



Province of Alberta

The 30th Legislature
Second Session

Alberta Hansard

Wednesday afternoon, November 3, 2021

Day 123

The Honourable Nathan M. Cooper, Speaker

Legislative Assembly of Alberta The 30th Legislature

Second Session

Cooper, Hon. Nathan M., Olds-Didsbury-Three Hills (UC), Speaker
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Milliken, Nicholas, Calgary-Currie (UC), Deputy Chair of Committees

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Armstrong-Homeniuk, Jackie,
Fort Saskatchewan-Vegreville (UC)
Barnes, Drew, Cypress-Medicine Hat (Ind)
Bilous, Deron, Edmonton-Beverly-Clareview (NDP)
Carson, Jonathon, Edmonton-West Henday (NDP)
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Dang, Thomas, Edmonton-South (NDP),
Official Opposition Deputy House Leader
Deol, Jasvir, Edmonton-Meadows (NDP)
Dreeshen, Hon. Devin, Innisfail-Sylvan Lake (UC)
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Ellis, Hon. Mike, Calgary-West (UC)
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Gray, Christina, Edmonton-Mill Woods (NDP),
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Stephan, Jason, Red Deer-South (UC)
Sweet, Heather, Edmonton-Manning (NDP)
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Yao, Tany, Fort McMurray-Wood Buffalo (UC)
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Vacant, Fort McMurray-Lac La Biche

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United Conservative: 20

New Democrat: 24

Independent: 2

Vacant: 1

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Chris Caughell, Sergeant-at-Arms
Tom Bell, Deputy Sergeant-at-Arms
Paul Link, Deputy Sergeant-at-Arms

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| Tanya Fir | Associate Minister of Red Tape Reduction |
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| Nate Horner | Associate Minister of Rural Economic Development |
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| Travis Toews | President of Treasury Board and Minister of Finance |
| Rick Wilson | Minister of Indigenous Relations |
| Muhammad Yaseen | Associate Minister of Immigration and Multiculturalism |

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| Martin Long | Parliamentary Secretary for Small Business and Tourism |
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Deputy Chair: Mr. Jones

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Singh

Standing Committee on Alberta's Economic Future

Chair: Mr. Neudorf
Deputy Chair: Ms Goehring

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Barnes
Bilous
Frey (formerly Glasgo)
Irwin
Rosin
Rowswell
Sweet
van Dijken
Walker

Select Special Child and Youth Advocate Search Committee

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Lovely
Nixon, Jeremy
Pancholi
Sabir
Smith
Turton

Standing Committee on Families and Communities

Chair: Ms Lovely
Deputy Chair: Ms Sigurdson

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Carson
Frey (formerly Glasgo)
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Special Standing Committee on Members' Services

Chair: Mr. Cooper
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Dang
Deol
Goehring
Long
Neudorf
Sabir
Sigurdson, R.J.
Williams

Standing Committee on Private Bills and Private Members' Public Bills

Chair: Mr. Rutherford
Deputy Chair: Mr. Jeremy Nixon

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Dang
Frey (formerly Glasgo)
Irwin
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Rosin
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Standing Committee on Privileges and Elections, Standing Orders and Printing

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Ganley
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Neudorf
Renaud
Stephan
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Standing Committee on Public Accounts

Chair: Ms Phillips
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Lovely
Pancholi
Renaud
Rowswell
Schmidt
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Toor
Turton
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Select Special Committee on Real Property Rights

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Frey (formerly Glasgo)
Ganley
Hanson
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Yao

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Dach
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Guthrie
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Legislative Assembly of Alberta

1:30 p.m.

Wednesday, November 3, 2021

[The Speaker in the chair]

The Speaker: Be seated.

Members' Statements

The Speaker: The hon. Member for Calgary-Klein has a statement to make.

Nuclear Energy

Mr. Jeremy Nixon: Thank you, Mr. Speaker. This week we have seen much and heard much out of the COP 26 conference in Glasgow. Many politicians, activists, and academics have spelled out their visions for what they see for the future of energy. Of course, here in Alberta we are a little more grounded in reality than some of our jet-setting friends who have spent the last week socializing across the Atlantic.

We know that clean, reliable, and affordable energy is not as simplistic as dedication to renewables. Here in Alberta we know that a clean energy future includes cleaner oil and gas, clean Canadian LNG. It includes carbon capture, hydrogen, and a whole host of technological innovation, but, Mr. Speaker, the extreme activists oppose many of these solutions. In fact, one of the greatest global opportunities for clean, reliable, and limitless energy has long been a target of those who claim to care most about these environmental outcomes.

I am of course speaking about the technological wonder of nuclear energy. Mr. Speaker, nuclear energy produces zero carbon emissions. It is a reliable baseload power that can be employed virtually anywhere in the world. Even better, here in Canada we are already the best in advanced nuclear technology. We have one of the largest global reserves for nuclear fuel, and we have an outstanding record for safety, yet the extreme environmentalists continue to oppose this wonder in human innovation.

Canada's new environment minister and his friends with groups like Greenpeace have long campaigned against it. They have forced needless shutdowns of reactors from Germany to California.

Thankfully, as usual, Alberta will be a voice of reason. I commend this government on their work to explore small modular nuclear reactors, and I hope that we can continue discussions about how nuclear will fit into the energy mix going forward.

Thank you, Mr. Speaker.

Remembrance Day

Ms Goehring: Mr. Speaker, for more than 100 years Canadians have joined countries around the globe on the 11th hour of the 11th day of the 11th month to pause and remember the sacrifices of the men and women who have served and continue to serve our country during times of war, conflict, and peace. With that in mind, let us consider the impacts of this service on our daily lives, particularly in the current context. What does it mean to serve our country?

Throughout the pandemic we all have been separated from families and loved ones. We feel the anxiety that this causes and the isolation that can accompany it. Many have had to suffer the loss of a loved one separated and had to deal with that loved one dying alone, with no connection to family other than through Zoom. Families have been unable to gather to grieve. Family celebrations have been virtual. In short, life has not felt normal. Yet for members

of the Canadian Armed Forces and their families these separations and anxieties are a reality every day.

They put themselves in danger for us away from families, loved ones, and support systems – and COVID has delayed reunions and prolonged separation – all in service of our country and each and every Canadian, yet when we need them, they answer the call, stepping in to help as COVID overwhelmed health care systems. They have supported Canadians through natural disasters, and they have provided hope and optimism across the country by giving us brief moments to pause and marvel at the skills of our iconic Snowbirds even after losing a member of that team.

So while we pause to remember, let us vow to make each and every day an act of remembrance and give thanks to past and current members of the Canadian Armed Forces and their families for the sacrifices they have made and continue to make.

The Speaker: The hon. Member for Bonnyville-Cold Lake-St. Paul.

Remembrance Day

Mr. Hanson: Thank you, Mr. Speaker. In 1942 the United States and Canadian military began recruiting a select group of Cree-speaking soldiers stationed overseas. Unbeknownst to these soldiers, they would go on to form an essential unit tasked with developing a coded system based on their Cree language. Charles Marvin Tomkins, a Métis soldier from Grouard in northern Alberta who, sadly, passed in Calgary in 2003, was assigned to the American 8th Air Force, where he transmitted information about air operations using the Cree code system.

The messages he and others translated contained vital information about Allied forces such as orders for troop movement and the identification of supply lines or aircraft carrying out bombing runs from England. After Charles and others translated the message into Cree, the messages were transmitted by radio to battlefields in Europe, where another code talker translated them back into English and sent them to military commanders. While Cree code talkers like Charles were credited with having helped the Allies win the Second World War, they were sworn to secrecy after it ended. Unfortunately, documentation about their efforts is sparse in Canada, and many of these heroes remain unidentified.

November is a time for us to reflect on the brave efforts of those who have risked their lives for our freedoms, freedoms that we have gained a whole new appreciation for over the last two years. Also, in my constituency we are proudly home to the Canadian Forces Base Cold Lake, 408. I've been privileged to tour this base on a number of occasions and to meet with the brave men and women that fly and maintain the CF-18 Hornets based there. We should all take immense pride and comfort in the fact that these dedicated Canadians provide 24/7 protection of our northwestern airspace and are literally ready to fly at the first indication of trouble.

Over the next week please take the time to buy a poppy, attend a remembrance ceremony in your community, and reflect on the freedoms that we hold dear thanks to the brave sacrifice of others before us and with us today.

Thank you.

Nurses

Ms Gray: Mr. Speaker, this summer as the UCP was selling hats that said Best Summer Ever while delta variant cases climbed, as they put the political future of the Premier ahead of the health of Albertans, they also made a clear choice that highlighted their priorities and showed Albertans their true face. They decided to go after some of

the strongest people I know. This government decided it was time to bombard Alberta nurses. They announced to the world that their number one postpandemic priority was to slash the wages of the very nurses who had saved countless lives. The Finance minister called it reasonable to claw back wages from the people who keep our health care system operating. The Premier said that it was time to operate more efficiently, defending his government's cruel approach to the people he had called heroes weeks ago.

Weeks later even as this government still threatened wage cuts and rollbacks, the same nurses cancelled their vacations, they rolled up their sleeves, and they went to work. They worked day and night as our health care system teetered on the brink of collapse thanks to UCP neglect. They walked every day into hospitals overflowing with COVID patients even if it meant getting shouted at, spit on, or being threatened with attack. They worked even as this government refused to do its job. As the Premier emptied his calendar and sat back to watch the fourth wave slam into Alberta, our nurses worked overtime.

They worked even as UCP MLAs gathered to give an unnecessary \$12,000 pay hike to a single member of their caucus. Is there really no one in the Premier's cabinet capable of acting as Deputy Government House Leader? What a statement on their capabilities or lack thereof. Meanwhile Alberta nurses worked harder and did more for Alberta than any group I've seen.

The gratitude we as a province owe them is enormous. The debt we owe them is unpayable. While the UCP backed down on these disgusting and disrespectful wage rollbacks, the damage has been done. Albertans have seen the UCP's true colours. They said nice words and attempted horrible things, and Albertans will not forget.

Greenhouse Gas Emission Reduction

Mr. van Dijken: Mr. Speaker, world leaders descended on Glasgow to attend the COP 26 climate summit. What comes to my mind is: do these world leaders actually believe what they preach? How are these environmentally conscious leaders getting to the summit? Well, they are flying into Glasgow on more than 400 private jets, on top of all the other staff and assistants flying in on numerous other aircraft. What do they do when they land? Well, if they're all like the American President, they can be found travelling in a 20-car entourage to and from the summit.

Mr. Speaker, Alberta is not at the COP 26 summit in Glasgow, but our government is acting on reducing emissions. We know that one more politician flying into Glasgow is not going to make any meaningful difference. This is not about arbitrary targets; this should be about real results. Alberta remains focused on practical solutions with tangible results right here at home. Our government recently announced that we will be investing up to \$176 million to fund 16 shovel-ready projects. Operations across nearly every sector in Alberta are benefiting from this funding, including oil and gas, chemicals and fertilizers, cement and concrete, forestry and agriculture, electricity, and manufacturing. These projects will support 5,600 jobs, inject \$2 billion into Alberta's economy, and cut an estimated 6.8 million tonnes of emissions by 2030. Through these measures we will achieve the same results as eliminating emissions from the electricity used by four and half million homes or taking 2 million cars off the road.

1:40

We will not take any lessons from virtue-signalling world leaders. Their hypocrisy of "do as I say, not as I do" is not helpful. While others are just jet-setting around the world, we are at home getting the job done. Our government will focus on reducing emissions while continuing to diversify and grow our economy. That, Mr. Speaker, is real leadership.

COVID-19 Response

Member Loyola: Mr. Speaker, whereas this pandemic has seen Albertans at their best, we have seen this government at its worst. Where this government failed or rejected compassion and integrity, we saw the people of Alberta step up and deliver and protect their neighbours, friends, families from this pandemic. I'm proud to represent the people of Edmonton-Ellerslie and to carry their voices into this Chamber. Since this Premier still clearly has his earplugs in, I will bring their messages directly to him in hopes that he finally starts listening.

Sheila wrote to me saying, "I feel abandoned by [the] people who are supposed to be leaders." Jon wrote, "I am concerned for the health of my loved ones, the integrity of our . . . health of those unable to be vaccinated." If only we had a Premier and Health minister with the same concerns, a government as committed to protecting the lives of Albertans as they were to selling hats bragging about the UCP's botched summer plans.

The people of Edmonton-Ellerslie were calling on this government to introduce a vaccine passport while the Premier was using vaccine passports as a wedge to raise money for his party as opposed to as the tool to protect our health care system. "I have always been pro-vaccine passport and I don't understand why the Alberta government is so against it" is what Stephanie told me.

While this Premier was refusing to listen to business, municipal, and health care leaders, Chase sent a message that read, "It is time for [the Premier] to step up and do what is best for Albertans and not what helps him most at the polls."

As thousands of surgeries and life-saving procedures were postponed or cancelled and this government tried to sell hats, my constituents who were dealing with the ramifications spoke out. The following from Cassandra:

I have heard stories from friends and co-workers who have been affected by surgery cancellations and delays in getting life-saving treatment. I have friends and family who are pregnant, and I worry about what would happen [to them] if something were to go wrong. What if either the mother or the baby needs care? Will it be there for them?

My final message to the Premier and government: stop ignoring these voices, stop ignoring their concerns, and finally start listening.

Individual Freedom

Mr. Neudorf: Seventy-six years have passed since the last world war, and as we approach Remembrance Day, we take time to wear poppies, thank veterans, and recall the ultimate sacrifice many made to protect our freedoms. Our Canadian Charter guarantees fundamental rights and freedoms to each and every one of us. As stated within the Charter, these freedoms are "subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society." They represent the essential right of each individual to not only possess their convictions but to live by them, including the freedom of conscience and religion.

The power of the words "freedom of conscience" should not be underestimated. These words guarantee the right to follow one's beliefs in matters of morality and personal conviction. The ability of each citizen to make free and informed decisions is the absolute prerequisite for the legitimacy and efficacy of our system of self-governance. Conscience represents a central and dominant freedom from which all other freedoms find their source. Our conscience is who we are. Our thoughts, beliefs, opinions, and expressions are no small thing to reasonably limit.

The Alberta Bill of Rights reiterates the recognition and declaration of freedoms this way: "the right of the individual to liberty, security of

the person and enjoyment of property, and the right not to be deprived thereof except by due process of law.” It is important to note the phrase “security of the person” and to recognize that this includes both physical and psychological aspects. In other words, the importance of personal autonomy, self-ownership, and self-determination that every human being possesses must not lightly be set aside.

That is why on April 12, 2021, we introduced Bill 66 to remove from the Health Act the ability of government to mandate vaccination. We should not now allow other entities to infringe on these sacred freedoms that the democratically elected government of Alberta has removed from its own legislated abilities. Mr. Speaker, I believe the government should be limited in scope to serve and protect the citizens of its jurisdiction. We must recognize the true significance of the price paid to secure these freedoms and protect them at all costs.

The Speaker: The hon. Member for Edmonton-City Centre.

Provincial Reopening Plan

Mr. Shepherd: Thank you, Mr. Speaker. At the start of the summer the UCP faced a dilemma. On one hand, they had a deeply unpopular Premier, mistrusted by Albertans, facing internal fighting from his antiscience caucus and desperate to change the channel. On the other, they had a risky plan, a plan where they knew that if it went wrong, it would mean devastation for our health care system, sickness, loss of life, and suffering for Albertans. Well, guess what they chose? The UCP put their own political priorities above the health and safety of Albertans.

Now, they were warned their plan was a gamble, that it put our health care system at risk, that lives would be threatened, that total collapse was possible, but in response they just doubled down. They accused health care workers of spreading fear porn. They accused reporters of spreading fear. They called critics and those who expressed concerns Chicken Littles.

Then, as things got worse, as predictions came true and worse, they simply gave up and vanished. The Premier disappeared, leaving no one in charge of the impending crisis. He sat in the sun as health care workers ended their vacations early to rush to save lives and protect the system. The Health minister vanished as the plan he trumpeted imploded, leaving hundreds dead, thousands in hospital, thousands more to suffer in pain, unable to get the medical procedures they needed. The UCP took a gamble. They lost and then walked out on the bill, leaving Albertans to pay with their blood, pain, and tears.

We didn't have to be here, Mr. Speaker. If we had a compassionate government, one that put Albertans ahead of their political future, we could have avoided this. So my message to Albertans is simple. I am sorry for the suffering you've been forced to endure by your government. This government continues to insist they haven't done anything wrong. They think that you don't deserve accountability or an actual apology. I promise you, though, that each and every single member of this opposition is working day and night to get you the accountability and the answers you deserve, and we will not stop until you get it.

The Speaker: The hon. Member for Cardston-Siksika.

Natural Immunity to COVID-19

Mr. Schow: Thank you, Mr. Speaker. For nearly 20 months Albertans have been facing a global health crisis unlike anything we have seen in this lifetime or the one before it. Since the beginning our government's response to the COVID-19 virus has been in line with the directions of our chief medical officer of

health. This response has been a science-based navigation in which our leaders have sought the most up-to-date and most reliable information, balancing the needs of our health care system and the economy.

Mr. Speaker, the government of Alberta's restrictions exemption program has allowed many Albertans to access businesses and activities because they have received a vaccination, but if this is about reducing transmission that leads to infection and hospitalization, I would suggest that the government consider not just vaccine immunity but also natural immunity for the REP.

I'm a firm believer that the COVID-19 vaccines are the most safe and effective method to combat the virus. However, there are thousands of Albertans who have not yet received a vaccine but still maintain a strong level of natural immunity as a result of prior infection. The World Health Organization has provided that most people who recover from COVID-19 maintain between six to eight months of natural immunity against reinfection. This has led some European countries to further lift restrictions for those who have recovered from the virus within the past 180 days.

Mr. Speaker, I would like to commend the Premier, the ministers responsible, and the chief medical officer of health for their diligent work. I would also like to express my support for exploring more options that would allow all Albertans to enjoy a normal life, because healthy people with natural immunity should not have to choose between dine in or dine out or, worse, the job or their job. If scientifically proven to be safe, recognizing those who have recovered from COVID-19 will give more Albertans the opportunity to be part of the restrictions exemption program. This type of action continues the government's commitment to protect both lives and livelihoods.

Thank you, Mr. Speaker.

Oral Question Period

The Speaker: The Leader of Her Majesty's Loyal Opposition has the call.

COVID-19 Response

Ms Notley: Mr. Speaker, the Premier has repeatedly said that he's responsible for handling the pandemic except every single time he's asked why he failed to take action in August as cases rose. Then he becomes the Tom Brady of buck-passing. Yesterday he blamed the CMOH, saying that if she had recommended stronger measures, he would have called a cabinet meeting from Europe. Really? Why won't the Premier take responsibility and admit that the buck stops with him, not Dr. Hinshaw, and why won't he apologize for his failure to take action throughout the month of August?

Mr. Kenney: Well, Mr. Speaker, the buck does stop with me. It stops with Executive Council and with me as President of Executive Council. I have taken responsibility. We do of course take onboard the expert advice of our health officials, in particular the chief medical officer of health. The notion that I've ascribed blame is absurd. The Leader of the Opposition asked me the other night what advice we had received from the chief medical officer and when and what we had done about it, and I simply answered that, factually, when we received information in mid-August about her concerns regarding the decoupling of cases and hospitalizations, we immediately convened a cabinet meeting and made changes.

1:50

Ms Notley: Well, Mr. Speaker, sometimes the Premier claims to drive a blue Dodge. Fitting, because that's exactly what he's turned into.

You know, this isn't the first wave or the second or the third. It's the fourth wave. The Premier's calendar shows he took a phone call on August 18, when active cases were surging past 5,000. By his second call a week later they were closer to 10,000. Between those two calls alone he would have seen the difference in those numbers. Premier, stop the dodge. Why did the Premier, neither he nor his cabinet, fail to act?

Mr. Kenney: Mr. Speaker, I hope that when the Leader of the Opposition was Premier, her workday was not simply scheduled meetings. I can tell you that there are hundreds of phone calls that I take and speak to officials and staff members that are not formal, scheduled meetings. I was in daily contact with my staff and received daily updates.

Mr. Speaker, as soon as this government has received advice on additional measures, we've taken those measures. We have done extraordinary things in this province. Happily, I'm pleased to report that our per capita fatality rate is lower than Canada's, and . . .

The Speaker: The hon. Leader of the Opposition.

Ms Notley: Mr. Speaker, the Premier complains that COVID is unpredictable except for, you know, the doctors who predicted it. August 4: Edmonton doctors warned that delta was rising and that vaccination rates weren't high enough. August 9: pediatricians warned that the spike in delta cases poses a risk to children returning to school. August 23: Alberta's ER doctors said that the surge of COVID patients was jeopardizing care. Even if Dr. Hinshaw was silent, multiple experts were raising the alarm. Did the Premier accidentally leave his earplugs in, or was that Dr. Hinshaw's fault, too?

Mr. Kenney: Mr. Speaker, the very same people to whom she refers were telling us loudly just six weeks ago that we needed a hard lockdown in Alberta to save us from the fourth wave. What we, in fact, have seen is that the measured and balanced approach taken by this government and Albertans rising to the challenge, increasing their vaccination rates and observing reasonable public health measures, have resulted in a massive decline in COVID infections, hospitalizations in this province. But we know what the NDP's answer is always to this, hard and endless lockdowns.

Ms Notley: Alberta's approach in the fourth wave caused five times the death rate of Ontario. That's what it caused, Mr. Speaker.

Kindergarten to Grade 6 Draft Curriculum

Ms Notley: Now, yesterday we learned that this government is plowing ahead with testing its backwards K to 6 curriculum despite near unanimous condemnation from parents, students, teachers, education experts, Indigenous leaders, francophone advocates, racialized Albertans, and, of course, virtually every school board. The government says that it will conduct a secret pilot in secret schools representing a secret 2 per cent of Alberta students. This Premier's science experiment simply won't have a large enough sample size. Why not cancel it?

Mr. Kenney: First, Mr. Speaker, with respect to COVID fatalities it is important to look at the facts. Thanks to the diligence of Albertans, Alberta has had a per capita COVID fatality rate that is 10 per cent below Canada's, that has been below 48 of the 50 U.S. states, that has been below 26 of the 28 member states of the European Union. We will continue to act responsibly and prudently, but what we will not do is follow the NDP's course, which is endless – she's talking about the schools. There would have been

no classroom instruction for the past 18 months had the NDP been in office.

Ms Notley: The Premier repeatedly defends himself by making accusations which are not factual.

Now, he should, however, ask Albertans what they think about the curriculum instead of his friends at the *Dorchester Review*. The vast majority of new trustees won their campaigns by running against this ideological curriculum. Quote: I don't want my kids learning this. That's Calgary trustee Laura Hack. Quote: people have repeatedly said that they are concerned and don't feel heard. End Quote. Does the Premier know who said that?

Mr. Kenney: Well, Mr. Speaker, in fact, this government was elected with a mandate, in part, to pause the NDP's ideologically driven, secretive curriculum development program. They wouldn't even release the names of the experts that were working on it, and they kept parents completely excluded because they were so obsessed with turning the curriculum into a tool for their left-wing ideology. We're not doing that. We're bringing the curriculum back to tried, true, and tested teaching methods for literacy, for math proficiency, and for civic literacy as well.

Ms Notley: Well, that last quote, Mr. Speaker, wasn't from a newly elected trustee. It was from the Member for Grande Prairie, someone who sat in cabinet when this curriculum was deliberated on. She sent the Premier six full pages of concerns. He doesn't have support for this. Not even everyone in his own caucus supports it, and that is because it's bad. It will hurt Alberta students and compromise their future. Why won't the Premier put Alberta's kids ahead of his ideology and go back to the drawing board on behalf of Alberta's children?

Mr. Kenney: Mr. Speaker, the drawing board is still open and available. We are inviting comments from MLAs, from teachers, from school boards, from subject matter experts in the most exhaustive public consultation process in the history of curriculum development in this province. But the NDP, with their union allies, are trying to smear, for example, the new language arts curriculum, designed by an award-winning professor at the University of Alberta who received an award from the Alberta Teachers' Association for an excellent program. Why are they against such a successful and proven language arts program? [interjections]

The Speaker: Order.

The hon. Member for Edmonton-City Centre.

COVID-19 Response and Premier's Leadership

Mr. Shepherd: Thank you, Mr. Speaker. Albertans have so many questions about how this government ran us headfirst into the fourth wave of COVID-19. One thing they clearly have an answer on, though, one thing that is crystal clear, is that this government wasn't functioning for much of August. The Premier claims to have been in daily, constant contact with his staff and cabinet, but the records and his calendar do not support that. The fact is that he had the duty to transfer the power of his office to another designate within Executive Council. My question is: who is he protecting? Which cabinet minister was in charge here in this building in August? Stop hiding. Answer the question.

Mr. Kenney: Mr. Speaker, as I pointed out in debate the other night – and the opposition knows this perfectly well – when the Leader of the Opposition was Premier and she was taking personal time, she was still the Premier, still exercised the executive function.

[interjection] Well, maybe she's the only head of government in the country that turned off her phone. I can tell you – and I know every other minister knows this perfectly well – that when we take personal time, we're working half of the time, in constant contact with our offices. Maybe the NDP's idea of taking personal time is just to disappear and turn off their phones.

Mr. Shepherd: Mr. Speaker, Albertans have had to sit through this Premier, this government gloating in this House about their actions during the fourth wave, an insulting display like this one for Albertans grieving the loss of loved ones, those fighting for their lives in hospital, or coping with repeated cancellations of critical surgeries. The UCP have blocked our attempts for an open, all-party committee to investigate their disastrous response to the fourth wave. Albertans can't rely on them to investigate themselves, so we have today written to the Auditor General to request an investigation. Will the Premier fully comply with the AG, or, better yet, will he be proactive and release all the records on who was in charge, what meetings were held, what phone calls were had?

Mr. Kenney: Mr. Speaker, what we will do is hold an exhaustive, comprehensive postmortem of the entire Alberta response to COVID-19, as will, I assume, every jurisdiction in the world, after we have moved past the public health crisis. But what the NDP wants to do – from day one they have seen COVID as an opportunity for division and politics instead of unity and prudence. We will not take the senior leadership of AHS and Alberta Health off the job in order to run around doing political errands for the NDP.

Mr. Shepherd: Mr. Speaker, this Premier left Albertans hanging while he ran his political errands this summer, and Albertans don't want another fake victory lap from this Premier or the UCP. They want accountability. We all know the pleasure this government takes in firing people that investigate them. They fired the Election Commissioner investigating members of their caucus. They're looking at removing the RCMP in the middle of a voter fraud investigation into their leadership race. Since taking office, they've blocked every attempt to hold them accountable. My last question to the Premier is a simple one. Why does this government think it's above the law, above being accountable to the very Albertans they've failed but who had put them in office?

2:00

Mr. Kenney: Well, here we are in question period answering – Mr. Speaker, in terms of accountability the most important form for accountability is this place, and this Legislature has met more than any in Canada throughout the entire COVID-19 era. We just completed an extraordinary all-night debate on the government response to COVID-19, giving the opposition enormous opportunities to ask questions. We contracted an external review of the response to the first wave. We are committed to a comprehensive review of the entire COVID-19 situation in Alberta, but what we will not do is distract our health officials from the task at hand in order to serve the NDP's political interests.

Trails Act

Mr. Schmidt: Yesterday the environment minister brought forward a bill that will give himself more power over Alberta's trails. The minister is asking Albertans to trust him, but clearly, from his track record, Albertans can't. Earlier this year he introduced the Kananaskis conservation pass, which took over \$10 million from Albertans, yet users don't see a dime of that being reinvested into the park. Garbages are overflowing. Bathrooms and trails are not being properly maintained. To the minister: why does he think that

Albertans should trust him to manage more trails since he's already mismanaged over \$10 million in new fees?

Mr. Kenney: Well, Mr. Speaker, the Trails Act introduced by the hon. the minister of the environment is the fulfillment of an important platform commitment. I would point out that the NDP in their four years did nothing to expand protection for Alberta's trail system, which is being used more now than ever. We are devoting additional resources, additional enforcement resources and conservation resources, to our trail system. For the first time that trail system will have legislated protection, a legislative framework, stronger enforcement. No wonder the NDP is opposed to this.

Mr. Schmidt: As per usual, the Premier is making things up out of whole cloth, because it's not in the bill, nor is it in the environment minister's budget.

Mr. Schow: Point of order.

Mr. Schmidt: The minister attempted to remove hundreds of sites from Alberta's parks system because tens of thousands of Albertans were holding this government accountable and the minister backed off. Albertans can't trust this minister or anyone in the UCP to protect their public lands. Does the minister really expect Albertans to have restored confidence in him now managing our public trails when he has never done a thing to rebuild our trust?

The Speaker: A point of order is noted at 2:02.
The Premier.

Mr. Kenney: Thank you, Mr. Speaker. Once again, Alberta's trail system is one of the magnificent things about our natural environment, and hundreds of thousands of Albertans and many more tourists come to enjoy those trails. But over the years many of them have been degraded. They've been interrupted by industrial activity. There's not been proper enforcement of the rules. There's not been proper upkeep of the infrastructure. We will through this legislation be working with volunteer, nonprofit organizations. I know that the NDP thinks only government bureaucracy can do this, but we believe in the power of civil society to help us to protect and preserve those trails for generations to come.

Mr. Schmidt: The Premier talked about protecting trails from industrial development, but this government is dragging its feet on releasing its coal mining report. After tens of thousands of Albertans have protested this government's attempt to sell off our eastern slopes to coal mines, this minister promised Albertans a new strategy. Albertans have been waiting for months for the government to finally release their plan. If the minister is serious about protecting our environment and trails from industrial development, will he commit to supporting our leader's Eastern Slopes Protection Act and give up on his sham of a coal policy? We could pass the Eastern Slopes Protection Act today. Will he do so?

Mr. Kenney: Well, Mr. Speaker, if they were actually committed to that, they had four years to act on it, and they failed to do so. Just more phony political rhetoric from the failed NDP. We are acting with this historic new legislation to step forward with a law specifically to enhance, conserve, and protect the Alberta trail system, and I can't understand – see, the NDP is so reflexively partisan. They're opposed to every constructive idea. This is an idea that came to us from volunteer conservation groups who have strongly endorsed this historic measure to protect our trail system.

The Speaker: The hon. Member for Lethbridge-East.

Skilled Trades Promotion and Credential Recognition

Mr. Neudorf: Thank you, Mr. Speaker. This week marks National Skilled Trade and Technology Week, a week-long event to promote the many career opportunities in skilled trades and technology in Canada. As a red seal journeyman carpenter and a gold seal project manager I know first-hand that skilled tradespeople and their contributions represent a significant economic opportunity for Alberta as the province recovers from the COVID-19 pandemic. To the Minister of Advanced Education: can you tell this House what Alberta's government is doing to address labour market demand for our skilled tradespeople?

The Speaker: The hon. the Minister of Advanced Education.

Mr. Nicolaides: Thank you, Mr. Speaker, and thank you to the member as well for raising the importance of National Skilled Trade and Technology Week. I hope all members of the House will take the opportunity to recognize our skilled trade professionals. As the member mentioned, we do have looming shortages in the skilled trades. About 3,000 skilled trade workers are retiring every year for the next few years. To help shore up that labour supply, we are investing in Careers: the Next Generation as well as Women Building Futures to help more Albertans find successful and rewarding careers in the trades.

The Speaker: The hon. Member for Lethbridge-East.

Mr. Neudorf: Thank you, Mr. Speaker. Given that skilled trade and technology careers are vital to our economy and an excellent career path for many young Canadians, yet many Canadians either do not know what these careers look like or what they entail, and given that our government strongly believes in trades education and that it's just as valuable as a traditional bachelor's degree, to the same minister: what is Alberta's government doing to promote trades education and respect for trades with students in the province?

Ms Hoffman: Jacking up their fees.

The Speaker: Order. The hon. minister is the one with the call.

Mr. Nicolaides: Thank you, Mr. Speaker. The NDP just loves to heckle. That being said, you know, our government, though, however, is focused on providing greater recognition for skilled trades professionals. We believe that a trade certificate has the same value, merit, and worth as a university degree. We have also taken very practical and tangible steps to create that parity of esteem. Through the Skilled Trades and Apprenticeship Education Act we've created new pathways to allow for academic recognition for the skilled trades professions.

The Speaker: The hon. Member for Lethbridge-East.

Mr. Neudorf: Thank you, Mr. Speaker, and thank you to the minister. Given that tradespeople are in high demand across Canada as construction, manufacturing, and other productions ramp up as more Canadians are inoculated against COVID-19 and given that these professionals are highly mobile, can the same minister tell this House what Alberta's government is doing to ensure that we are able to quickly and efficiently recognize the credentials of tradespeople who want to move to Alberta?

The Speaker: The hon. the Minister of Labour and Immigration.

Mr. Shandro: Thank you, Mr. Speaker, of course, and to the member for the question. Red seal programs already address much

of the concerns related to that type of mobility. I know that the hon. Minister of Advanced Education is doing a lot of work on further harmonization of those red seal programs. But for those trades that might not have a red seal program, of course, Bill 49 will help to improve the mobility for those professions by having greater transparency in the application process and getting their credentials recognized here in Alberta but also making us the first jurisdiction in providing timelines for those applications to be processed.

Student Enrolment Numbers

Ms Hoffman: Yesterday public servants confirmed that 25,000 students went missing last year and didn't get an education in Alberta; 25,000 kids who lost learning, and this government doesn't care. There is no tracking, there's no assessment, and unbelievably there's no action from this government to get them back. How could the minister lose 25,000 students and not even bat an eye or ask where they'd gone?

The Speaker: The hon. the Minister of Education.

Member LaGrange: Thank you, Mr. Speaker. I'm happy to clarify the deputy minister's remarks today. The reduction in student enrolment is primarily caused by school boards overprojecting their enrolment figures as well as low enrolments in ECS and kindergarten programs as this is an optional program for students to attend. Last year we actually funded 730,000 students when only 705,000 students were in our classrooms. These 705,000 students actually comprised 25,000 home-schoolers, which was an increase of an additional 10,000.

Ms Hoffman: Given that they were government of Alberta projections published in government of Alberta documents and given that children have the right to an education and the minister has a responsibility to deliver it and given that 25,000 school-age kids didn't get a proper education last year in Alberta – this minister just shrugs her shoulders – and given that good education is critical for lifelong success, will the minister tell this House right now how many kids are going to school this year? We used to get the numbers shortly after September 30. Did the 25,000 come back, or is she missing even more?

2:10

Member LaGrange: Mr. Speaker, as I said, we funded 730,000 students last year when, in fact, only 705,000 attended because of lower enrolment. Parents chose. They chose. We believe on this side of the House that parents have the right to choose the education they want for their children and when they will send them to kindergarten. We will continue to support parents as they make choices that are best for their families.

Ms Hoffman: Given that many of those families chose to keep their child at home because they had no confidence that this government would keep their kids safe in school and given that this minister lost 25,000 kids last year – they weren't at school; they weren't learning at home; they were completely missing – and given that the minister failed to answer the question that I just asked her, if she doesn't know how many kids are going to school right now, will she get the answer and bring it to this House tomorrow, or is it that she has no clue and doesn't care how many kids are even going to school in Alberta?

Member LaGrange: Mr. Speaker, we have been fully transparent with these figures. Enrolment figures can be found publicly available on all our websites. I believe, or I hope, the member

opposite is not implying that when children are kept home by their parents, they're now not well looked after and are not being looked after or educated. Parents absolutely have the best for their children. They want the best, and they will always choose the best for their children, and they make choices dependent on what their family needs are. They want to keep them safe, as do we. [interjections]

The Speaker: Order. Order.

COVID-19 Vaccines for Children

Ms Pancholi: Mr. Speaker, as the parent of a six- and an eight-year-old I'm so excited that my kids will soon have access to vaccines that will keep them safe from COVID-19, and I know so many Alberta parents are also eager and excited. This is how we know life will return back to normal. The current government has undermined vaccination efforts for adults, including several of their own members that have openly questioned the value and safety of vaccines, including the Member for Cardston-Siksika earlier today. Will the Minister of Health commit that every single member of the government caucus will publicly support COVID-19 vaccines for children aged five to 11 as soon as they are available?

The Speaker: The hon. the Minister of Health.

Mr. Copping: Thank you, Mr. Speaker, and thank you to the hon. member for the question. One of the key priorities that I have as the Minister of Health is to increase vaccinations, and I'm pleased that vaccinations have increased over the last number of months. We have hit in terms of first doses 87 per cent, and in second doses we just announced this week that we hit 80 per cent. We are going to continue to be able to support vaccination, to deal with those who may be a little bit hesitant and provide them with more information because we know that vaccination is the way out of the fourth wave and will protect us from future waves.

Ms Pancholi: Sounds like the Minister of Health cannot guarantee that his caucus will all support vaccines for children.

Given that we need to move as fast as possible to vaccinate as many kids as possible and given that we know this vaccine will be approved any day now – children in the United States between the ages of five and 11 are now being vaccinated as of yesterday – and given that this is the number one way we get kids back to a normal childhood, free from restrictions, something that all parents want for their children, what specific funding is the Minister of Health allocating for a massive vaccination campaign for children and a public health education campaign about vaccine safety? We need specifics. We need to hit the ground running.

Mr. Copping: We know that there are many Albertan parents who are looking forward to the vaccines being rolled out for five- to 11-year-olds. As the hon. member knows, that is currently being reviewed by Health Canada. We are making plans to be ready, and we will fund those plans to be ready to do the rollout as quickly as possible. As I already stated in this House, parents who are interested can preregister their children online at this point in time. That is the first step, and then once we get approval from Health Canada and then once we also get notice of when the vaccines are coming and how much, we'll be able to announce our plans going forward.

Ms Pancholi: Well, given that vaccination programs like the ones we've done for years in schools for other vaccines should be planned and co-ordinated with school boards, community centres, and clinics right now and given that AHS is doing a survey of

Alberta parents on child vaccines – and this also should have been done weeks ago since approval will, again, happen any day now – and given that this government actually cut hundreds of millions of dollars of funding from schools during the pandemic, will this government commit today to reinvesting every dollar of that money towards an in-school, community-based vaccination program that will launch the day these vaccines are approved for children?

Mr. Copping: As I indicated to the hon. member, we're looking forward to having Health Canada do the approval. Mr. Speaker, we have rolled out millions, 6 million doses of vaccines in this province. We've done that very effectively through a number of delivery mechanisms, including AHS, including pharmacies, and in schools for the older children. We are focused on rolling these out as quickly as possible, and we will provide the funding to make sure that happens.

The Speaker: The hon. Member for Livingstone-Macleod has a question to ask.

Rural Economic Development

Mr. Reid: Thank you. We know that rural Alberta is the foundation of Alberta's culture, economy, and prosperity. Rural communities and businesses have diverse needs which require thoughtful engagement from this government. Last week I was happy to participate in the first rural engagement tour session with the Associate Minister of Rural Economic Development and with many business and community leaders from communities across Livingstone-Macleod. Mr. Speaker, through you to the Associate Minister of Rural Economic Development: what are the goals of the rural engagement tour?

The Speaker: The hon. the Associate Minister of Rural Economic Development.

Mr. Horner: Thank you, Mr. Speaker, and thank you to the member for the question. We were excited to launch Alberta's rural engagement tour last week, and we're already getting some great feedback from Albertans. We want to have a comprehensive, open, and honest conversation with rural Albertans because they know what's effective, what's lacking, and what's missing. These sessions will guide us to develop strategies that will work for rural Alberta to attract investment, support business, and develop the tools that rural Alberta needs for now and in the future. Through this engagement we'll be able to identify initiatives that ensure rural Alberta plays an important role in our economic recovery.

The Speaker: The hon. Member for Livingstone-Macleod.

Mr. Reid: Thank you, Mr. Speaker, and thank you to the minister for his answer. Given that many rural Albertans feel that there's more attention given to the economic interests in big cities rather than to our small communities and given that rural Alberta's economic recovery is fundamental for Alberta's recovery as a whole and a major part of Alberta's recovery plan, again to the same minister: what else is this government doing to support rural Alberta?

The Speaker: The hon. Associate Minister of Rural Economic Development.

Mr. Horner: Thank you, Mr. Speaker. Our government continues to take steps to support all Albertans, including our rural communities. The Minister of Jobs, Economy and Innovation has supported more than 125,000 small businesses across the province through \$740 million in relaunch grants, the highest level of support

for small businesses in the country. The minister of agriculture facilitated an \$815 million investment into irrigation infrastructure, the first substantial investment since the '50s. The Minister of Service Alberta committed up to \$150 million to improve rural connectivity, the first real investment in almost two decades.

The Speaker: The hon. member.

Mr. Reid: Thank you, Mr. Speaker. Given that Alberta's rural communities have diverse economic needs depending on where they are in our province and given that many business and community leaders may just now be hearing about these engagement sessions and they would very much like to give their feedback on the economic issues that they're facing, can the Associate Minister of Rural Economic Development let this House know where rural businesses and community leaders can give their feedback?

The Speaker: The associate minister.

Mr. Horner: Thank you, Mr. Speaker. I'm glad the member asked the question because we do want to hear from Albertans across the province. In addition to the 20 sessions with more than 900 businesses and community leaders invited, we're also doing an online survey, which launched last week. The survey will give all Albertans the opportunity to share their ideas and ensure that rural Alberta is a key part of Alberta's economic recovery. I would encourage anyone with ideas on how we can grow and diversify our rural economy to visit www.alberta.ca/ruralengagement.

Arts Programming and Funding

Ms Goehring: First to close and last to open is a common saying among Alberta's arts and entertainment workers. Their livelihoods have been absolutely decimated by this pandemic and were made all the worse by this government's failure to respond to the fourth wave. The yo-yo approach to public health restrictions from this government has caused instability for spaces artists need, and as such they're watching the places where they earned their paycheques disappear. What is the minister going to do for these spaces to ensure they won't have to suffer through another open-shut mishap from your government's negligence anymore? We're looking for new action.

The Speaker: The hon. the Minister of Culture.

Mr. Orr: Thank you, Mr. Speaker. Well, I truly enjoy every opportunity I can to get up and speak to the arts and about the arts, the truly creatives of our province. We have committed \$37 million to the stabilize program. It went both to individual artists and to art organizations and professions. We also gave \$125,000 to the Spotlight online concert series, helped rooftop performances, other kinds of things, created the Pivot Online tool kit for artists to help them go ahead, and we'll continue to help them.

2:20

Ms Goehring: Given that this government introduced a bill that does nothing to address contract obligations for those hiring artists outside of the government and given that their bill will not create a single job for artists in the spaces they require to earn their livelihood and given that this government continues to put more red tape in the way of artists, venues, and the creative community overall, will the minister tell the House why he would just insult artists with legislation that creates no jobs and provides no new supports for the vast majority of people working in this critical sector?

The Speaker: The Minister of Culture.

Mr. Orr: Thank you, Mr. Speaker. The reality is that the NDP would have had them completely shut down. There wouldn't have been any art the last couple of years, none at all. The truth of the matter is that we are working with the arts associations. The one thing that the opposition members don't seem to get is that support for those arts associations is probably one of the most important things we're doing to enhance the viability, the survivability, and the success of artists in this province. I just want to say that artists have a home in this province, and we want to make them succeed. They're welcome here, and they will succeed.

Ms Goehring: Given that the venues, galleries, and spaces that our art community requires needed to stay open to pay off the literal hundreds of thousands in debt after this government bungled their best summer ever and given that this government's support for venues and these spaces was laughable – only 3 per cent of the stabilize funding went to for-profit spaces – will the minister admit that supports for these venues and galleries are woefully inadequate, or will he continue to pretend that this government has done enough? That really would show that no one from that side of the House is listening.

Mr. Orr: Mr. Speaker, the reality is that we've done two rounds of stabilize funding – the NDP would have actually had the doors padlocked – and we have contributed funding not just for individual artists but also grants of up to \$25,000 for music business innovation; \$900,000 has gone out on that. We will continue to support them, and they will succeed.

The Speaker: The hon. the Member for Edmonton-Mill Woods.

Paid Sick Leave during COVID-19 Pandemic

Ms Gray: Thank you, Mr. Speaker. On Monday I asked the new minister of labour why Alberta still does not have a paid sick leave policy. Shockingly, the minister responded that he didn't know and he would have to get back to me. To the minister: do you have an answer yet? Are you now prepared to explain to Albertans why this is the only major province that will not implement a paid sick leave during a pandemic, a policy that would obviously help symptomatic Albertans make the proper choice to stay home when they feel ill?

The Speaker: The hon. Minister of Labour and Immigration.

Mr. Shandro: Thank you, Mr. Speaker. I'm very happy to be able to rise again. Thank you to the member for the question. As the member knows, more than half of our employers already have paid sick leave. We have a federal program as well that's providing paid sick leave, and we're going to continue to work with employers, employees, encouraging them to work together to find alternative arrangements so that employees can continue to do their work when they're not able to come to the work site.

Ms Gray: Over half of workers do not have paid sick leave. Given that Albertans have been waiting for over 18 months for the paid sick leave that this government once said it would implement and then didn't and given that Ontario introduced paid sick leave in March, B.C. introduced paid sick leave in April, Manitoba and Saskatchewan introduced paid sick leave in May, to the minister: how many Albertans have lost income because their government broke the promise to introduce paid sick leave? How many went to work while sick because they couldn't afford to stay home without pay?

Mr. Shandro: As I said, Mr. Speaker, and as the member is ignoring, there is a federal program as well that's providing payments for paid sick leave. We're going to continue, as I said, to work with employers and employees, continue to encourage them to work together to find alternative arrangements.

Ms Gray: Given that the Canadian recovery sickness benefit is better than nothing but is far from enough and given that Albertans wait weeks sometimes for the federal program to pay out and it doesn't replace the majority of Albertans' salaries, to the minister. Albertans deserve a comprehensive paid sick leave program. Alberta's NDP drafted legislation to bring paid sick leave here, not just a briefing note, a full bill. Will the minister commit to working with me to bring this bill into the House for debate? No more stalling. Albertans need paid sick leave.

Mr. Shandro: Mr. Speaker, after a pandemic and after 20, 21 months of this, we've had a lot of job creators throughout the province that have been hit very hard. We'll continue to work with our job creators, especially through many of the different programs, through the Minister of Jobs, Economy and Innovation as well as the jobs now program, so we can continue to support those job creators, making sure that they continue to add new jobs to their businesses and continue to find new opportunities for their neighbours to find employment in this province.

The Speaker: The hon. Member for Drayton Valley-Devon has a question.

Natural Immunity to COVID-19

Mr. Smith: Thank you, Mr. Speaker. To say that determining the best path forward during COVID-19 has been a struggle is an understatement. New data is constantly available and changes how we look at things. I believe some of the data we should be going after is in the effectiveness of natural immunity gained from those who have contracted and beaten COVID-19. We've been putting a major emphasis on proof of vaccination, but I think we should also be looking into proof of immunity. To the Minister of Health: what data is available to or is being sought to compare COVID natural immunity to vaccine immunity? [interjections]

The Speaker: Order. You've had your opportunity. If you would like another one, I'm sure that you can arrange that.

The hon. Minister of Health.

Mr. Copping: Thank you, Mr. Speaker, and thank you to the hon. member for the question. As you know, immunity does provide protection to Albertans against COVID-19, but there are still questions that we need to ask and get final answers on. How long do these antibodies last, how long does an Albertan have protection post infection, and how does that protection compare to the protection we know that vaccines provide? The answer, Mr. Speaker, is that we don't have all the peer-reviewed studies yet nor the data available to properly compare vaccine immunity and natural immunity. While our officials continue to review what's available, I would encourage Albertans to get the immunity we know works, and that's vaccines.

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

Mr. Smith: Thank you, Mr. Speaker, and thank you, Minister. Given that COVID-19 is a global pandemic and that information is available for sharing around the world when it comes to immunity and given that other jurisdictions have looked into proof of

immunity and are offering that as a means to access services under a passport system, again to the Minister of Health: can we follow the footsteps of other jurisdictions and look at providing proof of immunity instead of just proof of vaccination as a means to access services?

The Speaker: The hon. Minister of Health.

Mr. Copping: Thank you, Mr. Speaker, and thanks to the member for the timely question. I just commented on what metrics I think would be important in comparing immunity acquired post infection from that of vaccination. Within the context of the REP we would be looking at the data on those metrics to determine if individuals with natural immunity have a comparable degree of protection and how long that protection will last. Eligibility would be based on the degree of safety provided and whether Albertans could safely participate in the program without creating undue risk for themselves or others.

The Speaker: The hon. member.

Mr. Smith: Thank you, Mr. Speaker, and thank you, Minister. Given that there are people that are facing unemployment if they are not vaccinated and given that there is a question about the constitutionality of requiring vaccines on a workforce even under current circumstances and given that there may be additional ways forward when accounting for immunity, to the Minister of Health: if the effectiveness of natural immunity can be established, when can we expect that natural immunity could be available for testing and accepted alongside proof of vaccination?

The Speaker: The Minister of Health.

Mr. Copping: Thank you, Mr. Speaker. I can inform the House and the hon. member that Dr. Hinshaw and her team are monitoring evidence from around the world on this topic. It's important that we acknowledge this new evidence as it continues to emerge, but we have to evaluate it properly before we can be conclusive or definitive. The one point that is clear is that vaccines add protection on top of what is provided post infection, so I urge every Albertan to get vaccinated. If this is a topic of interest to you, Mr. Speaker, it is the safest way to ensure that we have the best protection possible against severe outcomes and transmission.

The Speaker: The hon. Member for Edmonton-Rutherford has the call.

National Day for Truth and Reconciliation Indigenous Content in Educational Curriculum

Mr. Feehan: Thank you, Mr. Speaker. September 30 was National Day for Truth and Reconciliation in Canada. It's a day to honour the lost children and survivors of residential schools and their communities and their families. Days like these are an important component in the reconciliation process, important to everyone except the UCP government, who chose not to create a statutory holiday. Chief Wilton Littlechild called this decision to refuse to observe the statutory day a total contradiction and was disappointed. Why did the minister refuse to mark September 30 as a statutory day? Can he explain this total contradiction to leaders like Chief Littlechild?

The Speaker: The hon. the Minister of Indigenous Relations.

Mr. Wilson: Well, thank you, Mr. Speaker. It was actually a great day we had on September 30. We did a declaration, and we did a

truth and reconciliation garden where we planted a tree, where Chief Morin said that that was probably the most appropriate thing we could do for that day. Chief Littlechild – that was taken out of context. He came to me, and I've actually got it on my phone where he said that that was probably the most important thing a government has ever done for truth and reconciliation, not only here but for all of Canada, Mr. Speaker.

2:30

Mr. Feehan: Well, my personal conversation with him was quite different.

Given that while this minister talks about his commitment to reconciliation, his actions leave much to be desired and given that while, sadly, the UCP missed declaring a provincial holiday on September 30 this year, they have a chance to show their commitment in years to come if they're actually interested in real reconciliation, will the Minister of Indigenous Relations commit to honouring next September 30 as a statutory day, or is he still embracing UCP contradictions over real reconciliation?

The Speaker: The hon. the Minister of Indigenous Relations.

Mr. Wilson: Well, thank you, Mr. Speaker. I think what's important to remember is that we can't just limit reconciliation to one day. It's something we have to work on all year, and that's something that all the ministers have committed to. We're working on a crossministry approach to reconciliation. There are so many things that all the ministers have been working on. We're putting a whole list together. I'm so proud of our government as to how we've stepped up and approached our whole reconciliation approach. Like I say, it's not just a one-day event; it's a year-round event. We're going to be working again next year to create another declaration and work on the garden down there.

Mr. Feehan: Given that while the minister says that the legacy should not be limited to one day and given that it is possible to mark September 30 with the respect and dignity it deserves and do more to embrace the reconciliation process and given that one step this government could take is to start over on their racist curriculum, condemned by Indigenous leaders in communities across Alberta, if the minister is truly committed to addressing reconciliation, will he start by joining Indigenous leaders and condemn the appalling, insensitive, and anti-Indigenous history curriculum right now?

The Speaker: The hon. the Minister of Education has risen.

Member LaGrange: Thank you, Mr. Speaker. We have been working on truth and reconciliation within the curriculum. In fact, currently it is taught in grade 10; it is now in elementary school. There is more content in the upcoming draft of the curriculum than there has been in any other curriculum previously. We take this very, very seriously, and as the Minister of Indigenous Relations just said, this cannot be just one day. Orange Shirt Day cannot just be one day. It has to be every day of the year.

Domestic Violence Prevention

Member Irwin: The number of people accessing help for domestic abuse has doubled since the start of the pandemic, and local advocates say that they're seeing a massive increase in requests for the programs available to help survivors. The Calgary Women's Emergency Shelter and Equally Safe are seeing growth in the number of calls since the start of the pandemic, but also now the severity of violence is escalating. We cannot turn our backs on this problem. To the minister: what is the government doing to ensure

that these programs have the supports that they need to help survivors and to ensure that Alberta doesn't see another silent pandemic of domestic abuse?

The Speaker: The hon. the Associate Minister of Status of Women.

Ms Issik: Thank you, Mr. Speaker, and thank you very much for the important question. You know, it is true that family violence is on the rise. Throughout the pandemic the numbers have risen steeply, and it's from isolation and frustration and stress amongst families. I can tell you that this government in 2021 through Community and Social Services funded \$51.3 million to support programming and operations to over 50 shelters supporting women and children feeling family violence. These are emergency shelters, second-stay shelters, and ...

The Speaker: The hon. Member for Edmonton-Highlands-Norwood.

Member Irwin: Data from Calgary shows that more Calgarians are reaching out for help before domestic incidents turn violent, which is a step in the right direction. It shows that collaborative efforts are working as they are reducing more serious and potentially deadly confrontations. In Calgary alone there are 30,000 domestic violence or conflict calls every single year. To the minister. Thirty thousand calls a year is absolutely horrifying. Immediate action is required to protect survivors of domestic violence. Please, I need you to be specific. How will you address these heartbreaking statistics?

The Speaker: The hon. the Minister of Community and Social Services.

Mr. Luan: Thank you, Mr. Speaker, and thank you for the hon. member raising this very important question. I concur with my colleague the Associate Minister of Status of Women. We are working collaboratively with stakeholders around the province about this. During the summer tour I met so many stakeholders around this. As we speak, next week we're joining impact, one of the community stakeholders in Calgary that are convening a community dialogue about this. We're taking a comprehensive approach addressing this issue.

Member Irwin: I've heard from so many domestic violence organizations and from individuals who have experienced domestic violence, and they've said clearly that without tangible supports for those fleeing violence, any actions that this government takes are meaningless. In particular, they told us that key supports are things like safe and affordable housing, access to affordable child care, mental health supports, to name a few. Will this minister start advocating to his cabinet colleagues for affordable housing, for child care, for mental health? And if he can only respond with talking points rather than specifics, will he admit that he's failed to support survivors of domestic violence?

The Speaker: I provided some caution to the member yesterday or the day prior about the use of preambles after question 4; I provided it to the Opposition House Leader. Perhaps she hadn't passed it along, but I trust that you'll get it from her.

The hon. Associate Minister of Status of Women.

Ms Issik: Thank you, Mr. Speaker. I'm actually very, very proud of our government's record on this issue. During the pandemic we committed an additional \$5 million to women's shelters to support safe isolation; there are 43 family violence grants worth \$7.1 million; we committed and spent \$414,000 to operate the family violence info line, which is incredibly important; 16 grants valued

at \$12.6 million to support programming at sexual assault centres and the Association of Alberta Sexual Assault Services.

The Speaker: The hon. the Member for Cardston-Siksika and Deputy Government House Leader.

Diabetes Management in Children

Mr. Schow: Thank you, Mr. Speaker. According to a publication made by the Canadian Pediatric Society in 2017, approximately 4,000 children in Alberta live with type 1 diabetes, which is a life-threatening condition with no cure. This brings immense amounts of stress and anxiety to parents as they learn how to treat their child's blood sugar levels when they are too high or they are too low. To the hon. Minister of Health: can you please tell the House what the government of Alberta is doing to support families with children who have type 1 diabetes?

The Speaker: The hon. the Minister of Health.

Mr. Copping: Thank you, Mr. Speaker, and thanks to the hon. member for this timely question given that November is Diabetes Awareness Month. Diabetes is a growing health concern both here in our province and world-wide. Alberta's government recognizes the importance of carefully monitoring and managing this illness. This is why we provide coverage for the cost of diabetes medications and diabetes management supplies such as blood glucose test strips for children living with diabetes. In addition, the insulin pump therapy program provides children living with type 1 diabetes and type 3C diabetes with an insulin pump and supplies at no cost.

The Speaker: The hon. Member for Cardston-Siksika.

Mr. Schow: Thank you, Mr. Speaker, and thank you to the minister for the answer. Given that Alberta announced full funding for insulin pump therapy nearly a decade ago, making Alberta a leader in care for diabetics at the time, and given that the treatment technology continues to advance, I ask the same minister: how does the government of Alberta plan to increase accessibility for young Albertans when it comes to the best treatment options for type 1 diabetes?

Mr. Copping: Mr. Speaker, Alberta's government is committed to providing young Albertans with the most suitable options for diabetes management. In fact, we recently took a significant step to improve coverage. In August our government expanded coverage for blood glucose test strips and other diabetes supplies to align more closely with Diabetes Canada's recommendations. Depending on the method of diabetes management, Albertans with a government-sponsored plan now have coverage for up to 3,000 blood glucose test strips if they have a low-income plan or up to \$2,400 worth of diabetes supplies if they have a nongroup or seniors' plan.

The Speaker: The hon. member.

Mr. Schow: Thank you, Mr. Speaker, and again thank you to the minister for the answer. Given that technology such as continuous glucose monitors allow constant tracking of blood sugar levels and given that these devices provide safety to diabetic children and given that parents can also track their child's blood wherever they may be and given that the cost of these devices is about \$300 per month, I ask the same minister: does the government have plans to follow other provinces' lead in providing financial support to families who utilize continuous glucose monitors for children?

Mr. Copping: Mr. Speaker, the answer is simply yes. We're working on a plan to provide coverage for these monitors. The details will be based on a comprehensive assessment by Alberta Health and the University of Calgary. Like other provinces, we're making our coverage decisions based on the evidence on clinical benefits and cost-effectiveness, as we do with any new technology or therapy. I know that this is important to patients and families and to the members of this House, and I look forward to announcing this decision in the new year.

2:40

The Speaker: Hon. members, this concludes the time allotted for Oral Question Period. In 30 seconds or less we will return to the remainder of the daily Routine.

Presenting Reports by Standing and Special Committees

The Speaker: The hon. the chair of the standing committee.

Mr. Rutherford: Thank you, Mr. Speaker. As the chair of the Standing Committee on Private Bills and Private Members' Public Bills I am pleased to present the committee's final report on Bill 220, the Employment Standards (Expanding Bereavement Leave) Amendment Act, 2021, sponsored by the hon. Member for Sherwood Park. The bill was referred to the committee on June 15, 2021. The report recommends that Bill 220 proceed, and I request concurrence of the Assembly in the final report on Bill 220.

The Speaker: Hon. members, the motion for concurrence in the report on Bill 220, the Employment Standards (Expanding Bereavement Leave) Amendment Act, 2021, is debatable pursuant to Standing Order 18(1)(b). Are there any members who wish to speak to the motion for concurrence? If so, indicate now. I see that there is a member that wishes to speak to the motion for concurrence. That will take place at the next available Monday under private members' business.

Tabling Returns and Reports

The Speaker: Are there tablings?

Seeing none, I do have a tabling. Pursuant to the Child and Youth Advocate Act there are six of the requisite copies of the '20-21 annual report of the office of the Child and Youth Advocate, covering the period April 1, 2020, to March 31, 2021.

Hon. members, we're at points of order. At 2:02 the Deputy Government House Leader rose on a point of order.

Point of Order Parliamentary Language

Mr. Schow: Thank you, Mr. Speaker, for acknowledging me. I did call a point of order around the time of 2:02. At the time of the point of order the Member for Edmonton-Gold Bar was concluding his question directed to the hon. Premier. In the final lines of the comment he had said that the Premier is making things up. We know that in this Chamber you can't do indirectly what you are not allowed to do directly, and if the Premier was in fact making things up, it's actually one of the first tests of a point of privilege. This is a very serious allegation. I certainly believe that the Premier's intents are noble, and I would caution the Member for Edmonton-Gold Bar from using such language to imply that the Premier – he has not directly said that the Premier was lying but certainly is

implying it with this comment. I believe that this is a point of order, not a matter of debate. I encourage and ask that you rule as such.

The Speaker: The Opposition House Leader.

Ms Gray: Thank you, Mr. Speaker. I do not have the benefit of the Blues, but I believe that the full quote is that “the Premier is making things up out of whole cloth.” While the Member for Edmonton-Gold Bar and I are essentially the exact same age, he often uses idioms with which I’m not familiar, so I’ve googled “out of whole cloth.” Based on my reading of it, I believe that this is indicating a disagreement of the facts and that this was the Member for Edmonton-Gold Bar saying that this is a matter for debate. At the time, they were talking about funding for trail protections, where we have seen, when it comes to funding for protections of Alberta parks, many debates in this Chamber. I don’t believe that this is a point of order, but I look forward to your ruling.

The Speaker: Why, thank you.

I am prepared to rule, and I do concur with the Opposition House Leader, with her assessment of what was actually said. The Deputy Government House Leader said that the member said “was making things up” although he failed to acknowledge that he went on to say “out of whole cloth,” as has been identified by the Opposition House Leader.

Now, I certainly disagree with her on her assessment of that particular idiom because I happen to know that it means to fabricate something entirely fictional or utterly false, not based on a reality at all, which sounds a lot like a lie to me. While I do appreciate the hon. member’s efforts to turn a phrase, as they say, you certainly can’t do indirectly what you can’t do directly. So I think it’s best if the member withdraws and apologizes, and we all move on with our day.

Ms Gray: Thank you, Mr. Speaker. I appreciate learning a new idiom today. On behalf of the member I apologize and withdraw.

The Speaker: Please extend my congratulations to them. It was well done although unparliamentary. I consider the matter dealt with and concluded.

Orders of the Day

Government Bills and Orders Second Reading

Bill 76 Captive Insurance Companies Act

[Adjourned debate November 2: Mr. Shepherd]

The Speaker: The hon. Member for Edmonton-City Centre does have some time remaining. It is approximately six minutes should he choose to use it. The hon. member.

Mr. Shepherd: Well, thank you, Mr. Speaker. Golly gee willikers, I appreciate the opportunity to speak. Sorry. That’s the best old-timey slang I could think of on the spot, just trying to continue the – anyways.

Discussing the Captive Insurance Companies Act. Now, I appreciate the opportunity to continue this discussion and continue the debate from the previous evening. Now, in discussing this again, we were acknowledging that there are certainly some challenges that we know energy companies are currently facing, and they reported that to the government in regard to the challenges they are having in obtaining insurance. We’ve had a chance to talk about the different risks, different things that are involved in that. I certainly

recognize that we are of different opinions perhaps on some of those pieces on either side of this House.

[The Deputy Speaker in the chair]

We’ve had the opportunity to talk about in general, how, as we are seeing the impacts of man-made global climate change, that is indeed changing many aspects of the insurance market for individuals as well. We have seen that, of course, with the severe hailstorms, which folks in Calgary were hit with, and certainly the challenges that some of them still continue to face in terms of obtaining payment from insurance, indeed the rising insurance rates that we see many have that are living in and around flood plains, certainly the rising insurance rates that we see as a result of wildfires and other things that are driven by climate change.

Certainly, there has been greater action by some and through many different methods to hold oil and gas companies to account for their part that they have played or may continue to play. Certainly, we recognize that we have seen much more movement from oil and gas companies towards taking responsibility and towards taking actions to reduce their contributions to the challenges we are seeing. Within that, then, we are seeing this particular impact that is hitting oil and gas companies and others in the energy sector, where, as a result of a combination of all these factors, they are finding it more difficult to be able to obtain the insurance they need to operate.

We have here this piece of legislation where the government is proposing then to give them the ability to form their own captive insurance companies to be able to provide that insurance to them, recognizing of course that these insurance companies would have the sole client of that particular company, would be separate from that company, and there would certainly be some daylight between the two, which is appropriate in terms of accountability. But I was noting one concern that is here in that in section 10 the government is laying out a rather broad standard of investment risk that these captive insurance companies are allowed to undertake, and that standard is much higher than that of regular insurance companies. We do have the question, then, why the government is allowing captive insurance companies to lever up their financial risk.

These being companies that – certainly, I imagine they would be hiring folks that have experience and folks that have been doing this work. They’re going to want to ensure that they have folks that are competent in this, but still it seems – I would ask the minister why, in this particular case, we are giving them more risk. Certainly, Minister, I’ll take your intervention on that point.

2:50

Mr. Toews: Thank you, Madam Speaker. The member opposite poses a question that may be on many minds, and I’m pleased to rise to answer that. I will say that captive insurers will, again, be regulated by this government, the Alberta government. I should also say that there will be capitalization requirements. There will be requirements and regulatory minimums for liquidity. I will also say that we will be developing our regulatory framework and taking a look at other jurisdictions such as B.C., Vermont, and elsewhere to ensure that we have adequate protections, adequate capitalization requirements and that the superintendent of insurance will have a full framework so that that individual can ensure that this sector is regulated appropriately.

Mr. Shepherd: Well, Madam Speaker, I certainly appreciate the minister’s intervention, but I would note that he took a full minute and did not in fact answer the question. The question was, Minister – and certainly I believe I do have two interventions left, so if the minister does want to answer this specific question: why in this case the standard, the risk level that you are going to allow these captive

insurers to take, why is that being set higher than for other current insurance companies in the province of Alberta? Certainly, I will take your intervention on that.

Mr. Toews: Well, thank you, Madam Speaker. The reasons that there will be perhaps a different bar for captive insurers versus those that offer their products broadly to consumers are: there will not be, again, consumers broadly that will depend on the captive insurance provider, that the risks that the captive insurance provider will be covering will be more limited, and consumer protection broadly will not be as imperative as it would be for financial institutions' typical, traditional insurers that would offer their products broadly on the market.

Mr. Shepherd: Thank you, Minister. I certainly appreciate that clarification. What I hear the minister saying, Madam Speaker – of course speaking to the minister through you, as is appropriate – is that insuring an oil and gas company is less risky than insuring consumers. That's interesting. Certainly, I could think of many risks that are involved in the operation of an oil and gas company, and perhaps I misunderstand sort of what this kind of insurance would cover, but certainly the risks that could be involved in a leakage of product, the risks that could be involved in an explosion of a natural gas well, the risks that could be involved in injury to workers. I can think of innumerable risks that could be involved in an oil and gas company that would not be true for consumers.

Admittedly, I am not an expert in the insurance realm, and perhaps there'd be some other members who have some more expertise who can speak to this or can explore this with the minister, but I find that I still have questions remaining as to why, then, multinational, global corporations that are operating here in the province of Alberta are less risky than the average Albertan in owning their home and obtaining insurance or other products that might be available through a commercial insurance? We will look forward perhaps to greater clarification on that point and the justification for that particular decision on the part of the government, unless the minister has an answer to that question.

Mr. Toews: Well, thank you, Madam Speaker. Again I appreciate the very reasonable question from the member opposite. Again, with respect to captives, they will not be isolated to members of the energy industry although they will be utilized, I'm sure, by some of our energy companies in this province. But captive insurance will be available and will be enabled. This legislation is enabling captive insurance to be used broadly across the economy by a variety of Alberta entities and companies, trade associations; and capitalization requirements, liquidity requirements will be calibrated for the risks that each parent company or group of companies for which the captive insurer is providing coverage. Again, capitalization, liquidity requirements and other regulatory requirements will be calibrated accordingly and relative to the risks at hand.

Mr. Shepherd: Well, thank you, Madam Speaker. That's my three interventions, so I guess it's my . . . [Mr. Shepherd's speaking time expired] And that is my time.

Thank you.

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

Mr. Jones: Thank you, Madam Speaker. I rise today to support Bill 76, the Captive Insurance Companies Act. A captive insurance company is an insurance subsidiary of a noninsurance entity or parent and is owned by the insured. In simple terms this means that a business that is not an insurance company can create its own

insurance subbusiness, which itself owns and operates to insure itself. To qualify for captive insurance, businesses must meet certain licensing standards. Under Bill 76 the licensing requirements include an adequate plan for the captive insurance company, organizational documentation, an individual appointed as attorney for service, naming qualifications, and a business address.

Captive insurance companies must also meet a base capital requirement. The legislation requires that companies applying for a capital insurance licence must satisfy an amount of base capital that accounts for the type of business being insured. If a licensed captive insurance company ceases to have adequate base capital, they are required to cease operations as an insurance company. This is an important stipulation providing protection.

With this being said, what are the benefits of captive insurance? Essentially, the ability to self-own and manage insurance allows businesses to find different ways of paying for losses. Instead of purchasing commercial insurance, entities that choose captive insurance assume and manage their own specific risks. Captive insurance will help those businesses that are underserved in the current market, especially those undertaking large-scale projects. This is particularly or potentially helpful for our energy sector. Energy companies are proven to benefit from the ability to create or purchase captive insurance because captives allow for companies of all sizes to potentially lower their total cost of risk. This is because captives usually have lower loss ratios and are more cost efficient to operate compared to traditional commercial insurance.

Captive insurance is helpful for businesses of all sizes. Small to mid-sized businesses can self-insure to guarantee sustainable pricing for their businesses as well as for personal risk management. Furthermore, captives provide a greater customization of coverage, especially for those businesses that require specialized risk management.

Madam Speaker, our government committed to making Alberta one of the most business-friendly jurisdictions in North America. British Columbia is the only other jurisdiction in Canada that allows captives. With the passing of Bill 76, Alberta would become one of two jurisdictions in the country to allow for captive insurance, a competitive advantage in my view. Alberta will also become one of 70 jurisdictions globally to provide captive insurance. Combined with other business-friendly promises that our government has delivered such as the job-creation tax cut, Alberta continues to demonstrate that it is the best jurisdiction in North America if not the world to start or build a business.

I look forward to supporting this bill, and I would encourage all members to do so as well.

The Deputy Speaker: Are others wishing to join the debate? The hon. Member for Calgary-Buffalo.

Member Ceci: Thank you very much, Madam Speaker, for this opportunity. A rather substantive bill, and I was going through it last night and yesterday here. Maybe there are answers for this, and maybe not, but I got to wondering: how many captives does the minister or his officials believe there are likely to be in this province with the passage of this bill? There is, of course, an insurance market. The superintendent of insurance has a group of staff who help to oversee that market in this province. This will be an additional responsibility to the superintendent. I just wonder how much more activity that section of Treasury Board and Finance or the Finance department will have on their plate as a result of the passage of this bill. And do we have all the people, all the horses, that we need to review the paperwork and, once the regulations get written, to ensure that the captives are properly assessed in terms of the regulations they need to address? That's one kind of question that occurred to me as we go through this.

3:00

I certainly understand that the captives will cover, you know, where the current insurance market is unable or unavailable or doesn't want to insure companies and the actions they take or the products they make and the potential likelihood of risk that they provide. [interjection] Perhaps the minister can answer that question.

Mr. Toews: Well, thank you, Madam Speaker and to the member opposite, for allowing me to provide an answer to your first question, I think a very fair question, on: what are we expecting in terms of volumes from enabling captive insurance? I think the intent of the member's question was to consider the resources in the department. Of course, the member would know the importance of that. What I can say is that we're not certain in terms of how many captives will set up in the province, but we know that there are 21 captives in British Columbia, the only other Canadian province to enable captives, and approximately 150 Canadian captives domiciled somewhere in the world, world-wide. We know there are many Alberta companies that have offshore captives or captives in other jurisdictions, some in British Columbia, so we are quite optimistic that by enabling this legislation, we will attract capital and financial services sector capacity into this province.

Member Ceci: Thank you for the intervention, Minister. I appreciate that. It helps to understand a little bit about other provinces and the Canadian captives throughout the world, and that's helpful.

The potential drawback of forming a captive that the literature talks about is that, you know, there's increased administration required from that captive insurance company, so there is a burden there. I know that some of the regulations here talk about putting the right – and I think the Member for Calgary-South East just talked a little bit about this in terms of the legal representation, but there's more than just legal representation. There are actuaries, there are auditors, and there's record keeping that has to take place, recognizing that that's an issue that the superintendent will have to weigh in on in terms of judging the adequacy of the processes put in place.

The risk management needs to be present as well as the acquisition of other expertise, and I've mentioned a few of those. This may, the literature says, complicate the whole merger and acquisitions of parent companies that want to – and we've certainly seen a lot of that in the oil and gas sector of late as a result of the significant challenges many of those companies have had. So it may be a hindrance in terms of companies looking to get together with others.

The other possible drawback of forming a captive, of course, is the capital commitment that needs to be there. We've heard a little bit about that in terms of previous questions and answers.

A specific question about the domicile. I think the minister just talked about it, that the domicile for the captive has to be in Alberta. The wording in 4(2): "A captive insurance company that changes the address of [the] principal place of business." I think that means that if they change their address in Alberta to a new place in Alberta, then they would have to, of course, notify. I think I got some acknowledgement that that's the way I understand that, and that's fine.

With regard to the investments of premiums . . .

Ms Hoffman: If I could interject.

Member Ceci: Oh, sorry. I didn't see you.

Ms Hoffman: Yeah. No problem. If you're comfortable with the intervention.

Member Ceci: Sure.

Ms Hoffman: Thank you so much. Through you, Madam Speaker, to my colleague from Calgary-Buffalo, I know that he represents downtown Calgary and that there's been significant devastation, especially over the last two years, to the downtown core and significant vacancies. I was just wondering if he'd be interested in talking a little bit about some of the downtown office towers that once were full of booming industries, including large employers in probably the insurance area and other sectors, and what he thinks would be most important, related to his speech, of course, in terms of diversifying the economy, filling those downtown towers, and if he thinks this bill will do anything to address that significant impact that downtown Calgary has felt, especially over the last two years. I know that he connects with business operators and constituents in the area every day, and I think it's important for us to have a chance to think about some of the most pressing issues.

Member Ceci: Well, unfortunately, there's been a hollowing out of the downtown in Calgary. Many buildings, you know, those owned by oil and gas companies and others and other businesses that are ancillary to that sector, have closed shop, or they've merged or left the country entirely.

I think, you know, that if we're to take the minister at his word, he's indicating that there will be a repatriation of some captive insurance companies to this province and that they will find a great deal of available commercial property in the city of Calgary downtown in which to locate their businesses, and I certainly hope they do going forward.

I just wanted to touch on a few other things. One of the benefits of captives, it seems from the literature, is that premiums don't have to be paid up front. The minister talked about capitalization. I just wonder if captives are required to invest their monies in this province, in this country. They typically look for low-tax, no-tax locations to invest, and we have taxes here. They were lowered from an average of – these are corporate taxes I'm talking about now – 12 to 8 per cent, but one of the things that captives may do is that they may invest their monies that they have elsewhere. I just wonder if the minister knows if the hope is that they invest those monies here that they don't have to spend, of course, until there's a risk that they have to address.

Mr. Toews: Well, thank you, Madam Speaker. Certainly, the point that the member raises is a point, I think, of great interest to us as a government and one of the reasons why we believe enabling captive insurance holds so much promise. We believe that the combination of our very, very competitive business environment, our very, very competitive corporate tax rate will in fact be an incentive, a draw for companies to set up a captive here in the province of Alberta. Of course, as the member has noted or intimated, investment earnings on capital requirements, capital held by captive insurance, of course, will be taxable, but in Alberta it will be taxed at a lower rate than it would be in any other province across the country, including British Columbia. I believe we have great potential to attract the capital, the financial services sector capacity and activity into this province, which will be good for downtown Calgary and downtown Edmonton. But, further to that, it will also augment provincial government taxation revenues as those companies will be taxable in this province.

Member Ceci: Thank you for the intervention, Mr. Minister.

I do want to just touch again on and get assurances that the superintendent of insurance in this province will have – and I know the numbers of B.C. I'm not sure how long their captive insurance market has been there, but it's 21 captives. I'm not sure how quickly

ours will mature to attract captives back to this province. We have seen this government look across not only government but affiliated agencies, boards, and commissions and reduce budgets. I'm just wondering, if it's likely the case that in the Finance department the budget has similarly been reduced there, if we've got all that we need to ensure that the captive market will be fully reviewed and regulated. The regulations, of course, aren't here.

3:10

We don't know the extent of those with regard to what the write-up of the regulations will be and what requirements and impact that will have on the superintendent of insurance and their staff. I do think that we need to be assured of that as well as of the fact that actuaries and auditors and those who are working as a result of a captive being domiciled here have all of the abilities to do the work.

If they don't have all the abilities to do the work, then the risks are significant to the people of Alberta because of the kinds of things that are insured. We know, from looking at the literature and looking at where captives are working elsewhere, they're involved with product liability issues, and they're involved with oil pollution, hazardous waste, and those are not something that can be addressed in a short term or remediate themselves, Madam Speaker. They are things that have long-term consequences for the environment, for the people, and for other things in that environment.

Those are some of the questions that I have with regard to the feasibility of captives setting up in this province and their likelihood to properly address the risks of the parent company that they are going to be working for.

The bill goes into a number of things, of course, with regard to the role of the superintendent of insurance, and I need to be assured that the administration of the regulations will be appropriately done and that there are enough resources to make that happen.

Those are some of my questions that I wanted to put on the floor. [interjection] I'll just cede.

The Deputy Speaker: Interventions on this speech have been used. If there is a will of this Assembly to move into committee for a more back-and-forth structure, certainly that's an option to you, but the remaining time, hon. Member for Calgary-Buffalo, is all yours.

Member Ceci: Sorry, Madam Speaker. Did you say how much time there was left?

The Deputy Speaker: You have just under six minutes.

Member Ceci: How many?

The Deputy Speaker: Six minutes.

Member Ceci: Thank you. With the interventions, then, we will maybe wait until a future speaker who can possibly address that.

Madam Speaker, I do see where there is a need to address the insurance needs of companies based on some of the understanding of where they work, where they're domiciled, and the kinds of insurance risks that they cover. I do believe that the literature that I've reviewed is not all on the advantages side. It talks about possible disadvantages or drawbacks from forming captive insurance companies. I've mentioned some of those drawbacks, and if the bill before us addresses all of those, then I think there are some aspects of this bill that are supportable.

We know that the available expertise for this area is very specific. That's another question, I guess, I have. Is there the proper level of expertise amongst actuaries? Do we have enough actuaries in this province who are able enough, or do we need to attract more to this province? If some of these captive insurance companies are

elsewhere in the world and in Canada and could come back to Alberta, what is the likelihood that at this point in time people will come to Alberta to do this work?

Does domicile mean that – I don't know. I guess I just thought of this. With so much virtual work going on in this world as a result of COVID, do people actually have to come with the company, or is it just that the company needs to be domiciled here? If the company needs to be domiciled here and the people can work elsewhere in the world, you know, we're not accessing all of the benefits of having those people in Alberta, which would be more significant if they could be here as well. We've certainly seen a net out-migration, a loss of people, in this province of late, and that is something that I think we all need to attend more to and not just assume that it's going to change in the future.

There is, of course, no question that our largest sector, the oil and gas sector, has struggled through this pandemic. Agriculture has struggled. Well, forestry is doing well. Some manufacturing sectors are doing better. We know that the pandemic has affected many things, so any growth in our economy and sectors in our economy, like the insurance sector, would be a good thing.

You know, I just want to recognize that the oil and gas sector has had tremendous challenges. It's doing significantly better now. The price of WTI is, of course, I think, around \$82, could be \$83, a barrel, which we haven't seen in a long time. If the oil and gas sector in particular needs to form captive companies to continue to do well and to continue to be more efficient as a result of being able to put their premiums in a captive and then invest those and reinvest those monies that they make from the investment of the captive premiums, that would be a good thing to see happen, Madam Speaker.

I'm going to cede my further time, and somebody else can carry it on from here. Thank you.

The Deputy Speaker: You made it almost; 20 seconds left.

The hon. Member for Red Deer-South is chomping at the bit.

Mr. Stephan: Thank you, Madam Speaker. I actually am chomping at the bit a little bit. This is pretty exciting legislation. I appreciate the questions from the members opposite. I think that if we see this legislation for what it is and judge it on its merits, I hope that collectively in this Legislature we can support this bill. I want to talk about why it's to Alberta's advantage that we bring forward and approve this legislation.

Just a bit about insurance and captive insurance. Captive insurance, really, in essence, is a form of self-insurance. Insurance for all of us, for regular day-to-day Albertans, is a very important tool, and never at any time is it more important than when – certainly, as a young father, when I had young dependants and was the sole breadwinner, it was really important for me to have insurance for my family. The great thing about life insurance is that it has a bit of an inverse relationship. The time in your life when you need it most is when it's cheaper, and as we get older and insurance gets more expensive, hopefully, the necessity for insurance is reduced and we're able to accumulate some savings to self-insure in the event of untimely death.

3:20

That is the concept or principle, again, of self-insurance, just like captive insurance. Captive insurance is a regulated form of insurance. As mentioned, they are subsidiary companies of the insured businesses or other organizations.

I appreciate that some of the comments and statements made in this Legislature are good. One of the things that was suggested yesterday is that the legislation, of course, results in a backstop, where Alberta taxpayers are having to do that, and that is not true. That demonstrates a lack of understanding on captive insurance, but

I do feel that the quality of questions has been improved, and as we understand the benefits of captive insurance, we can support it on its merits.

Now, Madam Speaker, we know, of course, that we live in a world with increased volatility, and insurance costs are escalating for all businesses. One of the benefits of captive insurance is that it cuts out the middleman. It allows companies to be more self-reliant and self-insure for their risks. Because it structurally cuts out the middleman, captive insurance can cost less, so it's not necessarily only a question of access but also of price. Captive insurance can actually be a competitive advantage in certain cases. I want to emphasize that captive insurance is not exclusive to just oil and gas businesses. It can be attractive for all kinds of businesses.

Madam Speaker, as I've kind of thought and looked at this legislation – I won't profess to be an expert on captive insurance, and before speaking on this topic, I wanted to inform myself. One of my friends who is a lawyer, a chartered accountant, a chartered financial analyst and who worked in Bermuda, where many captive insurance entities were established, helped provide some input into the development of this legislation. I contacted my friend because I wanted to understand, to make sure, to confirm my own understandings of some of the tax opportunities that this captive insurance legislation provides for Alberta.

As mentioned, Alberta's corporate tax rate is 8 per cent. Let's contrast that with the only other jurisdiction in the country with captive insurance legislation, B.C. That's at 12 per cent, so it's a four-point spread. Of course, prior to us coming into government, B.C. and Alberta had the same corporate tax rate of 12 per cent. There was no competitive advantage, at least from a tax perspective, in terms of situating your captive insurance business in Alberta or B.C.

Now, tax is not the only consideration. I know that the development of this legislation also takes into account the strengths and weaknesses of not only B.C.'s captive insurance legislation but other jurisdictions as well. We want to learn from what has worked well for other jurisdictions and just have the best, most competitive captive insurance legislation as possible.

I want to talk about the opportunity to increase tax revenue to Alberta through this legislation. Madam Speaker, as you know, Alberta businesses and families are generally a net exporter of tax dollars to the rest of the country. This legislation actually allows us to be a net importer of tax dollars, which will help fund the important public services that I think we all agree in the House are so important.

I want to illustrate this by way of an example. Now, it's important to understand that in Canada there are many businesses that carry on business in more than one province. Under the income tax legislation there is a formula that allocates taxable income amongst provinces. How that is done is that they look at where the revenue is earned, and they generally weight that at about 50 per cent. Then they also weight where the salaries are paid, and they allocate that another 50 per cent weighting. Just with the corporate tax reduction that we've provided, we've incented, actually, locating salary activity, i.e. jobs, in the province.

Let's use an Ontario business, for example. Let's say that an Ontario business looks at this captive insurance legislation and feels that this is a great deal and an opportunity, that it meets their commercial needs, so they use a captive insurance company in Alberta. Of course, these entities, this Ontario business, for example, would pay a premium. Just like you would normally pay for insurance services, they would pay that premium to the captive insurance company. That Ontario business would get a deduction that would be deducted against its Ontario-sited income, which is much higher than Alberta's. It might be 11 and a half per cent, but I stand to be corrected on that.

They would get a deduction for that premium because it is a legitimate business expense to insure their risk. On the other hand, though, the captive insurance company would include that premium receipt into income. As a domiciled Alberta entity, that tax, that premium, would be subject to tax in Alberta. Now, not a hundred per cent of that premium is taxable. Under our income tax laws, to the extent that the premium is attributable to pure insurance and its, in fact, capital, there is sort of a deduction, but there is overall a net income inclusion subject to corporate tax in Alberta by accessing our captive insurance legislation. Now, that capital is then invested with the hope that it would grow, of course, to meet the actuarial requirements of risk.

Again, that income that is earned in the insurance company under our Alberta rate of 8 per cent allows for a much higher after-tax reinvestment and growth of that fund than, say, using a B.C. captive insurance company – right? – which taxes at 12 per cent. Your compound rate of return by using an Alberta captive insurance company is greater than using a B.C. captive insurance company. Of course, that is really the objective, to maximize the fund that is available to meet your needs. From an Alberta taxpayer perspective, that is really beneficial to us. It increases revenue for the Alberta government, which then, of course, it can in turn use to fund the public services that all of us within this House value so much. Madam Speaker, I am just so excited about this legislation.

Now, I also want to speak about why this legislation may actually not only make us the most competitive vis-à-vis within Canada, but as mentioned, often there is captive insurance used in offshore jurisdictions. Now, our income tax legislation has rules in place when we use, say, a tax haven to earn income. There are rules called the foreign accrual property income, or FAPI, rules, which are extremely complex, but they are intended to avoid undue tax benefits or to basically take away any undue advantage from using captive insurance arrangements that are offshore. Now, of course, domestic captive insurance companies domiciled in Alberta are not subject to those rules and other avoidance rules in tax legislation. Now, of course, that's just relating to the overall increase in tax revenue.

3:30

The other thing is that the formation of a captive insurance industry here in Alberta, of course, will result in exporting financial expertise from other parts of both the country and perhaps outside Canada to here in Alberta. Indeed, the use of the captive insurance legislation may be attractive not only within Canada but potentially outside of Canada as well. I know we looked at – there are U.S. jurisdictions that provide captive insurance services and legislation, and there may be businesses outside of Canada that are attracted to invest. The 8 per cent corporate tax rate is very attractive, and of course the U.S. corporate tax rate under the current administration may be subject to quite a significant increase. Of course, this government is very concerned about the federal government causing Canadian businesses to become less competitive, but all things being equal, the attractiveness of this legislation will be here.

The exciting part is that we want to become a jurisdiction of choice not only from having a very streamlined and efficient, competitive legislative regime for captive insurance, but we want to situate the financial expertise here, be it in Calgary, which many of the members opposite represent, or in Edmonton, you know, or in other parts, frankly, of Alberta.

It's not only about increasing; it's about meeting a commercial need, for sure. It is about increasing tax revenue for the province of Alberta to pay for, you know, the services that I think all of us in this House value, but it also allows us to create jobs for Albertans,

to create – as you situate more and more financial expertise in Alberta, that actually provides a magnet for other businesses.

The Deputy Speaker: Are there others to join the debate? The hon. Member for Edmonton-Glenora.

Ms Hoffman: Thank you very much, Madam Speaker. It's certainly my pleasure to rise and speak to Bill 76, Captive Insurance Companies Act. I have to say that every now and then when I rise in this place or when I'm preparing to rise in this place, I think about speeches that other members have given, members who are currently in this Assembly and members who were in this Assembly previously. When I think about insurance, I regularly think about Brian Jean. I think about that if you search *Hansard* for Brian Jean and insurance, there are many, many hits. But the one question period exchange that he gave that sticks with me the most was what ended up being his last question period exchange

Ms Gray: Really.

Ms Hoffman: It was. Yeah.

It was November 8, 2017. I don't think that a lot of us knew for sure that it was going to be his last question period exchange. I don't know if he knew for sure. He probably did. But for me, I reflected on that a lot after. That day he asked a question dissimilar from most of the questions he'd asked previously. He definitely put away his binder with his, you know, sort of focused key messages, and he asked about insurance. He asked about home insurance specifically. The impact of such disjointed policies in Fort McMurray was the thrust of the question.

Some of the quotes from that day, which are on page 1829 of *Alberta Hansard*, November 8, 2017. I'll just offer a couple of quotes because I know that everyone has access to these. One is that he said that people were, quote, not being treated fairly by insurers. He talked about neighbours getting full coverage and other neighbours being denied when both of them thought that they had very similar policies that they'd entered into. He asked our minister who was responsible for emergency response to sit down with insurers and mandate standardized home policies to ensure that Albertans clearly could understand what they were getting, what they were purchasing, and what might be the differences between their own policy and their neighbours' policy.

I want to acknowledge that I understand that one of the drivers here – and this isn't about home insurance. This is about concierge insurance for specific types of businesses who want to self-insure. But I do have to say that when I think about insurance generally, I usually think about people. I usually think about individuals. It was mentioned by the previous speaker, I think, life insurance and how it's more expensive when you're younger or that you can usually self-insure by the time you might need life insurance later in life. I certainly imagine that's the case for some income brackets, but I don't think it's the case for every income bracket in our province. I think about how expensive it is for young people who don't have an established driving record when it comes to auto insurance and some of the demographic work that influences the work that is done to determine risk and therefore what appropriate insurance rates should be.

I also think about this home insurance piece not just because of Brian Jean, but that day I do reflect on often. I think about the fact that there are probably – you know, all of us will have a final day in this place, and we don't know when that will be. What will our last words be on the record, and what message do we want to leave Albertans with? For example, the leader of our party, when her late father passed away – I've read his last question period exchange and thought about his lasting legacy. When I think about Brian Jean,

certainly he hasn't suffered the same fate as the hon. Grant Notley did, but he certainly is somebody who doesn't sit in this place anymore and wanted to leave us with questions about creating fairness and a more equal playing field when it comes to home insurance. [interjection] Madam Speaker, I'm happy to accept the intervention.

Mr. Shepherd: Thank you. I appreciate the opportunity, and I appreciate the thoughts that the Member for Edmonton-Glenora was bringing forward, certainly the legacy of Mr. Jean in this place. The Member for Edmonton-Glenora was speaking of fairness and ensuring that everybody has fair access to insurance. I know the Member for Edmonton-Glenora does have some condominiums within her constituency. I certainly have many in mine. I have heard extensively from a number. Indeed, I know from my own experience, from my own residence in the corporation that I am part of the drastic increase we have seen in the rates for condo insurance and the great difficulty, the large expense that has been brought forward for many of them, and I know that they certainly don't have access to this kind of opportunity. They are forced to continue to go to the market, and they're at the whims thereof. I was just wondering if the Member for Edmonton-Glenora has encountered that with any of her constituents or folks in her area as part of the concerns that we're hearing from many about those rising costs.

Ms Hoffman: Thank you very much, Madam Speaker and to my colleague from Edmonton-City Centre. Absolutely. Condo insurance has skyrocketed. When I talk to people who either work for a condominium association or those who live in condos themselves and they're anticipating what their condo fees are going to be in the months and years ahead, it is a terrifying prospect for many Albertans. Certainly, some of the risk that was encountered specifically around fires in close-proximity units has played a factor there, but the government could play a role to work to make home insurance much more affordable for those who are living in private dwellings, as Mr. Jean was mostly speaking to, or those who are living in mixed-family units, including traditional condominiums, townhouses, and other types of shared insurance situations.

Rather than focusing on those everyday pocketbook issues that have a significant impact on many Alberta citizens who elected us and sent us here, we are focused today through this bill on concierge service for certain types of corporations. I'm not saying that it's wrong to amend the way that insurance is governed for large corporations that might be able to self-insure; I will say that I think it's wrong to leave so much to regulation and so much to meetings that happen behind closed doors that determine the consequences for changes to insurance.

3:40

There has been a pattern of mistrust, I think, sown over the last two and a half years when it comes to the influence of people who are able to lobby for or on behalf of insurance companies. It appears that a lot of those lobbyists are getting a lot of what they want, starting, of course, with removing the cap on auto insurance, and we know the consequences of that for many Albertans. [interjection] I will accept the next intervention.

Mr. Feehan: Thank you, Member. I'm just thinking about so much of what you are saying. I'm wondering about the fact that a number of members of the government side have indicated that one of the advantages of captive insurance is that it will likely make insurance cheaper for the companies that create these captive insurance companies for themselves. You know, you've been speaking quite eloquently about the insurance concerns of many other members of society, whether it be for condos or other groups like that. I guess I

just wonder about the concern that we are creating a circumstance where it might be cheaper for big companies to obtain insurance than it is for other people and whether or not we're creating a two-tiered system in insurance that makes it possible for wealthy companies to find a mechanism for cheaper insurance.

Thank you.

Ms Hoffman: Thank you very much, Madam Speaker and to my colleague from Edmonton-Rutherford for that thought. What I do want to say is that often, I think, when we work together and when we pool our resources, we're able to achieve more. That's part of, you know, what I believe as a person. When we work together, when we can buy in bulk, we can usually get a better deal. I don't begrudge large corporations for being able to leverage significant assets to be able to get a better deal, but what I do hope the government would focus on is getting a better deal for everyday ratepayers, everyday families. Whether it comes to home or auto insurance, small-business insurance, they're probably not the ones who are going to see a lot of benefit.

[Mr. van Dijken in the chair]

I do also think that what we are doing is saying to businesses, like we've said to private home policy insuree holders in this province: buyer beware. What happens when we create a situation where there's so much differentiation is what Mr. Jean was speaking to, saying it needs to have more oversight, more consistency, and more standardization, in his opinion, because he didn't think it was fair that two neighbours could face such different fates when it comes to trying to replace their home after such a large natural disaster. I'm sure that there are families in Calgary during the flood or in Slave Lake during the wildfires as well where two different neighbours suffered such different consequences not just based on the natural disaster but also based on what risk they took knowingly or unknowingly through their insurance policies. I think that we will have some increased risk probably when it comes to insurees who choose to engage in this captive insurance model.

One of the questions that I would love for the Minister of Finance, either in this exchange or in future exchanges through committee, to be able to elaborate on a bit is – with increased risk I think there needs to be increased oversight. I would love to know if the superintendent's office will be expanding staffing at all. I imagine there will be extra work in monitoring these new companies and making sure that there's a fair and even playing field within the field of this type of insurance. I think we already passed down a lot of risk, and I wonder if there will be some oversight and increased staff specifically to address that risk.

The Acting Speaker: The minister.

Mr. Toews: Well, thank you, Mr. Speaker and to the member for the very reasonable question. Absolutely. The superintendent of insurance will have a great responsibility, significant responsibility in providing oversight over captive insurers in the province of Alberta and will need and rightfully be required to be resourced adequately so proper and professional oversight can be exercised over captive insurers.

Ms Hoffman: Thank you very much, Mr. Speaker. Can I get a time check?

The Acting Speaker: Eight minutes and 19 seconds.

Ms Hoffman: Thank you so much. That leaves a bit, to beg the question. When we looked at the prior financial year, it looks like there's a cut of 24 FTEs in the fiscal year, the current fiscal year. I

guess maybe the minister doesn't plan on proclaiming this until after the next budget comes out, but with the reduction in FTEs it seems like it would be a struggle to expand the capacity in this area. I think that was my third interjection. Is that my third interjection? I think it was.

I would love to have an opportunity to learn about what areas – if there is going to be moving of human resources around to increase staffing in this area, what areas will be depleted to be able to move those staff into this new, additional risk assessment and oversight area? It does seem like there's a reduction generally in FTEs.

[The Deputy Speaker in the chair]

If it isn't going to be proclaimed until after the next budget and at that time the oversight model will be put in place, I guess I would enjoy knowing: how many additional staff does the minister anticipate it will take to provide this additional oversight when it comes to captive insurance?

A lot of what I've been able to glean about captive insurance through conversation, through my own reading is that it isn't good or bad; it's all about how it's regulated. It's about how people are protected, and it's about the kind of oversight that is provided. I certainly hope that is something that we see appropriate investment in, to make sure that folks are protected.

Again, I would love to see bills in this House that talk about ordinary families that are really struggling when it comes to home insurance, whether it's a condominium, whether it's a private dwelling. Mr. Jean would like to see us increase some standardization and have some consistent packages. I joked with him on his way out of the House: was he asking us to bring in public insurance when it comes to home insurance? He said: you know, I'm not even going to argue about ideology; what I want to focus on is making sure that there's fairness and that people who lose their homes know exactly what their rights are in terms of rebuilding.

I think that that's a fair question for us to ask one another as we prepare for the remainder of this term, which maybe will be a year and a half. I guess nobody knows exactly when the Premier and Lieutenant Governor will call the election, but there is a law in place currently that says that the election will be about a year and a half from now, maybe slightly less.

I will say that in my past experience at this order of government and at others the second half of a term certainly goes faster than the first. The first half feels like you've got a lifetime to be able to accomplish your goals, and certainly the days pass more and more quickly in the second half of a term.

I do hope that the government – and I appreciate the minister's thorough engagement through debate thus far on this bill, and I hope that we can have more engagement on bills that could work to address auto insurance and home insurance particularly, as those are two areas that I think are going up quite significantly right now and causing significant hardship for many Alberta families.

I do know that some people were able to get some breaks for some period of time because of the significant reduction in their personal transportation during the beginning of the pandemic, when the mandatory work-from-home orders were issued by this government, but certainly many people weren't able to properly sustain their quality of life. That even included insurance. We see many families in northeast Calgary who decided to take on more risk because they simply couldn't afford to keep up with their insurance payments, or maybe they downgraded their policies. And then what happened shortly after was the major disaster of the hailstorm in northeast Calgary. There are still homes, when you drive through neighbourhoods, that have damage to their roofs, their siding, their windows, and so forth.

I would love for us to take some time in this place to demonstrate the same type of collaboration on addressing affordability and consistency and quality of insurance policies for individuals. It's individuals who often can't take on as much risk as others who are able to pool their resources, including large corporations, but they certainly need to have that safety net of insurance should something that they can't anticipate happen.

In terms of this bill I'd say that my main question or concern around staffing – I have confidence that the minister will respond at a later time either to myself in committee or to others through continued exchanges here in second around that proper oversight and how that's going to be accomplished in what was a reduction in FTEs over the last year.

Of course, the other big piece is around regulations. Being asked to trust government to do most of this work in regulation behind closed doors is something that I think doesn't come naturally to a lot of Albertans right now. Would there be opportunities for more to be pulled from what are the intended regulations right now and put into the bill through actual Committee of the Whole? I think that's something many of us would welcome, more transparency through what the intended regulated process will look like but actually through amendments to put it in legislation so we can have that high degree of confidence and public debate about these changes before they are finalized.

3:50

Then the last piece is that I would really love for us to focus more of our legislation moving forward as an Assembly on things that will make life more affordable for everyday families – they have been through a lot over this last two years – and making sure that we create opportunities for families to get a little bit further ahead. That doesn't just mean making their insurance cheaper – obviously, everyone would like cheaper – but making sure that they're not seeing diminished returns when it comes to the type of policies that they're engaging in, I think, would be important as well.

So how are we going to provide that additional oversight and insight to ensure that everyday folks who are joining into these relationships with insurance companies have balance, have fairness, and have comprehensive coverage that will keep them able to have confidence when they go to bed at night that if something horrific happens, they're not going to lose their home, they're not going to lose their car, they're not going to lose their opportunity to earn a living and support their family? Those are a few of the points that this bill, Captive Insurance Companies Act, have triggered for me when it comes specifically to captive insurance but insurance in general.

I do want to once again thank all members who have had the honour of sitting in this place and serving for the questions that they ask, the proposals they put forward. Even if there isn't a day where, while sitting in this place, you feel like your question has made a difference, I hope there is a day further down. Obviously, the laws that govern Alberta are living documents. The regulations that govern them are living documents. I think that those of us who are here doing our best to contribute, to make Alberta more fair for all, make it a place where everyone can succeed. My hope is that the questions that were raised back in November of 2017 can see some fruition, if it isn't through this government, then through the next one, because I do think that they are fair points that have been raised.

I think that everyone deserves an opportunity to have insurance, to have it be affordable, and to know that when a disaster happens, there won't be a significant difference between how you and your next-door neighbour are treated when you essentially thought that you had very similar policies. Risk and safety nets are two things

that I think are paramount when we talk about insurance. We certainly have seen many times where companies are the highest priority when it comes to writing legislation. I think that's probably still the case here.

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

Mr. Neudorf: Thank you, Madam Speaker. It is a privilege today to rise and speak to Bill 76, the Captive Insurance Companies Act, which I believe will attract investment to Alberta and drive innovation among existing companies that are already here. If passed, Bill 76 will create options for businesses in our province facing challenges finding insurance in the current market. This includes Alberta's vital economic sectors such as energy, agriculture, forestry, and manufacturing, among many others. Put simply, captive insurance is an in-house insurance solution where the insurer is entirely owned by those it insures. This alternative form of coverage helps businesses when insurance availability is limited or prices are high.

Following the lead of British Columbia, Alberta will be only the second province in Canada to allow captive insurance companies. This means that captives in Alberta will be able to operate closer to a company's base of operations, reduce red tape for these companies, and get their projects insured faster and more efficiently. With Alberta's highly competitive corporate tax rate, our highly effective and responsive regulatory environment, and our highly skilled and diversified financial services sector, we're setting Alberta up to be a powerhouse for innovative new projects and a home for global industry leaders.

In action this bill will allow Alberta licensed companies to insure the risks of a single entity such as a company, members of an association like an industry group, or a knowledgeable client with complex needs such as a project financier. In other words, regardless of who or what is insured, this legislation will allow some of our biggest competitors to make more significant investments and insure against the risks involved to protect their company and to protect jobs so they can keep working right here in Alberta.

Enabling captive insurance in Alberta is part of our government's efforts to expand and diversify the financial sectors of our economy. We understand that to attract investment even more than we already do, we need to have a strong foundation for our financial services sector that serves vital industries within our province. That is why the government has already established the Financial Services Concierge, which the Member for Calgary-East already spoke to, which complements Invest Alberta's work to engage the world and provide high-end tailored support while knocking down barriers to investment attraction. The concierge saves job creators valuable time and money by providing them the one-stop shop in government to guide them through our province's regulatory environment, providing all the information needed to operate in Alberta's financial sector. Much like a hotel concierge, a concept many people are much more familiar with, the Financial Services Concierge helps new businesses and even older businesses making a new expansion with their needs and questions in navigating and understanding this new environment.

As I mentioned before, Alberta will be the second province in Canada to allow captives if this legislation passes. The proposed legislation was developed using best practices and studies from B.C., Vermont, Delaware, Bermuda, and even Barbados, where they have succeeded in regulation like this. I appreciate the Member for Red Deer-South sharing some of his experience; obviously, far more knowledgeable in insurance than I. I am all for paving the way and developing new ways of doing things, but sometimes the best way to do something is to consult the experts, those who have done

this before, and continue to work at it and build off their advice and their success.

From the lessons we have learned from these other jurisdictions, creating more flexible insurance options is one of the best ways we can make Alberta a great place to do business, on top of the excellent business environment that we already have. I thank the Minister of Finance for working very hard and diligently on this file to make that a reality.

The government's goal is to help Alberta businesses insure their risks, which is why this bill is taking the necessary steps to allow more insurance options in the province to help businesses deal with the current pricing and availability pressures. These policies and the new Financial Services Concierge make it easier for companies to get a start in Alberta, to support job creation, innovation, and economic diversification.

To take a portion of a quote from the Reverend William J.H. Boetcker: "You cannot bring prosperity by discouraging thrift. You cannot help small men by tearing down big men. You cannot strengthen the weak by weakening the strong. You cannot lift the wage earner by pulling down the wage payer." Madam Speaker, we are strengthening our job sector to encourage innovation and facilitate future investment into Alberta-based industries. We are strengthening our economy, which benefits all Albertans. Legislation like this gives us the necessary tools to take our economy past the recent recession and into a more prosperous future.

Thank you, Madam Speaker.

The Deputy Speaker: Any other members wishing to join the debate? The hon. Member for Edmonton-McClung.

Mr. Dach: Thank you very much, Madam Speaker. A pleasure to join this debate. A very interesting subject matter of this Bill 76, the Captive Insurance Companies Act. It's not something that most Albertans had possibly heard of before because it's not something we've had in our province before. This bill proposes to implement it here in Alberta. Of course, as has been noted by other speakers, British Columbia is the only other jurisdiction in the country that has captive insurance. Many of us in this House are now learning about the whole concept and asking ourselves a lot of questions about: why and why now implement the ability of companies to opt for captive insurance as a self-insuring mechanism?

I know that many of us, on this side of the House at least, have loads of questions. I think, initially, the first one, as I mentioned, is: why and why now is the prospect of captive insurance being brought forward for Alberta companies to take advantage of? My analysis of it is also sort of full of questions as well. But I'm wondering if indeed at the root of it, for us to undertake this right now, is uncertainty. That's something that globally we're all facing a high degree of. There's uncertainty in trade relationships. There's uncertainty in our supply chains. There's uncertainty in the pandemic that, of course, has created some of these problems. The industry that we rely upon most right now, the oil and gas industry, is faced with a large degree of uncertainty.

4:00

It begs the question, Madam Speaker, of who, in fact, was the one that caused the government to take a look at and then decide to go ahead with enabling captive insurance to be put in place in the province. It'd be, I think, very interesting to know who the government consulted with or who they were lobbied by to bring this measure forward now, because it wouldn't necessarily be smaller companies that are facing difficulty getting insurance right now, either because of availability or insurance that actually is not cost-

prohibitive. It most likely, in my view, was larger entities. Perhaps the minister could shed some light on that with his intervention.

Mr. Toews: Well, thank you, Madam Speaker and to the member opposite for the question. Firstly, I want to be clear that we were not lobbied by any specific company or entity or group of companies to enable captive insurance. We are focused right now on our financial services sector strategy, and it was out of that effort that we identified that enabling captive insurance could in fact provide multiple benefits to Albertans and Alberta businesses, improve our business environment, improve the competitiveness particularly of our trade-exposed businesses. It was for that reason that we worked together with Invest Alberta. Invest Alberta co-ordinated a committee that provided advice, and we had department officials that worked together with those members on the committee, and we then brought forward this bill, a bill that I believe will provide great opportunity and benefit to all Albertans.

Mr. Dach: Thank you, Minister, for that intervention. It sheds a little bit of light on it.

But I still wonder indeed who was bringing forward the desire to have this considered by the government. It may have been something that they knew about, but I certainly believe that the government was trying to solve a particular problem in a particular sector, and it was aimed at somebody to assist them. Of course, the government has a basic motivation to ensure that Alberta businesses are able to survive the challenges especially that we face right now, in the middle of a pandemic still, and all the difficulties that that has created and all the uncertainty that's created in terms of supply chains. Of course, we're a trading-based economy, so I find it a little bit hard to believe that there weren't some representations made to the provincial government and ministers responsible to have them consider the implementation of captive insurance companies.

It would be, I think, interesting to know where indeed the minister thinks most of the uptake will take place. I know we've heard that in B.C. there are 21 entities that have formed captive insurance companies. I've done a little bit of reading, and since 1960, when the captive insurance companies – the first one was started in the United States. It was actually a U.S. mining company who discovered that there was a profit centre that could be exploited internally by using a captive insurance company. It was set up in the early 1960s. But since then in the United States there are only about 6,700 of these captive insurance companies. It wasn't an explosion to adopt captive insurance companies, so there obviously are some impediments to many companies taking it upon themselves to form captive insurance companies, and there are only certain sectors or certain entities that will find it advantageous.

I'm just wondering. I know that the minister probably doesn't know this because he alluded to this earlier in other comments, that it's sort of a wait-and-see game as to who will actually take advantage of the opportunity to create a captive insurance company. But I know that the problem that many, many companies face and individuals as well – but this legislation is geared towards companies and corporations and their insurance requirements. I know that the concern that many companies have is that they can't find affordable insurance if they can get insurance at all. There's a situation that seems to be begging a solution. I don't know if indeed the Captive Insurance Companies Act, allowing captive insurance companies to be set up, will be wide enough to solve the very big crisis that we have in providing insurance to companies to operate in terms of availability as well as affordability.

[The Speaker in the chair]

I wonder, as I've asked initially in an intervention on one of our members who was speaking, if indeed the predicament we have right now, which is a global predicament, I admit, Mr. Speaker, is really a market failure of the insurance industry in general, if indeed governments such as the Alberta government are now looking for some type of solution to solve this issue of insurance unavailability or affordability, and if indeed we shouldn't be looking even deeper, not saying that we shouldn't bring on the captive insurance option – that's something that, as has been mentioned, B.C. has done – as one means of providing a tool for entities that see it as attractive to go ahead and form their own captive insurance company, but indeed . . . [interjection] Oh. Go ahead.

Member Loyola: Thank you very much, Member. I share a lot of the concerns that you have with this particular piece of legislation, as you've been describing. I think that, even as I interjected in the House prior, I mean, it's not necessarily that we're against captive insurance companies. I think that there are a number of issues, and the primary one is the fact that the concern is on how they are going to function. Are they going to be managed well? What in the regulations is going to prevent captive insurance companies from going down the wrong path? These are the questions that we've been putting forward to the minister. I don't believe we've received sufficient responses on specifically what's going to be contained inside of the regulations in order to make sure that the captive insurance companies are managed successfully. This is what we need to shed more light on. The fact is that here we have once again . . .

Mr. Dach: I'd like to thank the Member for Edmonton-Ellerslie for his intervention and bringing forward, I think, a question that a lot of Albertans have because there's nothing more than questions on their minds with respect to the implementation, proposed by the government, of Bill 76 to enable captive insurance companies to operate in Alberta. It's to Albertans a new concept, and there are definitely many questions that they have that from the outset may seem a little bit elementary, but it is a new concept to Alberta, so they're welcome. I think that this volume of questions that do exist is only growing as people become a bit more aware of what the Captive Insurance Companies Act will enable. I think many Albertans will be asking similar questions to those that I've asked today.

In fact, those questions are coming from constituents that are bringing them forward and asking what I did at the outset – why, and why now? – and wondering if indeed this whole provision of captive insurance companies in Alberta is something that is a response to a much deeper problem. I'm wondering if indeed there isn't a need for a much wider and maybe not only pan-Alberta but pan-Canadian investigation into the failures of insurance companies globally to respond adequately to the uncertainties of the world right now. We've had developing difficulties as a result of climate change. It seems to be exacerbating by the month.

4:10

Yet insurance companies, maybe because the problem is just too massive or perhaps because they don't feel capable at all, haven't developed products and coverage for clients that are available and affordable to them to cover these risks that are now commonplace. I think governments went much beyond what this measure will do, provide an option for companies who find themselves unable to afford their insurance or not able to obtain insurance for their risk category. I think, much beyond that, Mr. Speaker, the whole world has got a problem as far as the insurance industry is concerned, and I don't know if the insurance industry has sorted it out yet.

But we have to have, I think, a much deeper conversation about global risk in the face of the multitude of new things that have created uncertainty in our world right now, not to mention, of course, that the biggest one right now is the global pandemic facing us locally here in Alberta. But the risks associated with climate change are also affecting things like our trade agreements and our supply chain economics as well as the logistics of those supply chains. There are loads and loads of risk inherent there that conventional insurance companies are not providing solutions to.

Beyond this Captive Insurance Companies Act, Mr. Speaker, I think there are a lot of questions that Albertans have about how viable our current insurance industry is globally, and I think there's a real need for some much deeper and more creative thinking in terms of developing products that will reflect the realities of the risk but not overinflate the risk so that the insurance being offered to cover those risks is unaffordable to those who need that coverage. So I think that inherent in the government's response to offer a product such as captive insurance companies is a real requirement to go deeper than they have in this bill, and I think Albertans are wondering about it as well.

You know, on the home front we look at the total unaffordability of automobile insurance or even house insurance. Any type of insurance that you would normally get for your household has gone up astronomically and has been a real drag on many, many families who are suffering already with the economic downturn as a result of the pandemic and the Alberta government's handling of it, which has resulted in a lot more illness and preventable deaths than other jurisdictions have suffered. On top of that, of course, now we're faced with an insurance risk that isn't being covered or is too expensive for people to . . . [interjection] Go ahead. Sure.

Member Ceci: I heard you talk a little bit about your concern with regard to the number of challenges Albertans are facing financially at this point in time. I heard the minister talk about the financial services sector strategy and how captive insurance is one outcome of that financial services sector strategy. I'm just wondering, listening to you and your concerns about average Albertans and the costs they're facing, if you have any thoughts about what other ideas the sector strategy could deal with to help a broader cross-section of Albertans with their financial issues.

Mr. Dach: Well, thank you very much for that intervention from the Member for Calgary-Buffalo. I often think, Mr. Speaker, of everyday Albertans who are going to their jobs, if they're fortunate enough to be employed, and at the end of the day not having any savings left over because of the costs that we find are going up regularly. Insurance is one of them. I mean, we've seen the cost of groceries has gone up. The cost of fuel has gone through the roof, so being able to even get to work is an added cost that many families are suffering. If you hope to actually save any money to do anything such as invest in your own home, well, it's difficult, even more difficult to do that than it has been. Not only that, the prices of those houses have gone up astronomically, so you're ending up looking at taking out potentially an intergenerational mortgage if you really want to be able to buy a house on a relatively modest income.

These things are goals that most families have, and that is to of course improve their standard of living and ultimately become homeowners, but incrementally and in major significant steps we're seeing affordability of just living becoming impossible. I mean, I look at the costs in a grocery store. You go to the meat counter, and I even pass up on a decent-looking steak because it's way the heck out of a range that I can afford for a meal or that I want to put out for a meal. I can't imagine that family of two or three or four kids would even go past the hamburger aisle. I mean, that's about as

expensive a cut of meat as most families would be able to afford right now. On top of that, they look at the cost of insuring a vehicle and then the house insurance or the tenant insurance comes along, and it's totally unaffordable. Right now I don't know how this will assist Alberta families in terms of their way of life.

I think that I would like to go ahead and introduce an amendment that will capture some of those concerns if I may.

The Speaker: Hon. member, if you can pass the amendment to the pages, they'll deliver me a copy, and then I'll ask you to proceed.

Hon. member, this amendment will be referred to as REF1, and you have 25 seconds to introduce it.

Mr. Dach: Thank you, Mr. Speaker. I'd love to speak at length about REF1, but given the time, I'll be quick. I move that the motion for second reading of Bill 76, Captive Insurance Companies Act, be amended by deleting all of the words after "that" and substituting the following: "Bill 76, Captive Insurance Companies Act, be not now read a second time but that the subject of the bill be referred to the Standing Committee on Resource Stewardship in accordance with Standing Order 74.2."

The Speaker: With no time to spare, and I am sure *Hansard* sends you their regards.

Hon. members, on amendment REF1 is there anyone that would like to provide additional comment? The hon. Member for Edmonton-Rutherford.

Mr. Feehan: Thank you, Mr. Speaker. Perhaps I could get a copy of the amendment when the page has a moment.

I appreciate that we've had a very robust discussion in this House about this particular bill, and though I can't mention the presence or absence of any members, I'd just like the minister to know that that which I cannot mention is appreciated.

4:20

I would just like us to continue these kinds of discussions and to delve further into the conversations that we've been having. I think this is one of those great times in the House when the questions have been, you know, answered with as much directness as the questions themselves were formulated. As such, I'm quite happy to have further opportunity as a member of the Standing Committee on Resource Stewardship to continue this conversation and to get a little bit more depth.

As such, I'm supporting the amendment as has just been introduced by the Member for Edmonton-McClung at the last possible second, and I'm happy, you know, to speak to it here in the House but also just have some opportunity to ask some more questions, which is why we would like to see this amendment here where we have Bill 76, Captive Insurance Companies Act, not be read a second time but instead have it referred to the Standing Committee on Resource Stewardship. There, if I were given the opportunity, I would ask a number of questions, some of which I will put out to perhaps anyone who might be able to respond to them even today just as a way of further understanding because the issue is, of course, that we have a very complex financial arrangement being proposed here in this bill, and as such it'd be really good for us to ensure that we understand what the implications of the bill are.

Now, we certainly can see the intent and we can see how it matches with the existence of this kind of financial product being available in other places such as British Columbia and other international places, but we also just want to make sure we have some questions here about anything that we should be worried about, about the type of supervision that will be available and really all the types of things that will be put into regulation. At this point, of course, we have no

regulations, and it's very difficult for us to agree to something that we don't actually have the complex understanding of and can't even ask the best questions until we can ask questions about those regulations. I certainly would be interested in having the minister at some point either address here in the House or perhaps at committee, if this amendment is accepted, kind of run through some of the specifics of the regulations that will be brought in.

One of the things that I have some interest in is this notion that this is beneficial to the province of Alberta. Of course, as was described by the Member for Red Deer-South, if companies outside of the province of Alberta should choose to create companies in Alberta, that will cause a flow of capital into Alberta and therefore be of benefit to Alberta. As well, of course, hopefully, it would also, having created a number of companies to actually perform this function, create a new industry and employ more people and, you know, help grow the financial sector in the province of Alberta, all things which I think we support and would certainly like to see happen although I did notice that when the Member for Red Deer-South spoke, their example was largely of a company outside of Alberta investing in Alberta and how that would be beneficial but did not express how this same mechanism would work for companies within the province of Alberta, where the capital, of course, already exists, and it would not be an influx of capital.

We know that one of the major groups that are struggling with getting insurance right now are oil and gas companies, most of which are already centred in the province of Alberta. As a result, you know, the driver here is a hard market, and these companies that experience it are disproportionately already Alberta-based companies. While I accept the philosophy that capital will flow in from other parts of the country, I question whether or not we will really get much benefit if most of it is going to be derived here in Alberta, but maybe some is better than nothing. We can certainly be open to that possibility.

But I did have some questions around taxation and so on and the investment of funds. This comes from my lack of knowledge of this particular area. I certainly have been reading about captive companies on my own time and trying to get a full understanding so that I can make a good decision with regard to my vote on this particular bill. One of the things that I'm wondering about is the nature of investment of the funds once the captive insurance company has those funds. I know that one of the members from Calgary, Calgary-*Buffalo*, had already asked some questions about this, and I'd kind of like to pursue that line of inquiry a little bit.

One of the scenarios I wonder about is the nature of the scenario where a company that is Alberta based creates a captive insurance company here in the province of Alberta and then takes dollars, sends them to the Alberta captive insurance company, and then has the captive insurance company invest those dollars back in the parent company as the mechanism for their investments, that they are allowed to engender as any insurance company is; that is, a captive insurance company has the right to invest those dollars or try to earn some money. The simple question is: are they allowed to invest in the parent company that created them? If so, what are the tax implications there?

If, as was mentioned by the Member for Red Deer-South, the parent company will actually get a tax reduction as a result of having invested in the captive company – it's a business expense and, of course, therefore is deductible in their income taxes, thereby reducing their taxes in the province of Alberta – if they put that money into the captive company and that money comes back into the parent company, again, through the captive company, they will retain their capital essentially without having paid tax on it, at least the amount which is reinvested into them. So I guess I'm just wondering if there is some oversight to prevent this type of mechanism from becoming

a mechanism of tax avoidance by companies who clearly have the sophistication to hire the right people to do this kind of thing. If so, is there some kind of mechanism built into this bill?

Now, of course, we are speaking to the amendment, so I don't expect an answer right now. What I'm actually suggesting is that that's the kind of question that I would love to be further informed upon by going to the committee, of which I am a member, and to be able to have tax experts and the regulators and superintendent of insurance come in to talk about the mechanisms they would use to ensure that the program as it is set up is used in the way that it's intended and doesn't become a surreptitious way of tax avoidance by major companies. [interjection]

Mr. Dach: Thank you, Mr. Speaker. I had a question for the Member for Edmonton-Rutherford that I wanted to ask for a little while with respect to the captive insurance concept and whether or not it is something that we could investigate in committee, should this amendment be passed, if indeed an entity such as a university would perhaps see this as an advantageous tool to covering risks that are ever increasingly costly. Just thinking. What do you think?

4:30

Mr. Feehan: Thank you very much, Member for Edmonton-McClung, for the intervention. It certainly, you know, begs the question that we could be asking about if we were to accept this amendment and actually make the referral to committee because then, of course, we could explore some of the unintended possibilities that might be established by this kind of an act. For example, in the case indicated here by the Member for Edmonton-McClung, would this mechanism be possibly useful to entities beyond companies such as universities or other institutions which have extremely high insurance investment portfolios, and would they be able to take advantage of this kind of situation in order to be able to reduce their insurance costs? As the members opposite have been saying repeatedly, this will be a mechanism by which people can reduce their costs.

Now, I know that the government of Alberta has made similar kinds of decisions in the past. I mean, for example, the vehicles that are run and owned and operated by the government of Alberta are not insured by an outside entity but, rather, insured by the government themselves as a way of keeping the costs down on vehicle insurance. You know, the school boards have gone through a very similar process, where they used to obtain insurance from outside agencies and made a decision to pool together their insurance costs and create an internal insurance agency. So we certainly know that it isn't just major corporations that may have an interest in this sort of mechanism. All of these other entities may be in a position where self-insuring might be a useful thing, but there may be different implications if we allow all that to happen.

You know, if it's a school board who chooses to do that, is that going to be different in any way from the current circumstances? If it is a quasi-governmental institution like a university or some other institute of higher learning, will that have different implications? In fact, if it does, should we examine the possibility of actually expanding the act to make it more possible for these companies to do that kind of thing? If there is some advantageous aspect to doing this, can we think of other ways to further enhance the likelihood that these things will be picked up and used by these institutions so that we can reduce costs on groups that currently, right now, are finding it quite costly to maintain insurance? How about our hospital systems in the province of Alberta?

You know, could Alberta actually move to a place where we encourage and design a mechanism where self-insurance is more readily used and could actually help to reduce insurance costs

overall, to create more competition in the system than currently exists between insurance companies – that would all be self-funded – thereby enhancing all of the benefits the government side is talking about when they talk about the creation of an industry, the employing of more people in this province, and increasing the likelihood of some investment from outside of the borders of Alberta, including offshore or international investment?

These are the kinds of questions that I think are important. I certainly would love to explore possibilities here and to see if there's some way that we can enhance this, that we can make it as robust as we possibly can to create benefits for the citizens of the province of Alberta. The mechanism for doing that would be a referral to the committee on Alberta's resource future.

Thank you.

The Speaker: On amendment REF1, the hon. the Minister of Finance.

Mr. Toews: Well, thank you. I rise to speak against this amendment, and I'll provide my rationale. We need to move forward with Bill 76. We need to move forward with enabling captive insurance in this province. We've drafted our legislation after a thorough review of the approach taken by other jurisdictions. Mr. Speaker, I commit to you and to all members in this House that as we consider the regulations that will follow up this legislation, if and should it be passed, we will also again look to other jurisdictions and their regulatory framework to ensure that we are utilizing all of the learnings that we can obtain from other regions, nations, and provinces that have implemented and enabled captive insurance.

Mr. Speaker, I do want to speak to the fact or to the rationale why I believe that we need to move forward carefully but without delay. Enabling captive insurance has the potential to benefit all Albertans in a number of ways. Firstly, in a hard insurance market enabling a captive insurance option will improve the competitiveness, well, of our business environment. It will, quite frankly, plainly improve the competitiveness of Alberta businesses and specifically many trade-exposed businesses.

We certainly hear discussion around what type of companies, what size of companies, entities enabling captive insurance may benefit. There's no doubt that Alberta energy companies, a number of them, will be interested in captive insurance as a number of them have captive insurance companies, subsidiaries outside of the province of Alberta because in the past they could not set one up here in the province. Mr. Speaker, there is also great interest from the forestry sector, forestry companies, from the automobile dealers association.

That brings me to another category of captives, and that's the category of captives for trade associations. I want to point out that the B.C. veterinarian association, in fact, utilizes a trade association captive and from that captive provides insurance services to their members.

Mr. Speaker, I believe that there's great potential for businesses large and small in this province to potentially benefit from a captive insurance option, but I believe it can go even beyond businesses to perhaps nonprofits. I think of the school boards right now, who are struggling, some of them, with the cost of property insurance and other insurance premiums. Again, there could be potential there for an improved cost profile for the School Boards Association and others, another very significant benefit and another reason why I believe we cannot delay moving forward although, obviously, we will need to move forward prudently and carefully, and that is because we're very focused right now on economic recovery.

I should add that we are moving from economic recovery to economic growth as we have already recovered all of the jobs that

have been lost during the time of the pandemic. Mr. Speaker, that is good news for Albertans. Enabling a captive insurance option will contribute to economic growth in this province. I believe that it has great potential to enhance and grow the financial services sector in this province and bring with that growth job opportunities, career opportunities for Albertans. These jobs would likely be very good-paying jobs. They would be jobs for perhaps our young people, the youth in this province, graduating from our colleges and universities in financial services, commerce. There will be a great need for accountants and lawyers, actuaries, and all of the related support staff that would serve businesses in this sector.

4:40

We've also talked about the potential fiscal benefits for the province of Alberta. Again, given our great fiscal challenge, we cannot delay. We need to move carefully and prudently, but we cannot delay.

Mr. Speaker, the Member for Red Deer-South did a marvellous job explaining the nuances and the ability of enabling a captive insurance industry, the potential thereby of moving capital from other parts of Canada and, in fact, other parts of the world into the province of Alberta. As the Member for Red Deer-South noted, a portion of those premiums would be reported as taxable income by the captive. That taxable income, of course, would be taxed in the province of Alberta, and investment income earned by the captive, that, again, would be utilized to maintain the capital requirements, would also be taxable in the province of Alberta. That would be regardless of where the passive income is earned. Again, from a fiscal standpoint, enabling captive insurance, I believe, will be very, very beneficial.

I want to point out one additional piece. Mr. Speaker, from the day we had the privilege to form the government, we have focused on improving the competitiveness of our business environment. We have brought our business tax rate, our corporate tax rate, from 12 to 8 per cent. We have worked diligently and tirelessly, reducing red tape and modernizing our regulatory environment. We have an incredible business proposition, value proposition for investment in this province today. You couple that with the fact that we have world-class commercial space at very affordable prices. We have some of the most livable cities, livable towns in the world. They reside right here in this province. We have a low cost of living, low cost of housing, low personal taxes, no consumption tax in this province. That greater value proposition, I believe, will attract capital and interest in the financial services sector in this province in a very significant way.

Mr. Speaker, again I rise to speak against this amendment. I believe we need to move forward carefully and prudently but move forward with this bill. I would ask for the support of all members as we move this bill through the stages so that we can then move forward with developing the regulatory framework that will enable Alberta businesses and Alberta entities, afford them another option in a very difficult insurance market.

The Speaker: On amendment REF1, the hon. Member for Edmonton-City Centre.

Mr. Shepherd: Well, thank you, Mr. Speaker. I appreciate the opportunity to rise and speak to why I support this referral amendment. I appreciate hearing the thoughts again from the Minister of Finance, which he just shared, about why he opposes the amendment and his thoughts on a number of things, including the bill. I did note with interest some of his comments around the other folks which he thinks may be able to make use potentially of this legislation. He mentioned in particular school boards, which is

interesting, and other nonprofits he mentioned as well. Now, my understanding is that this type of legislation and this sort of situation with captive insurance is largely used by fairly significant players. This is being brought in, for example, for organizations that would normally be looking to insurers like Lloyd's of London. We're talking significant, big, large-scale insurance, that folks will be bringing this in.

Now, the minister is speaking of nonprofits in the province of Alberta perhaps wanting to bring in captive insurance, so we are seeing suddenly a much different scope and suggestion with this bill. Whether that's the minister attempting to shift the conversation, I'm not quite sure, but certainly one of the reasons that it would then, I think, be worth while taking this to a referral and having the opportunity to discuss this at committee would be to delve into that further. If that is, in fact, part of the consideration and it is that broad of a scope that we are considering here, I do have to question what level of consultation has taken place outside of some of these significant players, which I think we acknowledge are the ones who are certainly most likely to take advantage of this and, I think, are the ones who are intending to take advantage of this and, to the best of my knowledge, in other jurisdictions have largely been the ones to take advantage of this set-up.

Now, certainly this is new information to me. I have not had the opportunity to sit down and review the province of B.C. to see how many nonprofits in that province have chosen to take advantage of the captive insurance provision there, indeed how many school boards within the province of B.C. have taken the opportunity to take advantage of captive insurance. But if this is the scale of play, then certainly I think that having the opportunity to bring this to committee and perhaps inviting some of these other players to come in and discuss what issues they may in fact be having with the current insurance system would put them in a position where they would want to go through the work and the effort of setting up a captive insurance corporation.

Let's be clear, Mr. Speaker. If we are talking about school boards, that is a pretty significant thing to do. For the Edmonton public school board, for example, to set up their own captive insurance company to insure them for their schools, it's a lot of extra manpower, it's a lot of extra investment, certainly, for any nonprofit to take on that sort of work.

Now, I recognize, of course, that nonprofits come in all sorts of shapes and sizes, and there are certainly some nonprofits which do deal with a significant amount of money and certainly may potentially, you know – I guess we could be looking at things like, say, long-term care. Is that on the table, Minister? This is a government that's looking to drastically expand the use of what they call partnerships with a lot of different nonprofits, certainly in the area of long-term care or potentially even now in terms of affordable housing in the province of Alberta. Is that something, then, that is being caught under this? Is that something, then, where it is going to be considered an advantage for those groups to provide their own insurance through captive insurance to cover the costs or the risks that they may be exposed to in that work?

Again, this would be an opportunity, I think, for us to have that discussion at committee. Again, I think we're in a situation, at least to my understanding – I have not heard a direct accounting or certainly no published accounting of who all was consulted in the construction of this bill. Now, the minister has spoken to it and said that, you know, in fact, nobody in particular came and asked for this, that this was simply something that came up in the process of their discussions as they were looking at the larger financial industry and the insurance industry in the province of Alberta. But I would certainly hope that if this came up during that discussion and there was the opportunity, then, to consider whether or not this

would be worth pursuing, I would have to imagine that they spoke to a number of potential folks that would want to make use of this bill to determine whether or not it would be worth while to bring this legislation forward. I find it difficult to believe that the government would simply be casting it out there and sort of saying: well, let's throw it up on the wall and see who takes a shot at it.

[The Deputy Speaker in the chair]

Certainly, we've had some discussion about the particular difficulties that we know folks in the resource industry have, and the minister spoke also – I guess he has heard that there may be some interest from the forestry industry. But if we were to bring this to committee, we would have an opportunity to delve into that further and to get a bit more detail on who are all of the folks that may be considering this as an option. I would have to think that there are going to be varying implications, depending who is making use of this, depending on what they are being insured against, what kind of risk profile is involved.

Indeed, as we have discussed with the minister – and he did rise and speak to it somewhat – I still have some questions around the particular issue of allowing folks that set up a captive insurance company to set an even higher level of risk. That is all going to be defined, Madam Speaker, in the regulations. Again, that is a fairly significant ask, that the government is simply asking us to pass the legislation, approve the shell of the intention but leaving an awful lot of the detail rather vague, unsaid, unsettled.

You know, I went at some length into this last night, and I won't continue into all of it because it does bother some of the members opposite to hear some of the truths and perspectives on their record as a government so far, but certainly there are many questions to be asked about this government's understanding of risk and some of the decisions it has made and the position that that has already put Albertans in.

4:50

They're asking us in this instance that in the regulation on this entirely new process, on which we have an ever-widening potential scope of companies or organizations that might participate, we simply trust that they're going to get it right. Time and again we have seen that this is a government that is not shy about putting its political interests ahead of the best interests of Albertans, repeatedly, time and again, even in the midst of a public health pandemic.

That is yet another reason, I think, why we should have the opportunity to bring this to committee, to have the opportunity to bring Albertans the kind of accountability that they seem to not be able to get from this government after the fact, as we have seen, again, repeatedly and repeatedly. That is our job as the Official Opposition, to try to demand that accountability for Albertans, to make sure that when the government is making decisions, it is making them in the best interest of Albertans, and that is why I think it could potentially be valuable to bring this to committee.

As the discussion continues, certainly we begin to unveil more and more pieces of this, more and more facets of what might be intended by this legislation, what pieces might be involved, how this might play out. I appreciate and I certainly respect that the minister has been here in the Chamber and has taken opportunity to intervene and provide some further clarity, but it seems that there indeed may be more to this than meets the eye. I think that if we are going to introduce something this significant into the landscape of insurance in our province, that could affect, potentially, everything from major energy companies to the local school board, we should ensure that we have a clear understanding.

Now, the minister also spoke about the potential financial opportunities, and the Member for Red Deer-South spoke about that quite a bit, too. Certainly, again, the minister spoke at length about the value of the corporate tax cut, that it works, but I think we have to acknowledge that, largely, we have not seen much benefit to the people of Alberta from that corporate tax cut. We saw a number of corporations that took a fairly large windfall and took that investment out of the province of Alberta. That has largely been the record so far, Madam Speaker.

Certainly, for the major energy companies, those dollars did not create a single job in Alberta. In fact, we saw them take jobs out of Alberta. The minister touted their record and is very happy that they have recovered, according to him, all of the jobs that were lost during the pandemic. If that is so, then indeed that is a good thing, Madam Speaker, but there were tens of thousands of jobs this government lost before the pandemic ever darkened the doorstep of our province. That was after they had won their election and committed to and begun to enact their policy to slash the corporate tax rate.

So, again, I think we have reason to question the benefits the government says this is going to bring forward, necessarily, in the province of Alberta. It is another good reason to bring this to committee and have the opportunity, I think, to invite some of these stakeholders, indeed to give members of this place the opportunity to hear from the actual folks who would be enacting and making use of this or, potentially, others making use of this, to hear from some experts in the insurance industry about the kinds of risks that could be involved here for which the minister is going to be responsible for determining regulation.

Just how much more risk will he allow captive insurers to take on, and on this point perhaps the minister could provide clarification. Is that, in fact, going to be variable? Are we simply going to have one threshold for everybody, or given the wide range of folks which, he has noted, may potentially make use of this legislation, are there going to be different levels for different operations? I think it's incredibly important if we are opening this and broadening this kind of scale on something that is so important, because when we are insuring risk, Madam Speaker, that is insuring things that have direct impact on an awful lot of other people.

For example, if we have an incident with a resource company in which we have, say, the failing of the barrier on a tailings pond, a leak from a pipeline, or another issue that, in fact, causes significant contamination to the environment that is an insured risk, what are the potential implications in this situation, where they are then provided insurance and allowed to insure at a far higher level of risk than they are through a current company? Now, again, I am not an expert on this. [interjection] I see the minister would like to offer a thought on that. I'm happy to let him intervene.

Mr. Toews: Yeah. Thank you, Madam Speaker. I'm happy to answer that question. Capitalization requirements will in fact be commensurate with the risk for the parent or the entities that the captive will be insuring, so it will not be a one-size-fits-all approach.

Madam Speaker, in terms of the types of entities that a captive insurance alternative could benefit, yes, they do range from large to small. Again, I'll point out – and I think it's fair to say – that this option will tend to benefit larger organizations. Again I point to the B.C. veterinarian association, who has set up a captive in that province. That captive provides insurance products to its members. There will be opportunities out there for, again, a variety of organizations and certainly a variety of businesses by size.

Mr. Shepherd: Well, thank you, and I do thank the minister for providing that clarification. That is a helpful example. As I said, I have not had the opportunity to delve in-depth, and I'm learning as

we proceed in this debate. Certainly, it's interesting that the B.C. veterinarian association has taken advantage of this. I'll be interested to take a look deeper into what others might be involved and have made use of this.

Now, it does bring to mind one consideration. Certainly, here in the province of Alberta, as we have a government that has badly, drastically deepened the surgical backlog with their mishandling of the fourth wave of COVID-19, we have a government that is driving to, I think, have significant participation from private surgical facilities in addressing that backlog, and I think that's something we'll have a lot of debate about. But, then, I do wonder. For those corporations, then, that are going to be formed to handle those private surgical facilities, would they also be considering or be eligible to consider the possibility of providing their own insurance through a captive insurance company? What are the potential implications that that might have on the medical field or for those in that situation?

So I do think there is a good reason and good opportunity for us to bring this to committee if we are indeed going to go through with it, if we are indeed being asked to give this much trust to the government in setting this up and establishing this.

In setting these levels of capitalization – and, indeed, when we talk about levels of capitalization, I do recall that certainly in the history of governments and capitalization in terms of risk in the province of Alberta, when it comes to the oil and gas sector, we have the situation around orphan wells and the lack of funding that is available for cleanup. Certainly, government after government failed to ensure that we had proper funding from industry to address a very significant liability in the province of Alberta.

Again, I think we have good reason to want to delve into this and properly understand. The minister noted that it's going to be variable. Well, on what calculation is that made? Is there going to be a set formula? Is it going to be at the decision of the minister along with the supervisor of insurance? I apologize. I forget the exact proper term for that individual.

Ms Gray: Superintendent.

Mr. Shepherd: The superintendent – thank you – of insurance in the province of Alberta.

So will that be on a case-by-case basis? Will they have a particular formula which they intend to enshrine in the regulation? I think these are fair questions and questions that we would have the opportunity to perhaps delve into a bit more deeply in committee.

The Deputy Speaker: Are there other members wishing to join the debate on amendment REF1? The hon. Member for Edmonton-Ellerslie.

Member Loyola: Thank you very much, Madam Speaker. I think that on this particular referral motion we've had a number of members on this side of the House come up with some very poignant points when it comes to the amount of time, transparency, and even consultation that's actually been put into the proposed piece of legislation that we have in front of us. It's a surprise to me that, from what I can tell, from what it seems, no stakeholders were specifically asking for this particular piece of legislation to come forward.

5:00

Again, I want to stress again to the minister that it's not that I think that there is necessarily anything wrong with captive insurance companies, but you would think that with a government that likes to sell itself as the government that consults with all these people, on a particular bill of this importance it would have done its due diligence and gone through a process by which reaching out to

stakeholders, bringing people to the table – and, you know, that's one of the things, when we were in government, that I really enjoyed that we focused on. Of course, I'm not going to say that it was on every possible bill, because that would be untrue – I admit it – but on this particular proposed piece of legislation I would think that the Finance minister would want to bring people into that discussion. [interjection] Please go ahead.

Member Ceci: Perhaps the member will allow me. I think what I heard the Finance minister talk about earlier was the financial services sector's strategy that came forward with the idea. I think I heard that Invest Alberta was a partner in that strategy, so they're looking at ways to build the financial services sector up in this province. That may be information that can be helpful.

I think I want to just go on the whole idea of what I heard the minister talk about. The veterinarian services association in B.C. has a captive. Here in Alberta we have the AUMA, and they have the Alberta Municipal Services Corporation, which is looking at the risk and the insurance needs of municipalities in this province. There is a vehicle that is already here and operating. I just wonder if you think that that vehicle could be better explored for the insurance and risk needs of corporations in this province rather than look at capital.

Member Loyola: Yes. Thank you very much, hon. member. That's exactly what we're trying to get to the bottom of with this particular referral amendment. We don't have enough answers. I appreciate that the minister has gotten up repeatedly in this House to address some of the concerns that have been brought up in debate, but I share with the Member for Edmonton-City Centre that I'm not an expert on this. Now, I am trying to educate myself as best as I possibly can through the process. It would have been great, it would have been wonderful to have had more of a heads-up that this was coming down the pipeline.

I think that there are a number of stakeholders here in Alberta that would appreciate having the time to make sure that we are putting together the best piece of legislation possible when it comes to creating these captive insurance companies here in the province of Alberta. It's not simply a task of just copying what another jurisdiction has done and implementing it here. From what I can tell, it looks like, from the proposed piece of legislation, the minister seems to think that, well, everything else will be just kind of fixed in the regulations. Here we have another example of the Finance minister basically saying, "Well, you're just going to have to trust me on this one; I'm going to work out the kinks as we go," but then there's no systematic approach to how that will actually occur.

When you look at page 13 of the proposed bill, it basically comes down to the minister's word, not that I have any doubt that the minister will do his utmost to do the best job that he thinks he will be able to do. I have no doubt of that. But we are here, and we are responsible for Alberta. I would think that we'd want as much input, especially from stakeholders that have a vested interest in this particular piece of legislation, to be present and at the table and consulted when actually going through this particular process, putting together the proposed piece of legislation.

Madam Speaker, I think it's important and absolutely necessary that we refer this piece, this proposed bill, to the Standing Committee on Resource Stewardship so that we could bring in stakeholders, invite them to participate in the conversation, to see what are some of the – for example, we could just do a comprehensive, cross-jurisdictional study on what other jurisdictions are doing in order to implement. What are the best things? You know, just in the short time that I've had to kind of look and just do a little bit of research on the web, I came across an article by Jay Adkisson, which I will table at the ... [interjection] Sure. Go ahead.

Mr. Schow: Thank you, Madam Speaker, or, rather, thank you, hon. member, for the opportunity to intervene. This is my first opportunity doing this, so I'll try to make the most of it, try to keep my question relevant to the speaker at hand. We are on a referral amendment. I understand that this is a procedural amendment, one that the opposition uses on a number of occasions, and when the current government was in opposition, it did the exact same thing. The member opposite speaks very highly of a referral amendment. It is, in fact, quite an experience to listen to the member talk about the referral amendment, a real human experience, but I can tell you that I would like to know if that member would care to comment as to when the opposition, when in government, ever accepted a referral amendment, if that member can name a specific bill or a time when a referral amendment was moved by the opposition and they accepted it.

Member Loyola: Thank you, Madam Speaker. You know, I appreciate the member and his question, the interjection, but of course, if I were to answer that, it would take me off a very important topic here, and that was specifically: what are the issues with this particular piece of legislation?

As I was saying – and I want to get this on the record because I'd like to table the document tomorrow, this article by Jay Adkisson from the American Bar Association, where the individual goes into Observations on Captive Insurance Companies: 10 Worst and 10 Best Things. From a brief perusal of the article, I can see that there are a number of things that would then have to actually come into the regulations on this piece, on the proposed piece of legislation.

How much time do I have, Madam Speaker?

The Deputy Speaker: Just under 10 minutes.

Member Loyola: Okay. Thank you very much. That's good to know.

Basically, I'm just going to go over some parts of the article because I think that it would be of benefit for the minister and the government to actually take these ideas into consideration although I have no doubt that the minister has put in a significant amount of time on being briefed on the particular issues in relation to this piece of legislation. I think that it would be good for us to kind of review them and at least get them on the record, Madam Speaker, here inside of the House.

In terms of dangers of bad captive arrangements, Adkisson actually talks about bogus risk pools. It says here that

a lot of businesses with valid needs for insurance don't have enough subsidiaries to pass what is known as the "multiple insured" test for risk distribution, and so they instead participate in what is known as a "risk pool" to obtain risk-distribution.

In a nutshell, a "risk pool" is an insurance arrangement involving multiple, usually unrelated captive owners who share certain risks through their individual captives. Risk pools are usually set up by captive managers to facilitate the needs of certain of their captive clients. In various guidance . . .

5:10

Then when it comes to this particular issue, if the minister could – and I would appreciate it if he could – interject on this particular issue so that we could know a little bit more detail on how the proposed piece of legislation would actually deal with this particular issue. [interjection] Please go ahead.

Mr. Toews: Well, thank you, Madam Speaker and to the member for the question. Again, we will be following up this legislation with appropriate regulations. As we've done with the legislation, we will be looking to other jurisdictions such as B.C., Vermont, and elsewhere on best practices. In fact, my department right now is in

the process of certainly doing the consultation, the work necessary to ensure that our regulatory environment is going to ensure sufficient capitalization, liquidity requirements and deal with all the various nuances that could be out there with respect to relationships between parent companies and their subsidiaries.

Member Loyola: Thank you for that, through you, Madam Speaker, to the minister, obviously. We blatantly see right in front of us here during debate that again the minister has basically said: yes; I can't deny it. This particular issue that I just raised from this article is going to have to be dealt with inside of the regulations. For the first time, at least for myself being in this House, I now hear the minister saying: oh, yeah; we are going to consult with stakeholders when we actually come up with regulations to address this particular issue.

This is the concern, Minister. This is the concern, Madam Speaker, that I have, through you to the minister, of course, and why it would be good to have the participation of a broader scope of stakeholders in a committee setting to bring in people to actually talk about these particular issues.

I want to just continue quoting here from the article because it goes on to say that

many of these pools have been operated for years with few or no claims, which calls into serious question whether the large premiums they charge are realistic (the answer is that they are not). Maybe in the first year when the pool has no loss history, it can be aggressive in how it prices the premiums paid. By the fifth year, however, a run of large premiums with few or no losses probably indicates that the premiums were mispriced.

By like token, if there is true risk-sharing in a pool, that means that the participants are subject to actual risk of loss – including the total loss of their premiums paid by their operating businesses into the pool. This is where the wink-wink, nod-nod of "That will never happen; actually you'll never lose anything significant" usually shows up, which is another way of saying the risk pool is just a vehicle to facilitate the appearance of risk-shifting, without actual risk-shifting, [that is to say] tax fraud.

Right there is like a big red flag for me, Madam Speaker. How is the minister planning on controlling for this particular issue? Now, I know that there have already been three interjections during my period speaking, so I'm just going to get these on the record, and hopefully the minister will be able to address them at a later period. Hopefully.

I'm going to go on. Another one is "Failure to Make Feasibility Study Prior to Formation." Then I would really like it if the minister could actually point out where in the legislation – I do believe that there is a section, although I just can't seem to find it right now off the top of my head, where the minister will be responsible for actually seeing, but to what degree I am not sure – he will be reviewing feasibility studies prior to the formation of these captive insurance companies.

Just to quote a bit more from the article, it says:

Before the decision to form the captive is even made, a feasibility study should be conducted that looks at all aspects of the captive and validates its viability and economics, as well as whether the captive will meet critical tests for risk-shifting and risk-distribution.

If for no other reason, a feasibility study that carefully documents the non-tax purposes of the captive (to distinguish it from a tax shelter masquerading as a captive) should be done, since the IRS on audits of captives routinely asks for such documents as part of its evaluation. A good captive feasibility study will go a long way in showing the IRS that the captive is founded on solid business economics and does not exist merely to try to save some bucks in taxes.

Again, to the minister, I would appreciate knowing how that will be dealt with based on the piece of legislation that we have before us.

Is it something that you're going to be developing in regulation as you move this forward?

The next issue that they bring up is "ignoring state tax issues." Now, it's already been discussed. In B.C. there are already captive insurance companies, and there's even been discussion of encouraging these captive insurance companies to then switch jurisdictions from British Columbia to here. Not only that, the minister put on the record that it would be great if these captive insurance companies from completely other jurisdictions outside of Canada would potentially bring their efforts here to the Alberta economy and function from here.

Again I quote from the article.

There is a misconception that if the underlying business is doing business in State A, and the captive is formed in State B, then by virtue of that alone, State A cannot tax the captive.

Not true. Actually, whether State A can tax the captive depends on a variety of factors. If business decisions regarding the captive are made in State A, for example (probably the most common way to blow this), then State A can probably tax the captive.

Captive owners must be very careful to not let the captive "touch" State A in any way, unless of course the captive is formed in State A (and then it doesn't matter, which is often the easiest and most sensible approach). This usually is accomplished by using a captive management firm ("captive manager") to perform all the functions of the captive in State B; but just having a captive manager in State B isn't enough – diligence is required not to blow this.

As we see, there are a number of even tax implications to all of this. Whether it will be done to truly benefit the people of Alberta, to me, is in question because, of course, again, Madam Speaker, all of this will be determined in the regulations. What will the tax implications on the captive insurance companies be? How will Albertans be benefiting from this? Will they be?

The Deputy Speaker: Are there any other members wishing to join the debate on amendment REF1? The hon. member for Edmonton Glenmore.

Ms Hoffman: Thanks so much, Madam Speaker.

The Deputy Speaker: Glenora. My apologies.

Ms Hoffman: That's okay. I knew what you meant. I think *Hansard* did, too. Thank you very much.

I did want to say that one of the outstanding questions from prior to the referral amendment that I asked was around staffing. I appreciate that the minister said that the intent was to staff up in the superintendent's office. Certainly, that reduction of 24 FTEs wouldn't enable them probably to take on additional oversight and scrutiny. Definitely, when you're taking on a massive change like this, I think it's warranted.

5:20

When some of my colleagues were in a bit of a technical briefing, they specifically asked about staffing, and at that time the officials who were briefing said that there wasn't an intention to staff up. My outstanding question still relates to the intent around proclamation and the timing in which this additional staff will be made available. Certainly, I know that we've been asking people to do more with less, but this is a lot more and quite a few less people to be able to do it compared to previous years.

I appreciate that the minister said that the intention is to staff up in the superintendent's office. I would like to actually have timelines on when that will happen and when this bill will be proclaimed. I think that the oversight is incredibly important when it comes to people's and companies' insurance because insurance is that safety net, right?

When we think about one of the best safety nets, in my opinion – some people in this House might have different opinions – when I think about the safety net of public health care, the fact that if I injure myself or if I get cancer, I don't have to make that scary decision about: how am I going to pay for this? Stories that we've heard, most really good TV dramas start with somebody in the United States who can't afford health care. When I think about *Breaking Bad* or *Good Girls* – the list goes on – there are many television stories where we wouldn't have that drama, we wouldn't have that intensity if there was a public social safety net available for people like public health care in the United States. We see that they're making some expansions in that regard, and that certainly is I think welcome to many working families who struggled for so long.

We don't have a ton of experience looking at the impacts of this type of an insurance system and the impacts on the social safety net that is insurance for individuals or corporations who enter into a captive insurance situation.

I want to take a second to speak specifically to the referral, which, for everyone's reminder, reads that – I won't say the part that is struck, but the addition is that "Bill 76, Captive Insurance Companies Act, be not now read a second time but that the subject matter of the bill be referred to the Standing Committee on Resource Stewardship in accordance with Standing Order 74.2." I have to say that the Standing Committee on Resource Stewardship has a lot of people at that table that I think could contribute significantly to the improvement, potentially, of this bill. Maybe it would go there. Maybe there would be opportunities to have public feedback, and maybe everyone would say: "You know what? The minister landed it exactly in the right place. The bill is perfect as it was."

I can say, having served on a special committee that was tasked with reviewing decisions that were already made regarding public health and then had to be fixed because of the significant errors that they'd caused in their earlier legislation, that all-party committees can be incredibly productive if we want them to be. We can sit down and we can actually ask questions, talk about values, and do something. Most members of this place won't have an opportunity to bring a private member's bill forward, but they might have an opportunity to feel directly engaged in the creation of legislation through the work they do in an all-party committee.

To the member for Bonnyville-Cold Lake-St. Paul or Calgary-Buffalo or Edmonton-McClung or Edmonton-Rutherford, Calgary-Mountain View, Lac Ste. Anne-Parkland, Airdrie-Cochrane, Camrose, Lesser Slave Lake, Calgary-East, Spruce Grove-Stony Plain, and Fort McMurray-Wood Buffalo: I think we've got some work to do. I think that everyone could have an opportunity, those members, through this committee to truly engage on this model.

It isn't something that was in the UCP platform that I recall. I'm happy to be corrected if the minister can say otherwise, but I don't remember this being one of the pieces in the platform that Albertans voted for. This is something that's coming out of nowhere, and I think it would be useful for people to think: does this meet the objectives around affordability and working to make life better? Those would be some of the main drivers that I would want for the vast majority of Albertans. Are there ways that this bill could be amended to potentially make it even better?

I'm not saying specifically what the amendments are. At this point I still have quite an open mind when it comes to these decisions about this specific piece of legislation, which is one of the reasons why I think tasking our colleagues with doing a more roll-your-sleeves-up, in-depth review of this could be beneficial. When I confirmed the membership of the committee, when I went to the membership website, it said, "currently no scheduled meetings." I think that all of us, especially when we're in session, come here and we're ready to roll our sleeves up and get to work. I think it would be beneficial to

all members to use their time in the city most productively. We know that there have been some excuses made for other types of behaviours based on hours or these types of things, but I think that we can demonstrate that we are doing things differently, that the government and the opposition are willing to work on this piece of legislation through this specific standing committee to ensure that it lands in a place that we're excited to support on both sides. I would like to be able to get there, Madam Speaker.

Again, to reiterate a couple of questions – certainly, I welcome an interjection from the minister if he so chooses – around the timeline for proclamation and the additional FTEs that would be required in the superintendent's office to achieve this, again, under the most recent budget there was a reduction of 24 FTEs, and when we were in technical briefings, some of my colleagues were told that there wasn't an intention to increase staffing in the superintendent's office. Very happy to hear that it is the minister's intention that staffing be increased.

I would like confirmation that that will happen before this is proclaimed because I think we're already downloading a great deal on to probably what's already a pretty busy office. If there is interest in providing that clarity, that's certainly something that I'd welcome either today or certainly in committee as well, opportunities to clarify. I take the minister at his word when he says that his intention is that the superintendent's office be staffed up. We just haven't heard that or certainly don't see it in the legislation, and we haven't heard that through the prior budget process or through the briefing of this bill to date.

I want to thank my colleague for bringing forward this referral motion. I think that they certainly belong in the standing orders. That's why they're part of the rulebook we all agree on when we come into this place to do our jobs. We've seen the government bring forward many, many amendments to the standing orders, but this isn't one they've taken away, and I think it's because it does offer an important check and balance. They've certainly changed many other things, many, many, many other things, about the way this place functions, but the opportunity for things to be referred to committee for all parties to be involved and independent members in taking – hmm; I notice there aren't independent members on this committee. I wonder if that's something that's to be considered at a future date.

I think that it is important that we take the opportunity to ensure that we have a high degree of confidence that a safety net, insurance, such an important safety net for, I would argue, every corporation as well as every individual, to insure – because this isn't about the stuff you anticipate, Madam Speaker.

When the Finance minister spoke earlier about insurance costs going up for school divisions and that they might be interested in taking on some more risk – like, I'm sure they're interested in getting their costs down. I can tell you, having served as a board chair and a trustee for five years, that there's not a ton of wiggle room. There might be some surpluses from year to year, but when you're looking at an operating budget of over a billion dollars a year and a surplus of less than, you know, \$10 or \$15 million, that's not a lot of extra minutes of operation let alone days of operation. For any, I think, individual, having \$15 million would be very exciting, but when you're talking about large organizations where individual schools cost more than that to build, there isn't a lot of wiggle room, so taking on additional risk could have significant negative consequences.

If the government wanted to take on some of that risk as the funder, the only funder, I imagine more school boards would be very willing to stand up and endorse this bill and to enthusiastically engage in conversations about some of the risks that the government has asked them to have downloaded on to them. But, of course, in Alberta we long

ago took away the right for our school districts to generate revenue through taxation, and I don't want to revisit that debate. The fact is that they don't have the ability to generate additional revenue. So if the government wants to say, "Feel free to take on more risk," but they don't have the ability to off-set that through additional revenue, it really doesn't make sense unless the goal of the government is for them to take on additional risk and suffer negative consequences that could lead to their financial demise. I sincerely hope that isn't the intention of any government. That risk needs to be coupled with one's ability to pay.

Seeing the hour, Madam Speaker, I will move that we adjourn debate on this specific bill.

[Motion to adjourn debate carried]

5:30

Government Motions

Equalization Payments

101. Mr. Kenney moved:

Be it resolved that the Legislative Assembly:

- (a) recognize the results of the referendum held on October 18, 2021, where 61.7 per cent of voters supported removing section 36(2) of the Constitution Act, 1982, Parliament and the government of Canada's commitment to the principle of making equalization payments,
- (b) reaffirm the principle articulated by the Supreme Court of Canada in the 1998 reference re secession of Quebec that it is "the constitutional right of each participant in the federation to initiate Constitutional change" and that "this right implies a reciprocal duty on the other participants to engage in discussions to address any legitimate initiative to change the constitutional order,"
- (c) authorize an amendment to the Constitution of Canada to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule set forth below, and
- (d) direct the government of Alberta to take all necessary steps to secure a fair deal for Alberta in the Canadian federation, including the reform of federal transfer programs, the defence of provincial powers enumerated in the Constitution, and the right to pursue responsible development of natural resources.

SCHEDULE

AMENDMENT TO THE CONSTITUTION OF CANADA

1. The Constitution Act, 1982 is amended by repealing section 36(2) thereof.
2. This Amendment may be cited as the Constitution Amendment, [year of proclamation].

[VERSION FRANÇAISE]

MODIFICATION DE LA CONSTITUTION DU CANADA

1. Le paragraphe 36(2) de la Loi constitutionnelle de 1982 est abrogé.
2. Titre de la présente modification: Modification constitutionnelle de [l'année de la proclamation].

[Adjourned debate November 3: Mr. Kenney]

The Deputy Speaker: Are there members wishing to join the debate on Government Motion 101? The hon. Minister of Finance.

Mr. Toews: Well, thank you, Madam Speaker. I rise today to speak in favour of Government Motion 101 to recognize the results of the referendum held on October 18, 2021, where nearly 62 per cent of Albertan voters supported removing the principle of equalization from the Constitution. With this vote Albertans clearly demonstrated that they're seeking fundamental changes to equalization and would like government to take all the necessary steps to secure a fair deal with Alberta within the Canadian federation. This includes the reform of federal transfer programs.

Madam Speaker, the equalization program was created in 1957 to, quote, equalize provincial fiscal disparities. In 1982 this commitment to equalization was enshrined in the Constitution, and Alberta has been a net contributor ever since. In fact, since 2007 Alberta has contributed a net \$240 billion to the rest of Canada, or about \$20 billion annually. That's in spite of our economy struggling under the weight of low commodity prices and unhelpful economic policies under the previous government. This is \$20 billion each year that is not available to Albertans.

Madam Speaker, Albertans are frustrated. There is a growing perception that the equalization program system is broken and fundamentally unfair to Alberta, pulling billions of dollars out of our province even during times of economic recession. This frustration is at times directed at provinces whose governments have undermined Alberta's initiatives and economic interests, governments who benefited greatly and significantly from equalization over the years yet have really undermined our economic interests and implemented policies detrimental to our energy industry, our province, and our people. In fact, since 2015, for example, Quebec has collected over \$70 billion in equalization payments while opposing critical energy infrastructure projects like the Energy East pipeline and more recently an LNG project in Saguenay, Quebec, that would have shipped Alberta natural gas to markets overseas and, I might add, responsibly produced Canadian LNG that parts of the world today desperately need.

Madam Speaker, the federal government has targeted Alberta's industry that has in large part financed equalization. I want to remind this House of bills C-69, the no-more-pipelines bill; C-48, the northern tanker ban bill; the veto of Northern Gateway pipeline; the capitulation on Keystone XL. I could add to that the recent announcement of an emissions cap on one industry only in the nation, the energy industry, announcing this cap without even consulting the provinces, who have responsibility for natural resource development in their jurisdictions.

Alberta has previously proposed common-sense reforms to the equalization program that would have the GDP growth constraint continue to act as the ceiling on the growth of total equalization payments, but in times of declining fiscal disparity such as the time we have now across the nation, the formula would allow for year-over-year declines in the program's overall size. Alberta has also proposed – in fact, we have a long-standing position of the removal of resource revenues from the program's formula or measurement of fiscal capacity. Madam Speaker, removing resource revenues from the equalization formula would remove the disincentive for some provinces to fully develop their resources and live with the economic prosperity or the economic effects of either developing those resources or not developing those resources.

These proposed changes would help ensure that any growth of equalization reflects only changes in interprovincial fiscal disparities. They would end the current automatic growth in the program. Madam Speaker, these obvious reforms, that would have made Canada's economic and fiscal engine run much more smoothly and sustainably, have gone unaddressed and ignored. After years of trying to collaboratively fix the program, it's clear that there is little interest in

co-operation. With no one else willing to defend Alberta's interests, we had no choice but to elevate our concerns this October.

Madam Speaker, further adjustments to the fiscal stabilization program are also essential to support fairness and equity in the transfer system. Alberta continues to support the provincial-territorial consensus on fiscal stabilization, which calls for the complete removal of the payment cap retroactive to 2015-16. I want to point out that this is a consensus amongst all provinces and territories, a consensus that the federal government should not ignore but has to date. With these reforms the fiscal stabilization program would, as it once did, provide adequate support to provinces which experience large revenue declines due to adverse economic developments, just as the equalization program meets the needs of provinces with below average fiscal capacities. These reforms would help restore balance and fairness to the federal-provincial fiscal arrangements.

Madam Speaker, Albertans have spoken. This very clear result from Albertans pushes our fight for fairness to the top of the national agenda, and we expect the federal government to negotiate in good faith based on the previous precedent tied to Quebec's separation referendum. Our focus ultimately is on a fair deal, a broader reform of fiscal federalism, lifting the cap on fiscal stabilization, the repeal of the no-more-pipelines bill, Bill C-69, the repeal of the northern tanker ban.

In conclusion, Madam Speaker, Albertans are proud of their significant contributions to the country, and we're proud to be the wealth-creation engine of the nation. But today many are feeling frustrated with their place in this federation. The lack of fairness in our federal fiscal programs leaves Alberta families paying too much to subsidize the provincial services of others. It has never been more unfair than in 2021, when our own provincial services are so strained. While there is much work to do, this equalization referendum was a crucial step in Alberta's ongoing fight for fairness in the federation. Albertans have spoken loud and clear, and we will be loud and clear with Ottawa that they must take Alberta's concerns seriously and negotiate in good faith.

The Deputy Speaker: Hon. members, just a friendly reminder that interventions are now allowed.

I am also looking for speakers. The hon. Member for Lac Ste. Anne-Parkland.

Mr. Getson: Thanks, Madam Speaker. You always keep me on my toes, and it's a pleasure to speak in here. I want to thank the minister for speaking quite eloquently about the position of Albertans. They've heard a number of times when it comes to Motion 101, which is to literally talk about equalization. We had a referendum; I'm not sure if anybody heard.

We hadn't had a discussion on this for a while. The last time when the opposition had an opportunity to open the books – and not bequeathing them or not saying anything, so maybe it was okay in their mind a few years ago to have that discussion with the feds – it never got tabled. Now we've had to kind of open up Pandora's box through the Fair Deal Panel. A lot of folks have expressed concerns on that, the track record over the number of years, our relations. I don't think anyone can say that they aren't aware of the strain between Ottawa and ourselves, especially when it comes to the energy file. Specifically, we have a little bit of a question mark now, and our minister of environment is going to have his work cut out for him with the present minister that's been assigned down in Ottawa.

5:40

I've heard loud and clear, you know, both in my constituency and across the province, about separation. Separation is a real deal.

Like, it would be a ton of issues here to try to do that, but folks are that frustrated, and a lot of that comes back down to the equalization payments themselves. One of the core things is that folks that get frustrated, and it's been happening since – oh, shoot. The first little meme or cartoon that I'd seen was back from the '20s, where it showed this milk cow where it was getting milked, you know, what was happening to the rest of the western provinces.

Mr. Schow: The milch cow.

Mr. Getson: The milch cow, as the Member for Cardston-Siksika would say. It's that whole context of giving, giving, giving, somebody else benefiting and getting the cream and butter, and us either being taken advantage of or not getting much back.

With the equalization referendum it was thrown out there: do you want us to open up that dialogue again, to relook at that with the feds? Over 1.1 million people, I believe, was the tally on that, wanting to open up this dialogue to say: yes; Albertans are very generous; we're okay paying more than our fair share, more than our fair share for a number of years. But, Madam Speaker, it's disproportionate. When you look at a bunch of the calculations – the Minister of Finance has been working with that and arm wrestling for two years already, trying to get our fair share back – it accounts to billions of dollars when you look at the transfer payments, when it comes back, that good Albertans have paid for years, everyone in this room has paid for years.

We needed a hand up when our energy sector got hit, when we needed it the most. We had issues with the global pandemic. We had issues with commodity prices. You know, thank goodness ag and forestry were around to help us out through some of the tough spots, but, my gosh, if we would have had that down at the same time: pretty tough. We can talk about diversification as much as we want, we can talk about all these things, but that darn equalization: I'm okay with paying my share.

I've been to eastern Canada. Heck, my family is – you told me not to mention their names, but it starts with a G – down east. I'm not sure if we got a parliamentary ruling on that or not, if I can. But 1751 is when they came to this country, prior to it even becoming a country, 1867, I believe, if memory serves. That was down in Charlottetown, Prince Edward Island. Someone else out there, an islander, is going to make fun of Tignish, but that's where my family is from, on that north coast. We've got our own little graveyard and our own little church out there. It's very beautiful. Then people moved out west. Out west was the opportunity, and it's been that way for a number of years. You go to any major project, and you have people from all across the country that are there. [interjection] Oh. I see a tall guy standing up. I guess he's intervening.

Mr. Schow: Thank you to the hon. Member for Lac Ste. Anne-Parkland for his remarks thus far. The province of Alberta, as I can tell, has been very good to the Member for Lac Ste. Anne-Parkland. Of course, I speak to you through the chair in this acute-angled triangle.

The Deputy Speaker: In your microphone.

Mr. Schow: Oh, in my microphone. Very sorry. Can I restart my time?

The Deputy Speaker: No.

Mr. Schow: Shucks.

Anyways, I would like to know if the member could speak a little bit specifically about his experience in Alberta and what this referendum means to him as it is an example to his family, his kids, and potentially grandkids, what it means to fight for something that

matters. This province has been good to that member and many of the members in this Chamber. It's something worth fighting for. This referendum, I think, was an example of that. But if he could maybe elaborate on really what example he believes this is setting and that he is doing here in this Chamber, the work he's doing to fight for something that is worth fighting for.

Mr. Getson: Well, thank you for that, hon. member, and from the chair to you back to here, we'll just do that short pass. The province of Alberta has been amazing to me. As a young farm kid all you had to do was work hard. The economy was pretty bad at that time. It was in the '80s, so you had to kind of know somebody to get work. Where I got into it was through a shirttail relative. That individual ended up having a gravel truck and a small paving company. From that little small paving company and going out there and working, I ended up getting enough money and going to college and then bounced into industrial construction. It was from an Alberta-based company, so a shout-out to Ledcor Construction, Ledcor Industrial, and Ledcor Pipeline.

Within that small Leduc-based company – it used to be in Leduc, so the Member for Leduc-Beaumont would recognize that – they then built a base. It was based on the same thing. Bill Lede, the founder of that company, actually ran the Cat on Leduc No. 1. He was the actual guy that punched in that well or, you know, ran the leases out there. These are the type of histories that we have, through you to the hon. member, and I fell into that, all the Albertan effort over the years that has done this country. It's built these really good entrepreneurial spirits, and it's that innovation and that need to do it.

As far as the constituents and being able to stand up and hear it, they haven't had a voice. Madam Speaker, the federal election is over by the time it hits the GTA. I know. I've been there. Not a lot of Albertans have perhaps, but I know even fewer folks in the GTA would even be able to find God's country out in Lac Ste. Anne-Parkland, the little town of Onoway, or to know, actually, the headwaters of the oil sands or where they get most of their natural gas from. They wouldn't get it.

It's only because I came from this province and had a chance to do fibre optics right across the country as well. I spent some time down in Mississauga helping bring in a J.D. Edwards controls program for our group down there. I was at a party, actually, in my youth – I was a little bit younger then – as a young field engineer, and at this party it kind of resonated with me with the disconnect. An accountant from one of our firms asked where I was from. I said Alberta. He says: oh, you're from the colonies. That is how we're seen in some circles.

I ran into another gentleman. He was a former CEO of Seagram's. We were out on a gun range. He was talking about – and this was just right after the first federal election, even prior to me getting into politics here and jumping up and trying to do what I could – that corporate culture where they were so mad, they would even get rid of Harper, even though things were going good, just to get the west out of control.

These are things that are intergenerational. Like, we kind of scratch the surface. It's not fictitious. This isn't a political stance. I'm just telling you what I've heard. For my kids not to have that chance, not to be a fulsome part, to want to go elsewhere, to move to a different country to finally have your fair shake, when you can't get a fair shake within your own country and you've contributed so much, that's the issue. That's the challenge that we have, and that's what this equalization meant to so many Albertans. It's not the fact that we can make it happen; it's the fact that we're putting our hands up and saying: "It should happen. Listen to us."

You know, I've got this patch that says: never mistake kindness for weakness. I think that's what this province is, strong and free,

and don't mistake our kindness for weakness. [interjection] I see the hon. member intervening.

Mr. Nally: Thank you to the hon. member. I'm curious on his perspective. Most people probably don't know this, but he actually has a significant amount of experience in the energy industry, specifically in pipelines. We just found out that Quebec wants to export their electricity to Maine. It was a \$10 billion deal over 20 years, and Maine voted no to exporting it there. [interjection] I know, but we should not run a victory lap on that, because I think it's unfortunate any time a jurisdiction cannot export their energy. I think the question is: what would it look like if we actually had free trade? If Quebec could export their energy south and we could export our energy east, then what would this equalization question even look like? I'd be curious on the member's perspective.

Mr. Getson: Perfect. Well, thank you for that, hon. Associate Minister of Natural Gas and Electricity, quite coincidentally. Here's the thing that I found with being in that energy sector, bouncing across Canada and the U.S. as well and understanding those systems of how we trade and how we go across the border and why we go into Minot, North Dakota, and how we end up in Superior, Wisconsin for tankage and that then we can go to Chicago and make it back to Texas and get it offshore or send it north up to Sarnia or reverse our lines.

Insomuch as Quebec having that – and, honestly, the folks in Quebec are more aligned with us at a provincial level, and specifically rural, than the papers would ever have you believe. Like, they're on the same page. Where we get cross-threaded with them oftentimes, Minister and to other members here, is on the commodity type, because that all of a sudden becomes a political football. That's really where it gets tied in to.

Let's just look at this in this context. I'm working on an economic corridors task force right now, and energy corridors are one of the predominant items. When we look at northwestern Canada, I'm going to start saying northwest Canada strong and free pretty quick, because when we look at the power of that, if I can give you a corridor – let's put it in context. If I can draw a line from Fort Saskatchewan, because everything kind of leads into that area, draw it over on Treaty 5 and Treaty 6, Treaty 5 and Treaty 6 will get me into Churchill. Fairfax had just pushed, now, the Churchill port over to the First Nations up there, who are very much forward thinking, energy conscious, all those kinds of things.

If I can get you a line over there, an energy corridor that can put in either petroleum or liquid natural gas, I can also move hydroelectric power back and forth. We can take tons of green energy coming in either way so that we have free trade.

Mr. Nally: Hydrogen.

5:50

Mr. Getson: Hydrogen is obviously on the books, Minister.

Now, if I put a little plant up in that Churchill area, we could do something kind of like – I don't know – Russia did. Their Yamal plant threw \$27 billion up there. In 2009 they never stuttered once. In 2017 this thing is running at 110 per cent capacity. They're forecasting upwards of \$136 billion worth of spend in that area because Europe has an energy crisis.

So the Russians are supplying that. I mean, everyone knows the geopolitics – right? – in the north. That's in our backyard. Literally, from Churchill or going from Yamal, it is only 300 clicks difference to get into that European market. And, by the way, the Europeans really want to trade with us because of our environmental record. We're the second-lowest jurisdiction, Minister, when it comes to hydrogen. Russia has only beat us by one. [interjection] Yes, ma'am.

Mrs. Frey: Thank you. Because I only have a minute, I was just wondering if the Member for Lac Ste. Anne-Parkland could maybe comment on why this conversation is so important. Given that I recently read some remarks from the President of the United States, who was asking for more oil production from Saudi Arabia and Russia when Canada has it all right here, I was wondering if you could elaborate on that and where our position is in Confederation if our Prime Minister won't let us develop those resources.

Mr. Getson: Thank you for the great question. The Member for Brooks-Medicine Hat: her family, again, is one of those great energy families, and you hear those legacies and that insight, so I really appreciate that.

Where it puts the position of the U.S.: we had a glut there for a while. But, again, now that we've chewed through the backlog and the energy ban is up globally, the U.S. cannot send nonrefined products off their shore. The whole military complex with the U.S. is based on the number of barrels. They have to have that domestic supply, and it has to stay current in that realm. When President Biden is looking at trying to second oil sources from others, Keystone XL would have been awfully handy to have. The other way to get it is to head down through current lines, which are experiencing tons of litigative issues down in some of the states where there are border crossings. That really puts the U.S. in an energy-deficit position.

Now, geopolitically the next challenge for the American homeland is actually going to be in the Arctic. That's why they're building up there, and they're throwing a big squadron of F-35s up there. The F-22s are already up there. The army is moving up there. When I was on a call, Member, back on December 11 of last year – there were four or five brigadier generals on the call, and it was from the Wilson Centre, talking about the Arctic strategy – they identified that it was logistics, communications, and energy security that they required up in Alaska to keep the homeland safe.

So where does this come into it? The Member for Calgary-Fish Creek and the member from – oh, I can't remember his name offhand. PNWER, the Pacific NorthWest Economic Region, is the 11th-largest economy in the world when you look at Alaska, British Columbia, Alberta, Northwest Territories, Yukon, Saskatchewan, Montana, Idaho, and Washington. That is an economic powerhouse like you can't believe, and our own Member for Calgary-Fish Creek is now the president of that, was voted in, and the vice-president is from Alaska. So when we're talking about connectivity for security, we're talking about the northwest, and that's why I keep saying northwest Canada.

If you go to Churchill, I can get you to Asia, I can get you to Europe, and I can get you to eastern Canada and the eastern seaboard quite readily. If I go through Tuktoyaktuk, the Northwest Territories up there, that port is of significant importance now as well. They've got a major gas play in that area that we can tie in to as well through Alberta and then also the crossings into Alaska. This can be a massive powerhouse region. It can literally give you a safe, secure energy supply for not only Asia but for Europe and for Canada.

So why are we talking about equalization? Because we want to get our fair share back. We've been paying it for years. For heaven's sake, for most of the projects, we don't need you to buy them for us, Prime Minister. We don't need you to run a \$9 billion project like Trans Mountain up to \$26 billion that may or not – we don't need Canadian taxpayer dollars. What we need is project certainty, reduced risk, and to make sure the compliance and regulatory process is sound. That's all we need.

If we get these corridors in place that we're trying to work on establishing, it literally is that. Let's figure out the rules within those boundaries. Let's find those routes, and trillions of dollars of

infrastructure can be built to supply them and to get us through the energy bridge to where we need. Hydrogen is part of it. Geothermal is part of it. Logistics are part of it. It's not just moving raw commodities and materials anymore.

We were talking a little bit about supply chain issues and how it's going to run up the costs of everything. The port of Los Angeles right now and the port of Long Beach are showing that. It's simply because the supercarriers that are bringing over the Sea-Cans are taking too long to get offloaded in port. Hence, they are no longer doing the milk run, and the milk run for those big container ships is Washington, Vancouver, Prince Rupert.

If we can't get those containers into those areas, which are a backlog for us in moving our materials out, they are going to bypass us. That's why your cost for bringing a container in went from \$2,000 up to \$20,000. That's why we're having people running around seeing if they can buy iPads. Apparently, up in Grande Prairie, buy them quickly because we're running out of them down here. There's an opportunity there for somebody. That's why we're not getting our stuff anymore or it's getting very costly. It's because of that supply chain.

Literally, the equalization referendum: when we talk to Albertans about that, about us working together, about us pulling together, this country, about putting these corridors together, oftentimes what I hear is: "Trudeau will never let it happen. He'll kill it because it's a good idea, and he hates the west." I don't know that I can argue. I don't want to believe it, but I look at the track record with the carbon tax, and I look at the track record with the tanker ban, which only bans one product type, which is bitumen in liquid form, off our own coast. It was brought up by a Liberal MP from Vancouver and floated over the fence, and all of a sudden Petronas killed a bunch of projects that are out there. Now we've got to come up with different ways to do that, and the only way I can do that is to go through a foreign country, getting up to Alaska, to make sure that I have access to deep-sea ports.

Bill C-69. Holy crow. Was that one a goat rope to try to get through. We had, like – I don't know – 800 and some-odd items that wanted to be changed. If we would have had, again, electoral reform in the Senate, we would have had some Senators that could have blocked it. That didn't happen. So we've been tied up, pushed back, kicked down a number of times, and Albertans are still going at it. We're still hitting it hard. This government is working for you. To the Member for Cardston-Siksika: that's why I'm here; while I still have a voice and I still have some legs to stand on, we're trying to do the right things. This message never gets out.

Heck, for six foot two, 230 pounds – I was going to lie, but I can't lie – I'm invisible. I will do press conferences and launches, and I will never have my voice heard unless someone is picking up on some

little nuance of a seven-second clip that they want to sabotage me with. The unfortunate part is that some of the things that I say in here are important to Albertans and are important to our country, but you'll never hear that. You'll never hear of all the efforts that we're putting into it.

You'll hear the rhetoric that we're only talking about equalization because we want separation. No. We'll go to separation if you need us to. Don't mistake our kindness for weakness. Don't push us to somewhere we won't go, because we will bring out the big stick, and we'll fight back. We're trying to do it the right way because that's who we are as Albertans. That's who we are as Canadians, trying to do the right thing for the right reasons because it's the right thing to do, and 1.1 million Albertans are talking about that.

We've got an energy sector here that is second to none in the world. Some of the things that get thrown against us on economic, environmental, and social governance are way off base. We have First Nation groups. Hats off to Chief Isaac and his economic development group. They're looking at a 10-kilometre-wide corridor that they're trying to put together themselves to help unlock this puzzle. That isn't people that are against this. They're for this, for this nonstop. They want to move through the reconciliation phase until we're all benefiting together. So do we, and so does industry. Industry just wants to know what the rules are so that we can play the game. Stop changing the rules. It's like going out to play football and you find out that the other side is throwing a javelin at you. You're kind of at a disadvantage.

The Deputy Speaker: The hon. Associate Minister of Natural Gas and Electricity.

Mr. Nally: Thank you, Madam Speaker. I'd like to make a motion that we adjourn debate.

[Motion to adjourn debate carried]

The Deputy Speaker: Can I get a motion? The hon. Deputy Government House Leader.

Mr. Schow: A little too quick. It looks like we all jumped the gun. We're a little hungry for the dinner hour, Madam Speaker. Good times. Good times were had by all.

Yeah. I move that we adjourn the Assembly till 7:30 tonight.

[Motion carried; the Assembly adjourned at 5:59 p.m.]

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For inquiries contact:

Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875

E-mail: AlbertaHansard@assembly.ab.ca