even this week again. I know that our opposition predicted that this is what would happen. The government acted surprised when it happened, but it shouldn't have come to them as a surprise that the corporations who received this \$4.7 billion tax handout simply used it buy back shares or to pay down debt. Then some of them actually left the province, left the country. It's something that we warned against, and I think it's shameful that the government didn't see clear to heeding those warnings because it was very predictable.

We look at the government saying that the cupboard is bare and look at the measures in Bill 20, seeing that they are, of course, measures designed to extract expenditures on the part of the government so that they can reach a balanced budget, all the while claiming that the province is broke, that the cupboard is bare, yet we've got \$4.7 billion to give away. It's something that people are beginning to grasp in this province, like, what \$4.7 billion will purchase, how many schools that would have built and how many more than the 250 schools and buildings and refurbishings that we started would have been undertaken to complete, \$4.7 billion that could have gone to help the most needy in this province, \$4.7 billion that would have avoided having to raise tuition at a time when we need to attract students into our postsecondary institutions so that they may retrain for the new opportunities that, hopefully, the

government recognizes are there and must be there in different form other than the oil and gas industry, which is not going to be there in the same volume as we've had over the last 30 to 40 years.

8:50

I know that investments in value-added and in agricultural processing and forestry, in fact, in product innovation are something that we saw as a government as very, very valuable and necessary and actually a responsibility of government to do.

You know, to be fair, corporations like Alberta Innovates – previous to that I think it was the Alberta Opportunity Company, its precursor – were well-established bodies of research and incubation for companies that otherwise wouldn't have even existed or would probably have left the province. The seed money, the seed capital, the incentives that they were able to be given through those mechanisms ended up allowing them to thrive here. This was primarily started under Conservative governments, Progressive Conservative governments, I might add. But this particular brand of conservatism that we have now in government in Alberta sees no value in investing in the talents and the ideas of our Alberta entrepreneurs.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to join debate? I see the hon. Member for Edmonton-Beverly-Clareview.

Mr. Bilous: Thank you very much, Mr. Chair. It's my pleasure to rise again to speak to this bill. I likely will be speaking often to this bill. For the sake of time I will get to an amendment that I have because I'm eager to talk about how this is a reasonable amendment. My hope is that the government will consider adopting this amendment. I will pause for a moment for you to receive the copies.

The Deputy Chair: The floor is yours.

Mr. Bilous: Thank you very much, Mr. Chair. I'll read the amendment in. I appreciate that our pages are working very, very . . .

The Deputy Chair: Just for reference, we'll be referring to it as A1.

Mr. Bilous: A1. Great. Thank you, Mr. Chair.

I was just saying that I appreciate that our pages are working as quickly as they can to get this amendment to members, but I'll read it out for the sake of all members. I move that Bill 20, the Fiscal Measures and Taxation Act, 2019, be amended in section 9(49) by striking out "Proclamation" and substituting "July 1, 2020." This is a very simple amendment. What this does is that it simply delays this bill's coming into force. Now, I'm sure, Mr. Chair, you're wondering why. I hope the President of Treasury Board and Minister of Finance will consider adopting this. Really, what this is is just putting in a six-month pause on the deindexation of the personal income tax. We know that that's part of this bill. Really, it's just putting in a sunshine or sunset clause on the deindexing.

Now, I can tell you part of where this is coming from, Mr. Chair. With all respect to the government, unless I missed something, in the election this government did not campaign on raising personal income taxes on every Albertan. This is something that the government needs to be reminded of because even tonight in estimates I heard from the minister over and over again about our government introducing a carbon tax. Now, we did campaign on a climate leadership plan, but I am positive that this current Premier and this current government did not campaign on raising personal income taxes. If they did, I will humbly withdraw all these

comments, if they show me where in the campaign platform they said: we are going to increase personal income taxes on every Albertan.

It's a word game for anyone to stand up and say that deindexing is not an increase to personal income taxes because when a person's salary goes up and so do their incomes taxes, it's an increase. It's tax creep. The Premier is on record in *Hansard* in Ottawa many times talking about how tax creep is a raise on taxes. So unless there are two different standards, one for Ottawa and one for Alberta, you can't speak and argue it both ways.

A simple amendment. This doesn't torpedo the bill or kill this bill at all. It merely provides six months before this bill, should it pass in this Chamber, comes into effect. Essentially, the amendment is quite simple. I'm hoping the members, including the Minister of Finance and President of Treasury Board, will consider accepting this amendment. It is a simple one, and I'm happy to take my place and allow other members to discuss both the bill and this amendment.

The Deputy Chair: Thank you, hon. member.

On amendment A1 I see the hon. Member for Edmonton-Ellerslie has risen to speak.

Member Loyola: Perfect. Thank you very much, Mr. Chair. It's always a pleasure to get up in the House and speak to bills before the House, especially in committee since we can talk for a little bit longer and express quite a number of views and even give perspectives.

Specifically, today I'd like to talk about Camille and Eric. They're constituents of mine. They actually run Mosaic Entertainment. I'll never forget when elected back in 2015, they were probably two of the first constituents that came knocking on my door to start asking me about tax credits and how potentially they could grow their business. At that time I do believe that Mosaic Entertainment was relatively new, just starting off, and they were able to secure funding for at least one major film, that was filmed here in the province of Alberta, if I'm not mistaken. I wanted to share with you the level of enthusiasm that Camille and Eric had. They had a dream. They had this incredible dream to build Mosaic Entertainment and to put Edmonton and Alberta on the map when it came to production.

I'll never forget visiting one of their sets. I do believe it was in the second year after being elected. The number of people that they had employed as a part of this production: it was overwhelming. It was overwhelming. They must have had a set and crew of I'd probably say well over 50 people. They were actually recording film in a house in Glenora. I'll never forget. They invited me to go and visit the house in Glenora where they were actually filming, and I've got to say that it was quite impressive being on the set of a major production like that, just seeing all the cameras and everything. You know, we were in one part of the house while the actors were in another part of the house. They were doing their thing, and it was fun. I want to say that it was also a great experience to see not only the actual filming and the actual production but the hope and the just overwhelming happiness that Eric and Camille had on their faces because they were doing what they always loved to do, and they were doing it right here in Edmonton, Alberta, by growing their business. So an Alberta screen-based production grant, that's something that was absolutely essential for Mosaic Entertainment and people like Eric and Camille.

9:00

Now, the other part about Eric and Camille that I want to share with you is that, of course, they're constituents, as I said. They have

two children. They live in Summerside, and Eric was the kind of guy who not only was so incredibly dedicated to building the business that both him and his wife were running, but he also gave back to the community. He was actually also on the Summerside Community League. He saw himself as a member of the community giving back because, of course, what's important for him was the fact that it wasn't just him living in the community, it was his children, the place where they call home.

Behind these tax credits, what I'm trying to get at is that these tax credits are helping people, yes, grow a business, but these same people that are growing their business also call Edmonton and Alberta their home. They have pride in this place. They want to make sure that Edmonton continues to grow, that Alberta continues to grow economically, that it truly is an economy that we can diversify as we continue to move forward. I want to thank Eric and Camille for their incredible drive, I would say, their incredible drive to not only build Mosaic Entertainment here in the province of Alberta but also their dream of putting production and film on the map as far as Edmonton goes, because it takes entrepreneurs like that who see well beyond the history of Alberta to truly diversify our economy.

Yes. I won't disagree with you: Alberta is known for petroleum. It's known for the petroleum industry. That's great. It's wonderful. It provides a base. It provides a base from which we can grow, and grow we should. [A cellphone rang] I'll never forget the very first time I ran for office, knocking on people's doors and talking to them and asking them: well, can we agree that we're too reliant on the petroleum industry? "Undoubtedly," they would say. I'd say: well, can we agree that we need to diversify our economy? "Absolutely. I've been saying that for decades." And these are Edmontonians, Albertans, who understand the importance of the petroleum industry here in the province of Alberta, undoubtedly, but they want to see more opportunities because they've had enough of going on the roller coaster, the boom-and-bust roller coaster of when things are good in the petroleum industry, well, things are great, everything is wonderful, but when the bust comes, so many people begin to suffer. They suffer, and we saw it. We saw it.

We saw the great number of people that ended up losing their jobs, and there are still people losing their jobs. Even with the promise of the UCP's corporate tax giveaway to big corporations, we haven't seen one new job being created. Instead, we've actually seen 27,000 jobs being lost.

Now, the question that we need to ask ourselves is: what is going to contribute to this economy? The tax credits that are being repealed by Bill 20, this omnibus piece of legislation, are actually going to be hindering rather than helping. This bill is actually hindering rather than helping the Alberta economy, especially when it comes to people like Eric and Camille.

Many times the Member for Edmonton-Beverly-Clareview has gotten up in this House, and he's talked about people that he has met with who have actually benefited from the tax credits that the previous government, our government, the Alberta NDP government, created in order to help drive diversification here in the province of Alberta. Those tax credits were actually helping business, were actually making sure that we could provide a foothold for these businesses here in the province so that when the economy got tough when it came to the petroleum industry, people had other options.

Shouldn't that be what it's all about? When the petroleum industry is great: great, wonderful. All these people can have these jobs. But the more that we begin to diversify the economy, then people will have other opportunities, other opportunities when it comes to being able to provide for their families because, as I stated, Eric and Camille are Albertans striving not only to make their

dreams come true in this economy and in this province and contribute to the social, cultural fabric of our wonderful society here, but they're also putting food on the table for their children. Now, shouldn't it be that people have the opportunity to actually work at what they love to do? And shouldn't we as a government try our best to diversify the economy so that people can actually do that and contribute to the economy in a way that's meaningful to them?

You look at the number of people who are underemployed here in the province of Alberta, people that go to university or other postsecondary institutions for two, four years of education, come out, and end up working in something that's not even related to what it is that they studied. These are all people who are underemployed. If we had a more well-diversified economy, these people would actually be working in what it is that they love to do. Let me tell you this. When people are working in what they love to do, the level of production that they contribute to the society is overwhelming because people love to get up to go to work every day when they love their job. When an individual is underemployed, guess what? They may not have the same love for that particular position that they're in. When they go to work, they don't feel that they're contributing in the way that they truly want to contribute to the company that they're working for and for the economy here in the province of Alberta.

When people love their jobs, they contribute overwhelmingly to the company. They're willing to give more. They're willing to produce more because they understand that they're doing it because their job is not just a job. They see themselves as part of the fabric of our society. This is the kind of economy and society that we as government should be striving to facilitate for the citizens of this great province. We should be trying our best to create this kind of scenario when it comes to every Albertan.

9:10

You know, we have people come from all over the world, come to this province in order to work. That's a beautiful thing. I've always said that the cultural diversity, the ethnic, religious diversity that we have here in the province of Alberta only contributes more to its strength. That diversity helps us see things from different perspectives. The more perspectives that we have when we're looking at the world, the more well rounded and open-minded we become about understanding not only the world itself but also how to solve the problems that we're encountering as a society.

This is wealth. This is what makes us stronger. By being able to work together, bringing people from a number of different perspectives together in order to look at a problem, you end up creating a better solution. Now, imagine if we had that, with people who love their jobs, working at companies, contributing to the Alberta economy, all driven by their love for their work and giving to the Alberta economy. The only way that we're going to get there is by creating a more diversified economy.

It's, like, you go to an investment specialist, any one of them, and they'll tell you: you can't put all your eggs in one basket. I know that each and every one of the people in this House knows that. You can't put all your eggs in one basket. You need to diversify your investment portfolio. So what I can't understand is why it's good for people, individuals to diversify their investment portfolio, yet here in the province of Alberta we're not doing everything we possibly can in order to diversify the economy. We continue to have all our eggs in one basket. I'm not saying that the petroleum industry and putting our efforts and our work and our drive into making sure that it becomes more efficient is not something that we should be doing. I'm not saying that.

We should. We should make it better. We should make it more productive. We should make it more efficient, more effective, give incentives for the industry to do their best to meet the environmental standards that we're trying to meet and at the same time increase production and not only increase production but make sure that we're increasing our market share and make sure that we're exporting our products to other places in the world. This is all true. We can all agree on that.

Like the Member for Edmonton-City Centre said: just because you're doing one thing doesn't mean you shouldn't do the other. It's like when people juxtapose the economy and the environment. You can do both. You can have a strong economy. You can have a strong, well-diversified economy and protect the environment at the same time. That's what the Alberta NDP government was trying to do in our four years. I can only hope that we get that chance once again, to be back in office and continue to move Alberta forward to a more modern place, where people can actually have more opportunities and actually work at the things that they love to work at.

With that being said, I want to strongly encourage members in the House here to support this amendment being brought forward by the Member for Edmonton-Beverly-Clareview as I believe that we need more time. We need more time to make sure that we get it right. I continue to have hope that all members in this House, although we may not see eye to eye – I know we don't see eye to eye, but that's not what we should be striving for. We should be proud of the diverse perspectives that we all have. Those diverse perspectives, like I was saying earlier, will help us come at the same problem from multiple viewpoints and help us create bigger, broader solutions that actually create more opportunity for the people of Alberta. That's what it should be about.

With that being said, Mr. Chair, I want to thank you for the opportunity to be able to rise in this House and share my thoughts with all the members here. Thank you.

The Deputy Chair: Thank you, hon. member.

Prior to calling on any other hon. members with regard to this amendment, I do recognize that part of my role in this House is to ensure that I am fair and unbiased. As such, I must – I am duty bound – ensure, given that it is the season of November, that the hon. Minister of Health also make a donation, given the infraction of electronic instrument sounds earlier.

Are there any other members wishing to speak to amendment A1?

[Motion on amendment A1 lost]

The Deputy Chair: Moving on to Bill 20 generally, are there any hon. members wishing to speak? I see that the hon. Member for Cardston-Siksika has risen.

Mr. Schow: Thank you, Mr. Chair. I move that we adjourn debate on Bill 20.

[Motion to adjourn debate carried]

9:20

Bill 19

Technology Innovation and Emissions Reduction Implementation Act, 2019

The Deputy Chair: Are there any comments, questions, or amendments to be offered with respect to the bill?

Member Ceci: It's a pleasure to get up, Mr. Chair, and to share a few thoughts about Bill 19, the emissions management and climate resilience act, TIER legislation, in Committee of the Whole.

It's my view that this bill should not be supported. It has some serious flaws that will take steps backwards from the existing climate leadership plan that is in place and that has served this province well since 2015 or thereabouts.

You know, I remember earlier today that when I was getting up, I was listening to the news, Mr. Chair. There were several scientists who were on the news from the Edmonton area. They were being interviewed. They were part of, I believe . . .

Mr. Dach: Eleven thousand.

Member Ceci: . . . 11,000 – I was going to say 1,100 – climate scientists around the world who had the same view and they signed on to the same declaration with each other. It had four or six parts, Mr. Chair. The people who were interviewed locally were talking about the impact of climate change on their work. Their work included work in the north of Canada, looking at the tundra and how it has changed as a result of the impact of CO₂ on our environment. That was one person who said that they travel north regularly. They work in the regions up there, and they're seeing significant impacts that will absolutely change the way of life for the people, the inhabitants of the northern part of Canada. It will impact the rest of our globe as well because the tundra, the permafrost, is melting. It will never go back, it will never come back, and it will release carbon into the atmosphere because it was a sink. It was being stored in the permafrost before, and it's not going to be anymore. [A cellphone rang]

The Deputy Chair: Hon. members, I hesitate to interrupt the hon. Member for Calgary-*Buffalo*, but in the interest of how things have gone today so far, I believe that there may have been another infraction for electronic instrument sounds coming from the hon. Minister of Infrastructure, so I believe that he also will be making a donation in the spirit of *Movember*.

Hon. member, please continue.

Member Ceci: Sure. Everybody, turn your phones off. Turn them to silent. You can't afford it.

Ms Hoffman: Yours is good.

Member Ceci: Mine is good. Yeah.

The other scientist that I remember listening to as I was getting ready for work was one who regularly comes out to the glaciers in the Rocky Mountains. She said in her short – she was under 40 – time as a climate scientist, she can't even see a glacier that she regularly monitors from where she first saw it, Mr. Chair, when she was standing. It's so far back and has retreated so much. I bring up that story and those people because they are of the view that if we don't, as a society in Canada and others across the world, deal with this issue, it will be the undoing of the life that we, our ancestors remember and change irrevocably for young people going forward in terms of the environment we live in. That's why I don't support what's before us, because it takes some serious steps backwards. Our plan, the climate leadership plan, actually invested money in innovation that this plan downgrades. This plan invests less money in innovation.

[Mrs. Pitt in the chair]

As the climate scientists were saying on the radio today, if we don't innovate, if we don't do things differently, we are bound to change our world irrevocably for the next generation. That's not a legacy that anybody wants to leave. That's not a legacy all of us want to have on our backs, I'm sure. It's disappointing to see that this plan, this UCP plan, reduces emissions less than our previous

plan. We should be doing more. We should be striving for more, Madam Chair. What I see here, and what my colleagues have reviewed over the last several days – and it's in *Hansard* – is that they've critiqued and they can say unequivocally that TIER will not reduce the number of megatonnes in our province's production that our climate leadership plan was going to and did.

It's unfortunate, Madam Chair, that another aspect of this plan is that money goes into *gen rev*, and it looks like deficit reduction is an aspect of the expenditure for the monies collected under revenues. Deficit reduction, of course, is important, but as I was just saying, if we don't have an environment to live in that sustains life for us all in a way that doesn't degrade our environment, deficit reduction won't matter a whole lot for the people coming after us. We need to do more, and Alberta has done more since 2007 with the revenues being collected going to innovation and green initiatives. That's changing, as I said, with the plan before us. We invested more under the climate leadership, the carbon competitiveness incentive regulation. We invested more in all aspects of innovation. I was very disappointed today in estimates to see that in Alberta Innovates, which is a great partner in terms of trying to bring people together around solutions that will affect all sorts of things in our environment, there was a reduction in staff, reductions in money to Alberta Innovates. It means that that entity will be able to do a lot less. Who knows, it might have been holding part of the key for the work that needs to be done around climate change innovation.

We have to look at a number of things with regard to the plan that's before us, Bill 19, and I can tell you, Madam Chair, that on the reduction of megatonnes our plan had a higher number of megatonnes reduced for the work we were doing. In our plan it was 50 megatonnes over, I believe, 10 years. This plan only reduces 32 megatonnes of CO₂. It will be reduced without any innovation happening as a result. When I think about some of the critiques of the plan before us, I know that there are some who have said that this proposed TIER system is a step in the wrong direction, and I would have to agree. It would disrupt the investment landscape as a result of being passed. It'll create policy uncertainty because it changes policy that was better in class than what is being presented.

9:30

It sends a significantly weaker signal, Madam Chair, to industry to reduce emissions because those emissions are reduced at a higher amount under the current plan, the NDP plan. It lowers the ambition of recently implemented and well-designed policy, and that's not the direction anybody needs or wants to go, especially when there is something before us as serious as climate change and the impact it's having on the Canadian North and other places, like our glaciers, which are the source of a great deal of Alberta's watershed.

We, of course, are losing that at too fast a rate, Madam Chair. That critique is from a person who knows of what he speaks. It's a person at Pembina. We need to listen to the climate scientists, like the 11,000 that signed the declaration for more to be done on this. Alberta can do more and has done more in the recent past. I think it would be good for all of us to get back to a higher standard of work in this area instead of lowering those standards.

You know, the government also talked about being able to reduce emissions by 57 megatonnes, but it would appear that that would factor in potential innovation. As I said, that doesn't seem to be happening. Under the same assumptions our plan is forecasted to reduce a higher amount of megatonnes, approximately 19 megatonnes more, at 76 megatonnes. We previously put all of our plan in legislation, Madam Chair, and that is being downgraded by

what's before us. In fact, it's a rather insubstantial document compared to what was there for the plan that we put in place.

You know, there is a system of benchmarks, Madam Chair, in this plan, not right here, but they will be in this plan. That's tremendous. I think that anything that sets benchmarks and companies have to surpass those benchmarks is a good thing, but the benchmarks that are put in place will be reduced, as I said, so that's not a good thing.

According to the fiscal plan document of 2019, this plan will only cover 48 per cent of all emissions in the province. It removes substantially the broader economy in terms of consumers and their impact on climate and focuses on companies who are involved in the energy sector. Again, that's a decrease or a downgrading of what's in the best interests of climate change and the impacts on the world, not to mention the significant impacts on our own country.

There are other parts of the plan that have been reviewed and I'd like to talk about briefly. The government says that there was significant stakeholder involvement in the production of this plan over the past summer. That's good as far as it's taken, of course, but I can tell you that the climate leadership plan that we worked on had significant stakeholder involvement as well, across industry, across society, and across differing groups. In particular, the major industry emitters were at the table and came together with environmentalists to form the plan that we put in place.

We know that your Bill 19 framework has already signalled that the carbon price will be \$30 per tonne. That was something that recently the Premier said would happen. I think the modelling for your plan took place on \$20 per tonne, or at least that was the signal that was given to the wider society and Albertans but recently was changed by the Premier. We started at \$20 per tonne and went to \$30 on January 1, 2018, and kept it at \$30 on January 1, 2019, because of the fact that the TMX pipeline was not resolved in terms of what was going to happen with it. But soon after that, the federal government purchased the TMX pipeline, and we would have changed our price at some – but we didn't. But the federal government did step up and buy the TMX pipeline and promised to work as hard as possible to get it across the finish line in terms of the expansion. I have no doubt that that will take place in the not-too-distant future. It's not a small thing that the financial plan, the fiscal plan, identifies three pipelines in it. One of them is TMX. I think it's in the '22 time frame – I'm not sure what quarter in '22 – but it may be in '23.

There have been criticisms about our plan from the other side, of course. I just want to set the record straight that Alberta was on track to cut more than 50 megatonnes of emissions over the next 10 years. That would have happened under our plan. It would have reduced methane, which is a really difficult, difficult emission because it's so heavy and significantly affects the ozone. Reducing emissions under our plan would have happened, and 45 per cent of it would have been reduced by 2025. That is better than this Bill 19 plan.

This government is not serious enough about this issue and needs to take a more serious approach if it is going to be amongst the stellar plans in the world, of which there are many. But Bill 19 won't be one of them.

We, of course, did much more than focus on innovation in our plan. We focused on assisting families, lower- and middle-income families, with the price on carbon. That's not in this plan, obviously, because that whole area of consumers assisting with the carbon price and using the price to affect behaviour is not in this plan. I remember that we contributed a significant amount of money, over \$600 million a year, I think, back to families so that they could address that impact in their budgets. Our climate leadership plan had rebates for 60 per cent of Albertans in it. What we see in your

plan is that a part of the revenue is going to pay off the \$4.7 billion no-jobs corporate handout that is built into your economic plan.

9:40

The climate leadership plan that we had had four main policies. There was implementing a new price on greenhouse gas emissions, also known as carbon pricing, and, as I said, that impacted behaviours, that collected money to go into a number of expense lines that were helpful to a broader number of initiatives to work off of fossil fuels and work towards a cleaner and greener electricity grid, renewables, and improve people's personal lives through enhancing their energy reduction in their own homes and businesses. Our plan had a phase-out.

Thank you, Madam Chair.

The Chair: Are there any members wishing to speak to the bill? The hon. Member for St. Albert.

Ms Renaud: Thank you, Madam Chair. It's my pleasure to rise and again speak to Bill 19, Technology Innovation and Emissions Reduction Implementation Act, 2019, or TIER legislation. This is my second opportunity to speak to this legislation, so I'm just going to review some of the points that I chatted about the last time. Again, I just want to underline that it is disappointing to see the UCP presenting a plan that reduces emissions less than our previous plan. I think, like the Member for Edmonton-Strathcona has always said, that this should never be about pitting the economy and the environment against each other. Sadly, that's what we see happening all the time in this place and seemingly in this legislation. Let's hope not.

Anyway, as I said before, this plan does not invest more in innovation through the TIER fund than it did under our plan, so I think that that is important to note. Government has stated that emissions reductions are anticipated to be approximately five megatonnes less in 2024 under TIER than under the preceding CCIR. In fact, under our government we were on track to reduce 50 megatonnes of harmful emissions over the next 10 years. Now that's down to an unambitious 32 megatonnes. That's an almost 50 per cent drop, which is not good. I think, given what's happening in the world around us, in particular, this is not a good thing.

Looking at some of the numbers related to this piece of legislation: according to fiscal plan 2019 this TIER plan will only cover 48 per cent of all emissions in Alberta. As I said previously, certainly, large emitters are responsible, obviously, for a large part of emissions, but I think it's really important to understand that all of us are contributing to carbon emissions in all kinds of ways, and there are so many ways that we can all reduce our carbon footprint that collectively make a huge difference. Again, as I said before, I'm discouraged by the reduction of investment into energy efficiency, and I've heard people across make jokes about LED light bulbs. I get it; it's a good meme. In reality it's those little steps that were encouraging more and more innovation and investment. I think that something as simple as having an energy audit done on your home or business and then making the necessary changes actually went a long way to teaching people how easy it could be to reduce emissions. So it was unfortunate to see that reduction.

Implementing TIER will lead to a \$0.7 billion of revenue reduction until '22-23, and the fund is expected to take in – actually, I'm going to skip over that – so \$20 million of TIER revenue is supposed to go to the Canadian Energy Centre, again, that we affectionately call the war room or snitch line, \$80 million over four years. Once again, I understand that it's important that we promote our resources and get the best price possible, but, really, in a day and age when we're facing cuts in this budget that have the ability

to impact lives and to create a great deal of harm, whether it's in education, health care, social services, that we're spending this kind of money to hire, essentially, a failed UCP candidate to have a war room against people that have a difference of opinion. You know, a lot of it's been sort of secretive, so we don't really know what this war room is doing. I question this kind of spending on an initiative like this when we're making cuts that are impacting people's lives today.

When you compare the plan we had in place previously and this legislation, on average both plans invest about \$200 million in innovation. While I continue to hear the members opposite talk about, you know, how great this plan is because innovation is going to save us – I have no doubt that innovation is going to do amazing things, as it always does, as science does, but to say that it is the answer, I think, is not realistic. Note that we were actually investing the very same amount. Now, innovation can only take us so far. Just crossing our fingers and hoping that our investment in innovation gets us to the place that we need to be to reduce emissions where we need to reduce them is, I think, not realistic.

Government also cut some of the revenues that came out of the previous plan – government has not seen fit to replace them – and, in essence, significantly cut from innovation and other parts that were funded. Again, we've talked about this repeatedly. For whatever reason, it's not sticking, and it's not getting traction. It's unfortunate because we've heard stakeholders stand up, speak publicly, and talk about what will happen when we reduce the investment in diversification in these areas. We lost investment in AI funding, the digital media tax credit, and funding to science in various departments.

One of the things I have noticed as estimates have gone through over the last little bit is that, certainly, a lot of ministries have taken some really significant cuts, but there are a couple in particular that I find fairly worrisome. One is in agriculture. You know, I didn't grow up on a farm. I'm not an agriculture expert by any stretch. It's really only just what I read in the reports that I get where I try to understand what's happening in agriculture. It seems to me that there's a great deal of innovation that happens in that area. I know that all of us owe a huge debt of gratitude to that particular sector and to producers and growers in this province and in our country. One of the things – I think that people that are producers or in that sector are really on the front lines, and I think they themselves have been really innovative. But it's been really important to fund research, and that requires investment, and that requires scientists. It looks like the cut to agriculture in particular is doing away with a lot of those positions. I can't imagine that that's going to take us forward in any way.

Obviously, I have no doubt that we'll be losing scientists and researchers in environment, which is incredibly short sighted. I'm not surprised by that, but it is short sighted. I just wanted to remind people to go back. I get that it fits into the UCP's narrative or into a meme that is about the job-killing carbon tax. What it was was a Nobel prize winning strategy to reduce emissions, a market-based strategy to reduce emissions. I think it was kind of funny when I can't remember who it was now was talking about raising taxes like a sin tax on a carton of cigarettes: you know, it's going to reduce people's willingness to spend that kind of money to buy these things that are harmful. It's funny because that is the same principle that is used in the strategy that we introduced, but that didn't seem to stick.

Here are some of the key points or key facts under climate leadership, and I think it's really important to talk about these things because we lost a lot as a result. It's important to talk about what we lost. There were four main policies within the climate leadership plan. One of those things was, obviously, implementing a price on

greenhouse gas emissions or pollution. That was known as carbon pricing. Again I will remind people at every opportunity that it is a Nobel prize winning strategy. Economists, scientists will agree that this is a strategy that consistently helps bring down emissions.

9:50

One of the other things that we did – and, again, I'm glad that we did it in concert with supporting workers and supporting communities – is that we phased out pollution from coal-generated electricity by 2030. Our goal was to generate 30 per cent of electricity from renewable sources by 2030. One of the other strategies was to cap the oil sands emissions at 100 megatonnes. I certainly recall those long evenings of debate. Reducing methane emissions from upstream oil and gas production by 45 per cent was also something that we had introduced in this plan. Alberta was on track to cut more than 50 megatonnes of emissions over the next 10 years, the same as taking 10.6 million cars off the road, or nearly half the passenger vehicles in all of Canada. This is very much like eliminating the emissions of the Vancouver metro area three times over.

In terms of jobs we were heavily investing in this pillar of the climate leadership plan as it supported more than 7,300 jobs in just the first two years and thousands of jobs still to come, with construction starting on a number of projects. These are jobs that are now in danger, thanks to this change and thanks to this government. We cut the small-business tax.

I want to talk a little bit about transit. There was a significant investment in a plan because, again, the climate leadership plan was taking a very broad approach. It wasn't just about putting a price on pollution, but it was about looking at other areas. In transit we invested \$3 billion over 10 years for light rail transit in Calgary and Edmonton from the climate leadership plan, including \$1.53 billion for Calgary's green line, which now we're worried about, and \$1.47 billion to support the Edmonton transit, including the west valley line. It also included \$967 million for GreenTRIP and other transit investments.

I may have mentioned this before – it's really sad – that in St. Albert we finally got some GreenTRIP funding. I believe it was, to start construction on a new park-and-ride on busy St. Albert Trail and Campbell Road, I think it is. What the plan was: ultimately, like any city, sort of you're looking to the future, and a lot of folks that live in St. Albert do travel into Edmonton for work, so it was a park-and-ride centre that would allow eventually the LRT to come to St. Albert to continue to reduce emissions and get more vehicles off the road. Now, with the uncertainty around Edmonton and Calgary, the major cities that are really looking to increase public transportation, I really worry about St. Albert. I worry that we'll have a really great park-and-ride and a really great place to park for buses, but I worry that LRT access is a very long way in the future.

One of the really important things to remember under the climate leadership plan was the fact that about 60 per cent of Albertan families received a rebate. They received a rebate to help offset some of those costs. Is it sort of income distribution, in a strange way? Sure. But what that did is that it allowed more buying capacity for people that were sort of at the lower ends. For example, I was chatting with people on AISH because in preparation for budget estimates we were talking about AISH. One of the things that someone said to me was that in one rebate cheque, I think it was, she would receive \$150. For somebody who's living on \$1,600 a month to get that kind of rebate really sort of gave her a little bit more of a cushion to do some of the things she needed to do. Of course, like when we raise the minimum wage, we give more buying power to lower income families. They do tend to spend their money in local communities. There's another loss.

Energy Efficiency Alberta: I mentioned this a little bit earlier. Since 2017 – and I believe that we were at the time the only province without an energy efficiency plan. I'm not a hundred per cent sure about that. It's a little bit late. Now we're the only ones without an energy efficiency plan. Where's the logic there? We're trying to promote our product, and we're working hard to promote our product, get pipeline capacity increased, get a better price for our product. We want to keep saying: "We're, like, an incredibly responsible producer. Buy our product. Come here. Invest here." Yet we're the only province in this country without an energy efficiency plan. Like, how does that make sense? That doesn't make a whole lot of sense to me.

Let's take a stroll down memory lane and go back to 2017. You know, we added the – Energy Efficiency Alberta actually added about \$850 million in economic growth and reduced greenhouse gas emissions by 5.7 million tonnes. Now, I mean, it's not 50 megatonnes, but 5.7 million tonnes just because we finally introduced an energy efficiency plan: that's pretty good. That's actually a really good investment. For every dollar we invested in energy efficiency programs, we got \$3.30 returned to Albertans' pockets. That's pretty significant.

One of the other things that we invested in because it was very important – and then just based on the recent estimates with Indigenous Relations and sort of some of the non answers, it's not clear to me where these projects are. But under the indigenous climate leadership, more than 65 indigenous communities in Alberta have benefited from 125 indigenous climate leadership initiative projects since 2017. I mean, that's incredible. I wish I could remember – and I know it's not an indigenous community – the name of the community that is completely sort of self-reliant for renewable energy. I might have to look up that article and table that tomorrow. But that's incredible, that just in such a short time small communities are making these kinds of investments.

You know, we see regularly in the news that different industries that are not oil and gas industries are worried, right? The solar industry, which had grown by nearly 500 per cent – installed solar capacity has increased – is worried. There's uncertainty because they're not sure what kind of investment is going to go towards that industry. About 3,100 solar installations have been completed. That's pretty significant. More than 300 certified companies have installed solar projects across the province. Albertans have conserved enough energy to power a city the size of Leduc. That's pretty significant.

You know, one of the things that I do want to focus on . . . [interjections] Sorry if I'm disrupting anyone's party over there. I just want to talk about why I keep sort of harping on the fact that we're not addressing the need to bring our emissions down faster, more significantly.

Or I can ramble a little bit more. I mean, there's a reason I wear this button every day. You know, it's like . . .

Member Irwin: I love that button.

Ms Renaud: This button. It says . . .

Member Irwin: What does the button say?

Ms Renaud: The button? My button says: science doesn't care what you believe.

Member Irwin: Absolutely.

Ms Renaud: That's kind of straightforward.

Like I said time and again, I am most definitely not a scientist at all. In fact, I struggle to get through some of the scientific papers

that scientists send me. But one of the things that I have learned from scientists who've taken the time to explain these things to me is that we have a crisis, that we have a very real crisis. I think that given the fact that Alberta is landlocked, we are fairly far north, we are not seeing the severe impacts that other places in Canada, particularly the coastal regions but other places in the world – I think that we are such a wealthy country, so we are not feeling the impacts of climate change. But they are around the world; countries are around the world. Our own country is really experiencing a lot of challenges on the coast, and I think you'll see more and more cities stepping up to say: "We do have a climate emergency. We do need to take this seriously." It's incredibly sad to me that the province of Alberta hasn't taken a leadership role to say, you know: "Yes, we're going to introduce some legislation that goes even further to reduce emissions while supporting this very important sector. We're going to take this further. We're going to do something and address this problem." We're not.

10:00

I mean, the northern parts of Canada are warming at twice the rate as the rest of the world, and I don't see a lot of concern. In fact, I see scientists and researchers being fired or budgets being cut. Emission targets are lower. We don't talk about this. We had 10,000 people outside of the Legislature. I don't actually care what kind of signs they had. What I saw were little kids. I saw one little guy . . .

The Chair: Are there any other members wishing to speak to the bill? The hon. Member for Lac Ste. Anne-Parkland.

Mr. Getson: I really appreciate that. I've been listening very intently to the previous bill that we talked about, and I've been listening to the TIER bill, which is actually fantastic, in my opinion. I know that the members opposite don't really like using technology to help save the environment. They prefer taxing little children and school moms and all of those to save the planet, so I know it's a bit of a reach for them sometimes to see that there's a better way of doing things than what they were doing before. I've heard some silly things in here a few times, and one of them that came up – honestly, I understand that there was a climate emergency recently declared by one of the city councillors in Edmonton. I've never experienced that type of climate change.

The really neat thing with the TIER program – the members opposite were talking about the larger polluters on the planet. Well, yeah, absolutely, it's not Canada. Canada is not a large polluter. Alberta is not a large polluter. If you look at China, for example, they put out about 25 per cent of the world's carbon. Now, that's kind of a big number to deal with. The population of China exceeds ours by – I don't know how many times – a billion times. You know, our population is about 35 million, and they have about 1 billion people. Obviously, they have a bigger impact as well. India is another place, you know, a hot spot in the world, that really doesn't have access to energy like we do. If you look at what India is doing, they're, I mean, even still burning animal dung just to heat, to have the basics.

At Enbridge Pipelines there was a gentleman by the name of Pat Daniel, and he was kind of a visionary. He was one of those CEOs that took it upon himself to make a difference. When you're operating one of those pipelines out there, the biggest cost that we had for operating those lines was electricity. What Pat Daniel had done at that time was put an initiative forward. He wanted to have wind power; he wanted to have solar. He wanted to do all of those things to offset it, and that's what we did as a company. We did that of our own volition to produce those things and to take care of that. We had the carbon offsets and all those good things put in place,

and we developed the technologies that went with it. We supported those industries. We had a whole green division that was working on that. Heck, when we did the Montana tie-line, we were in a joint-venture partnership, and 350 windmills were sitting down in Lethbridge. Those were the things that industry was doing before this climate challenge initiative package or leadership or whatever it was called before, before we started taxing school moms, before we started taxing people for it.

Now we seem to be polarized all the time, polarized on the difference of what we want to do for our planet, polarized on taking a different way and using the big polluters, the ones that actually have the horsepower to do this. If you look at our program and our package on the TIER program, it's using that technology. It's allowing the larger polluters to make their systems more efficient, take care of the carbon, scrub up their technologies, do all those good things, and then, heaven forbid, we could actually package that and send it across the world.

I've heard some numbers, for example, coming back to India and China, who actually want our LNG. If we had access for our LNG to get to port – now, here's a really neat concept. Just imagine. Just imagine if we got along as provinces, just imagine if we weren't scaring ourselves into a corner here all the time, just imagine if we had a corridor where we could send our liquefied natural gas or send gas itself off to the coast and not just to the Tsawwassen terminal. Get us to a deep-sea port maybe, heck, even up in Alaska. I'd take that, for example.

If you got us to B.C., that would be the best thing that we could do as western provinces, standing together. Take our gas, send it over there, use B.C. Hydro, where we actually are utilizing that, put LNG in place, and pump it off. Just imagine that. That would be the greenest energy that we could give to the planet. Send it to places like India, that are crying for this. Send it to China, where they actually want our products. That's how Canada can make an impact. That's how Alberta can make an impact. That's where we can take our technologies. We can take all the great folks that are in the artificial intelligence area, we can take all the good folks that get spooled up by that.

Because what happens is that if we start changing, we don't want to diversify the economy for the sake of diversification. It's like that same person waiting for that next leap in technology. Let's use an example here. We're all at the horse-and-buggy stage, and we're all riding horses. The next best thing is the automobile, and for some reason, before we get there to get that first car, we go and shoot our own horse. Before we get there, we watch everyone else gallop past us. What does that do? Nothing. You don't do anything. You don't get to the end of the race. You do nothing.

You know, I was at a chamber of commerce business meeting, and it was really interesting. You have all these ingenuitive people. They have different businesses, small, medium, large. They are diverse. They're all over the place. They're doing a bunch of great things. Here we are. I'm standing in line talking to a gentleman who is about in his 30s. He says: "You know, I don't mean to be disrespectful, but aren't we just in a downturn because we're changing, and there's no real need for fossil fuels, there's no need for those energies?" I asked him: "Do you know any other jurisdictions in the world that have this much energy at their disposal and what their economic state is?" He said: "What do you mean? Aren't they all the same as Alberta?" He had no idea. This is a guy who is actually at a chamber of commerce. He had no idea that Texas and Oklahoma are flat out. We're the only jurisdiction right now with this much resources that has this recessed economy. The event horizon for us for people demanding and needing our energy exceeds out past 2040.

Again, coming back to that analogy of shooting our own horse that we're riding before we get there, we're all going to go there. Those companies are looking for those innovations. And we looked at ourselves as energy companies. It wasn't just oil and gas; it is energy companies. If you look at Shell, for example – and I've heard it from the members opposite, too. They are saying how good a job they are doing by putting solar panels in place. They are, but they're not doing it here. They're doing it in a different country, and they're doing it on their own. The research and development department over at Exxon Mobil has literally more scientists on their staff than anybody else in the world. They have GDPs that exceed most economies. These are the folks that are already putting the innovation of technologies together. They're working on it. They're working on the solution for the next thing.

We've got a lot of the climate change leadership that's running around. We talked about *The Revenant* movie a little while back. Of course, it takes place in that beautiful landscape out towards Banff. One thing that I remember from that movie: Leonardo DiCaprio, a fantastic actor, jumped and started tweeting that he was experiencing climate change first-hand, saw the impacts that were taking place. Well, lo and behold, it was this climate change thing called a chinook. A chinook. And do you know where that word came from? It wasn't from us; we didn't invent it. It was the native peoples who have been there for 10,000 years. So that 10,000th climatic event all came to one climactic point, being Leonardo DiCaprio who is saving the planet.

That's the problem. We have a bunch of half-truths out there. The problem is that we're doing that to ourselves again, and we're getting these 30-year-olds that don't know what the difference is. They actually think that what we do for a living is bad, that we're actually in the middle of a major, major disaster in our own backyard, but we won't use our own technology. Instead, the best way to save the planet is to buy that Starbucks coffee or buy something else, and it's the act of nonparticipation that's actually doing it. Holding a sign up and down and protesting that the sky is falling is not going to fix it. Using our technology, using our smarts, using what we can to help out others and to help ourselves in the appropriate way: that's the way we have the best impact.

Now, do I believe that we have an impact on climate change? Absolutely. I believe we can do things better. Now, let me give you an example of something that I did. When I put in my heating system for my house, I buried it really deep, about 15 feet. I ran a geothermal-type system in place. When we were building our house, I put as much insulation as I could. I spent extra money to put all the nice windows that we could in there. I put everything so that I had positive drainage. We changed the place and the location of the house so that it actually had cross-flow, so in the summertime you don't need an air conditioner. The passive solar that I did: we put that in place. The heating system that we have: well, I have a couple of wood stoves in there, a fireplace, and I have a boiler system. The boiler system only gets turned on half of the year. I did this 15 years before the carbon tax came in place, and I'm not the only one from the energy sector that did that. We were always looking for something efficient. We were doing the right things before someone was holding a gun to our heads yelling: the sky is falling. Heaven forbid that you disagree and you want to do something a little bit different than taxation.

10:10

Coming back to the Nobel peace prize winner with the economic model on taxing carbon: yeah; he won a Nobel peace prize. Fantastic. He did. In his model if you actually follow it, it includes that carbon pricing works, but you have to take away all the pre-existing levies and you have to have an order of magnitude. You

can't have your own sole economy doing it, or the whole thing fails. The groups that followed that, including Justin Trudeau, that were saying that this was the best thing since sliced bread, ran the model inappropriately. They were taxing on both ends. They were not having the buy-in, the weight of actually those tied-in economies. You know what happened when that Nobel peace prize winner ran that type of scenario? It failed every time. What did we experience? A failure. You cannot tax yourself into changing the carbon footprint without having all of those other elements in place. Heck, we can't even decide in this room how we're going to run our economy. Can you imagine trying to get 10 or 12 other countries onboard with that?

Here's the reality. We've got lots of energy at our disposal. We have the technology that we've already been using for the last 15, 20 years. You look at the coal-fired plants. I heard somebody in here speaking – I can't remember if it was the Leader of the Opposition or not – declaring victory when they said that the climate had changed here because we've actually reduced all the carbon because we've already cut off those coal-fired plants. In actuality we just opened up the pipeline for it, and we still haven't converted the boilers. Again those half-truths. We're still operating on the same systems that we had, and those were very efficient, very efficient indeed.

Here's another story. There was a mechanical engineer. I'm on my way to an airport, and we're talking about school and he wanted to talk about universities and what we're doing with funding there. We've got this nice little gentleman. He's going to rent me a car. I'm talking to him on the way to the airport and asking him, "What do you do?" "I'm a mechanical engineer." "Where'd you graduate from?" "U of A." "Why are you renting cars? Are you between semesters?" "No. I can't find a job." "As a mechanical engineer you can't find a job?" "No." "Well, why do you think that is?" "I'm not sure. Like, the oil prices around the world dropped down." "Oh. Well, why isn't our product any good?" "Well, I don't know. It's just not as good. It costs too much to produce." "Well, no. That's not the case. It isn't because our product is costing more on the market. It's actually recessed." When we talked about pipeline capacity, he got it at that point.

By the time we made the transition from driving from the south side of Edmonton to the airport, he then understood, and he goes: "Who else knows about this? Who else knows that this carbon tax doesn't work? Who else knows that our economy is in this state?" I said: "All of us. All of us do. It just depends on which Twitter feed you're reading. It just depends on which page you look at." It was interesting.

I found as well that when we talk about all the scientists that are lining up on one side of the fence that are receiving all the funding – I happened to see a newscast that was taking place. It was an interview with the gentleman who started The Weather Network. He's diametrically opposed to what's being put out there about all the climate concerns and all the climate risk. Again, here's a man of science that doesn't have his side heard because the folks like DiCaprio get the media feed. There are tons and tons of other people out there that have different ideas and different ways of doing things. It isn't one size fits all. But if we're going to have the best order of magnitude, the best bang for the buck: Canada, 1.6 per cent of the carbon output versus China, who's got 25 per cent. If you look at India, again coming back to that point: I don't know; are they another 10 per cent? If you have 35 per cent, argumentatively, and we have 1.5 per cent, the biggest thing that we can do is shut down our economy? We can kill that horse before we're ready to get there. Or can we actually export our product, make a bang for the buck over there, and let those folks have the energy that they need?

Quite honestly, I would love to have an open debate, but the alarmist things have to stop. You know, I've heard silly things like when we had some visitors coming over here from the Solomon Islands, and one gentleman from the other side had said that we'd better give them snorkels before you go home because we're having such a climate risk. Well, as a pilot I know that we're sitting at 2,500 feet. Villeneuve Airport is 2,500 feet above sea level when I'm sitting on the tarmac. Do you realize how much of a climatic event we would have to have before we flooded and got sea water in our boots? These are the types of things we're hearing.

The member before was talking about his exposure when he was up north and he was dealing with all the flies, the black flies in Zama Lakes. Well, this is as close to the environment as you can get: black flies so thick, quote, unquote, you couldn't even see the man standing next to you. The logical part of me goes: I've been up in the bush; I've seen black flies; I've been there; it was never that bad. Maybe it was at night. I don't know. Maybe that was part of it. He didn't realize it was dark, didn't realize that the blackflies weren't the reason he couldn't see him; it was just at night.

The other gentleman, in his 30s, when I was talking about that line, again thought that our commodities were outpriced. He thought that our carbon output was way different than conventional oils. Well, in fact, because of the technologies of folks up north – they've been developing this over years – we're almost there. We're almost at the same amount as regular output would be.

The oil sands themselves, reading back through some of the old information from the settlers up there, the Clearwater River – I've actually worked up in those areas. The reason why it's called the Clearwater River is because back at a point in time that was the only place you could drink water from that was clear. We have the world's largest oil spill that took place. God did it, not us. We've been cleaning it up.

You look at the stunted vegetation and the stunted animals that are out there when you left that natural. The natives used the tar that was oozing from the banks to cover their canoes. Now, you look at the areas where they've actually used that product and restored it, and we've actually done something good with that. You've got buffalo herds roaming out there. You've got great restoration. I mean, that's what we're talking about.

I ran across recently Absolute Aviation, Absolute aircraft heaters. Here's a small incubator group that's taking place out at the Edmonton International Airport. They're reducing 60 per cent – 60 per cent – of the fuel it takes to heat up a jet engine. These are the types of innovations that are taking place on their own.

You've got Wayfinder. Wayfinder is another company that's producing frac sand out by Glenevis. The displacement of using all the frac sand that typically comes from Texas or Minnesota: these are things that are taking place.

The Lornel Group: well, they use technology. They use tons of software to map out all the information on where all of the utilities are at. They do that. They also came up with a little sister company called Aerium robotics. This Aerium robobird is what they're producing. They're doing all these really neat, innovative things. These are companies that are taking place because of the energy sector, because they worked for these companies, because those are the spinoffs, and they're always developing and advancing this technology. Again, we all want to save the environment.

Mobile Augers: there's a company that started something. It was around 60 years ago. They're the ones that actually do all the soils testing, testing the LELs. Those are innovations that are taking place around the world.

There's another company out in Acheson. They do more work overseas than they do here, and their whole job is to reclaim soils.

They're flashing off all the LELs. So those are the things that we can be doing.

Instead of spending like drunk farmers' wives on a trip to Vegas and running the economy down and running the credit card up and doing all those things – it just irks me. Honestly, we all want to do the best thing for our kids, but instead of polishing the brass knobs on the Titanic while we're heading towards an iceberg because we don't want to look out the pilot's window and we don't see that iceberg out there because we're not listening or we're not hearing about a different way – instead, we're just going to head headlong, drive this thing into the iceberg, sink our economy, and take everybody else that's left in Alberta with us. We've poisoned the well for so long that tons of investment have gone.

I heard about all the jobs we were going to talk about, and here's a really quick number. That dirty energy sector that we keep talking about: \$92 billion, roughly, is what that thing is worth for our economy, just looking at some quick numbers. We have 360 some-odd million dollars for it. We're about 27 per cent. That's our economy. Some of the other members were talking about all of the great innovations we can do with AI and that we could do it with the technology and some of the film industries. I'm not refuting that; I think it's great. But when you're stuck comparing \$45 million or a billion dollars to \$92 billion, again, it's coming back to the idea of shooting that horse before you get there.

We can produce energy, the renewables. Wonderful. Flip up the windmill; turn on the solar thing. Do it on a winter's day when it's cloudy and there's no wind. The other side of it is that you've got tons of wind, but now you have no place to put your energy. So until you have a little nuke sitting there so that you can flip the switch on the nuclear power or you've got a coal-fired power plant or you've got hydroelectric that's sitting there or you've got a gas turbine – you need to have those items where you can flip the switch, and it's an integrated system.

Again, coming back to our TIER solutions, use the integrated systems. What we haven't figured out yet is how we store that energy, so whoever comes up with the best battery is going to win this race, how we can store the energy that we produce so it's available at that time. Again, in running these systems, they have to be integrated, and we want to get there.

10:20

The only way you get there is by the TIER program. That's the best footprint we have. If we called it the climate-leading challenge technology innovator and best superhero solution, well, maybe we wouldn't be arguing about it so much, but we called it TIER, just plain, old TIER. "Technology" is the first word in it, and it isn't as exciting as climate-challenging leader or ice-bucket challenge or whatever some of the other folks might come up with.

I think I've about run out my shot clock, and I think my conscience is clear. Obviously, I'm a big supporter of the TIER program. I would love to be able to see our provinces working together again; I would love to keep our country together. Heck, I'd even love it if we and all the members opposite could sit down and have a beverage one day and actually agree to something rather than getting too polarized.

Mr. Bilous: It's possible.

Mr. Getson: It's possible, and I appreciate that, sir.

Again, if we can utilize all the folks that are techies, put it together with our main driving economy, our industries, we're going to get there. Obviously, a lot of us have children, and we want to see the best for them. I don't want to see my kids exit our economy, go to a different province or a different country because

we've spoiled the earth, because we've poisoned the ground, or because we've poisoned the well of our economy, from which everyone was drinking, because we were too short-sighted on ideology. By having a good, clear conscience and understanding how this process works, with a majority government on our side and a minority back there to be our conscience, I think this just might work.

The Chair: The hon. Member for Edmonton-Glenora.

Ms Hoffman: Thank you very much, Madam Chair. I certainly appreciate rising in the House this evening to consider this bill that's before the House and respect the fact that this is a democratic institution where we all have a chance to have our voice heard and contribute in our ways to try to make this place better, not just this place where we are today but this society that we are the keepers of today and that we are borrowing from future generations.

With that in mind, I just want to talk about a few things that I find problematic with the switch to TIER. Number 1, for me, to be very frank, is that I think it actually heightens our reliance on a boom-bust economy rather than creating opportunities for us to support our top three industries today – of course, oil and gas, agriculture, and forestry – and actually continuing to diversify into other areas of renewables and other types of good, long-term, sustainable employment for our province. That's my number one. I feel like this pushes even more eggs into one basket, one that I think has caused a lot of anxiety for folks waiting for the next boom when we're in the midst of a bust. One of the things that I don't appreciate about TIER is that I think it will actually make us even more reliant on the one industry.

The second one is that I think it doesn't create any options for individual consumers; it's put all of the onus on industry. I think that giving individual consumers some power in determining what ways they want to engage in a carbon economy is something that I appreciate, individual choice. I appreciate individuals having the opportunity to be able to feel like they're making decisions, like the last speaker said that he made prior to incentives, that there are actually additional incentives for folks who are in a position to be able to exercise that choice. That's number 2.

Number 3, I'd say, is the fact that there is no time given in this bill to transportation. Transportation, we know, is the third-largest contributor to greenhouse gas emissions. By cancelling investment in transit, in GreenTRIP, and in other initiatives that could be funded with this rather than it being put into general revenue, I think we're again putting greater reliance on the one industry and taking away from other investment opportunities and other employment opportunities and also taking away other transit options from the society at large.

Number 4 is that I don't believe that this will create any jobs, and I'd be happy to be corrected if it will. In reading this, it doesn't seem like this is going to enhance economic diversification, certainly, and certainly I don't think it will create more opportunities in this sector of the economy. I'd be happy to be given evidence and information that shows otherwise, but it seems problematic to me.

Number 5 is that I have serious concerns about revenue from here being funnelled towards the energy war room. I think that's not a good focus for what is supposed to be using the price on pollution to address emissions and find ways to reduce them. I think that putting this money towards the war room would be counter to the value that having a price on pollution brings.

Number 6 is that I have concern that TIER, COSIA, and Alberta Innovates overlap and create redundancies. I know we spend a lot of time in this place talking about the importance of efficiency, talking about cutting red tape, so I am nervous that TIER, COSIA,

and Alberta Innovates have overlapping roles and responsibilities and mandates.

Those are my six points. I'll just say them again quickly before I table an amendment, because I do have one that I think will help improve this and alleviate some of my concerns: one, lack of focus on diversification; two, not having any individual options for individual consumers; three, transportation; four, no new jobs; five, the energy war room; and six, creating more overlap and red tape and inefficiencies. Those are the main concerns I have there.

With that being said, I'd be happy to present the amendment that I have, with the requisite number of copies for the House, and I'll just keep one copy for myself.

The Chair: This will be known as amendment A1.
Please proceed.

Ms Hoffman: Thank you very much, Madam Chair. I'm moving this on behalf of my colleague the Member for Edmonton-Gold Bar. I move that the Technology Innovation and Emissions Reduction Implementation Act, 2019, be amended in section 4 by striking out clauses (b) and (c). If I could provide some rationale for that. Really, this amendment is about that TIER currently, as proposed, is all set to go into general revenues rather than a dedicated fund, and I think that this is problematic for a number of reasons.

Since there is a price on emissions that was introduced in Alberta, it has always been one hundred per cent reinvested in carbon reduction. This is the fund that was created previously. I think it was during Stelmach's time that there was a price on carbon, and all of that money was focused specifically on carbon reduction. By having it going into general revenues, I fear that it will go towards things like the energy war room and other things that don't actually achieve the mandate as has been mentioned in this House around reducing carbon emissions.

I think that this shouldn't be different. I think that with the fact that we have a price on carbon, it should be focused on the ways that we can support industry and support individuals and support our province in finding ways to reduce emissions and to indeed show that our fossil fuels and other energy forms in this province can indeed be the most environmentally sustainable long term and show that we are not taking our responsibility in this lightly.

I think the new system should not become a general slush fund. I think it's important that it be focused on the intent that was originally set in the original mandate. I think that when government says that they want to focus on innovation, I believe that, and one of the ways they could focus on innovation is by having this fund dedicated away from general revenue towards actual emissions reduction.

Also, the previous plan was for \$1.4 billion over seven years, and the new plan is for \$800 million over four, so both average about \$200 million a year annually, certainly enough money that we could focus it towards this dedicated area.

The Chair: Hon. members, could you just keep the volume down a little bit so that the member can be heard. Thank you.

Please proceed.

Ms Hoffman: Also, the plan, I think, could have significant gains in innovation. Certainly, previous plans were to reduce 76 megatonnes. Of course, we appreciate that if there's any desire to reduce megatonnes, I think that that is a step in the right direction, but having this focused towards general revenue as opposed to a dedicated fund, where that is its sole mandate, I think is problematic and doesn't speak to the importance and significance which we are dealing with, the very real and pressing impacts of climate change.

10:30

With that, Madam Chair, I am happy to hear feedback from other colleagues about this proposed amendment. I think it's reasonable, and I think it's probably something that – other members, when in opposition, would have been happy to see dedicated funds focused towards dedicated clauses rather than general revenues. That's simply what I'm asking for today.

Thank you very much, Madam Chair.

Mr. Jason Nixon: Well, I'm happy to respond on behalf of the government and as the sponsor of Bill 19 to some of the comments by the hon. member. There's lots to unpack there, and fortunately we've got lots of time to unpack, so we'll spend some time on that. First, Madam Chair, I'd like to just talk a little bit about what the hon. member referred to as far as emission targets and/or projections, the NDP's plan on GHG emission reductions compared to TIER. It always surprises me how the NDP's numbers change on certain issues throughout the day. Even watching it today in question period, they can't keep straight as they exaggerate the cost of the job-creation tax cut.

Ms Hoffman: It's \$4.7 billion.

Mr. Jason Nixon: Four point seven is the one that the hon. member is heckling at the moment. I've heard her today say 4.6, 4.8. The reality is that they're off by \$4 billion, but what's \$4 billion amongst friends, particularly when you're the former Deputy Premier of a government that brought in the largest deficits and debts in the history of the province? They're wrong about that, as has been articulated many times. I'm happy to talk about that in more detail later. My point is that you can't trust the NDP numbers. You saw it there again just a few moments ago.

The reality is that when it came to the large-emitter program that the NDP had, they were projecting about a 32-megatonne reduction in the same period of time that our TIER program is projecting a 57-megatonne reduction. She said 76. Her own critic and the former minister who was in charge of the program has already said in the House, on this very bill, just a few days ago, totally opposite numbers. But mistakes happen, kind of like the NDP's carbon tax. But I digress on that for the moment. I'm sure I will get back to it shortly.

The hon. member wanted to talk about a slush fund. Her concern seems to be around the fact that this legislation will allow some of the money that comes from TIER to go into general revenue. She is, in fact, correct about that. That's the primary purpose of the bill. That comes down to the great difference between the NDP and the current government. The NDP, Madam Chair, you will be shocked to know – actually, you probably would not be shocked to know; you've been in this Chamber long enough that you already do know it – started out saying that their carbon tax would not ever go to general revenue. Then we found out in their budgets, as time went on, that it actually was going to general revenue despite the fact that their legislation said that it would not. Shockingly enough, even the stuff that they kept within the fund that we're talking about right now they were using for general revenue projects. They were using it throughout the entire government to try to meet financial objectives of their government. Sadly, we know that they didn't meet any reasonable financial objectives. They ended up carrying this government to the largest debt in the history of this province, overseeing devastating job loss and significant economic impact.

Albertans sent us here to fix the NDP mess, if you would, and certainly that was a slush fund. The difference for our approach, Madam Chair, is that we told Albertans that we were going to take a portion of the money associated with the large-emitter side and we

are going to spend it on technology and GHG emission reductions and helping with pollution issues inside the province. Then we were going to take another portion of it, and we were going to put it in two issues: one, to help with deficit reduction, to be able to clean up the mess the NDP created – we told Albertans that – and second, to fund the war room. Both issues, which the hon. member referred to, we were transparent about.

We're taking the time to legislate to make sure it's clear to Albertans what we're doing because we want to be transparent with Albertans going forward. We have committed to a formula on how that will work. We committed inside our platform very clearly that the first \$100 million for TIER would go to technology for emission reductions, and 50 cents of every dollar thereafter would also go to technology investment for emission reductions. The other 50 per cent would go to deficit reductions plus a \$30 million investment – actually, I think it was \$20 million; I can flip to the page in a minute – in the war room.

That's the choice that Albertans had in the last election, when they fired that hon. member's party from government and most of her colleagues, who had come to this place and supported the carbon tax approach while hiding from Albertans actually where the money was going. We came here, gave Albertans a choice. They could have the NDP's carbon tax on fuel: no rebates for most people in Alberta and investment inside NDP pet projects, very little investment inside the environment, sadly, most of it inside infrastructure, investing in light bulbs. I see one hon. member pointing out about investing in light bulbs.

You know what, Madam Chair? Shockingly enough, the hon. member supported – some of the new members here may not know this – and worked really hard to defend, as the Deputy Premier at the time, hiring Ontario companies to install light bulbs in people's homes and shower heads that often did not even work for the water pressure, particularly in rural Alberta, as I mentioned before. They forget about rural Alberta all the time, though. It's unfortunate.

But that's where they spent the money. In addition, they also spent it on different infrastructure projects, programs throughout government that had nothing to do with emission reductions, all throughout the government. Every minister of our current government has had to go through and unravel the mess that the previous government did using climate change money for things that had nothing to do with emission reductions.

The point, though, is this. Albertans had a choice. They knew, despite the fact that the NDP did not tell them about their carbon tax. As I said, Madam Chair, when we're outside the Chamber, we use different words for what that really means, but we certainly can't here. They did not tell them about it, though. They told Albertans that they would never put it in general revenue, and they did. They called Albertans Chicken Little for expressing concerns about it. We'll talk about sewer rats maybe at a later time. But the point is this. Albertans, by the time they got to the 2019 election, knew what the NDP's carbon tax was. They also knew what the UCP was proposing because we spelt it out clearly in black and white inside our platform, and Albertans chose in record numbers to fire the NDP and to go with our approach when it came to this important piece of legislation.

We know that the NDP is frustrated that Albertans fired them, and I sympathize with them. It's probably hard to be fired, particularly to have the legacy of being the only one-term government in the history of the province and devastating their party for probably at least a couple of lifetimes inside the rural portion of the province with the brutal policies that they imposed on the people that I represent. But they can't argue with the fact that democracy made a decision, and that's what we've brought here. This hon. member is now attempting to stop what was a clear

platform promise that was made to Albertans, that they voted for, Madam Chair. It is shocking. I don't even know how they could have come to this conclusion.

Now, it does go into a dedicated fund. That also may be where the hon. member is confused, maybe not well briefed on the issue or hasn't taken time to read the bill. I know she's moving the motion on behalf of another member so maybe that member did not explain . . .

Mr. Bilous: You'd be out of order.

Mr. Jason Nixon: What was that? Sorry?

Mr. Bilous: It'd be out of order.

The Chair: Hon. member, through the chair.

Mr. Jason Nixon: Thank you.

They moved the motion on behalf of another member, so she may not be aware, but it does go into a fund associated with technology and investing in the TIER program. In fact, the bill also renames the fund that it goes into. Maybe the hon. member should take some time this evening to do that.

Further to that, I think that really what the hon. member should do as the former Deputy Premier of the province, the former Health minister of the province is take some time actually to still reflect on how her party has ended up over there. They haven't done that, Madam Chair. It's important to this piece of legislation because it's at the core of why the NDP was fired by Albertans, why Albertans lined up in record numbers to fire them.

Madam Chair, you know – I know; I'll go with what I know. I was getting calls from constituents who were travelling from as far away as the United States just to get home to vote to fire the NDP because of their carbon tax and other policies they brought in. When you would tell them on the phone, "Hey, you can vote in advance polls; there's this thing you can do to vote when you're away, absentee ballot," they'd say, "No; I've just got to get home and make sure my ballot is counted on the night because I want to be part of firing them." That's because of the proposals like she's proposing with this amendment, to try to go back to the NDP's failed carbon tax, already rejected by the people of Alberta. It certainly will be rejected by us. We're proud to have gotten rid of the NDP's carbon tax. We're proud to be clear with the people of Alberta on how we'll spend the money.

10:40

To her last point, which is in regard to not wanting to spend money on the energy war room, or the Canadian Energy Centre, that also was a platform promise. Yes, this bill makes sure that money can be used to be able to fund the Canadian Energy Centre and protect our largest industry, Madam Chair. This hon. member trying to move amendments to stop that from happening continues the NDP's behaviour of supporting people that will attack our largest industry. That hon. member was Deputy Premier to a Premier who appointed people, like Tzaporah Berman, to oil sands panels who have dedicated and sworn to be able to destroy our largest industry, who have protested and blocked pipelines that we needed to get our products to work, and have done more to cause unemployment in this province than anybody else.

The members smile because that's their ally. Remember, they are part of a federal – I see the hon. Member for Edmonton-Highlands-Norwood smiling away, smiling away, excited about the fact that she supports a federal party and a provincial party that are antipipeline, that have people that are dedicated to the Leap Manifesto, which is dedicated to making sure that our energy products cannot be produced.

An Hon. Member: She's nodding as well.

Mr. Jason Nixon: And she's nodding about it. She's dedicated. She's excited about it. That's fine. At least her position is there. Her position is known.

But then to move an amendment on the very – and the member's argument is this: it's to prevent the money from going to the energy war room. She wants to move this amendment to prevent money from going to the energy war room to be able to defend our energy industry.

As you can see, the Member for Edmonton-Highlands-Norwood continues to smile excitedly about the issue. That's their goal. At the end of the day, they've never been able to hide it. When their leader admitted in this last federal election that she still voted for her federal leader despite the fact that he's on the record as trying to shut the oil sands, trying to stop all pipelines, and trying to make sure that our people remain out of work across this entire province and cannot survive with the largest industry, they sit inside this Legislature and smile about that support.

Well, Madam Chair, we reject their amendment because we have no problem with defending this province. We have no problem with defending our largest industry. Yes, we are not going to pass an amendment that would stop us from being able to finance the energy war room, because we're proud of our commitment to do that, because we're proud of our largest industry and, most importantly, we're proud of the people that work in it each and every day.

Unfortunately, it's unfortunate, which I said twice because it's very unfortunate, three times, that this party across from me is still dedicating their existence to trying to shut down the largest industry, the lifeblood of this province. Do you know what that means at the end of the day? They're standing with people like Justin Trudeau. They're standing with people like their federal leader. They're not standing with the men and women that built the industry, that built this province, and that continue to depend on it for their livelihoods. Sadly, they're not standing with the rest of the country, who also depends on that industry for their livelihoods.

Again, out of all the things that the deputy leader of the NDP just said, the most shocking is the fact that they would come to this Chamber and try to stop the energy war room from being funded. Their approach continues to be to back up Justin Trudeau, support Justin Trudeau's anti oil and gas positions, support their federal leader, their federal NDP leader, the same party, by the way, Madam Chair. The same party, right? There's no secret that I voted for the Conservative Party of Canada and supported them in the last election – I was very proud of that – but we're not the same party as the Conservative Party of Canada, as you know. They're the same party, run by the same leader, a leader who is on the record even in the last few weeks, who has sworn to stop pipelines and energy production. Well, that's why we need a war room. That's why we need a Canadian Energy Centre, to stand up to their leader and others like them.

Madam Chair, have you ever read the Leap Manifesto? You would be shocked to read the NDP's Leap Manifesto. You would be shocked. What it has to do with this amendment is that they are trying to stop us from defending our energy industry from things like the Leap Manifesto. It is so disappointing.

I will close with this. My biggest point is to make it clear to our colleagues that there's no way we're going to support – and I certainly hope that they support me in that statement – the NDP's continued attack on our energy industry and the people that work in it. We'll be proud to vote this amendment down.

Again to the NDP: take some time. And to the Opposition House Leader: you, too, take some time, take some time to reflect.

Through the chair to you: take some time to reflect on why you got fired, because if you keep coming back here and doing the same thing, you are never ever going to leave that side of the aisle.

The Chair: Any other speakers to amendment A1?

[The voice vote indicated that the motion on amendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 10:46 p.m.]

[Fifteen minutes having elapsed, the committee divided]

[Mrs. Pitt in the chair]

For the motion:

Bilous	Dach	Irwin
Carson	Dang	Loyola
Ceci	Hoffman	Shepherd

Against the motion:

Allard	Nicolaides	Schow
Armstrong-Homeniuk	Nixon, Jason	Shandro
Copping	Nixon, Jeremy	Toews
Getson	Panda	Toor
Glubish	Pon	Turton
Gotfried	Reid	Walker
Guthrie	Rowswell	Williams
Jones	Rutherford	Yao
Loewen	Sawhney	Yaseen
Long		

Totals: For – 9 Against – 28

[Motion on amendment A1 lost]

The Chair: Are there any other speakers to the bill? The hon. Member for Edmonton-City Centre.

Mr. Shepherd: Thank you, Madam Chair. I appreciate the opportunity to take the time to speak to Bill 19, the Technology Innovation and Emissions Reduction Implementation Act, 2019, which would introduce the new TIER policy, the marquee climate change policy being brought forward by the UCP government. I've had the opportunity to sit down and take a bit of a look at the legislation and to consider it a bit.

I came across an excellent piece written by everyone's favourite energy economist to quote when he agrees with you and ignore when he doesn't, Dr. Andrew Leach. Now, he recently wrote an opinion article for the CBC in which he undertook an analysis of the new TIER legislation. I have a great deal of respect for Dr. Leach, as apparently do many members in this Chamber, again perhaps on a selective basis. But let's go with the general premise that we all recognize that he is a man who has devoted a good deal of time to energy and the economy and the issue of climate change and has advised both Conservative and NDP governments on the creation of such policy, which is something that's apparently admired by the government, as we saw with the head of their MacKinnon panel, who, they are very happy to tout, was an NDP Finance minister but also consulted for the UCP. So we can assume that if we don't always agree with Dr. Leach on all of his thoughts, we at least all recognize that he is a voice of experience.

In his article he actually has a fair amount of praise, with some caveats, for this government on the TIER policy. In fact, if I may quote him, he says, "This is serious policy, not the complete abdication of action on climate change many will expect from [the Premier's] government." I'm not sure that that would be called damning with faint praise. That's more than faint.

He makes some observations about the bill, and he sort of talks in general about the concept of output-based pricing, which is something that we talked about in this House and, indeed, we have heard members in this House disparage when it came to consumer pricing and the carbon levy. Indeed, I've heard members talk about: well, how can you charge and then give money back and then say that it's going to do anything? Well, that's the basis of output-based pricing, and that is part of what's present here in TIER. The way Dr. Leach chooses to look at it, he says: "Think of these policies as the government sending companies a bill for their carbon emissions and writing giant novelty cheques to subsidize output." Fair enough. That was the same policy that our government had implemented in dealing with industry.

He observes that, of course, there are two major sectors in Alberta that are affected by TIER, those being electricity and oil and gas, and when it comes to electricity, he actually speaks fairly highly of the approach from TIER. He notes, of course, that electricity is the second-largest source of emissions in Alberta, after oil and gas, and notes that Alberta's electricity emissions are, in fact, more than half of the total emissions for the entire electricity sector in Canada. So the types of policies that we bring in on this indeed matter a great deal.

But what he observes is that the TIER plan put forward by the Minister of Environment and Parks, in fact, "levels the playing field across all sources of power." Basically, any emissions from any source are going to be charged \$30 per tonne, and all the generators, regardless of the source or the means by which they generate, are going to receive the output-based credits at the same rate. He notes that, in fact, that is the formula that was used by our government in our policy. That's excellent. I appreciate that the government, when they see a good thing, in some instances apparently is willing to continue with it.

Dr. Leach praises that choice. In fact, he even gives some praise, that I think the government would especially appreciate, in that if he had to choose between the Premier's and the government's TIER and Mr. Trudeau's carbon price on power, he prefers the Premier's and, I suppose, by extension, then, ours, on which this is modelled. The reason he gives for that: he says that the federal approach actually gives more credits back on coal than they do on gas, and they provide absolutely nothing to new or existing renewable power sources. So the criticism Dr. Leach has of the federal program is that it gives too high a subsidy back to the coal industry, giving less to gas and absolutely nothing to renewable sources. In essence, then, while you have higher emission plants paying more in a carbon price but are giving larger subsidies to coal, then that reduces the effectiveness of the policy. He observed, somewhat ironically: well, who would have thought that the Premier's plan would be worse for coal plants than Mr. Trudeau's, the Prime Minister's? But that is, in fact, the case. This government, the UCP, is being tough on coal plants in the province of Alberta.

Dr. Leach observes that under this plan, under TIER, "the cost advantage for low-emissions generators in the Alberta market remains exactly the same as if there were a carbon tax on electricity," so it balances out.

Now, while he has that praise for the government on how they've handled the electricity file, he says that he's somewhat less thrilled with how TIER approaches the question of the oil sands and other industrial emissions within the province of Alberta because it, in fact, abandons what works so well about the electricity section. Again, in the electricity section we have all output being treated equally, the same subsidies going back to everybody but, indeed, weighting it heavier for people that are emitting more. For example, coal is paying more because it's creating more emissions. Gas is paying less. Renewable energy, assuming it's completely carbon

neutral, is paying none. But when it comes to the oil sands, for some reason the government has chosen to flip and invert that. Basically, for everything outside of the electricity sector, we have emitters receiving more emissions credits if they have higher historic emission intensities. Dr. Leach observed, "It rewards exactly what we want to avoid," which is puzzling, Madam Chair.

11:10

The government seems to understand this very well when it comes to the electrical sector, but they flip it on its head when it comes to the oil sands and other sources of emissions. A carbon price is supposed to reward improvement. That's what want to see. We want to see things get better. But we also want to see innovation. Certainly, that's something we've heard the government members and the minister toss around quite a bit and talk about, the investments in innovation. Indeed, it seems that through TIER they are trying to cover for some of the fact that they have cut and removed so many other incentives and opportunities for innovation within the province, but we'll set that aside for the time being.

Dr. Leach observes that for oil sands in particular, where we're expecting we are going to continue to see production growth, which, despite the claims of the Minister of Environment and Parks, I have never been on the record opposing – where that production growth is still expected, companies need to see value from deploying the best technology. Under the previous system, under the system that our government had brought in, Dr. Leach says, "The full . . . carbon price would have factored into the financial value of innovation in new facilities as well as for improvements in existing facilities."

But under TIER that emissions-reducing innovation becomes less advantageous because the better performing you are with your facility, if you build that new facility and you build it in an innovative way so you actually reduce the amount of emissions and have less emissions credits every year for as long as the policy remains in place – if you do better, you will get less from the government. We're paying more to people that create more emissions and less to people that create less. To quote Dr. Leach: "Thanks for lowering your emissions. Now you get smaller novelty cheques than your competitors as part of our climate change program. The signal is backwards." That seems troubling to me, Madam Chair.

I appreciate that this government has done their homework. They looked at what was in place, they looked at some of the steps that our government has taken, they have made some adjustments, and they've got it pretty much right, it sounds like, on the electricity sector. But I do not understand why they are choosing to ignore what they seem to understand there when it comes to the oil sands and other sources of industrial emissions within the province of Alberta. The concern that Dr. Leach brings forward, which I kind of share, is that this change from the policy which our government had in place in the way that credits were being provided is that we're going to see a transfer of hundreds of millions of dollars per year which benefits primarily the highest emitting facilities in the province and then a significant reduction in the value of producing innovative and emissions-reducing technology.

Now, from what I've heard from the minister and from other members of this government, the entire purpose of TIER is to incent, to encourage the growth of innovation and technology. Indeed, that has been the claim, that that is, in fact, what's going to drive, in their view, a larger emissions reduction than our government would have achieved. We've had some discussion around those numbers, and I'm not going to go back into them here. But if we take them at their word, it seems problematic that we are

talking, in the words of Dr. Leach, about hundreds of millions of dollars per year going to higher emitting facilities, therefore discouraging investment in technology which is going to lower emissions.

I appreciated some of the words earlier from the Member for Lac Ste. Anne-Parkland. He talked quite a bit about the work that industry has done to create innovation, and indeed I salute and respect that. But the whole intent of legislation like TIER is to reward the people who are already doing it and encourage those who aren't to get onboard to make this a broader spectrum initiative. I appreciate that the government has tried to find a way to do that with some of the smaller emitters in that they're able to group together to maybe then take advantage of some of these opportunities so that they can get some of those emissions credits and themselves then perhaps find ways to develop new innovation. That's fantastic. That's a great thought. Again, standing this on its head, where they're giving more money if you emit more and less if you emit less, seems to be an impractical way to encourage people to create more innovation and lower their emissions.

One of the other things that Dr. Leach brings up is an overall concern just in the message that is sent by employing a policy like this. Now, we've heard from members, and indeed I recognize that they ran very clearly on their plan to repeal the consumer carbon tax in the province of Alberta. It was very clear that they got a majority and had the mandate to do that, so they have done so. They convinced Albertans that a better way to approach this is to put the burden solely on the heaviest emitters and on industrial sources.

What Dr. Leach raises is the fact that if you take that provincial plan and you expand that to a national plan, then all of a sudden Alberta would be expected to bear the brunt of emissions across Canada because we have, as he notes, 314 industrial facilities in Canada that meet the Alberta definition of a large industrial emitter, 114 of which are in Alberta, and of the 253 megatonnes of emissions from those facilities, more than half, 142 megatonnes, are from Alberta facilities. So if we take the approach that we're implementing here or that this government is proposing to implement through this legislation and if that were to be the policy that was adopted by the federal government across Canada, Alberta would be expected to deal with about half of the emissions reductions for the entire nation.

Obviously, we don't support that. Obviously, we're not fans of that. Obviously, we appreciate the fact that, as Dr. Leach notes, people who burn gas in their car on the 401 in Toronto are paying for their share of emissions alongside the oil sands in Alberta in that we are sharing that burden more broadly across the country, much in the same way as we as Albertans indeed do share some of our wealth through the taxes that are collected by the federal government and redistributed by the equalization program.

Those are my main concerns with this bill: the way that it approaches the oil sands and indeed deincentivizes innovation, and the fact that I think this sends the wrong message as to how we need to approach this on the larger scale and as we continue to work with the federal government on how we will be folded into and work under the federal climate change plan and carbon

levy. It's sending a bit of a wrong message on how we would like to see that play out.

With that, Madam Chair, I think those are all my thoughts at this time. Thank you.

The Chair: Any other members wishing to speak to the bill?

Seeing none, shall I call the question?

Hon. Members: Question.

[The remaining clauses of Bill 19 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Any opposed? Carried.

The hon. Government House Leader.

11:20

Mr. Jason Nixon: Well, thank you, Madam Chair. I move that we rise and report Bill 19, first of all, and progress on Bill 20.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Getson: Madam Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports the following bill: Bill 19. The committee reports progress on the following bill: Bill 20. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

The Deputy Speaker: Does the Assembly concur in the report? All those in favour, please say aye.

Hon. Members: Aye.

The Deputy Speaker: All those opposed, please say no. So carried.

The hon. Government House Leader.

Mr. Jason Nixon: Well, thank you, Madam Speaker, and thank you to all hon. members for another hard day of work. I'm just trying to catch the calendar here. I think tomorrow is the 7th, so I will adjourn the House until tomorrow, November 7, at 1:30 p.m.

The Deputy Speaker: Hon. members, pursuant to Standing Order 3(1.1) the Assembly stands adjourned until tomorrow afternoon at 1:30. At 8 o'clock tomorrow morning the Standing Committee on Resource Stewardship will consider estimates for the Ministry of Municipal Affairs in the Parkland Room, and at 8:30 tomorrow morning the Standing Committee on Alberta's Economic Future will consider the estimates for the Ministry of Executive Council in the Rocky Mountain Room.

The House is now adjourned.

[Motion carried; the Assembly adjourned at 11:23 p.m.]

Table of Contents

Government Bills and Orders

Committee of the Whole

Bill 20	Fiscal Measures and Taxation Act, 2019.....	2227
Bill 19	Technology Innovation and Emissions Reduction Implementation Act, 2019	2237
Division	2247

Alberta Hansard is available online at www.assembly.ab.ca

For inquiries contact:

Managing Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875