



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Wednesday evening, June 1, 2016

Day 37

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

Second Session

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

Aheer, Leela Sharon, Chestermere-Rocky View (W)
Anderson, Shaye, Leduc-Beaumont (ND)
Anderson, Wayne, Highwood (W)
Babcock, Erin D., Stony Plain (ND)
Barnes, Drew, Cypress-Medicine Hat (W)
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (ND),
Deputy Government House Leader
Carlier, Hon. Oneil, Whitecourt-St. Anne (ND),
Deputy Government House Leader
Carson, Jonathon, Edmonton-Meadowlark (ND)
Ceci, Hon. Joe, Calgary-Fort (ND)
Clark, Greg, Calgary-Elbow (AP)
Connolly, Michael R.D., Calgary-Hawkwood (ND)
Coolahan, Craig, Calgary-Klein (ND)
Cooper, Nathan, Olds-Didsbury-Three Hills (W),
Official Opposition House Leader
Cortes-Vargas, Estefania, Strathcona-Sherwood Park (ND),
Government Whip
Cyr, Scott J., Bonnyville-Cold Lake (W),
Official Opposition Deputy Whip
Dach, Lorne, Edmonton-McClung (ND)
Dang, Thomas, Edmonton-South West (ND)
Drever, Deborah, Calgary-Bow (ND)
Drysdale, Wayne, Grande Prairie-Wapiti (PC),
Progressive Conservative Opposition Whip
Eggen, Hon. David, Edmonton-Calder (ND)
Ellis, Mike, Calgary-West (PC)
Feehan, Hon. Richard, Edmonton-Rutherford (ND)
Fildebrandt, Derek Gerhard, Strathmore-Brooks (W)
Fitzpatrick, Maria M., Lethbridge-East (ND)
Fraser, Rick, Calgary-South East (PC)
Ganley, Hon. Kathleen T., Calgary-Buffalo (ND)
Gill, Prab, Calgary-Greenway (PC)
Goehring, Nicole, Edmonton-Castle Downs (ND)
Gotfried, Richard, Calgary-Fish Creek (PC)
Gray, Hon. Christina, Edmonton-Mill Woods (ND)
Hanson, David B., Lac La Biche-St. Paul-Two Hills (W),
Official Opposition Deputy House Leader
Hinkley, Bruce, Wetaskiwin-Camrose (ND)
Hoffman, Hon. Sarah, Edmonton-Glenora (ND)
Horne, Trevor A.R., Spruce Grove-St. Albert (ND)
Hunter, Grant R., Cardston-Taber-Warner (W)
Jansen, Sandra, Calgary-North West (PC)
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Luff, Robyn, Calgary-East (ND)
MacIntyre, Donald, Innisfail-Sylvan Lake (W)
Malkinson, Brian, Calgary-Currie (ND)
Mason, Hon. Brian, Edmonton-Highlands-Norwood (ND),
Government House Leader
McCuaig-Boyd, Hon. Margaret,
Dunvegan-Central Peace-Notley (ND)
McIver, Ric, Calgary-Hays (PC),
Leader of the Progressive Conservative Opposition
McKittrick, Annie, Sherwood Park (ND)
McLean, Hon. Stephanie V., Calgary-Varsity (ND)
McPherson, Karen M., Calgary-Mackay-Nose Hill (ND)
Miller, Barb, Red Deer-South (ND)
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Renaud, Marie F., St. Albert (ND)
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Sabir, Hon. Irfan, Calgary-McCall (ND)
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Shepherd, David, Edmonton-Centre (ND)
Sigurdson, Hon. Lori, Edmonton-Riverview (ND)
Smith, Mark W., Drayton Valley-Devon (W)
Starke, Dr. Richard, Vermilion-Lloydminster (PC),
Progressive Conservative Opposition House Leader
Stier, Pat, Livingstone-Macleod (W)
Strankman, Rick, Drumheller-Stettler (W)
Sucha, Graham, Calgary-Shaw (ND)
Swann, Dr. David, Calgary-Mountain View (AL)
Taylor, Wes, Battle River-Wainwright (W)
Turner, Dr. A. Robert, Edmonton-Whitemud (ND)
van Dijken, Glenn, Barrhead-Morinville-Westlock (W)
Westhead, Cameron, Banff-Cochrane (ND),
Deputy Government Whip
Woollard, Denise, Edmonton-Mill Creek (ND)
Yao, Tany, Fort McMurray-Wood Buffalo (W)

Party standings:

New Democrat: 54 Wildrose: 22 Progressive Conservative: 9 Alberta Liberal: 1 Alberta Party: 1

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Dang	Taylor
Ellis	Turner
Horne	

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Kazim	

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Dang	Nielsen
Drysdale	Rosendahl
Hanson	Woollard
Kazim	

Legislative Assembly of Alberta

7:30 p.m.

Wednesday, June 1, 2016

[The Speaker in the chair]

The Speaker: Good evening. Please be seated.

Government Bills and Orders Second Reading

Bill 20 Climate Leadership Implementation Act

[Debate adjourned June 1]

The Speaker: Anyone wishing to speak to Bill 20? The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you very much, Mr. Speaker. I rise today in this Assembly with my grave concerns around the impact of Bill 20, the Climate Leadership Implementation Act, and the impact it will have on my constituents in Chestermere-Rocky View if passed in its current form.

My constituents are stewards of Alberta's environment in the truest sense of the word. They take actions every single day to reduce their impact on Alberta's landfills. My constituents care for their land. Many of my constituents partake in alternative fuel options. I myself have the privilege of operating my home with solar panels, and that is why I know how much my constituents and all Albertans, for that matter, care about this province and about environmental stewardship. Albertans want to leave Alberta beautiful for their children and their grandchildren. Many of my constituents work in Alberta's world-class oil and gas industry. They strive every day – every day – to meet the high environmental requirements made necessary by our province's regulatory bodies at the request of the industry.

I know that my fellow Wildrose members know that Albertans want common-sense action on the environment. These are actions that take into account the progress that they have made on protecting our environment while acknowledging the difficulties of living in a northern province with infrastructure that is spread across large swaths of land.

My riding is filled with families, families that are struggling in these tough economic times. Many of my constituents rise early in the morning to travel into Calgary. These long commutes are daily, and they require a vehicle. They require a vehicle which, obviously, requires gasoline. Just by virtue of choosing to raise their children in a tight-knit rural and urban community within the riding of Chestermere-Rocky View, these families will be punished by this carbon tax.

The Alberta lifestyle is one that encourages mothers and fathers to remove their children from densely populated cities and out into the country, where their children can grow up to appreciate all of the things our beautiful province has to offer. Mr. Speaker, we would be remiss to take actions that discourage families from choosing to raise their children on acreages and farms, where they experience first-hand the majesty of our environment. Chestermere-Rocky View is a beautiful constituency, and it spans the entire perimeter of Calgary. We have a little bit of everything in this constituency. It's a beautiful, beautiful place to raise your children, and they learn their roles as the next generation of stewards.

Many of my constituents are farmers who, by the nature of their profession and this province's beautiful geography, are regularly forced to drive long distances, Mr. Speaker, for non farming related

activities. Simple actions like running their child's forgotten lunch to school, picking up formula from the grocery store, driving their sons and daughters to hockey practice take a little bit longer. Everyday activities simply take more fuel for a farmer.

Their drives involve back roads that are on unpaved gravel, and driving these roads requires a sturdy vehicle. A truck or four-wheel drive is a meaningful choice out where I live, and it is a requirement of the rural lifestyle in southern Alberta. My constituents have no choice. They have no ability to just change their vehicle to something else at this point that cannot haul what they need to haul from place to place.

Many Albertans feel that this government has done enough to punish farmers. The significant increases to their regulatory burden, soon to be forced upon them by Bill 6, will be costly in a lot of cases. Mr. Speaker, now, the government has proven no understanding of how Albertan farmers live their lives by imposing more onerous burdens on these families. When will this government stop increasing the cumulative burden they insist on imposing on Albertans? The government has done little more than make life harder for these hard-working families, and to what avail?

I dare to say: find me a farmer that does not care about the environment. Find me a farmer that does not understand the vital impact clean air, water, and soil has on his crops' productivity. These workers are amongst the most sturdy environmental actors in our province. They cherish this Earth, and they live outside, with their connection to the land. Each action the farmers in my riding take is a calculated necessity of their everyday reality.

This action by the government is ill planned and poorly timed. This punitive tax, that is at the core requirement of the carbon tax, is designed to punish families into changing their behaviour. It seeks to modify how Albertans live their day-to-day lives. We don't, however, see the members on the other side of this House rising to explain to the good people of Chestermere-Rocky View why they're wrong about their need to drive a pickup truck down gravel roads over another choice like a Smart car. We don't, however, see the members on the other side of this House rising to explain how driving one's child across the province to hockey practices and games and tournaments is a cardinal sin and in need of behavioural correction. We don't, however, see the members on the other side of this House rising to detail for us how commuting to work every day is something that Albertan breadwinners need to take more actions to avoid.

Mr. Speaker, the members of this House all know why the members opposite are so quiet on the punitive implications of the tax they support. If they did rise to detail the actions they are seeking to change through this tax, they would come across as a little bit more than detached from the realities of everyday Albertan life, and that is exactly what this tax is in this form at this time. This tax is detached from the realities of everyday Albertan life, just like the government that is seeking to implement it.

The families in my riding of Chestermere-Rocky View are not all in a position to buy new cars. These families are not in a position to shell out money on underfunded energy efficiency programs. Many of the families, actually, in my riding have two family members that are out of work right now, not one member but two. Two breadwinners in many, many families are out of work right now. I just want you to think about that as we're going forward with this. We have yet to see the parameters for these families that are struggling through an extremely difficult economic downturn.

The breadwinners for these families, Mr. Speaker, don't have an option of working closer to home. I think I mentioned yesterday that a good chunk of Chestermere empties out into the city, as do the other areas within Chestermere-Rocky View. Most of them

work within the city of Calgary, so this isn't a choice for them. This is part of how they live.

I can honestly say that it's sad for me to see that the government won't acknowledge how regressive and harmful their actions will be for Alberta families. The government hasn't even considered the full impact of the tax. We know that because there has been no release of the numbers to us. Yesterday we talked a little bit about the economic realities of this. Well, some of the economic realities, like I had mentioned yesterday, are these small businesses.

7:40

As we go forward with this and look at this bill and as you see the fallout from what's going to come as a result of this, how are you going to explain to my families and your families in your constituencies about the decision that was made at this time? I can honestly say that there are probably going to be some families within your constituencies telling you about how they're suffering. Then what are you going to say? What are you going to do at that time?

Mr. Speaker, it's absolutely imperative, as we create legislation in here, that we are actually able to stand and able to defend that and able to help the families understand that. Obviously, when we're creating legislation, we can't possibly make everybody happy – I realize that – but this government is going to have to be able to explain to families about what's going on in their constituencies and how the accumulation of all these taxes is going to impact their daily lives.

We are wondering why the environment minister, without any citation or foundation, is not willing to give us any numbers on this. They're not willing to see their numbers scrutinized. The question is: are they far too low? We need to know these things. The typical Albertan family will see a \$1,000 increase in expenses due to things like higher prices at the grocery store and the clothing store, high prices on food produced in greenhouses in the province, higher municipal taxes as the towns and cities struggle to keep up with the rising cost of powering municipal infrastructure.

When you increase the cost of transporting food, you increase the cost of food. I know that this government is maybe having some difficulties understanding the economics of this, but Albertans' demand for food is largely inelastic. Everybody here has to eat. Albertans need food to survive – that is obvious – and that is a dependence that they as individuals are going to be paying for, the extra fuel costs to transport their food into this province.

Mr. Speaker, this tax has hugely regressive implications. It will harm Alberta's most vulnerable. The equity redistributions that this government is promising are insignificant compared to the costs and, worse, are structured in a very, very – we don't understand the manner in which this is coming forward. Why will two roommates receive more money than a married couple? Right? It's quite interesting when you take a look at the little bits and pieces of this. The implementation of this carbon tax framework will hurt families.

We've all said it in this House – every single one of us had the opportunity to stand here – that Alberta is a province of innovators and entrepreneurs. We all know how fortunate we are to live here with the Alberta spirit and the immense talent and everything we have to work with here. I can hear it when the government speaks about how proud they are of the province that they live in, and I know that. That's why this is so disturbing. I honestly believe with all my heart that every single person that sits in this House knows the incredible people which they have the privilege of being here for.

Upon saying that, I would hope that the government would want to foster that spirit, not stamp it out. Think about what is possible. I

know you have. We have, for sure. What is possible here? Where can you put those dollars? How can you get those dollars back into the pockets of Albertans so that those innovations, those things that we talk about, everything that's possible in this province can actually happen. We all know the kinds of people that live here and the immense amount of talent that is here. We need to foster that.

The actions taken through this act and the subsequent complementary acts and regulations will serve to increase the cost of electricity and drive out business. Now, I've heard the government say over and over again that business is looking to come and invest here for electricity and renewables. Well, I would love to understand how that's possible when we have taken away our competitive edge. I look forward to hearing from the government how that is feasible when we have industry migrating out of this province faster than we can keep track. We have people leaving this province finding jobs elsewhere. I have two friends right now that are looking outside of this province.

So if we are looking at keeping our expertise here . . .

The Speaker: Thank you, hon. member.

The Member for Airdrie under 29(2)(a).

Mrs. Pitt: Yes. Thank you, Mr. Speaker. I treasure the moment to rise with questions for my hon. colleague from Chestermere-Rocky View. We're actually neighbour ridings, so it's very exciting for us to be able to do many different things together between our constituencies. It was absolutely wonderful – actually, a sort of fun fact I have to throw in: Airdrie-Chestermere used to be a riding back in the day. Maybe it will once again as well. Who knows? Wouldn't they be lucky.

It was a very, very fascinating conversation because I know that my colleague from Chestermere-Rocky View has extensive knowledge within the energy industry and especially in regard to renewable energy. The knowledge that she has, especially in terms of where we are currently and where we need to be in regard to economics as well, is absolutely fascinating. I was just really hoping that you could maybe expand a little bit more with some information in regard to, you know, the technology that's available and how feasible this is and if it's responsible, if it's not responsible, if it's going to work. Right? We all want to pay our bills and feed our families, but of course we need money to do that. Entrepreneurs certainly aren't going to invest in a business that isn't going to put food on the table at the end of the day. That's just how it is. Is it responsible to be offering, you know, government taxpayer dollars to fund these ventures when they really will just flop in the end? I was just really hoping that my hon. colleague from Chestermere-Rocky View could just talk a little bit more about that.

The Speaker: The hon member, and you will direct your comments to the bill.

Mrs. Aheer: Yes, I will.

The Speaker: Thank you.

Mrs. Aheer: Thank you, sir. One of the things that I think is imperative when we go forward, Mr. Speaker, with regard to renewables is the time that it takes to get one particular product offline and another one online. As we've seen throughout many, many other parts of the world when we're looking at those feasibilities, there is a mechanism by which to do that. The hon. member from the third party mentioned today about our clean coal and where we're at with that and about how the phasing out of that at too fast a mechanism is like a boulder rolling downhill. We already had a mechanism in order to phase out coal because

Canadians care about that. Canadians care about lowering their carbon, and Canadians care about the health and well-being of their children.

So this was already taken on by our previous federal government. I truly believe that as we're going forward with renewables, especially with the amount of talent and technology that we have in this province, we are absolutely set to bring on people who are completely capable of actually taking us into that part of the world, where we can bring renewables online. It is a difficult situation to try and come up with understanding of how those are going to work. How do we take out one kind of electricity to bring it in with another? There are many, many things, and that would require a plan. I think, to go back to what the hon. Member for Airdrie was talking about, that to come up with that plan takes time and it takes an immense amount of understanding of the assets that we already have here and knowing how to make sure that the people who are already really invested in this province and in our electricity and in low-cost electricity – I mean, we are so fortunate here.

7:50

In order to make sure that that happens and that the ratepayer is not going to be absolutely squashed by a system that comes in that could triple or quadruple the amount that they're paying for electricity – there are a lot of families here, even as we stand right now, who are struggling. I can't even fathom for those families what it would look like if this program doesn't have a plan to come online and keep things as cost-effective as possible, but again to my hon. member, that takes a plan.

I think that probably one of the most concerning things is that we have not seen, Mr. Speaker, a natural gas plan. We have not seen a plan that shows any sort of retrofits to mechanisms that we have right now for natural gas. In fact, I think the thing that's even more concerning is that there are other provinces in this country that are looking at actually not even putting natural gas in and potentially going just to wind and to hydro. That bears the question, then: how are we going to bring that all together?

Thank you.

The Speaker: Thank you, hon. member.
The Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Mr. Speaker. I would ask the indulgence of the House if maybe we couldn't stop for a second and have an introduction if that would be possible.

[Unanimous consent granted]

Introduction of Guests

The Speaker: Please proceed, Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Thank you, Mr. Speaker. It's my great pleasure to rise real quick and introduce to you and through you to all members of the Assembly George and Paula Muller, who are from the city that some of us call home and the rest of us call our second home while we are here far away from home debating important matters of this province, the city of Edmonton. It was nice to visit with them outside. I'm proud to report that they are definitely Wildrose voters, and I ask that they receive the traditional warm welcome of this Assembly.

The Speaker: Welcome. I hope he didn't eat too much at your house.

Government Bills and Orders Second Reading

Bill 20 Climate Leadership Implementation Act (continued)

The Speaker: We're on the main motion right now, I'm told.

Mr. Mason: Sorry. We're on the main motion, Mr. Speaker? And that is to give second reading? Why isn't 29(2)(a) . . .

Mrs. Aheer: I think I talked too long.

Mr. Mason: That was the five-minute period? Oh.

The Speaker: Hon. members, I'm glad that we have some young people at the table because some of the folks with grey hair had forgotten that. They are always correct.

Anyone else wishing to speak to Bill 20?

Hon. Members: Question.

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

[Several members rose calling for a division. The division bell was rung at 7:54 p.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[The Speaker in the chair]

For the motion:

Anderson, S.	Goehring	Miller
Babcock	Hinkley	Miranda
Carson	Horne	Nielsen
Ceci	Jabbour	Notley
Connolly	Kazim	Renaud
Coolahan	Kleinsteuber	Rosendahl
Cortes-Vargas	Loyola	Schreiner
Dach	Luff	Shepherd
Dang	Malkinson	Sucha
Drever	Mason	Turner
Eggen	McCuaig-Boyd	Westhead
Feehan	McKittrick	Woollard
Fitzpatrick		

8:10

Against the motion:

Aheer	Drysdale	Pitt
Anderson, W.	Gotfried	Smith
Clark	McIver	Starke
Cooper	Nixon	Strankman
Cyr	Panda	van Dijken
Totals:	For – 37	Against – 15

[Motion carried; Bill 20 read a second time]

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: Hon. members, I'd like to call the committee to order. I'm glad everyone is in such a great mood.

Bill 20
Climate Leadership Implementation Act

The Chair: Are there any questions or amendments with respect to this bill? The hon. leader of the third party.

Mr. McIver: Thank you, Madam Chair. I'm happy to rise and speak in Committee of the Whole on the government's Bill 20, the Climate Leadership Implementation Act. We've had some considerable debate on this, and I don't think there is any mystery as to where I am on this.

The fact is that the bill doesn't really do what it's advertised to do. It doesn't actually do anything beneficial or nearly enough that's beneficial for climate. It's unfortunately more of a bill to create revenue for the government to fund their pet projects, to do some income redistribution and other things. There are many problems with the bill, but that is one of the big problems with the bill, Madam Chair, that it's not revenue neutral, that the bill actually takes a lot of money out of the economy without returning it, actually puts it into government programs rather than recirculating it in the economy. As a result, the bill in its current form is unsupportable.

But in the spirit of improving the bill and improving the environmental results that the bill could produce on behalf of Albertans, Madam Chair, I would like to move an amendment. I'd like to move it on behalf of the hon. Member for Calgary-South East. I have the requisite number of copies, which will arrive at your desk shortly, Madam Chair. I'll be surprised if you will let me speak before it gets there, so why don't I just wait for that.

The Chair: That would be great.

This will be known as amendment A1.

Go ahead, hon. member.

Mr. McIver: Well, thank you, Madam Chair. It's my pleasure to rise on this amendment. I move that the Climate Leadership Implementation Act be amended in schedule 1 by striking out section 3(2) and substituting the following:

- (2) The revenue from the carbon levy may only be used to provide rebates or adjustments related to the carbon levy to consumers, businesses and communities, including adjustments in the form of tax credits or tax rate reductions.

My intention with the amendment, Madam Chair, is to make the carbon levy revenue neutral. Of course, that would do several things that I think would improve the bill dramatically. First of all, it would actually focus the money taken from Albertans in the form of a tax – I know that the government calls it a levy – and it would make sure that it gets used in the economy. In other words, the amount of tax that comes out of the economy goes back in in other tax cuts, making it truly revenue neutral.

This would actually retain all of the benefit that the government's current plan has for the environment, but I think it would very much improve the effect of the government's current plan on the rest of the economy by making sure that the dollars go back into the economy. Then it's truly revenue neutral. The dollars would be there to provide businesses with incentives to spend. It would give households the ability to – somewhere in the economy there would be goods and services bought, which would create jobs for people, and of course they would work at those jobs, collect a paycheque, and spend money further into the economy as well. We know this is kind of important.

There are other examples where plans like this have been successful, and probably the most obvious one and the one closest to here is in British Columbia. Well, let's come back home here for a minute, and I'll move on to British Columbia in a little bit.

I don't doubt that the intentions of many members of the government were good with Bill 20, but the Progressive Conservatives believe that climate change is real. We know this and you know this because a decade ago, when we were in government, we of course instituted the first price on carbon, an industrial price on carbon, the first jurisdiction to do so in North America. It looked to address the emissions intensity of our largest emitters and put a price on what they emit, thereby incenting them to emit less.

Madam Chair, the carbon tax as it currently exists will not work for Alberta or Albertans. Page 6 of the government's own budget shows that more than \$6 billion of the carbon tax revenue over the next five years will be used for government priorities, projects, and initiatives. Another way to say the same thing, put differently, is that the government is only returning 29 per cent of carbon tax revenue to Albertans.

If the government truly wanted to avoid expensive and cumbersome procedures, there's a simpler answer. You could have the same emissions reductions, whatever they will be, purely related to a price on carbon, and again we could follow the lead of British Columbia. This is intended, not exactly but in a manner, to use that model, which has been somewhat successful. British Columbia put in their revenue-neutral carbon tax in 2008. Under their system every dollar earned through the tax is returned to the people through a tax cut. Within the confines and deliberation of Bill 20, a bill that we believe will pass because the government has a majority, we think that this is the best way to make the bill more manageable for all Albertans.

8:20

Really, again, we think the carbon tax is too aggressive on Albertans. It takes too much money out of the economy, too much money out of households, too much money from businesses, too much money, actually, from nonprofits and schools, too much money from seniors with what they have to pay for things, too much money from Albertans that have a low income.

Making the tax, or the levy, if the government prefers, revenue neutral, we think, would well and truly improve what would happen. It would make the carbon tax more efficient and transparent and ensure that government finds other ways to fund their other projects, potentially through finding efficiencies, giving government employees, through our PC caucus, through our Engage process, the \$4 billion challenge, or going straight to the government employees themselves and saying: how could you recommend that we save money in each department and each ministry? We believe that doing this is what good legislators ought to do to meet the government's goal of making the environment better but taking better care of the economy while so doing.

One of the outcomes from what British Columbia has experienced: their per capita use of fossil fuels decreased by 17 per cent during the first four years after their price on carbon. I know that in the current government the minister has said that they're not expecting a real curve or bend in emissions here till 2030. When you think about it, this would actually improve the government's current plan for environmental improvement over if they don't support the current amendment before the Legislative Assembly, Madam Chair, so I think it meets the government's goal of wanting to do something good for the environment.

Over the same period in British Columbia per capita greenhouse gas emissions declined by approximately 10 per cent right across the province. Statistics seem to show for British Columbia that because their carbon tax is revenue neutral, they've actually returned more money through tax cuts and rebates than they had collected in the scheme's revenue. Kind of a pleasant surprise for British Columbia, and wouldn't it be nice if Albertans could experience a similar

pleasant surprise, where the tax reductions may turn out to be more than the taxes taken out of the system, which is a good way to grow the economy, which the government has said they want to do.

The idea is to better achieve the results the government wants, give Albertans a better chance to grow their economy, to retain their jobs, to have a great quality of life, and indeed to meet those environmental targets that the government says often that they're very fond of. The tax as it's currently written here, without this change, will promote carbon leakage, which means you'll have people buying goods and services from other jurisdictions and bringing them here, from places that don't have the artificial inflation that the government's carbon tax would cause. It wouldn't encourage people to leave the province because we believe that by taking less money out of the economy, there would be more jobs and more opportunities for them here.

Madam Chair, this would fix what I think is a major flaw in Bill 20, and the nice thing about it is that the government would be able to meet the objectives that they want in terms of improving the environment and improving the economy. This will do everything that the government's unamended bill will do for the environment, but this will do a lot more for the economy.

With that, I will sit down and listen to the debate and discussion and encourage all members of the House to seriously consider what is intended to be an improvement to the current Bill 20.

Thank you.

The Chair: Any other hon. members wishing to speak to amendment A1? The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. I rise to enthusiastically support this amendment. It is one of the core tenets of the Alberta Party's climate change plan, called Alberta's Contribution, which I have a copy of here for any member who would like to read it. I've given out many here in the last few days. We do have a plan for climate change, and I think that it's important to be able to say that as either a government or an opposition.

You know, in all seriousness, it is important, I think, that Alberta take action on climate change. But even being in support of a carbon tax, I think it's very important to be in support of the right carbon tax. One of the most important aspects of that, in my opinion and, I think, in the opinion of many Albertans and many experts, is revenue neutrality. This carbon tax as proposed by this government is in no way revenue neutral. There's talk of revenue recycling, which seems to be some new terminology, that I've never heard before. But the idea of a revenue-neutral carbon tax, where all of the dollars are sent back to Albertans through direct tax cuts, I think, is a very important aspect of any carbon plan so that it is not perceived, either in perception or reality, as a tax grab.

The hon. Member for Calgary-Hays, who moved this amendment, talked about B.C.'s plans, and I'd like to talk about B.C.'s plans here in a little bit more detail. I have a recent budget from the province of British Columbia – and I think this is very informative in terms of what revenue neutrality really means – and I quote from the B.C. budget: “Revenue neutrality means that tax reductions must be provided that fully return the estimated revenue from the carbon tax to taxpayers in each fiscal year.” You tell me if, quote, unquote, revenue recycling meets that test. It doesn't in any way. It does not. This amendment, on the other hand, would allow that test to be met.

When the province of British Columbia puts out its budget every year, they do a carbon tax report and plan, where they run down in great detail – all of us in this House know exactly the level of detail that a budget will go into – where that money in the carbon tax comes from and where that money goes to and how it is spent.

Some of the things that B.C. does – and I really admire their transparency here. That is another problem I have with Bill 20, a total lack of transparency. It is simply a framework that allows this government to implement policy through regulation at some point, undetermined, in the future. I have a very difficult time supporting a bill where I don't know what the outcome is going to be. When you have a government that says, “Trust me; it'll be fine,” my first instinct is to not trust the government. I want data. I want numbers. I want details. I'd love to see draft regulations. That would be wonderful. We had a debate earlier today where we at least saw some draft regulations. I'd love to see that for Bill 20. I don't expect that'll be forthcoming.

Here are some of the things that B.C.'s revenue-neutral carbon tax report and plan covers. They have a B.C. low-income climate action tax credit. They have a reduction of 5 per cent in the first two personal income tax rates. There's a northern and rural homeowner benefit of \$200, a B.C. seniors' home renovation tax credit, a small-business venture tax credit, a training tax credit for individuals. On the business side the general corporate income tax is reduced from 12 to 11 per cent and then to 10.5 per cent and then to 10 per cent effective January 1, 2011, and increased again to 11 per cent in 2013. I seem to remember some history around that one. The small-business corporate income tax rate is reduced. The corporate income tax small-business threshold is increased from \$400,000 to \$500,000. These are very specific items that then have the associated amount of money that goes back to British Columbians as a result of making their carbon tax truly revenue neutral.

I'll continue. An industrial property tax credit, an industrial property tax credit for school taxes, school property taxes reduced by 50 per cent, an interactive digital media tax credit, a training tax credit for businesses, a film incentive B.C. tax credit, a production services tax credit: all of these are things that result directly from the \$1.1 billion that British Columbia collected. I believe I have an older budget – I believe the budget I'm looking at is for 2014 – but the principle stands. This is very clear and explicit and specific about how the province of British Columbia returns the carbon tax in a truly revenue-neutral way to the people of British Columbia.

8:30

Now, this is not something that we have seen in anywhere near that level of detail in this budget. What we have are line items that say things like \$645 million for Energy Efficiency Alberta over five years. For what? What is that going to be? Is it going to be a home renovation tax credit? Is it going to be discounts on high-efficiency furnaces? Is it going to be rebates for better windows? Is it going to be an electric vehicle credit? What's it going to be? Is it going to be geothermal heating installations? What is it going to be? How do we know that that \$645 million is going to be well spent? We don't know that, and Albertans don't know that. Those are the questions that I'm getting from my constituents and from the people of Alberta. What I would expect to see from this government is a very detailed, by line item, itemized accounting of how the carbon tax will be revenue neutral.

Now, I remind the government once again, in closing, before I hear from some other hon. members on their views on this issue, that I am in favour of a carbon tax. I believe the climate science, I believe that climate change is human caused, and I believe that Alberta has not only an opportunity but an obligation to address it. But we have to get it right. If we don't get it right, Albertans will not have faith in the carbon tax.

For those who don't know their history, our friends in Australia tried this. They rolled out a carbon tax, that was very unpopular,

and had to roll it back because they didn't do their homework ahead of time.

So what I would encourage this government to do is to think very long and hard about accepting this amendment, making your carbon tax truly revenue neutral. If you do that, the closer you get to that, I'm certainly much more inclined to support a carbon tax that is well and truly revenue neutral.

Thank you, Madam Chair.

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

Mrs. Pitt: Thank you, Madam Chair. I rise to speak to the amendment put forward by my hon. colleague in the third party to substitute the following:

The revenue from the carbon levy may only be used to provide rebates or adjustments related to the carbon levy to consumers, businesses and communities, including adjustments in the form of tax credits or tax rate reductions.

Now, this amendment would limit the revenue from the carbon tax, which may be better used, and ensure a somewhat better revenue management structure compared to what is currently in the bill. Let me be perfectly clear, Madam Chair, that this is the wrong tax at the wrong time. But what this amendment will do is that it will eliminate the creation of the giant green slush fund that the current bill tries to create. The amendment will make this huge tax that the NDP has seen fit to impose on all Albertans marginally less egregious in the long run.

Currently the wording under section 3(2)(a) is extremely vague. What exactly does – I hope that you write this down because I'm truly looking for an answer – “initiatives related to reducing emissions of greenhouse gases” mean? It really could mean anything, and therein lies the problem. It could mean money going to the NDP's friends to study how to mitigate carbon. It could mean sending money to the anti oil sands Pembina Institute for studies of such. It could mean hundreds of millions of dollars spent on outreach projects dreamed up by the minister's college pals at Greenpeace. Really, we have no idea what the NDP has planned for this.

Madam Chair, this leaves the NDP in charge of a vague, brand new, billion-dollar fund with no accountability. And that in the hands of any government is very, very scary. “Trust us; we're the government,” right? Yeah.

Madam Chair, we've seen this with Bill 6 and now with Bill 20. The NDP fails to consult. It failed to consult farmers on Bill 6, and it failed to consult anyone on the carbon tax. You may have done the legwork before, a bit, but when the bill actually came out, you didn't put it back to the people to consult. If you did, that's sort of a breach of privilege because we just recently saw this, so I'd have some concerns there as well.

You didn't even consult your own Finance department to come up with an economic impact study on this tax. So it's pretty clear, Madam Chair, that this NDP government will do what they want, without consulting anyone, whenever they want. Leaving this vague wording in the bill just gives the NDP further wiggle room to spend the money on anything that could be related to carbon emissions, absolutely anything. This is mind boggling. This is ridiculous, unworkable, wasteful government programs that we might see come down the pipe. No accountability. This amendment that has been proposed would prevent the NDP from using any of these new revenues to come up with ridiculous, unworkable schemes with carbon tax money. Let's be clear. Let's be honest. Let's be straightforward. That's what Albertans want to hear.

Instead, that money will be used for rebates to consumers, businesses, and communities that are hit hard and for tax credits that might offset some of the damage that this tax will do to the entire economy. This amendment would put money back in the pockets of Albertans.

Now, of course, we in the Wildrose have long maintained that lower income families will be hurt most by this tax. The rebate will not fix that scenario. They're the ones who wince at the gas pumps already right now. We talked about this earlier today. That extra \$10 increase for one bus pass this year has a significant impact on families. They're the ones who worry about their busing fees, and the NDP refuses to believe this. However, this amendment will lead to more money in poor families' pockets and less money in creating bureaucracy, creating red tape, and creating new government programs.

Unfortunately, what this amendment cannot do is to undo all the economic damage imposed by implementing a \$3 billion tax grab during a recession which has already caused many in Alberta to lose their jobs and their sources of income. I believe there's more to come once this is implemented. As I've said before and I'll say again: this is the wrong tax at the wrong time, Madam Chair.

As the Alberta NDP has noted, Alberta is not the only place with a proposed carbon tax. B.C. has a carbon tax, as we all know. However, in a comparison between the two provinces B.C.'s tax is slightly easier to stomach because it does not allow for the creation of a massive government boondoggle with the carbon tax revenue. Now, why might this be? Well, first of all, B.C.'s carbon tax also only pulls about \$1 billion out of their economy, even with a bigger population, where ours will pull out closer to \$3 billion. Madam Chair, the part that is related to this amendment is the way they set theirs up to strictly guard against it being used to fund more government spending. That's extremely important not only to myself and my colleagues but to Albertans.

Now, this is probably because British Columbians had quite a lot of experience with NDP-funded government boondoggles back when the NDP was in power, in the 1990s. Any British Columbian could go on at great length about the waste and mismanagement that the B.C. NDP imposed on that province. It is no wonder that British Columbians sent them back to the political wilderness for a period that is now just over 15 years. And 18 years from now we will be saying the same thing.

One of the B.C. NDP's worst boondoggles was the fast ferries project. The B.C. NDP decided to speed up the crossing to and from Vancouver Island. In the process they managed to build new ships that were double the cost, years overdue, and were so unreliable and difficult to load with vehicles that any gains made by a faster crossing were negated. Even an NDP government minister called the ferries a failed experiment. We can stop this before you have to come back and admit to the failed experiment. What this B.C. NDP minister neglected to add was that the NDP's risky experiment had cost the taxpayers of B.C. literally hundreds of millions of dollars. Just think of all the other wonderful programming that we could finance with that kind of money.

8:40

Alberta is facing a \$10.4 billion deficit right now thanks to the NDP government. What Alberta does not have the money to do is to create a green slush fund that will go into funding risky NDP experiments. I don't want to see my province in that state, Madam Chair. We've seen how the NDP experiments end in other provinces right across this country: millions of dollars wasted, stuff that doesn't work, cost overruns, work delays. I could go on and on and on.

This amendment will ensure that money from the ill-conceived, ill-thought-out, and ill-timed carbon tax will at least make its way back to Albertans in some way, shape, or form and not to the government or those with a so-called NDP mindset or world view. This will not make the tax good, as has been documented extensively by our members here in the Official Opposition. Imposing a regressive \$3 billion carbon tax during a recession is one of the most foolish things anyone could do right now. This amendment is a good amendment in that it could at least protect taxpayers from the fast ferries, like the B.C. NDP's boondoggle, using carbon tax money. We may save Albertans one NDP misstep with this amendment, and that's what the goal of this amendment is.

Madam Chair, I support this amendment. I urge all members in the House to support this amendment. Let's make this the best this scenario could possibly be. It's okay to accept an amendment in this House from a nongovernment member. It's a good amendment. I certainly think this side of the House is likely in agreement with this amendment, so you would have the support there.

This is a very damaging tax in front of us, that hasn't had any studies. There have been no economic impact studies. It's going to be really hard for the government members and all members of this House to lend a shoulder to cry on to our constituents, Madam Chair, when they're not going to be able to afford to live in Alberta, and that's for the ones that choose to stay. I really hope people do. I really hope that Albertans stay here and hold on and stand up and have their voices heard. I hope that representatives are listening to their constituents as we were all elected to do, as we all promised to do when we got elected. The constituents in Airdrie are certainly telling me: "We do not want this carbon tax. We cannot afford this carbon tax. It will hurt us extensively. Here's exactly how this is going to impact my company, my industry. My employer has already said that this is what's coming down the line, so expect some cutbacks."

This is very, very dangerous, and perhaps with this amendment to make it revenue neutral, we can achieve both goals of being responsible for our environment and being responsible to the people that live in this province. I urge all members of this House to read it, to ask questions, to maybe answer some questions. I mean, I certainly have some concerns about the direction of the carbon tax funds. Where are these going? We don't know.

We know that the NDP government is an ideological government. Right across this country they have played games with taxpayer dollars, have failed over and over and over again, and now we have this problem here. Maybe, Madam Chair, this NDP government is just a little bit better than the other ones. Maybe they're a little bit better. [interjections]

You know, some on the government side say that they don't support the Leap Manifesto, that was passed by their party. Some. Some may say that only two of their members may have actually spoken out against it publically when they had the opportunity in front of their members. [interjections] Some may say that it's a little bit – you can see why I have issues trusting this government, Madam Chair, and trusting that this government will actually use the carbon tax dollars for the greater good . . .

The Chair: Hon. members, the hon. Member for Airdrie has the floor, please.

Mrs. Pitt: Thank you, Madam Chair.

I was just saying that it's hard to trust a government that passed the Leap Manifesto, which very clearly goes against the economic driving force in this province, yet this bill says: "Don't worry. We're the government; trust us. We're going to do great things with these dollars, with these hard-earned dollars. It's okay if some jobs

are lost. It's okay if some people take pay cuts, you know. Don't worry. We're going to be really responsible with this, but we're not going to tell you what we're going to do with this."

This amendment offers an opportunity for the \$3 billion to not only offset the carbon footprint but to not harm the people as much as it would without an amendment like this. It's extremely important, when we create pieces of legislation, that we thoughtfully debate, and this is what this is about. This is about me trying to change your mind, you trying to change my mind. I haven't heard anything other than a very one-sided argument from the NDP government, which doesn't involve any impact on the people that it absolutely will impact.

I have a hard time understanding why we can't achieve both goals, why we can't be proper stewards of our environment and proper stewards of the taxpayer purse. I just don't understand why we can't do both. This amendment offers that opportunity to make this bill a little less worse than it is but to come to a middle ground. I kind of think that's what our constituents would say to us, too; don't you think? Oh, wait. They have. "Find a middle ground. Work with the government. We should work together. We should get things done for the betterment of people."

Madam Chair, I feel like this government just doesn't care. They don't care about the constituents of mine in Airdrie. Airdrie feels like this government just doesn't care. They are really hurt by the implications of this carbon tax. Just today I was messaging with a friend of mine who works at a trucking company, which has gone very, very lean right now already. They're at barebones staff. She said, "We are just calculating the impacts of this carbon tax, and I'm scared. I am the only administrative staff left, and I may not have a job in 2017." I'm not quite sure who else is hiring at this point. Coupled with so many ideological policies from this government, there are not very many avenues to go.

This amendment offers the opportunity to make this bill just a little less worse. Until this government can show an economic impact study on the price of this carbon tax, I really feel that this should be put on hold. This government has no evidence of the impact that it will have on people, that it will have on the economy. It is irresponsible of any government to do something so significant but fail to produce any evidence.

I am not fearmongering, Madam Chair, like the NDP government claims this side to be. You hear that. They don't know what else to do because they can't produce any evidence on the impact of this carbon tax on the people, so they're scared. I think they're going to be a little bit upset when their constituents start talking to them and they can actually hear them. They will understand the impact on people's lives, people's families, people's children, and the generations to come. I am very concerned.

8:50

I would actually encourage the government to let this House know what their constituents have been saying about the economic impact on their lives. That is the side of the conversation that this government has yet to answer ever, and it's so disheartening. Like I said earlier, Madam Chair, this NDP government was perceived to be the government that really, truly cared about people in all ways, shapes, and forms, and this is the kind of bill that goes against all of that.

Things are tight. Budgets are tight. I don't know if you know what it's like to barely make ends meet and know what an extra \$20, \$50, \$100 is, know what an extra \$1,000, \$2,000 is, what kind of impact that has on your yearly budget. You will never catch up. You will never make ends meet. There are many people in those situations here today that are getting worse because this mess isn't stopping. This train wreck appears to have no end.

Let's throw Albertans a bone. Let's make this a revenue-neutral tax. This is extremely important to consider. Think about it, listen – I don't know – maybe open your minds because this is very serious stuff. We cannot be doing experiments on our province.

I urge all members of this House . . .

The Chair: I recognize the hon. Member for Edmonton-South West, followed by Vermilion-Lloydminster.

Mr. Dang: Thank you, Madam Chair. I do want to get some things straight here. Some hon. members introduced amendments, and I think there are some misconceptions about what's going on here. When we look at this amendment, it says: "The revenue from the carbon levy may only be used" for certain means. What this does is that it fundamentally changes what we are trying to do with this bill. This bill is something that has come out of a report, that has been through extensive consultation processes, including over 25,000 submissions, over 920 people attending public open houses, and over 535 submissions from NGOs and industry. These ideas were all compiled and boiled down by renowned economists like Andrew Leach, people from the industry like Gordon Lambert, and people that have great economic expertise like Linda Coady.

When we look at this, Madam Chair, we can say that the plan that's presented here and the way in which it's being implemented is actually very tangible and very core to a very strong message. It's a very strong bill that's going to be able to accomplish a lot of things. I think what this amendment does is that it really takes away from this made-in-Alberta solution. It really takes away from all the very hard work that the climate leadership panel had generated with the report, and it takes away from the revenue recycling that we're going to be seeing being done through the existing programs that are in the bill.

We know that we're going to be creating over 3,000 jobs by investments of over \$6.2 billion in the economy. Madam Chair, \$3.4 billion of that is going to be for large-scale renewable energy resources, bioenergy and technologies; \$2.2 billion of that is going to be for green infrastructure like transit opportunities across the province; and \$645 million of that money is going to be for energy efficiency corporations over the next five years.

When we look at all these things as a whole and the revenue recycling that's going in, this amendment would really take away from our ability to do that, take away from the government's ability to really invest in the economy and create those 3,000 jobs we're talking about for Albertans. We're talking about something that really fundamentally changes how we're approaching the issue, how we're approaching climate change and using the levy as a way to diversify our economy, as a way to move forward in a meaningful way on climate change in a thoughtful and carefully thought-out way that we see. There were experts from the economy, there were experts from industry, there were experts from NGOs. Madam Chair, there was quite a significant amount of consultation and development that went into this legislation. There was quite a significant amount of consultation.

When we look at all these things together, we say that absolutely we agree with, for example, Canada's Ecofiscal Commission, who uses the term "revenue recycling" quite extensively because we know that the term "revenue recycling" really does mean that we are spending that money back into Alberta's economy. That's the number one thing we want to talk about when we speak about the Climate Leadership Implementation Act. It's that this money that we are collecting from the levy is absolutely going to be spent into our economy. It's going to develop our environment, it's going to develop our industry, and it's going to develop and work with our partners. That's why we have endorsements from people like the

concrete associations and endorsements from people like Jack Mintz, who are talking about how a carbon levy, when you're looking at large investments in Alberta, is absolutely something that you want because it's a fixed price that we know about going forward in the future.

Madam Chair, what this amendment would do is take away a lot of those assurances. What this amendment would do is take away a lot of the ability for us to plan for the long term as a government, to ensure that there are these reliable, renewable technologies being invested in, to ensure that we are supporting Albertans by doing things like investing in the energy efficiency corporation. It would take away from our ability to ensure that we are rebating to two-thirds of Albertans. Sixty per cent will be receiving a full or greater than full rebate, and up to 66 per cent of people will be receiving a partial rebate.

Madam Chair, it's very important that we are able to do all these investments and we are able to do all these things to help Albertans across the board in a very dynamic manner as we move forward with this legislation and move forward with things like working on performance standards and whatnot. What this amendment does is take away government's ability to do that. I think that would be detrimental to all members of this House if we took away the ability to invest in our economy and took away the ability to really invest in diversification because, again, the Climate Leadership Implementation Act is absolutely something that's there to help improve Alberta's climate leadership and improve on Alberta's reputation internationally and get our product to market. But none of that's going to do anything for us if we can't use those funds to then invest into our economy.

Madam Chair, those investments are what is going to create a green market, a green economy, and green energy technologies that we can move forward with as we move forward with climate leadership. I think it's really important that we keep all these things in mind and we definitely shape the conversation and say that this amendment really does fundamentally change what the climate leadership plan would be able to accomplish. This amendment would take fundamentally away from what the climate leadership plan would be able to do with investments, would be able to do with the energy efficiency corporation, would take away from what the government would be able to do to help Albertan's lives, to help Alberta's reputation internationally, to help Albertans reduce their emissions and improve their health. What we're talking about here, quite frankly, is that this amendment is short-sighted and that we cannot move forward on the energy efficiency programs and on the green renewables programs that Albertans, frankly, want.

This is really important because if members across the way vote for this amendment, then what we're going to see is that the ability of the government to achieve what we have set out to do, which has been named internationally as a leader in climate change across the world – it's been referenced by the President of the United States of America. It's been referenced by the Prime Minister here in Canada. What this amendment would do would be to take away from all that hard work that's been done. It would take away from all the amazing opportunities, the awards that the government has received for social policy. It would take away from all these things. I know members across the way wouldn't want to impede the ability to invest in our economy and to create those diversified markets because we understand that we have to get off the revenue roller coaster of the traditional revenue streams.

I do want to boil it down to this. The program that the Climate Leadership Implementation Act has already does address all these issues through things like revenue recycling, diversifying the economy through investments, the Alberta energy efficiency corporation. All these things taken together cannot really be

possible with the amendment. I think the amendment doesn't necessarily address what this bill is actually trying to do, and for that reason, Madam Chair, I really do implore and I urge all my hon. colleagues from both sides of the aisle to please vote this down so that we can go forward with the great climate leadership programming that we're going to be rolling out this summer.

Thank you.

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

Dr. Starke: Well, thank you, Madam Chair. It's certainly a challenge to speak after the Member for Edmonton-South West, just the sheer youthful energy of his address, not to mention the words per minute that would rival any auctioneer at Alberta's many auction marts. I would like to thank him for his remarks, and I do appreciate his passion on the subject.

9:00

Madam Chair, if you would allow me just a minute or two, I would like to just say that I note that the Premier has arrived this evening, and I know that she spent . . . [interjections] I don't want to get two points of order in one day.

An Hon. Member: Go for four.

Dr. Starke: Go for four.

I do just want to say on behalf of the members of our party – I think I speak on behalf of all Albertans – that I know that she was in Fort McMurray earlier today, and I just want to thank her on behalf of all Albertans for her leadership. I said this, Madam Premier, in estimates, where, of course, you had to be absent. The Deputy Premier sat in very admirably on your behalf. Both yourself and the Leader of the Official Opposition have shown tremendous grace under fire, and I do appreciate that leadership. I know from some degree of personal experience, although I wasn't nearly as directly involved three years ago during the southern Alberta floods where, you know, Albertans truly did face another great crisis, that we can all be proud of all Albertans for the efforts that they made and the contributions from all Albertans. I thank you, Premier.

Madam Chair, I do want to move on to the discussion on the amendment here this evening, and I just want to make a couple of things very clear from the outset. I've not yet had the opportunity to speak on Bill 20, and it seems that when we make addresses on this particular issue, it has now become necessary to make a certain amount of a disclaimer statement or some sort of mea culpa statement at the beginning of our address. I want to say from the outset that as a person who has been involved very much in a scientific profession over the course of my career, I've looked at the evidence, and I believe that climate change is real. I think the scientific evidence is quite compelling in that direction.

You know, even when sometimes there's conflicting scientific evidence, I look at evidence from my own career, if I can beg the indulgence of the Assembly to hear one more boring veterinarian story. Where I see it, actually, which is kind of interesting, is that when I was in veterinary school in the late '70s, early '80s, one of the things that we were told quite frequently – believe it or not, it was on the subject of parasitology – was that in western Canada, because of our climate, there was a whole long list of parasites that we really didn't have to worry about because no self-respecting parasite would live in our climate because it was simply too cold and too dry and it just did not support the presence of many parasites. So there was a long list of diseases that we were told that we would likely never encounter, never experience, during the course of our professional careers if we practised somewhere in the

prairies of Alberta. That's where I spent my entire veterinary career, in Lloydminster.

But what I actually found in the course of 1983 to 2011 was a difference in the types of parasites and the distribution and the range of the parasites that we saw. I'll use one simple example, the simple dog flea. Now, fleas are a very common parasite, but they are not common in western Canada, or at least they didn't use to be common in western Canada. There was a time in the mid-80s where the only fleas I ever saw on a patient were on the two miserable chihuahuas that came every year to Lloydminster with the midway that came to the Lloydminster fair, and for one reason or another the lady from Texas that owned these two miserable chihuahuas brought them to see me every year. After they tried to bite me, I would have to pick the fleas off these two dogs. That wasn't necessarily really pleasant, but the owner came and sought veterinary assistance, so I provided that.

What's interesting is that that was the only patient at that time that I can ever remember seeing fleas on. We were told in school: "You won't see fleas in western Canada. You'll see them maybe in the lower mainland, but you won't see them in western Canada." Lo and behold, over the course of 30 years in veterinary practice we started seeing dogs with fleas. We saw it in farm dogs mostly, and we'd usually only see it in the late summer – August, September, maybe into October – and then once the first killing frost came, the fleas were gone. Then over time we saw more and more fleas. We saw it year-round. We saw it not just in farm dogs; we saw it in domestic indoor dogs. It's a concern because, of course, fleas cause a great deal of irritation and a lot of skin, dermatology problems. You know, I saw that.

It wasn't just fleas. There were a number of other things, but it was primarily in the field of parasitology. Given that parasites are very specific in terms of what kind of climatic conditions they can survive in and that I saw in a span of 28 years a difference in the parasites I was seeing, just from that, to me, at least from a veterinarian's standpoint, from a simple cow doctor from Lloydminster, climate change was something real.

That's my perspective on climate change. You know, I would really appreciate it if members during the course of this debate don't ever say that I doubt the science of climate change or anything like that.

The second part, of course, of the equation is anthropogenic climate change. What effect is man having on the overall climate change effect? Madam Chair, I'll suffice to say on that matter that, quite frankly, it is difficult to perhaps know exactly what the effects are. That exact answer probably won't be known until all of us are gone from this Earth. But the truth of the matter is that we can't afford to make the mistake that we might be wrong. What I mean by that is that we cannot afford to not take action because the consequences of doing that in case we're wrong are catastrophic. It behooves us as occupiers of this planet to take care of the planet.

You know, Madam Speaker, you would certainly remember this. In the '80s our greatest threat was the tensions at the conclusion or the waning years of the Cold War. There were days that, literally, I would go to bed wondering if we would wake up only to find that the big one had started. There was so much tension between the United States and the Soviet Union in the days of Yuri Andropov and Ronald Reagan, and we wondered if that would be what finally put an end to our Earth. Thankfully, that never happened, and we backed away from midnight on the doomsday clock.

But now a new threat is on our planet. Quite frankly, that threat is not a global war threat. I believe that that has waned somewhat. I think the greatest threat that our planet as a whole faces right now is an environmental threat. We aren't going to bomb ourselves off

this planet; we're going to poison the planet to a point that the planet will no longer be habitable. So it does behoove us all to take the kinds of measures that we can that will make a difference, to try to go about making a difference in climate change. I'm not against the idea of trying to do something positive to address climate change. You know? This is perhaps where the greatest divergence is: what can you do, what is the most effective way to do it, and what is a way to do it that will work?

Now, the government has presented a plan. This is clearly a plan that, you know, came about as a result of the Leach report, which really was a well-done overall report. Lots of consultation, lots of input, certainly.

In terms of the four major tenets we can debate on some of them. Certainly, one that I have absolutely no debate on is to reduce the production and venting of methane. Methane is 27 times more potent a greenhouse gas than carbon dioxide. Quite frankly, we have to address issues like flaring, like venting. We are a petroleum producer. Quite frankly, I think we almost have to put more of an emphasis on methane reduction, especially as it relates to our oil and gas production in this province. I believe that that would make a huge difference in terms of our contribution overall to greenhouse gases. I know that people in my constituency that work in the oil and gas industry are frustrated that we are not doing more about the venting of waste gases.

You know, we got rid of flaring – I get that, and I understand that – but replacing flaring with venting is . . .

An Hon. Member: It would make it worse.

Dr. Starke: Well, in many ways you're absolutely right. In fact, our local gas utility in the county of Vermilion River won an ecological award for devising a system whereby vent gases could be collected and actually are used to provide heating, natural gas, to a hamlet in my constituency. Now, it's a very small hamlet, not a large population. But that was something that they did, and, you know, clearly, they feel that that's something that could and should be done on a larger scale. I'm pleased with that aspect of it.

9:10

This amendment specifically addresses the revenue neutrality. This is something that is talked about early in the budget, early in the government's fiscal plan. On page 6 there's a breakdown of the carbon levy. I'll call it a levy because that's what it says here. You know, we can call it whatever we want. That levy is scheduled to collect \$8.7 billion in net revenue. Now, I will note and I have to confess that I find it a little bit amusing that the adjustment in the small-business tax from 3 to 2 per cent is taken out against the levy. I find that rather interesting because, really, how that all of a sudden became part of the overall climate leadership plan, I'm not entirely certain.

The other thing I'll just say parenthetically that I find curious and interesting is that when the small-business tax was cut from 3 to 2 per cent, the government is very proud of saying that that is a 33 per cent tax cut, which, you know, certainly it is. But when you increase corporate taxes from 10 to 12 per cent, which is a 20 per cent increase, you call that a 2 per cent increase. [interjections] No, I'm not going to suggest anything about the relative difficulty of mathematics. That can get us into trouble.

When you increase the corporate tax from 10 to 12 per cent, that's not a 2 per cent increase; that's a 12 per cent increase.

Mr. MacIntyre: Twenty.

Dr. Starke: Twenty per cent increase. Sorry. Get that right. When you increase the highest margin of personal income tax from 10 to

15 per cent, that's not a 5 per cent increase; that's a 50 per cent increase. Let's make sure that when we're talking about these things, we get the math the same way both directions. It may be attractive to talk about a 33 per cent tax cut. I understand that, and that math is quite correct. But if you're going to talk about a 33 per cent tax cut, you'd better talk about a 20 per cent tax increase, because that's what it is.

As we move in to the breakdown on the climate leadership plan, I note that 71 per cent of the spending on the \$8.7 billion that's going to be collected over the next five years goes into very vague and very undefined spending like Green Infrastructure (Capital). Some \$3.4 billion over the next five years is going into something called Other Investment. Madam Chair, that, quite frankly, is not good enough for Albertans. That level of detail is not good enough.

You know, \$3.4 billion here is very close to the amount – if you go to page 50 of this document, all of the spending on all health care facilities capital for the next five years in the province is a total of \$3.473 billion. When I tell constituents that something called Other Investment is going to have the same amount of spending over the next five years, funded through the carbon levy, as all of the health care facilities in the province for the next five years, people are angry. If nothing else, they want to know what exactly is going to be bought with this Other Investment.

The list of capital projects in the capital plan is very well laid out on page 50, all of the different community hospitals and clinics and that sort of thing. It's well laid out, yet Other Investment is all we get. Other Investment. Those are the kinds of, if you want, vagaries that create a great deal of concern. That is why, as my friend the hon. Member for Calgary-Hays has moved, we believe that instead of placing all of these funds and all of this money into the hands of the government when it has been so poorly laid out, so poorly characterized, it is important that this levy be truly revenue neutral, as it has been in British Columbia. It has allowed for meaningful reductions in their consumption of fossil fuels. That surely must be the goal of this government.

I would urge members, therefore, to support this amendment. Thank you, Madam Chair.

The Chair: Any other speakers to amendment A1?

Mr. MacIntyre: Well, Madam Chair, I rise tonight on behalf of the wonderful people of the magnificent riding of Innisfail-Sylvan Lake to speak in favour of this amendment put forward by the hon. Member for Calgary-South East although I am going to bring up one issue that I do have with it. But I'm willing to overlook this one issue that I do have with it. If we just read briefly the amendment:

the revenue from the carbon levy may only be used to provide rebates or adjustments related to the carbon levy to consumers, businesses and communities, including adjustments in the form of tax credits or tax rate reductions.

I take issue with the issue of tax credits, Madam Chair. Generally speaking, tax credits only get applied against profit for businesses. As you know, at least as I hope all the hon. members know, profit is going to be scarce this year and next year and probably the year after that. So offering a tax credit to a company that actually can't use that tax credit because, frankly, they have no profit anyway is really a moot point to them. It's not that attractive, and it's not going to accomplish anything for those small and medium-sized enterprises. So that's the issue that I have with tax credits as being any form of incentive for anything to do with this particular amendment.

Now, if we all think back to when this government rolled out their first discussions, I'll say, on their climate leadership plan, they were using the term "revenue neutral," and it's been pointed out in this

House on numerous occasions just how false that statement really was, that, in fact, there was nothing revenue neutral about it. I find it kind of interesting that the hon. member who was speaking earlier here so passionately was saying that this amendment was short sighted.

This amendment is an attempt to take this bill and move it as close as can be had toward being revenue neutral. It can't get this bill all the way there because, really, frankly, if you read the bill through and you have a look at it from the point of view of, say, a chartered management accountant that might look at it – I've talked to some of the stakeholders out there in industry that have read through this bill. Their financial experts have read through it, and we've talked about it at length. Frankly, in my opinion and in their opinion there isn't any way to get this bill all the way towards revenue neutrality without actually gutting it completely, just taking it from the title and reworking the whole thing, you know, kind of like a car that's just beyond repair: just jack up the horn and put a new car under it.

This amendment tries to get us there, towards revenue neutrality. Now, the hon. member that was speaking so passionately earlier was talking about how short sighted this amendment was, yet there have been members on the opposite side, ministers on the opposite side that are pointing to B.C. and their carbon tax as something laudable. The reason it's laudable is because it is revenue neutral. I don't quite understand why the hon. member would be so passionate in calling this amendment short sighted when it's trying to get this bill towards revenue neutrality, which is what we were told we were going to have at the very onset of this conversation many months ago.

Another issue that I have, which was raised already by the hon. Member for Vermilion-Lloydminster, is regarding the \$3.4 billion on the Other list, that it is a big empty box with a \$3.4 billion price tag on it. Unfortunately, the way things are going, this government can put anything in that box they want to once the legislation is passed.

9:20

You know, the good people of Innisfail-Sylvan Lake are a little bit concerned that this government can put \$3.4 billion earmarked towards a box named Other, but they can't seem to find a nickel for an urgently needed urgent care facility in Sylvan Lake. They're concerned about the health of Albertans, shutting down all these coal plants under the excuse, "Well, we're going to save hundreds and hundreds and hundreds of lives," but they can't find a nickel to put an urgent care facility in a community that's just about 22,000 people, a community that has 700,000 to 900,000 tourists coming through it every year.

This government claims that, you know, we're going to saddle Albertans with a multibillion-dollar carbon tax in the name of health. Frankly, that's rather hypocritical, in my opinion, Madam Chair, when we can't come up with – and the ask this year, by the way, for the urgent care committee in Sylvan Lake was \$200,000. That was it, \$200,000. Yet we've got a box marked Other that's going to get \$3.4 billion. And this government is crying the blues to the good people of Sylvan Lake that they can't afford \$200,000.

For goodness' sake, Madam Chair, this government spent \$700,000 advertising the previous failed budget, the one they ended up having to turf after four months; another \$700,000 advertising the climate action plan; and another \$700,000 advertising this last budget. That's \$2.1 million on propaganda, but they can't afford to give the good people of Sylvan Lake \$200,000 for an urgently needed health facility, yet we've got this carbon tax in the name of health. Where exactly are your priorities? This does not compute. It does not compute.

Now, as I said, I support this amendment. And I want to also make it clear that our impassioned colleague across the way – and I'm sorry; I forget what riding he's from . . .

Some Hon. Members: Edmonton-South West.

Mr. MacIntyre: Edmonton-South West.

. . . was going on and on and on at length about the climate action plan and how the climate action plan was some sort of an economic assessment. It reveals the hon. member's lack of understanding about what an economic assessment really looks like. The climate action plan is a high-level, almost philosophical document, and that's fine. There were a great deal of people that had a lot of submissions to the panel, but a lot of people making submissions to the panel does not mean that a lot of people's submissions got into the panel's report.

I should also point out that there are elements within the climate panel's report, that this government continues to say is the foundation of Bill 20, that this government is ignoring. Ignoring. For example, I have just a piece of it here on – here we go.

An Hon. Member: Do you want me to get IT?

Mr. MacIntyre: Well, we'll see how it goes first.

It says:

Without our proposed consumer credits in place, the average Alberta household would likely see additional costs of approximately \$40/month in 2018, rising to \$80/month in 2030 assuming increases. Energy efficiency incentives and financing can reduce consumer energy bills, and programs can be tailored for the distinct needs of low-income households. However, these programs will not provide a sufficient counteraction to the new costs imposed on Albertans. Because of this, we propose a consumer rebate to households in the bottom 60% of income which would be sufficient to offset the impact of carbon pricing on them, which we recommend to be provided via a twice-yearly consumer credit. We also recommend that the government examine means to similarly protect the most impacted small and medium-sized business through similar mechanisms.

It's interesting to note, Madam Chair, that we heard earlier from an hon. member across the aisle that these rebates to low-income families were actually only partial when the climate action panel clearly said that they need to fully offset the impact of the carbon tax. This government is not even following the advice of the experts that they tout repeatedly as being the authors of a report that is the backbone of Bill 20. Nothing could be further from the truth.

The climate action panel laid out a plan, but Bill 20 is not a plan other than a tax plan. That is all it is, a tax plan. Read the table of contents, read through that bill, and what do you see? Taxes, how to collect the taxes, how to apply the taxes, how to punish people who don't pay the taxes. On and on it goes, without any GHG mitigation strategy contained within it whatsoever. To adamantly claim repeatedly that somehow the climate action panel's report lies at the backbone of Bill 20 is a myth, and it's continually being perpetuated by people who either have not read it or don't understand what it has to say.

Mr. Strankman: Can't connect the dots.

Mr. MacIntyre: Cannot connect the dots. Good one.

In addition, we had this government the other day telling Albertans that indirect costs as a result of the carbon tax – and please correct me if I'm wrong – were, I believe, between \$75 and \$100 a year. Well, news flash: the climate action panel said that \$40 to \$80 a month – \$40 to \$80 a month – was going to be the impact.

In addition to that, even if the government's numbers are correct – they are not. But let's just assume for a moment that their \$100 a year in indirect costs is a correct figure. Well, let's just look at that. I believe the city of Calgary has already released numbers – oh, it's got to be even a month ago already now – as to the increases in property taxes. Then we had a couple of school boards releasing numbers as to the increased cost of transportation, broken down on a per-student basis. Just those two figures, Madam Chair, eat up that hundred bucks, and that doesn't include the indirect costs we are going to be facing for food and everything else that we consume, that we produce in this province.

Those figures of \$50 or \$75 or \$100 per year as being the indirect costs to Albertans is another myth being perpetuated by a government that hasn't taken the time and refuses to take the time to actually do an economic impact assessment of the full impact of this carbon tax on every sector in our province and every demographic within our province. That is shameful, that is irresponsible, and it is intellectually lazy on the part of a government to do something like that to our people without going through the process of determining what it's actually going to cost us.

They claim they're going to pull in about \$3 billion out of this thing. Well, we've got – what? – about a million families in this province. Just do the math. Do the math. It's a whole lot more than some \$400 or \$800 or even \$1,000 per family. It's thousands of dollars.

In addition to that, there are what are called lost opportunity costs. Some of those who've taken maybe some basic economics over there understand what I'm talking about, lost opportunity costs. We are going to have some other social costs that are going to be a result of this such as raised unemployment levels. We already tabled in this House two letters from school boards who informed the Minister of Education clearly – clearly – that the carbon tax is going to impact the transportation and facility costs to such an extent that it's going to impact the learning environment in the classroom through reduced staffing levels.

9:30

The carbon tax has now been connected to job loss directly, something that this government continues to claim will not happen. They are the great savior of front-line workers. They are the bastion of teachers and nurses, yet here we have a carbon tax from this government clearly impacting front-line workers. Educational assistants in the classrooms are going to be suffering job loss or cutbacks in hours because the school boards aren't going to have the money. They're instead paying carbon tax back to this government. It's shameful.

This amendment, frankly, in my opinion, doesn't go far enough, and I'm not sure that any single amendment possibly could improve this bill to the point that it needs to be improved. The best improvement for Bill 20 would be to send it to the shredder, frankly, but of course that isn't going to happen. This government has an agenda, and they intend on following through with that agenda roughshod over the people of Alberta whether they want this thing or not.

I am mindful of a poll recently taken. Granted, it was an online poll. Nevertheless, it was a poll, and this government hasn't conducted one of their own as an independent poll to counter it or refute it. That poll indicated that well over 60 per cent – I believe it was 68 per cent; correct me if I'm wrong – of Albertans are not in favour of a carbon tax. They're not in favour of a provincial sales tax by some other name. Albertans never have been. It's, I think, part of our DNA to be tax averse. However, here we are, debating this thing.

In short, Madam Chair, I support the hon. member's amendment. I would hope that all members will support this as we attempt

through amendments to make some kind of improvement to this terrible bill, and I will be voting in favour of this amendment.

I thank you for the time.

The Chair: The hon. Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Madam Chair. It gives me honour, too, to speak to this amendment, and I'd like to thank the Member for Calgary-South East for the opportunity to speak to a positive amendment, that we have in front of us. I believe that a majority of the Chamber should be supporting a positive move to this amendment. I think we can all agree that this a very important piece of legislation and it helps in many ways to make the lives of Albertans better. That's why we're here, to represent our constituents. That's why they've placed us in this Chamber and indeed in this room.

Unfortunately, this amendment is making our lives better only by reducing the harm of the legislation that it amends. What I'm saying is that this amendment only makes Bill 20 a little easier to swallow. There's a cartoon that's gone around that I've seen. It's kind of an interesting adaptation of what I'm talking about. There are two characters in the cartoon holding the piece of legislation. One says, "I don't think I can swallow this piece of legislation," and the other cartoon character says: "Well, you don't have to. It's a suppository."

Even amended this way, Madam Chair, Bill 20 places a burden on our economy and on Albertan families and especially on the most vulnerable people in our communities. This amendment strives to make it less burdensome. This amendment reduces the sting a little bit by enforcing a measure of revenue neutrality on a carbon tax. This ensures that the revenues collected from this new general tax are all returned to taxpayers and especially to those hardest hit and least able to afford it. This revenue will be returned, not simply recycled, a fancy, misleading way to say that it's spent. It will be returned to families struggling to make ends meet in this unfavorable economic environment that Albertans are now facing. It will be returned to charities seeing their operating costs soar. It will be returned to small businesses that want to help diversify our economy but increasingly can only barely stay afloat.

This bill is bringing in the wrong tax at the wrong time. If this amendment is passed, this will still be the wrong tax at the wrong time. A good friend of mine says that it is never the right time to do the wrong thing. If this is the only change we can make to this legislation, Madam Chair, at least it's a change for the better.

This carbon tax is only going to make things worse for Albertan families and businesses, punishing them while they're already struggling with increased costs of living and operating in our province. It will increase those costs of living more. The amendment will ensure that there is more relief to those who will need it most by dedicating all of the revenue collected to tax rebates and credits instead of just some of it. Previous speakers, Madam Chair, have efficiently and effectively described the methodology, how those inaccuracies will be affected.

This has been a pattern of the government, a consistent pattern to make things, in many Albertans' minds, worse, worse for Alberta families, worse for Alberta businesses, worse for Alberta communities, and in many cases worse for Alberta charities. The members opposite can rightly say that they have no control over the global price of oil or the intricate workings of the global economy, but no one has ever made the argument that they do. What this government does have control over is the legislation that they propose here in this House and, with that, the regulations that they implement outside of this Chamber. There are those with tools at their disposal. This is where they have been making things worse

and worse for all Albertans during an economic downturn. This amendment makes one of their policy proposals slightly less harmful.

I don't know whether it should be swallowed or used as a suppository, but they've done things to make things a lot worse already. The scheduled minimum wage hikes are making it even harder for businesses to make ends meet and for students and low-skill workers to find employment, even temporary or part-time. Corporate tax hikes are being passed on to employees, regular, hard-working Albertans, through wage stagnation or cuts, hiring freezes or layoffs. Increased tax and regulation costs to businesses are being passed on to consumers as well through increased prices on the goods that we buy. The hike in fuel taxes has everyone paying more at the pump.

Albertans would have to pay more and more all the time because of this government at a time when they simply can least afford it. Those least able to afford these new costs have to face them every day and exceedingly more, with the high levels of unemployment that we have in the province, Madam Chair. This bill threatens to increase costs on everything. It's making things worse, which, frankly, at this point is really no surprise for legislation coming from this government. Given this, the very least we can do here together is to let Albertan families and businesses know that their hard-earned money collected from them under this new tax will go back completely and unequivocally to Albertans and not to unaccountable initiatives, programs, and projects designated as Other.

This amendment ensures that all the revenue, not just some, is used to fund tax rebates or tax credits. It will ease the burden of the tax on everyday Albertans, the people we're supposed to be looking out for when and while we sit and work in this Chamber. This amendment still leaves the government with the ability and the flexibility to decide who receives a release from the tax. It ensures that more relief can be offered to more people or that those that need it most can receive even more than what the government had originally proposed. It simply removes the ability to divert revenues to new projects and initiatives that the friends and donors of the members opposite might prefer; in other words, Madam Chair, picking winners and losers. The government can't spend this revenue. It will be forced to focus on providing relief to the victims of this legislation – again I repeat: charities, families, school boards, greenhouses, small businesses – instead of giving unneeded subsidies to its special interests and corporate friends.

Let me again be crystal clear, Madam Chair. Bill 20 is meant to implement a tax that's wrong for Alberta at the worst time for Albertans. This amendment goes a little way to making it a little less harmful, and I hope and truly expect that members of the Assembly will support this amendment. It refocuses this tax on making the lives of all Albertans a little better, especially those who need the greatest help.

Thank you, Madam Chair.

9:40

The Chair: Any other hon. members wishing to speak to amendment A1? The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Chair. I rise to speak in favour of this amendment, amendment A1, to the Climate Leadership Implementation Act.

Madam Chair, I think that it's become pretty obvious that from our perspective on this side of the House we believe that this is a bad piece of legislation, the Climate Leadership Implementation Act, that this is bad because it is filled with clauses and sections that will tax an already weak economy and place burdens on consumers

and businesses and taxpayers and families across this province, because the taxes through a carbon tax on fuel, et cetera, make the price on everything more expensive.

While there's no way that we can support this carbon tax and this piece of legislation, I guess it is our duty to try and ensure that maybe we as the opposition can come together, convince the government to try to make this piece of legislation at least a little better.

I think back to a few weeks ago, when the government tried to place what I would characterize as a hostile amendment before this House and the hon. member down the way from me here had an unfortunate run-in with the Speaker and when this whole House was really not in a very good mood as a result of this hostile amendment. I would not want the government to consider this a hostile amendment. As a matter of fact, I believe that this amendment is a positive amendment, a friendly amendment, that this amendment actually attempts to take a piece of legislation that, from our perspective, is not positive and tries to make it a little better.

We would argue that any revenues that come from this carbon tax should be turned back towards Albertans, that it should be relatively neutral to the province and to the taxpayers and to the citizens of this great province. Taxing Albertans on the essentials of life simply to pad a government's slush fund is unacceptable, especially during a recession. We know that in this recession the citizens of Alberta need as much income in their pockets as possible.

I've stood up in this Assembly many times in the last few weeks explaining to the government just how significantly hard this recession has been on the citizens of Drayton Valley and Devon and in my constituency, the number of businesses that have shut down and have closed down, that we need at this time, rather than taking money out of the pockets of businesses, rather than taking the profits away from business, rather than making it harder on communities to be able to provide the services to the people of this province, rather than making it harder on families to be able to find the money for their mortgages, for their rents, to instead allow the people of this province to maintain and to keep the profits of their labour and to maintain the income that they need to survive.

In this amendment it asks that the revenue from the carbon levy be used only to provide rebates or adjustments related to the carbon levy to consumers, businesses, and communities, including adjustments in the form of tax credits or tax reductions. In other words, the money that is going to be coming in, that \$8.7 billion in funds collected by the carbon tax over, I believe, something like five years, that money that's being pulled out of the pockets of businesses and communities and consumers, Madam Chair, should be turned back into the pockets of these individuals in a way that would allow them to cover the costs they will be facing because of this carbon tax.

If you make it a revenue-neutral tax, then the citizens of this province would have a different view of this carbon tax than what they are presently telling me, which is that if this was a revenue-neutral carbon tax, they wouldn't be as concerned about those schools. They wouldn't be concerned about the transportation costs and the heating costs that schools are going to be facing and how those school boards, that they have elected, are going to be able to deal with the costs of this carbon levy, this carbon tax. They would be less concerned about the fuel costs that they are going to face.

Madam Chair, I don't know if the people on the government benches, that tend to come from the cities, are as concerned about this as my rural constituents are. In a rural constituency, where there is no bus service, where travelling to Edmonton costs a significant

amount of money, when you start piling on carbon taxes, 4.5 cents per litre coming up this January, when you start to place the kinds of taxes that we're going to be placing on diesel, that make it more difficult for the already struggling oil industry to travel across my constituency: these are serious concerns, Madam Chair.

We know that a truly revenue-neutral carbon levy, tax, and a Climate Leadership Implementation Act that is truly revenue neutral would probably have the support of the people of Alberta. Instead, we've heard so many of the hon. members talk about the increased costs that families are going to have. We've argued a little bit about what those costs are, but we know that at the end of the day they're going to be significant, especially in this time of recession. So we need to make sure that in this House we are seriously considering the costs that this tax and the Climate Leadership Implementation Act will place on the citizens of Alberta.

I was appreciative of hearing the hon. member in my caucus here talk about the lost opportunity costs and that idea that when you take money out of the equation and you spend it on one thing, there's a lost opportunity to have that money spent in another area of the economy. Rather than seeing it spent on teachers and aides and doctors and nurses, we're going to be seeing that this money is being placed into a general slush fund. Now, I don't know. That, I would think, would be of concern to the members across the way, but so far we haven't heard anything like that from their lips. We can see – well, at least for me; and I can speak only for me, but I think I can also speak for the members of the opposition – that the case of being able to try to maintain front-line workers in their positions is important.

And how we spend our money: we are going to have a \$10.4 billion deficit this year. It is going to be, I believe, by 2019 somewhere around \$60 billion. How are we going to be able to afford teachers and doctors and aides and nurses? Where is that money going to come from? You can only borrow so much. We know that this government has taken away the debt ceiling. Regardless of that, the economic facts are still there. You can only borrow so much money before it seriously begins to impact the economy of this province and the pocketbooks and the standard of living of the people of this province. If you want teachers in classrooms, if you want nurses in hospitals, if you don't want to see front-line cuts, then you'd better get control of your spending now, and you'd better make sure that the funds that are being accumulated by this government through revenues like the carbon tax are being spent wisely.

9:50

This amendment is asking us to ensure that the monies that we take in come back to businesses and communities and consumers in the form of tax credits or tax rate reductions, which would make it revenue neutral and which would then minimize the negative effect of this carbon tax and this Climate Leadership Implementation Act.

Now, there may be on occasion a place for the government to use some of our tax revenue for seed money, but I believe that one of the differences between our side of the House and the government side is that we believe that money is best left in the pockets of businesses and of private citizens, that it's better there than in the pockets of the government and expecting the government to use those funds to build and grow an economy.

On this side of the House we believe that private investment is what is going to build the economy of this province, not government investment. While there may be a place for some government investment, I think that anybody that is fair, who looks at a fair history of this province, can see that it's been private investment that has always, always been the engine of the economy of this

province. It's been the vehicle that has grown this province. It's been the hard work and the industriousness of Albertans and the wise choices they've made as businesses that have allowed them to invest their money and to create new technology that has grown this province.

Money that is left in the pockets of private Albertans, of private companies, will increase 10-fold the business climate and the investment climate in this province so that wealth is generated and wealth is created. I think that's a significant difference between how we view this province, how we see this province as being successful, and how a socialist, NDP point of view is in this province. I believe that we know and we have seen through the history of this province which has been better.

We just need to compare Saskatchewan to Alberta and the histories there. I think we can see, even though I believe that Saskatchewan is God's country and that Saskatchewan is the place of the greatest football team in the CFL, while there are many things of worth and of value from Saskatchewan, that one of the best choices we made in Alberta was diverting ourselves from the path of socialism towards that of private investment, private industry, capitalism, and a strong belief that that will grow a strong democracy.

Well, Madam Chair, we believe, then, that this amendment will make this bill a better bill and therefore this province a better province if this Legislative Assembly would choose to follow and vote in favour of this amendment. You know, I said that we believe that money left in the people's pockets for them to invest is better than giving it to the government to pick winners and losers. This green investment fund, that's going to have billions of dollars in it, is just a recipe for disaster.

Madam Chair, we can see that Albertans in private companies have invested their wealth into technology and into companies that have changed this province, where too often money left in the hands of bureaucrats within the government has simply left us with money that has been wasted and lost. Need we bring up for the members here the recollection of one entrepreneur who wanted the government to invest in Gainers and how that money was lost so very quickly? I'm sure that the members across the floor would support me on this idea that money that was invested by the government of the day into that individual and into that company was not in taxpayers' interest, was not within the interests of the citizens of Alberta, and should never have been done.

We can see, even if we go to the beginning of this province, Madam Chair, if we go all the way back to 1910, that there is a historical event that occurred in this province called the Alberta and Great Waterways Railway scandal. We can go back to one of the early Premiers of this province, a gentleman by the name of Alexander Cameron Rutherford. I think that those of you that have gone to the University of Alberta have heard of the Rutherford Library. We know that that name is a very prominent name in the history of this province. But Premier Alexander Cameron Rutherford was a Liberal. Now, I don't care if you're talking about a Progressive Conservative or a Liberal or even after 2019 the Premier of this province being Brian Jean of the Wildrose, okay? I don't care which political party is in power.

Some Hon. Members: Name.

Mr. Smith: Sorry. Sorry. The hon. Member for Fort McMurray-Conklin.

You know, really, it doesn't matter which political party you belong to. When a political party makes a mistake and starts to choose winners and losers and begins to invest in speculative practices, it's going to be a problem, Madam Chair.

What we've got with the Alexander Cameron Rutherford Liberals: they began to produce loan guarantees that exceeded the cost of the construction of the railway, loan guarantees that were never going to be able to be paid back, loan guarantees that had insufficient oversight. At the end of the day, because they had been so unwise in their investing, they fell as a government. This can be seen over and over again in Canadian history, and it is a lesson that we need to remember.

One of the earlier comments made by one of our opposition colleagues talked about the \$3.4 billion Other Investment line in the budget and questioned whether or not that was a good thing to have. You know, we need to consider how the monies of this government are going to be spent. We need to ensure that they are not being put into just general slush funds to be used at the discretion of this government or any other government. That is a bad practice regardless of the political party that you belong to.

You know, it's probably important that we stop for a second to figure out what we actually mean by a slush fund, and that's what our concern is, that the monies that are being set aside from this carbon tax are going into this big puddle of money that's going to be spent as a slush fund, an account that's used to buy influence and power, a fund that's used to bankroll the pet programs of the party in power. Political parties of all stripes, at all levels, have often been accused of setting up slush funds.

You know, for example, we are coming up to the 150th birthday of Canada. We are going to be celebrating that. In May 2015 the Conservative government federally set aside money and created the Canada 150 community infrastructure program. It sounds like a great idea. This government of the Conservatives set aside \$150 million for 1,800 communities across this country to have infrastructure projects built as a result of trying to celebrate the 150th anniversary of Canada. As they began to roll this program out, the opposition parties began to see that there were some problems. Number one was that the time to apply for this program was so short that many of the opposition constituencies did not seem to be able to get any kind of applications in to the program to be able to take advantage of that money.

Now, it was amazing that for some reason Conservative MPs didn't seem to have a problem. They had advance knowledge of this program, and their constituencies seemed to be able to be at an advantage over the opposition MPs'. You know, people were rightly skeptical of this program because they began to wonder why that was. That's the problem when you start to put out slush funds, monies that are supposedly targeted for certain programs but seem to have the ability to have strings attached and be used for the benefit of the government. Of course, that's one of the things that this amendment is trying to make sure doesn't happen. By making it revenue neutral, by having tax credits and tax rate reductions, we can see that it is even across the board. It can't be used for pet programs and for slush funds that create problems for government.

You know, it reminds me of another example, the Clinton Foundation, the monies that are famously abused and misused by . . .

10:00

The Chair: Any other hon. members wishing to speak to amendment A1? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Chair. I'd like to speak in favour of this amendment. Let's face it: this is a bad tax, and it's made even worse by bad timing. Obviously, the economy is suffering, and we have massive job losses in this province. This isn't helping. This is just going to make things worse. So there's no way that we can support this carbon tax. There's just absolutely no way. So what

we'd like to do is try to soften the impact to Albertans' pocketbooks. Now, the revenues from the carbon tax should be exclusively directed back towards Albertans, but that's not the case. The actual fact is that a lot of this money is going to end up in some sort of green slush fund with very vague directives on where it's going to be spent. This is taxing Albertans on everything that they do, everything that they buy. Everything in their life is going to be taxed by this carbon tax.

There's no clear definition in section 3(2)(a) of what these "initiatives" are. What we have is a tax bill here with no information on where it's going to go. The very vague wording in this bill lends itself to abuse automatically. Now, there could be some worthwhile projects, things like the retrofit programs, but these big companies won't even have an opportunity to take advantage of this because these retrofit programs have to be done by January 2017. These big companies don't have the means to change so much, even to make plans to change so much, and to find funding for these big changes before the term has expired on their opportunity to do it.

The government has broken trust with Albertans too many times. This is a tax that they never campaigned on, so how does the government expect Albertans to trust that the funds they collect from this tax will actually go into initiatives that won't spiral into cronyism and go into rewarding the NDP faithful? We've seen who they've hired, who they've given top jobs to, mostly from outside the province, actually, and that's a shame, Madam Chair. And when we talk about trust in this government, I think it's important to look back at Bill 18, where the government says one thing and does another.

Now, here is a quote from the now Minister of Education.

If we're not forced to absolutely maintain independence, we have a tendency to end up with the wrong people at the job, and things just turn out worse than we originally had intended.

Madam Chair, that's the Minister of Education talking about the previous government's bill to take AEMERA to an arm's-length organization. He goes on to say:

They approve a board who then appoints and reviews scientists. Any arm's-length or independent argument has to be attacked at this point. It's clearly an attempt to have control, then, of what the data and the endgame will actually be regarding the environment. We've seen problems with this already.

Now, the minister – we'll call him the minister of jobs, I guess. This is a quote from October 31, 2013.

We have a few suggestions for this bill, and there are a couple of concerns that I have, Mr. Speaker. First of all, we've been calling for an independent body . . .

Did you hear that, Madam Chair? This is the minister calling for an independent body, called AEMERA, and now, of course, the government has taken it back in. There's been a pretty dramatic change in this minister's opinion over the years. Actually, it's only three years. In fact, since it's October 31, it's probably only two and a half years. He's all of a sudden decided, in the two and a half years since his government came into power, that they don't want an independent body for AEMERA.

He goes on to say:

. . . a body that's arm's length from the government, to be able to make decisions that are completely free from political interference.

This completely contradicts what this government just did and what that minister supported. This calls into question trust, the trust of Albertans.

Now, he goes on to say:

The challenge with this bill at the moment, with the way it's written, is that it's not going to be an independent, arm's-length body making these decisions. We're relying on the minister to

appoint people to this process or to this agency who will then select the scientists to participate.”

Well, this Bill 18, that they just passed, did that exact same thing. Here he is complaining about the minister having control over who to appoint, and what did they just do? They passed a bill where the minister appoints everybody.

The secondary challenge with that is: based on which credentials are these scientists going to be selected? How can Albertans be certain that they are independent, free thinking, and not influenced whatsoever by the very board that selected them?

Doesn't that sound familiar? [interjections] I think that sounds familiar.

The Chair: Hon. members, can we please keep the noise down a little bit? The hon. Member for Grande Prairie-Smoky has the floor.

Mr. Loewen: This government has just passed a bill and argued the exact opposite. The exact opposite.

This speaks to the problem of appointments, to begin with, in any capacity. When you don't have an independent arm's length, a distance between government and a body that they're selecting, questions arise, questions about judgment.

We raised those same concerns, questions about judgment. And this government, of course, in 2013 said one thing and in 2016 did the exact opposite, a complete flip-flop.

Going on:

Again, if we're trying to put forward legislation that will in fact monitor and protect our environment, then we need some distance.

Well, Madam Chair, they just removed all the distance, all of it. They asked for distance in 2013, and in 2016 hammered through a bill to bring everything right back into government.

It goes on to say:

If this government isn't forced to colour between the lines, then they appoint the wrong people for the job.

So here they are again saying one thing and doing another.

The caution here is that the bill provides authority to the minister to appoint board members, and we want to make sure that the people that are on this board represent all Albertans and not simply PC interests or friends or friends of friends.

Again, Madam Chair, a clear example of a minister of this government saying one thing when in opposition and doing the exact opposite when in government.

Now, I'll go back to the Minister of Education.

Further to this independence and transparency of the agency, the agency being seemingly still dependent on ESRD and government for allocating funding based on some unknown plan or formula: really, again, how could they, Mr. Speaker, be seen as moving forward?

So here he is complaining about the independence and transparency because it's being dependent on ESRD, and this government just passed a bill to bring the whole thing right back into ESRD.

Madam Chair, when this government does something and they wonder why Albertans don't have any trust, it's things like this, saying one thing and doing another over and over and over again. To quote Mark Twain, it's never the right time to do the wrong thing.

10:10

Madam Chair, the Member for Edmonton-South West has been fairly vocal in this debate, and it's always good to hear the members in the government actually get up and speak and say some things because it does give us lots of things to talk about. Now, I mentioned before that he talked about full and partial rebates. Of course, we know now that we'll be lucky to have partial rebates when we look at the full effect of this bill.

He talked about that the bill had been out for weeks. Of course, as I've already said, the bill has only been out for one week. I talked about Bill 1, three pages long. The flagship bill of this government, three pages, was on the Order Paper for 80 days from the time it was first introduced to the time it was actually passed. Now this bill: one week, over a hundred pages, and it's going to be pounded through.

Now, they talk about all the consultation they've done for Bill 20, but actually I don't know how much consultation they've been able to do in the last week. They went around the province talking about the Climate Leadership report, and that's great, but that's not Bill 20, Madam Chair.

I know that it doesn't matter who I talk to in Alberta and ask if they're concerned about the environment; everybody is concerned about the environment. Nobody wants to see poor air quality. Nobody wants to see dirty water. We're all concerned about the environment. We're all concerned about wildlife. We're all concerned about fish. We're concerned about all those things. There isn't any Albertan that I've ever talked to that's not concerned about those things. But the question is: does Bill 20 address any of these things? There are no standards in here. There's nothing in here to tell us what could be accomplished, what the goals are. It's all about taxes.

The intention of this amendment is clear. It's to make sure that the people of Alberta know where this money is being spent. But I think the intention of this bill is also clear: it's a tax. That's all it is, a tax. There's no plan here at all, Madam Chair.

Now, we did have some discussion earlier about the experts that looked at this bill. Of course, I would like to hear which experts looked at this bill. I don't want to talk about the Climate Leadership report but this bill itself. The Member for Edmonton-South West read a few quotes out of this Climate Leadership report. Of course, he cherry-picked a few sentences to take from it to make his points, and I guess that's his right. But I want to read a full paragraph, Madam Chair. I'll read this whole paragraph. There's no cherry-picking of sentences here. This is a full paragraph.

From the beginning, we've engaged with our elected officials.

From day one, our mandate was wide-open: what should Alberta do about climate change? No policy parameters, specific targets, or levels of ambition were imposed on us, with the exception of four areas for which we were asked to examine potential policy options: reduce emissions, improve energy efficiency, accelerate the phase out of coal, and increase the deployment of renewable power.

Now, that's the whole paragraph, Madam Chair. This is right out of the report. It says, "From the beginning, we've engaged with our elected officials." Well, I would like to find out which elected officials because these people never engaged with me. I don't know if anybody else on this side of the House was engaged on any of this with this committee that made this report. So which elected officials did they engage with? [interjection] Yes. Maybe with NDP elected officials. Maybe. I don't know. There are no names here. But we know who they didn't consult. They didn't consult with anybody on this side of the House. But, obviously, they were involved in communications with these elected officials right through the preparation of this report.

Now, it says, "From day one, our mandate was wide-open." The whole world, wide open: that's the mandate that they had. Then it says: "No policy parameters, specific targets, or levels of ambition were imposed on us," and then we get to the next part here, "with the exception of four areas." Oh, so all of a sudden we went from the whole world is our oyster here and we can go in and look at anything in the whole world, no policy parameters, except that we've got to keep to four areas, which are: "reduce emissions,"

great, “improve energy efficiency,” great, “accelerate the phase out of coal” – we’re getting smaller – “and increase the deployment of renewable power.” So we went from the whole world to getting narrowed right down.

Are we surprised that they came up with the idea to accelerate the phase-out of coal? Well, that was in their parameters; they had to. Increase the deployment of renewable power? Of course, they had to. We learn a lot when we read these documents, Madam Chair.

Now, I’ll go on to Bill 20 here, and I’ll just read a little bit about this: schedule 1, Climate Leadership Act, part 1, carbon levy on fuel, division 1, imposition of carbon levy. We had a discussion already about the word “levy.” We know what that word means. It means tax. That’s clearly the definition in any dictionary. A levy is a tax. It goes on here: carbon levy on certain fuels, carbon levy on fuel used by interjurisdictional carrier, carbon levy on locomotive diesel, carbon levy on aviation gas and aviation jet fuel, carbon levy on natural gas. Natural gas: that’s what everybody uses to heat their home in Alberta. I don’t know what the percentage is, but I know that an extremely high percentage of Albertans use natural gas to heat their homes. Then: carbon levy on miscellaneous fuels, carbon levy payable by direct remitter.

We’re talking about a Climate Leadership Act, Bill 20, and as we go through, all we see is tax, tax, tax, tax, tax. It talks about carbon levy exemption certificate, duty of vendor, licence for exemption, rebate of carbon levy, prohibited sale, prohibited use.

We get into part 2 of schedule 1, and it talks about assessments: assessment of carbon levy to be remitted, assessment of amount owing, assessment of penalties, effect of assessment, interest, liability of directors for failure to remit. Again, we just continue talking more and more about collecting taxes.

We go on to part 3. Listen to the title of part 3: Investigations, Enforcement and Offences. Does that sound like something about climate leadership? Enforcement and offences. Under part 3: authority to enter on land, general powers respecting inspections, authority to stop and inspect motor vehicles, copies of records, demand for records and property, offences and penalties re direct remitters, offences and penalties re vendors and retail dealers, offences and penalties re consumers, offences re documents and records, failure to file returns or maintain records, general offences and penalties. Penalties, searches, offences, authority to enter land: that’s part 3, Madam Chair.

Part 4, administrative provisions and regulations, again talks about records, security for amounts owing, limitation on prosecution, waiver or cancellation of penalties or interest, regulations.

10:20

We go on to part 5, transitional provisions, related amendments, and coming into force. Here we are. We’ve gone through schedule 1 just roughly. I haven’t covered all of them, but I don’t see anything about the environment here. I see lots about taxes, how they’re going to collect them and how they’re going to penalize anybody that doesn’t pay them and how they’re going to police this, but I don’t see anything about climate.

Now, if we go to schedule 2, Energy Efficiency Alberta Act . . .

The Chair: Any other hon. members wishing to speak to amendment A1? The hon. Member for Barrhead-Morinville-Westlock.

Mr. van Dijken: Thank you, Madam Chair. I’m pleased to be able to speak to amendment A1. In the midst of all my homework here, I’m digging to find the actual amendment, amendment A1, essentially recognizing that

the revenue from the carbon levy may only be used to provide rebates or adjustments related to the carbon levy to consumers,

businesses and communities, including adjustments in the form of tax credits or tax rate reductions.

I want to be clear. I believe that this is a bad tax, but one thing is for sure. We are implementing a new tax at a very bad time. If ever there was a time for this tax to actually be revenue neutral, it would be at this time. At a time in Alberta’s history when many, many families are struggling to make ends meet, when many businesses are struggling to stay afloat and to actually keep their businesses solvent, to introduce more expense to these institutions, to families, and to businesses at this time is not fair.

I believe that it’s critical, if we are headed down the road of a carbon tax, that we recognize – I believe the Member for Calgary-Elbow made very important points. In order for Albertans to buy into this new tax, this carbon tax, it needs to be recognized that they’re not necessarily wanting to put themselves at a disadvantage in their competitiveness in a global trade environment. By adding a new tax, another new tax, we will be adding to the costs of these businesses.

Many people don’t understand that to a business, tax is just another cash expense. This is a tax on consumers, and this is a tax on consumable products that businesses use to be able to run their operations. At the end of the year, when they do their annual report, they look at their total cash costs, their total fixed costs. These taxes are just another expense that they need to take out of their profits. So in order to stay solvent, they have to find a way to be able to pay these new taxes. Many businesses are going to very much have to try and pass those new taxes on to their consumers. Businesses have the option where they try to reduce the expenses that they have in their operation by possibly reducing the salaries that they’re paying to their employees. It just becomes very difficult to stay competitive when we have new taxes that are needing to be managed.

The amendment is speaking to the need to be revenue neutral, and it’s critical that this tax be only used to provide rebates or adjustments. To allow the carbon tax to do other things, it’s not revenue neutral. I guess we’re trying a new terminology about recycling revenue. The fact that this is a new tax that is going to be invested back, so the government says, into projects in Alberta does not make this tax revenue neutral. What it does is make it a tax that the government is taking out of the pockets of Albertans, out of the pockets of Alberta businesses and deciding what they’re going to do with the tax as opposed to allowing Albertans to decide what they will do with that money. If we were to make this truly revenue neutral, Albertans and Alberta businesses would be able to continue to revolve that money in our economy and continue to make wise decisions.

I spoke last week about a couple of government ventures out on the east coast with regard to boondoggles that were started by government, all sounding very good and all sounding like really good investments, but because they’re government operations – governments have a hard time recognizing when to step back and when to withdraw from poor investments, and they continue to put in good money after bad and make the situation even worse.

British Columbia has a carbon tax. I’m sure we all recognize that. But what British Columbia did was ensure that they did not damage their economy and their ability to compete by instituting a carbon tax, a new tax. They instituted a carbon tax with this very parameter, that all revenue would be put in place to provide rebates and adjustments.

When we look at the initial act, we have wording where revenues would be spent on “initiatives related to reducing emissions of greenhouse gases or supporting Alberta’s ability to adapt to climate change.” This is the problem. This is where we run into trouble with this tax. This is where I believe many Albertans will have difficulty accepting this tax. This is essentially an open door for the NDP

government to support those with an NDP world view through their slush fund, and we have no idea what the plans are there. We can see that this could easily turn into what could be considered a green crony fund, a green crony boondoggle. I would be very concerned if that's the direction this government is going. History would tell us that that is the direction we're liable to be going in. Governments have a very poor track record of investing in different initiatives.

10:30

We are headed down a path, I believe, that is going to lead us to investing in failed projects, sinking money into operations that have not had proper discovery on business viability and economic evaluations into their sustainability. We have to be very careful on how we move forward with this tax. If we don't get it right, as the Member for Calgary-Elbow mentioned, it will put a very foul taste in the mouths of Albertans, and there will be no appetite to ever discuss a carbon tax again.

So let's be sure that the carbon tax is truly revenue neutral so that it does less harm to all those small businesses out there struggling to make ends meet. Like we said previously, if a business is already struggling and we add another expense with a new tax, it is going to put them in a very difficult situation.

We need to take the time to hear from experts so that we can get a ruling on the revenue neutrality. The NDP turned down an opportunity in second reading to send it to committee so that the committee could essentially have discovery on revenue neutrality. I think they already know the answer to that, so they turned that idea down because they recognized that they are not following what would be considered good practice when instituting a carbon tax.

As it stands right now, Bill 20 creates this Energy Efficiency Alberta corporation, a whole new entity where we will be seeing a new board, more bureaucrats, more investigations into looking at opportunities. It's going to make grants, contributions, or loans or issue loan guarantees. It's there to raise awareness; promote, design, and deliver programs; promote the development of the energy efficiency services industry. Are these investments? When we take money out of the economy and use it towards promoting and educating, is that truly investments that will return back? I guess if we can find some way to make these projects that we're educating for and promoting be viable business opportunities, maybe we can recoup the money that we invest in them.

But if we have a situation where we are promoting, designing, granting money towards these types of discovery mechanisms only to find out that there is no business case available that would prove to us that this is a good investment and that it's going to have a good rate of return and be able to be sustainable and replace itself over time, I believe that we've then taken tax money out of an economy, and essentially it's gone. We've burned it. If we haven't had any kind of discovery that has allowed us to recognize business opportunities in these areas, we will get into a situation where we are just, again, wasting money.

I guess one thing: I do believe that many Albertans do not have any idea what this Energy Efficiency Alberta corporation really is. They would like to have a little more clear understanding as to what this NDP government is planning to do with many of these billions of dollars that come into their slush fund with no direction as to how they are going to spend it.

Apparently, other members have alluded to the fact that there is \$3.4 billion that is being earmarked to be spent under Other. I don't know about you, Madam Chair, but to me Other does not necessarily give me a real clear indication as to what that is. We have no idea on this side of the House. I'm not even sure if the government members have any idea as to what that \$3.4 billion that is being earmarked for Other is going to go towards. Are we

padding the pockets of those that would have the NDP world view, making sure that they're taken care of? Or are we actually truly investing in future sustainability, where all Albertans will be able to benefit from the money, the \$3.4 billion that this government wants to spend on Other? I'm not even sure that the government has any idea how large \$3.4 billion is. It seems like we toss around the word "billion" a lot these days. All I know is that it is an awful lot of money.

A concern I have many times, too, Madam Chair, is with regard to how this carbon tax is going to affect agricultural businesses. What are the agricultural businesses going to be able to do to try and offset some of these extra costs? We live in a northern climate. I spent many years raising hogs in the hog industry, and it was critical that we kept our facilities heated. We had a lot of electricity costs. At the end of the day we are in direct competition with other producers around the world, especially to the south of us, that are not faced with many of these costs. The natural gas that we burned in our facilities, in our boiler units, will now be going up in price. I'm concerned with the rate that it is going up.

Many livestock producers are burning coal, and we're going to see the rate of coal go up significantly. As of January 1, 2017, high-heat coal will have a carbon tax on it of \$44.37 per tonne. That's a significant increase when you take a look at what is going to be needed to heat their facilities. The time it will take to retrofit all of the facilities that possibly could retrofit to natural gas: will they be able to have that completed by January 1, 2017? I fear not.

So I would hope that this government would recognize the need to help to retrofit some of those operations, and possibly some of that money will come out of Other. I have no assurance that this government will use it to rebate agricultural producers. The government has made it fairly clear, unless they have a change of heart, that they will not even be rebating our schools and our hospitals and all these facilities that are funded with public dollars.

10:40

The Chair: Any other hon. members wishing to speak to amendment A1? The hon. Member for Battle River-Wainwright.

Mr. Taylor: Thank you, Madam Chair. I know it's a long night. Everybody kind of feels it, and I can see that you want to get out of here. Sorry. I'll try to keep it brief when I talk about this.

You know, we're talking about:

The revenue from the carbon tax levy may only be used . . .

- (b) to provide rates or adjustments related to the carbon levy to consumers, businesses and communities, including adjustments in the form of tax credits or tax rebate reductions.

It seems like, well, that certainly is a better step towards what's been going on, with what the bill has, because we have a slush fund that's being built. It's a slush fund of \$3.4 billion, where, frankly, we just don't know what that money is going to.

This carbon tax at the very best should only be revenue neutral. It should not be implemented at all at this time, but at best it should be revenue neutral so that the monies that come in go back out to other businesses or people or individuals, cycled right through the system to be used as a behaviour modification tool. That's what the intent of this is. But when you're taking in that much more money, what are you intending to use that money for, Madam Chair?

What I'm concerned about is that because this is not revenue neutral, you could be driving businesses right out of this province. That's a concern. I've had people that, frankly, ever since we've been talking about the taxes that we have – and this is just another one of those taxes, the way the government has been working here in the past while with their programs, their ideology on these items. They're leaving. I have people all over my riding that have just

picked up their businesses, moved them out, or they're just trying to sell. They're trying to get the best dollar. They're taking pennies on the dollar to get out because, frankly, they don't see a whole lot of hope.

Even if this government in three years is defeated, which I believe it will be, how much are we going to be in debt? Looking at Bill 10, that's going to cost we don't know how much money in debt, along with this carbon tax, along with all sorts of other programs and spending, a debt ceiling that has no limit to it, and we're into a position where people have no confidence. I'm hearing that day in and day out. I keep getting e-mails and letters, and they're expressing their concerns to me.

I'll pick up the phone, or on the weekends, when I have time off, I'll go over and visit places like Provost. I go to Irma. I go to Edgerton. I go to Bashaw, to Bawlf, to Ohaton, Ferintosh, Forestburg, any number of them, like Hardisty. Hardisty is a really good example. You know, they have a lot of oil that goes through that town. That town is a small town, probably 800 people, maybe a thousand. It's, like I say, a very small town. But the majority of the oil in this province flows through that town. It's got a tank farm there that's absolutely huge. It's a wonderful facility. If people think that oil is dirty, that it's unclean, you should come down to Hardisty. We can arrange a tour. Come down to Hardisty – I would be more than happy to work with that – and meet the people I know. You can go to the USD station, where they put the oil onto the trains to ship it out. They have the oil tank farm there holding literally hundreds of millions of barrels of oil. If you go around there, you cannot find any oil that's sitting on the ground. If they find something, they look after that.

You're trying to create a carbon tax that is kind of punitive to people that use it. Frankly, they've become very clean users of this carbon, the ones that are working with it, and they're very responsible. I'm very proud that we have these people in Alberta.

We've gone from a position where 20, 30 years ago people were much more sloppy. Oil was spilled on the ground. Nobody looked after it. Programs have been put in place, and rules and regulations have been put in place. Frankly, Madam Chair, they've made this environment so much cleaner, and it didn't take any punitive action to be able to do that. They were able to do that just through discussions with the oil companies. If you go around to businesses, they're responsible now for what they're doing.

Frankly, I find that homeowners have become much more consistent with being clean. As you get new homes, to reduce the carbon taxes, people are starting to put in high-efficiency furnaces. All you had to do was say that you cannot have these mid-efficiency furnaces. So any new build of a home or any replacement of a mid-efficiency furnace will have to go to a high-efficiency furnace. You're achieving carbon reductions, but you're achieving it not by putting in a carbon tax but by putting in measures that actually change the behaviour. I'd say that it's not punitive. It's just something that people have to go to in the future.

It's not been a problem. People have changed from single-pane windows to you know, nowadays dual-pane with argon-filled glass to triple-pane windows with sunscreen to ones that actually adjust. If the level of light that's coming in from the sun is coming in at such an angle because we're in the wintertime, you will actually be able to benefit from the heat coming off the sun. But when the sun is up at a certain angle, it actually deflects it, and it stops the sun from entering, so then it has a cooling effect. It, in fact, accomplishes two things, the glass itself.

You can have programs in place that accomplish what you want to do. You want to change the behaviour. You want to change the mindset. What we're saying is that we don't believe that you need to punish people, especially beyond what revenue neutrality is.

This is, again, what this bill talks about. It's making sure that it has a revenue-neutral kind of a base to it. It provides rebates or adjustments related to the carbon tax to consumers.

An Hon. Member: The amendment.

Mr. Taylor: The amendment. I said "bill." Thank you to my fellow member here beside me, who corrects me when I make mistakes like that.

We have \$3.4 billion to be used for environmental projects. We don't know where those projects are going.

10:50

Mr. MacIntyre: They're called others.

Mr. Taylor: They're called others. What does "others" mean?

Mr. MacIntyre: They're expensive.

Mr. Taylor: It sounds awfully expensive. You know, I once did a calculation, and I put loonies side by side all across Canada – a loonie is about an inch, or 25 millimetres, long – and you go not just across Canada, but you go across Canada and a half. You'd be looking at this thing five and a half times, a row of five and a half loonies going across Canada. It would be just an amazing number of loonies if you stacked them up high. I didn't do the calculation on that, but obviously if they were actually end to end, we're talking 6,000 or 8,000 miles going upwards. It's going to be huge. That's what we're talking about for this.

How is this going to diversify the economy? I was kind of curious. How will this diversify the economy by putting in this revenue tax? It would be very interesting to me to find out if there's any way that spending money would do that.

Right now we're in the enviable position of being one of the cleanest producers in the world, right here in Alberta. If you want to look at dirty oil, if you want to look at pollution, go to California, go to China, or go to India. Those places are dirty. You know, we have technologies here that are great. As it stands, I think that we should be working on using the technologies, using the information and the knowledge that we have, and exporting them out to the world. The world then can be a cleaner place.

Thank you.

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

The hon. Deputy Government House Leader.

Mr. Bilous: Madam Chair, I'm requesting unanimous consent for one-minute bells.

The Chair: Unfortunately, according to the standing orders in committee the first bell has to be 15 minutes, and then the next ones are one minute automatically. That's in committee, not the Assembly.

Any other hon. members wishing to speak to the amendment?

Seeing none, we'll call the question.

[Motion on amendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 10:53 p.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Anderson, W.

Gotfried

Strankman

Cooper	McIver	Taylor
Drysdale	Smith	van Dijken

[Motion carried]

[The Deputy Speaker in the chair]

Against the motion:

Anderson, S.	Feehan	McKitrick
Babcock	Fitzpatrick	Miller
Bilous	Goehring	Miranda
Carson	Gray	Nielsen
Ceci	Hinkley	Notley
Connolly	Horne	Rosendahl
Coolahan	Kazim	Schreiner
Cortes-Vargas	Kleinsteuber	Shepherd
Dach	Loyola	Sucha
Dang	Luff	Turner
Drever	Malkinson	Westhead
Eggen	McCuaig-Boyd	Woollard

The Deputy Speaker: The hon. Member for Calgary-Northern Hills.**Mr. Kleinsteuber:** Thank you, Madam Speaker. The Committee of the Whole has had under consideration a certain bill. The committee reports progress on the following bill: Bill 20. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.**The Deputy Speaker:** Having heard the report, does the Assembly concur in the report?**Hon. Members:** Aye.**The Deputy Speaker:** Any opposed? So ordered.

Totals: For – 9 Against – 36

[Motion on amendment A1 lost]

The Chair: The hon. Deputy Government House Leader.**11:10****Mr. Bilous:** Madam Chair, I move that we rise and report progress.**Mr. Bilous:** Madam Speaker, seeing the time and the progress we've made this evening and the camaraderie that's been shown in this House, I move that we adjourn until 9 tomorrow morning.

[Motion carried; the Assembly adjourned at 11:12 p.m.]

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