



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Monday evening, June 6, 2016

Day 39

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

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Anderson, Shaye, Leduc-Beaumont (ND)	Luff, Robyn, Calgary-East (ND)
Anderson, Wayne, Highwood (W)	MacIntyre, Donald, Innisfail-Sylvan Lake (W)
Babcock, Erin D., Stony Plain (ND)	Malkinson, Brian, Calgary-Currie (ND)
Barnes, Drew, Cypress-Medicine Hat (W)	Mason, Hon. Brian, Edmonton-Highlands-Norwood (ND), Government House Leader
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (ND), Deputy Government House Leader	McCuaig-Boyd, Hon. Margaret, Dunvegan-Central Peace-Notley (ND)
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Connolly, Michael R.D., Calgary-Hawkwood (ND)	Miller, Barb, Red Deer-South (ND)
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Dang, Thomas, Edmonton-South West (ND)	Panda, Prasad, Calgary-Foothills (W)
Drever, Deborah, Calgary-Bow (ND)	Payne, Hon. Brandy, Calgary-Acadia (ND)
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Feehan, Hon. Richard, Edmonton-Rutherford (ND)	Renaud, Marie F., St. Albert (ND)
Filtebrandt, Derek Gerhard, Strathmore-Brooks (W)	Rodney, Dave, Calgary-Lougheed (PC)
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Ganley, Hon. Kathleen T., Calgary-Buffalo (ND)	Schmidt, Hon. Marlin, Edmonton-Gold Bar (ND)
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Hunter, Grant R., Cardston-Taber-Warner (W)	Sucha, Graham, Calgary-Shaw (ND)
Jansen, Sandra, Calgary-North West (PC)	Swann, Dr. David, Calgary-Mountain View (AL)
Jean, Brian Michael, QC, Fort McMurray-Conklin (W), Leader of the Official Opposition	Taylor, Wes, Battle River-Wainwright (W)
Kazim, Anam, Calgary-Glenmore (ND)	Turner, Dr. A. Robert, Edmonton-Whitemud (ND)
Kleinsteuber, Jamie, Calgary-Northern Hills (ND)	van Dijken, Glenn, Barrhead-Morinville-Westlock (W)
Larivee, Hon. Danielle, Lesser Slave Lake (ND)	Westhead, Cameron, Banff-Cochrane (ND), Deputy Government Whip
Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND)	Woollard, Denise, Edmonton-Mill Creek (ND)
Loewen, Todd, Grande Prairie-Smoky (W)	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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Shannon Dean, Law Clerk and Director of House Services	Philip Massolin, Manager of Research and Committee Services	Chris Caughell, Assistant Sergeant-at-Arms
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		Janet Schwegel, Managing Editor of <i>Alberta Hansard</i>

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Christina Gray	Minister of Labour, Minister Responsible for Democratic Renewal
Danielle Larivee	Minister of Municipal Affairs
Brian Mason	Minister of Infrastructure, Minister of Transportation
Margaret McCuaig-Boyd	Minister of Energy
Stephanie V. McLean	Minister of Service Alberta, Minister of Status of Women
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Brandy Payne	Associate Minister of Health
Shannon Phillips	Minister of Environment and Parks, Minister Responsible for the Climate Change Office
Irfan Sabir	Minister of Human Services
Marlin Schmidt	Minister of Advanced Education
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Dang	Taylor
Ellis	Turner
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Standing Committee on Alberta's Economic Future

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Legislative Assembly of Alberta

7:30 p.m.

Monday, June 6, 2016

Government Bills and Orders Committee of the Whole

[Ms Sweet in the chair]

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

Bill 20 Climate Leadership Implementation Act

The Deputy Chair: The Committee of the Whole has under consideration amendment A7. Are there any members wishing to speak on the amendment? The Minister of Environment and Parks.

Ms Phillips: Yes. Thank you, Madam Chair. I'll just continue my thoughts from before 6 o'clock. I commend the hon. member for his interest in matters related to climate change and, certainly, matters related to governance, and I commend him for his attention to detail within the act. The fact is that performance measures are already contained within the business plan, and reporting on them is contained within the annual report, which comes out each June. All of those pieces, in addition to the budget estimates, are open to query by Members of the Legislative Assembly at budget estimates time and at Public Accounts. This will duplicate those efforts that already exist within legislation, potentially with unintended consequences.

Moreover, the matter of performance measures will inevitably have to do with GHG reduction targets. While we do know that the work ahead of us that is proposed by Dr. Leach and within the climate leadership panel certainly forecasts a reduction of greenhouse gas emissions in the near term, a bending of the curve, if you will, there are a number of pieces that remain outstanding on this matter of measuring and reporting on greenhouse gas emissions. What has happened in the last year within Canadian politics is that, of course, we've had a reinvigorated sense of understanding and urgency around climate change at the federal level, prompting the federal government to take a number of initiatives and make a number of commitments with the United Nations in Paris last November and December. With that will come a great deal of negotiation and a great deal of resources from the federal government, indeed.

There has already been one first ministers' meeting on this matter. There will be another one, I believe, in October and in the intervening period a Council of Ministers of the Environment meeting, Madam Chair, which will have an effect on both what the federal commitments are from a resources point of view and also what Canada's targets look like because, of course, the matter of targets is federal. That is another intervening factor that we want to make sure that we are weaving into our work here in Alberta. Having said that, we already have established our own climate leadership policies, and we think that they are certainly sufficient in terms of Alberta doing its fair share.

While I can appreciate the spirit of the amendment, I think that it is already contained within existing government of Alberta legislation, including, Madam Chair, querying and reporting upon the activities of the energy efficiency agency. Not unlike any other agency board and commission that reports to a minister, that information is contained within business plans and within annual reports.

With that, I shall close my remarks. Thank you.

The Deputy Chair: Thank you, hon. minister.

The hon. minister – or the hon. Member for Calgary-Elbow.

Mr. Clark: Close but not quite yet. Very soon, I'm sure. Three years max.

Madam Chair, I rise to support this amendment. I think this is precisely the sort of thing that would make Bill 20 so much stronger. As the minister knows, as the House knows, as I've said before, but it's important to say again, I support action on climate change in the province of Alberta. I believe climate change is real and human caused, and I believe, in principle, in a carbon tax as an important tool in the tool kit to achieve action on climate change.

It's very important that when we talk about transparency – there's this word that we throw around in this House on a regular basis, but what does that actually mean? What it means is that not only is the government taking action, not only is the government doing something, but it is seen to be done properly by Albertans, that for something as important as this we establish these performance measures.

I have a question for the minister. When you talk about the reporting that will be done within the annual report and within the business plans, will there in fact be a stand-alone annual report for the office of climate change, or will it be embedded within the Department of Environment and Parks? If so, will it in fact get the attention it deserves?

Now, I know, without question, that this file is of importance to your government and a focus for your government, but I have a very difficult time supporting a bill where I don't know what those performance measures are going to be. I don't know what Energy Efficiency Alberta is going to do with \$645 million. I would challenge the government to come up with those specific performance measures before you bring that bill to the House. It makes it very difficult for me to support a bill, although the principle of which, broadly speaking, I agree with, when my constituents come to me and say: "How is that money going to be spent? How is \$645 million over five years going to be spent? Is it money well spent? How are we going to know?" That's one of the most important questions any government or, frankly, anyone in a position of power or in charge of any sort of organization ought to be asking themselves. It's a fundamental question of governance. How do you know? What you're asking us to do in this House is say: "Just trust me. We're going to spend \$645 million over five years. It's going to be great."

Well, really, how do we know? What is the \$3.4 billion currently earmarked for the grandiose subject and title of Other Initiatives – how do we know what that money is going to be used for? Is it going to be used to pay off coal-fired power generators? Is it going to be used to provide an incentive for renewable energy? Is it going to be used for this government to start a Crown corporation to make investments directly in the marketplace in renewable energy or other things? I don't know. I don't know. The Minister of Infrastructure and Government House Leader's eyes lit up when I said that. Perhaps that is what's going to happen. Who knows? That's my biggest challenge with this bill.

I have to say that in my heart of hearts I do want to support a bill like this, if not exactly this bill, because I do think it's important that we take action in this province. But, hon. members on the government side, if you can't convince me to support a bill like this, who wants to work with you on climate change and to make things happen, you're going to have a pretty difficult time convincing the rest of the province who are skeptical about the need for action on climate change and the massive change this is going to bring.

I think that in establishing performance measures and being incredibly clear with Albertans on what it is we're trying to achieve,

how we know whether or not we're achieving that, tracking that along the way, reporting frequently and transparently with Albertans, and then if you need to, changing tack, maybe you're going to end up doing better than you think in certain areas. That's wonderful. Wouldn't that be a great thing? But if you're not doing as well as you might like, to be able to identify that fact early on – to report it transparently and say: “You know what? We thought it was going to go this way. It turns out that's not how things went, and as a result we're going to change course” – is the sort of governance and leadership that Albertans expect.

I would really encourage the minister and encourage the government to reconsider what I think is a very reasonable amendment, a thoughtful amendment, from a member who I know also shares your goals as they relate to action on climate change. I also think you ought to consider not only the content of the amendment, which I think stands on its own as a strong amendment, which only adds to Bill 20, but I also think it's important to consider the source of that amendment and the intent of the member, which is to strengthen the bill. This is not some political trick. No one's trying to pull the wool over your eyes. No one's trying to get one over on you. This Member for Calgary-Mountain View I think is trying to do the right thing. I think he's trying to make the bill stronger. If we can make this bill stronger, it's good for Alberta. Certainly, those of us in this corner of the opposition side are trying to do that through amendments like this.

I would really encourage the government to reconsider that and would very much encourage all members to support this amendment. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you. I was glad to hear the minister stand up and speak because I had listened to her just prior to 6 o'clock and she referred to the business plan and that this amendment would not be necessary because performance measures were already clearly laid out there. I'll read to you what I could find in here. I have it with me, so if you'd like to enlighten us by reading it to us – under performance measure you have municipal solid waste to landfills and a target of reduction to 2018-2019. Then there are performance indicators that show actuals from 2010, 2011, and 2012, and they give us something from 2013-2014 but no actual performance measures. Minister, I'd be happy to lend you a copy. Oh, there is one other thing under performance measures. It's hunting and fishing licence sales.

I don't see anything there at all about greenhouse gas reduction in your business plan. You did mention that there was no need for this amendment to be put forward because the performance measures were already in the book. Could you help us out here?

7:40

The Deputy Chair: Thank you, Member.

The hon. Minister of Environment and Parks.

Ms Phillips: Yeah. As I was saying before the break, the Auditor General provided some thoughts on the performance measures that govern specified gas emitters regulation in his last report. He put it out in early July. So the Budget 2015 business plan contained within it the greenhouse gas performance measures, but what we did was that we essentially said in response to the Auditor General that we would be putting forward new performance measures that would align with the new climate leadership plan. That's what I indicated at budget estimates debate either in the fall of 2015 or the spring of 2016. I can't quite recall. It's possible I said it at both.

That is what we are doing right now in order to fulfill the recommendations of the Auditor General that were released almost a year ago now and to ensure that we've got the right performance measures in place for the new plan. That is to say, the performance measures around the performance standards; the output-based allocations that ensure competitiveness for our trade-exposed industries, for example; the GHG reductions that we can achieve through energy efficiency and demand-side management; and also an appraisal of the GHG reductions that we can achieve through the phase-out of coal-fired electricity. Those will all be contained. What we've done in response to the AG's recommendations is that, essentially, we are in the process of a brand new set of performance standards in order to fulfill exactly what the hon. Member for Calgary-Mountain View is asking for, which is a set of credible performance measures that are consistent with the climate policy that we have now, not the old one, and that can chart good, credible, transparent progress on our actions.

The final thing I'll say is that all of these matters that are contained within this amendment are already also within the Auditor General Act, Madam Chair.

The Deputy Chair: Thank you, hon. minister.

Are there any other members wishing to speak to the amendment? The hon. Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: You know how I hate to disagree, but you stood up just before 6 o'clock and then again in the last 10 minutes and said that this amendment was not necessary because the performance measures were already there. You said that they were in the business plan as well as other places. Which is it? Now you're saying that you're implementing these new performance measures. Which is it? Are they done, or are they not done? If they're not done, why can't we put this amendment forward?

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A7? The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I just want to echo the sentiments of my hon. colleague from Lac La Biche-St. Paul-Two Hills regarding these performance measures. I realize the performance measures that the hon. minister of environment is referring to in the business plan – I believe the hon. minister is not understanding the kind of performance criteria that we've been asking for, which is the reason why we've seen these kinds of amendments asking for performance measures time and again here so far, and that is sector-by-sector performance measures. If we're going to tax the daylights out of our school boards, what kind of emissions mitigation can we expect for the dollars spent?

There has to be a demonstrated cost benefit to the people of Alberta to spend the kind of money, billions of dollars, on emissions mitigation. There have to be some sorts of targets that we're going to achieve with this expenditure. Is the cost benefit really there, again, for charities, for hospitals, for municipalities, for average Albertan homeowners, for every sector of our economy? I think it's fair to say that Albertans have a right to expect some sort of criteria for this carbon tax because of the invasive nature of it, because of the breadth of it, because of the cumulative effect of it. It is so pervasive throughout every element of our society that I believe it's only fair to Albertans that they can see some performance measures from this government that make it worth the pain that's being inflicted upon them, and we have not seen that. That's not what's contained in the business plan.

Then the hon. minister of environment says that we're working on those performance measures, which is a direct contradiction of what she had just replied to my hon. colleague moments ago, that it's all in the business plan. Obviously, it's not. We're getting two stories here.

Then earlier, just moments ago, the hon. minister was referring to federal targets coming down. Well, if we're waiting for federal targets, why in the world are we introducing a carbon tax now, when we don't even know what the federal targets are going to be? None of this is adding up here, and I think the members opposite owe it to the good people of Alberta to put the brakes on this thing or accept some amendments to try to give Albertans the assurances they need.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak on the amendment?

Seeing none, I will put the question.

[The voice vote indicated that the motion on amendment A7 lost]

[Several members rose calling for a division. The division bell was rung at 7:47 p.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Anderson, W.	Hanson	Rodney
Barnes	Jansen	Starke
Clark	Jean	Stier
Cooper	Loewen	Strankman
Drysdale	MacIntyre	Swann
Fildebrandt	Pitt	van Dijken

Against the motion:

Anderson, S.	Horne	Phillips
Carlier	Kazim	Piquette
Carson	Kleinstauber	Renaud
Ceci	Littlewood	Rosendahl
Connolly	Luff	Schmidt
Coolahan	Malkinson	Schreiner
Cortes-Vargas	Mason	Shepherd
Dach	McCuaig-Boyd	Sucha
Drever	McKitrick	Turner
Eggen	McLean	Westhead
Goehring	Miller	Woollard
Hinkley	Miranda	

Totals: For – 18 Against – 35

[Motion on amendment A7 lost]

The Deputy Chair: We'll now return to the original bill. Are there any members wishing to speak to the original bill? The Member for Calgary-Mountain View.

Dr. Swann: Yes. I have an amendment, Madam Chair. I'll give my copies and await circulation.

Thank you.

The Deputy Chair: Go ahead, please.

Dr. Swann: Thank you, Madam Chair. This is notice of an amendment to Bill 20, the Climate Leadership Implementation Act, that it be amended by adding the following after section 79:

Review by Auditor General

79.1(1) Within 2 years of the coming into force of this Act, the Auditor General shall conduct a comprehensive review of the carbon levy payable under this Act, the rebates and tax credits relating to the carbon levy and the effectiveness of any initiatives related to reducing emissions of greenhouse gases that are funded by Energy Efficiency Alberta or any other revenue from the carbon levy.

(2) The Auditor General shall complete a report within 6 months of commencing the review under subsection (1) and shall present the report to the chair of the Standing Committee on Legislative Offices, who shall lay the report before the Assembly immediately if it is sitting or, if it is not sitting, within 15 days after the commencement of the next sitting.

(3) When the Assembly is not sitting, the Auditor General may deliver copies of the report under this section to the Speaker, who shall immediately distribute the copies to the office of each Member of the Assembly.

(4) After the Speaker has distributed copies of the report pursuant to subsection (3), the Auditor General may make the report public.

I think it's become clear from the lengthy debate and the contention around the Climate Leadership Implementation Act that there's a lot of concern around the bill, a lot of support for the principle of the bill, and, in my view, tremendous support for a look not only at supply but at demand for energy in this province. We have to reduce our demand.

I'm pleased to see that there's an energy efficiency body created under this act, but I think that, like most people, we want to know that this will be properly measured, that there will be some transparent indicators that all of us can understand, even debate. Indeed, as I've indicated here, at the end of two years there should be a comprehensive review, before we get too far into this major initiative, by the Auditor General himself, whose role is to conduct value-for-money audits and who has gained a lot of credibility around the ministries in this government and, I think, from the point of view of the public gives a lot of assurance that what we're doing, well intentioned and well defined in general terms, is showing cost benefit, is showing where we're benefiting, where we're perhaps losing value or losing carbon progress in this case.

[Ms Jabbour in the chair]

Indeed, if one of the unspoken political agendas is just to show more jobs, if that's considered to be one indicator and the carbon is not reducing at the level at which it is targeted to achieve progress, then surely we need to know that. If, in fact, for political purposes natural gas fired cogen is not considered a priority because it wouldn't achieve in the short term the kind of political advantage that would be hoped for even though it's the better transition in terms of some of the indicators, including carbon – by the way, natural gas cogen delivers almost as much carbon savings as wind would in replacing coal – then one has to raise questions about the cost benefit of what we're doing.

I guess that for all of us the Auditor General is the figure we look to for credibility, for accountability, for value for money, and all of us, I think, including the public, would have a sense of comfort, shall I say, with a very challenging and very ambitious bill, that surely is trying to take leadership but lacks a certain amount of accountability because the measures, the performance measures, the targets simply aren't clear.

It's quite possible that the government itself will say, "These are the indicators that we've ultimately decided on, and by the way, they're all improving, and we should all feel very happy about this" when in fact a value-for-money audit might say, "Well, this other direction – for example, natural gas cogen – in the next two years

could deliver much more of the cost benefit and deal with our struggling natural gas industry and natural gas surplus as well as stimulating another side of our economy.”

I’m not saying that I know all the indicators, but I am saying that we as legislators and the public at large deserve to see what kind of performance measures we’re talking about. Clearly, this isn’t building new roads. It isn’t paying out the coal-fired power generators. Those are not legitimate calls on this carbon tax, so what is? Can we get some assurances that at the end of the day the value for money is there? I think that’s all we’re asking for.

Thank you, Madam Chair.

8:10

The Chair: The hon. minister of environment.

Ms Phillips: Thank you, Madam Chair. With respect to this amendment much of what is being requested is already covered in other government acts. First, this amendment would require review by the Auditor General, but that is already covered by the Auditor General Act. The Auditor General Act sets out:

- 11 The Auditor General
 - (a) is the auditor of every ministry, department, regulated fund and Provincial agency.

The office of the Auditor General of Alberta can examine and report publicly on government’s management of and accountability practices for the public resources entrusted to it, which would include a review of the carbon levy.

The Auditor General Act also sets out how a report of the office of the Auditor General is to be shared with the standing committee and the Assembly and requirements to make reports public. I think that the decision as to what to audit and at what timing and so on should be left in the hands of that officer of the Legislature given that he reports to this entire body and serves this entire Assembly rather than simply the government.

Furthermore, I will direct the members of the House to section 3(2) of the act, which indicates:

- The revenue from the carbon levy may only be used
 - (a) for initiatives related to reducing emissions of greenhouse gases or supporting Alberta’s ability to adapt to climate change, or
 - (b) 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.

Madam Chair, what we’ve done with this is to build straight into it uses of the levy that must be directed towards specific undertakings of the government either to mitigate against climate change – that is to say, to reduce our greenhouse gas emissions – or, on the other hand, to ensure that our economy can adjust to a carbon-pricing environment, which we’ve provided for through the reduction in the small-business tax rate and the rebate system, with 66 per cent of households receiving some form of rebate.

Madam Chair, we believe that the spirit of the amendment already exists within various acts, including the Auditor General Act but also the Fiscal Planning and Transparency Act, which requires us to report on progress, and the act itself under section 3.

Thank you.

The Chair: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you, Madam Chair. Well, that precisely is my point. If the Auditor General decides, for example, that paying people who earn \$100,000 a year a rebate for their carbon levy doesn’t make sense from either a fiscal point of view or a carbon reduction point of view, I guess the question is: how will you know

that without measuring that particular impact on the middle class, who, in my view, don’t need the rebate? It will not incent them to change their behaviour.

The Chair: Any other hon. members wishing to speak to amendment A8? The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I understand the intent of the hon. member in introducing this amendment, but I cannot support it, and my reasons are different from what the hon. minister of the environment may have brought forward. My reasons are that by the time two years transpire, it’s going to be too late. We need some answers earlier than that. To wait for two years for the Auditor General to complete a comprehensive report on something as invasive and oppressive as this tax is to wait far too long. By then we will have the carbon tax sitting at \$30, not \$20, and we will not know whether that was even the right move to make. It’s simply too long a period of time.

I don’t see this amendment as being what we need to try to improve this bill, so I will not be voting in favour of it. Thank you.

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

Mr. Clark: Thank you, Madam Chair. You know, I rise to support this amendment. I think that when we have a change as fundamental as a carbon tax, notwithstanding the fact that the Auditor General has the power to audit, it is important that we formally review whether or not the bill or the legislation that is passed and put into force actually achieves what we want it to achieve. The Member for Calgary-Mountain View asked the fundamental question: how do we know? Again, this government is asking Albertans simply: trust us.

You know, I wonder. That’s a couple of amendments here in a row where the Minister of Environment and Parks and minister responsible for the climate change office has said: “We’re waiting on some other things to happen. We’re going to come up with these metrics and measures later. Trust us. We’re going to get some information.” It makes me wonder if this government is acting too hastily on a very, very important file. Does the fast pace of this implementation, absent the knowledge of exactly what it is you’re trying to achieve, absent the knowledge of actual measures, absent the knowledge of what the federal government will do and what other jurisdictions will do both in other provinces as well as other countries, in fact, undermine what I believe to be your sincere efforts to do the right thing here? Are you risking the success of a very, very important file simply because you want to go ahead quickly? What’s wrong with taking the time to make sure you get it right? Why couldn’t we wait until you knew the details of Energy Efficiency Alberta before bringing in this bill?

Nothing is going to happen in the intervening six months between now and the fall sitting. Perhaps we could even move the fall sitting forward, a little ahead of the scheduled start of October 31, if the government believes that there’s some compelling information they’d like to bring before the House in terms of the details. It would give all of us a lot more information, would make it, frankly, a lot easier for myself – and I don’t want to speak on behalf of the Member for Calgary-Mountain View – and perhaps for him as well to support this legislation, to support the government’s work.

The other point I’d like to make to the government members is that I’ll ask you just to consider again the source of this amendment, that it is a thoughtful amendment from a thoughtful member who’s trying to do the right thing, whose heart, I know, is in the right place, and I’m quite certain it is aligned with what you’re trying to do.

Let's compare that to some of the heated and, frankly, shameful rhetoric that we've had from the Official Opposition, comparing the carbon tax to horrible, horrific incidents in history. The fact that that was even written in the first place, frankly, is shameful. There's no other word for it. The fact that someone would sit down and actually write those words and then put them out and then have nine members put their name to it is truly shameful. I'm not only speaking as someone who's a proud Ukrainian-Canadian – my mom is a Warnyca – but, irrespective of my background and personal beliefs, to not just draw the conclusions on that terrible, terrible incident in human history.

This is a carbon tax, which will add 6 and a half cents at the pump, which will add a dollar a gigajoule, which will have a variety of other taxes, aviation fuel and locomotive fuel. While I think that we can quibble in this House about the scale of those changes – some members may not believe that those sorts of changes are warranted in a difficult economic time, and that's a legitimate discussion – the sun is still going to rise on January 1, 2017, and I suspect that, with good fortune, it will rise on January 1, 2018. This carbon tax will not destroy the province of Alberta. Whether or not it's exactly the right thing to do, whether or not it has appropriate and positive consequences for our province I think is the essence of this amendment, of exactly what the member is trying to drive at.

So I would really encourage the government to think seriously about supporting this amendment when you've got thoughtful members here who are trying to help the government truly be better.

8:20

My belief, speaking for myself, is that our job on this side of the House is not to simply oppose what the government does for opposition's sake. I want you to succeed. I want this government to succeed because if you succeed, Alberta succeeds. Conversely, I do not want the government to fail because if you fail, Alberta fails. That is not what we should be here to do. What we should be here to do is to make Alberta a better place. The job of opposition is to enable the success of government. That's what I believe the job of thoughtful opposition is. We're not here to tear you down.

I really would encourage you, members, to think seriously about accepting this amendment because it does make Bill 20 a stronger bill. We're trying to make progress on a file very important to your government and, I think, to the future of this province. If we can succeed with this, Alberta is going to be a better place. That's what I think we should be trying to do here. So I do encourage members on the government side to please think very seriously about supporting this amendment.

Thank you, Madam Chair.

The Chair: Any other hon. members wishing to speak to amendment A8?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A8 lost]

[Several members rose calling for a division. The division bell was rung at 8:21 p.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Barnes	Loewen	Starke
Clark	Pitt	Swann
Drysdale	Rodney	van Dijken
Jansen		

Against the motion:

Anderson, S.	Hanson	Miranda
Anderson, W.	Hinkley	Phillips
Carlier	Horne	Piquette
Carson	Jean	Renaud
Ceci	Kazim	Rosendahl
Connolly	Kleinsteuber	Schmidt
Coolahan	Littlewood	Schreiner
Cooper	Luff	Shepherd
Cortes-Vargas	MacIntyre	Stier
Dach	Malkinson	Strankman
Dang	Mason	Sucha
Drever	McCuaig-Boyd	Turner
Eggen	McKitrick	Westhead
Fildebrandt	McLean	Woollard
Goehring	Miller	

Totals: For – 10 Against – 44

[Motion on amendment A8 lost]

The Chair: We're back on the main bill. The hon. Member for Vermilion-Lloydminster.

Dr. Starke: Well, thank you very much, Madam Chair. I'm happy to rise to speak to Bill 20 here in Committee of the Whole. There have been a number of good ideas, good amendments put forward. It's unfortunate that so far we've just had the one that's been approved, but I'm going to propose one and give the rationale for why I would like to see this amendment go ahead. So if I could hand this off to the page. The original is on top. Perfect.

I'll just wait a few minutes for those to be distributed, but I'll say in general terms, Madam Chair, that the amendment I'm proposing has to do with the carbon tax as it applies to aviation fuel, recognizing, as the Minister of Environment and Parks has stated, that the carbon tax will be waived for flights that either originate outside of Alberta or, you know, are leaving to a location outside of Alberta but that for, shall we call them, domestic flights or intraprovincial flights, commercial flights, the carbon tax will be applicable on those flights. If I could just read the amendment into the record now.

The Chair: Go ahead.

Dr. Starke: I move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 1 as follows. In part A section 7 is struck out; in part B section 25 is amended by striking out subsection (1)(i) and, in subsection (2), by striking out "7"; in part C sections 27(1)(a)(xii) and (xiii) are struck out; in part D section 61 is amended by striking out "7"; in part E the schedule is amended by striking out sections 1(1)(a) and (b); and in part F the table to the schedule is amended by striking out the following:

Aviation gas	4.98 ¢/L	7.47 ¢/L
Aviation jet fuel	5.17 ¢/L	7.75 ¢/L

So what's the rationale behind this amendment, Madam Chair? Well, I'd like to say that I'm very pleased to see that the minister has recognized that having a carbon tax on aviation fuel is a fundamentally noncompetitive move. They're absolutely correct in recognizing that. In fact, Canada as a nation is particularly uncompetitive when it comes to the costs of aviation.

Now, it is known that we are the second-largest, by square kilometres, country in the world and that we also are one of the most sparsely populated countries. Because of those realities – and those are realities that won't change anytime soon – aviation is, in fact, a critical aspect of transportation in Canada. It could be argued, certainly, for northern Alberta and for our northern territories that

without aviation it would be indeed very, very difficult for those parts of Canada to even be reasonably habitable.

Because of that, we have to recognize and try to do everything we can to reduce the impediments to aviation and civil aviation within the country. There have been numerous studies – well, actually, the World Economic Forum annually publishes a travel and tourism competitive index. I have a fair bit of familiarity with this from my time as tourism minister. While Canada as a nation does very well in terms of our airport infrastructure, sadly, we don't do very well as far as our cost competitiveness. In fact, out of 140 countries that were ranked in the 2013 World Economic Forum's travel and tourism competitive index, Canada ranked 136th. In other words, we only beat four other countries. As far as travel and tourism price competitiveness we ranked 124th.

8:30

It is something that has held back our tourism sector. It is something that has resulted in Canada as a tourism destination falling from second to 17th since 1950. It's because, quite simply, it is expensive to fly to and from Canada. In fact, 21 per cent of Canadians now choose to go to an American destination or an American departure airport to start their journeys rather than flying out of a Canadian airport. Now, Alberta is not as directly affected by that because our larger population centres are somewhat farther away from American departure airports. But, for example, in Windsor over 90 per cent of departing traffic drives across the border to Detroit to start their journey from Detroit. Abbotsford: over 90 per cent travel to Seattle to begin their journey. So this affects the ability of these airports to provide service.

We have a situation where competitiveness is definitively affected not so much by our base charges but by our fees and other charges. A study done by the Canadian Airports Council for the Conference Board of Canada in 2012, for example, showed that the fees for a round-trip airfare in Canada are roughly double the cost of the additional fees for the U.S. and that these fees constitute some 43 per cent of the overall ticket cost for Canadian travels whereas in the U.S. that percentage is only 14 per cent. So we have a situation where additional charges – taxes, fees – create a significant disincentive to travel, and what bothers me about this is that this creates a specific disincentive to travel within Alberta.

Now, as tourism minister one of the things that we always talked about was promoting Alberta to Albertans and trying to get people to stay home or at least stay within their province and discover Alberta. We have a beautiful province, Madam Chair. You come from a part of the province that most would consider somewhat isolated, and I'm sure that the fact that the plane flies to High Level is something that you appreciate. A lot of people might not otherwise travel to some of these destinations if it were not for the availability of flights. This measure, especially given that this measure unfairly disincentivizes travel within the province, makes no sense at all.

Let me talk a little bit more about the general thought behind aviation taxes. In January 2014 the C.D. Howe Institute issued a commentary entitled *Full Throttle: Reforming Canada's Aviation Policy*. In that study the C.D. Howe Institute talked a little bit about changes that airlines make because of differential taxation in different parts of the province. This is a somewhat long quote, but I do want people to listen very carefully.

Fuel taxes also lead to airlines trying to arbitrage between provinces or internationally, a practice known in the industry as "tankerage." An airline can lower its after-tax fuel costs by loading extra fuel in the low-tax jurisdiction, but at the cost of carrying extra weight in-flight and therefore burning more fuel. Airlines engage in this practice if the cost of burning more fuel is less than the additional cost of taxes upon refueling, but the

economic cost of the distortion in terms of wasted fuel and environmental harm can be substantial.

Madam Chair, I just want to be sure that we understand some of the consequences that can come about – and they are, I would say, unintended – because of the levying of these additional charges on aviation fuel for flights within the province.

The recommendation of the C.D. Howe Institute in this study was:

Provincial governments should . . . reduce their aviation fuel taxes so that the amount of tax they collect is no more than what they finance for aviation infrastructure. Given current levels of provincial investment in aviation infrastructure [are low], this recommendation means that provinces should largely eliminate their aviation fuel taxes.

The challenge here is that this is not eliminating aviation fuel taxes; in fact, it's raising them.

Well, does it make a difference? Well, I guess there are two sides of that coin that we should look at. First of all, we should look at: does it affect the number of flights? I can say to you unequivocally that it does. A couple of years ago, when I was tourism minister, the province of British Columbia made a decision that it would drop its aviation fuel tax. Now, this resulted in a hit for the province of British Columbia on the revenue side, and it recognized that, but what it did was increase the number of flights in and out of Vancouver substantially. More and more airlines chose Vancouver as their port of call to come into North America because it became more cost competitive.

At the same time, the province of Ontario chose the opposite approach, to raise its aviation fuel taxes. Even though Toronto is the largest gateway airport in the country, the price, for example, of landing a 767 in Toronto with all the fees and charges included is more than double that of the next highest cost airport in North America. Madam Chair, these are the kinds of considerations that we need to take into account when we are looking at making these kinds of changes.

Again, as I said before, I think we want to be doing everything we possibly can to encourage Albertans to stay within their province, to travel within their province and see everything that Alberta has to offer. I know that Travel Alberta works very, very hard on this. One of the things we always talked about in the tourism department was: what can we do to reduce tourism leakage? What can we do to reduce the number of tourists that travel outside of our province, and what are the things that we don't have that we would like to offer? Well, unfortunately, we don't have oceanfront property – we know that – and we don't have beaches. I was looking, as an April Fool's joke, at the possibility of annexing Maui, but they had some problems with that. I will tell you that Alberta has just about everything that tourists are looking for, but if we, to our own Albertans, make Alberta a less attractive destination because we increase the cost, we're not helping our tourism industry. It's not just tourism; it's general aviation travel.

The city of Lloydminster has an airport, and we do have commercial flights in and out of Lloydminster. We've had for a number of years now only one place that you could fly to, and that was the city of Calgary. Now, that's great, but Central Mountain Air, which operates the service – and it used to be Central Mountain Air plus Peace Air; we had two airline companies that served us. We now only have the one. Central Mountain Air used to have 14 flights a week. There was no service on weekends, but Monday through Friday there were either three flights or just two flights a day. I just checked this afternoon. The number of flights that Central Mountain Air now operates is only seven per week. In talking to the airport personnel in Lloydminster, they've told me that the number of passengers that they are carrying to and from Calgary has been reduced by approximately two-thirds.

Airline competitiveness in an industry where the cost margins, especially when you're flying aircraft that are not completely full, something as small – and I'm sure that some are going to say that this is just such a small thing that it wouldn't affect the decision. It does. It absolutely affects the decision. Perhaps we would be better off in Lloydminster if the airport was in Saskatchewan, but as luck would have it, the Lloydminster airport is in Alberta. It would apply to this situation whereby the aircraft would have to pay the aviation fuel tax.

8:40

Aviation fuel taxes are not a help to the tourism industry, and they're not a help to general aviation. In fact, this is another one of those situations where there are consequences to what you're doing, and I'm quoting now from a seminal report that was done by the Canadian Senate. It was done in 2012, and it was called *The Future of Canadian Air Travel: Toll Booth or Spark Plug?* It talked about the lack of competitiveness of Canada's airports and our aviation industry in general. It says:

Aviation is critical to growing the . . . economy, supporting jobs, enabling investment and facilitating trade. . . . In these times of need for job creation and job protection, expanded air services offers a low cost, low risk, high reward way to grow and diversify our economy, allowing us to reach our full potential.

Madam Chair, placing a disincentive on increased use of aviation and commercial aviation makes absolutely no sense and runs directly counter to a number of the stated goals of the government. They want to diversify the economy, and they want to create jobs, but if you put a tax on aviation fuel, you will have exactly the opposite effect. We've already gone from 14 to seven flights in Lloydminster, and if it drops to five or four, at some point we may even see a situation where that service is cancelled completely. How is that helping with job creation? How is that helping with diversification of the economy? Well, the simple answer is that it's not.

If the minister or someone else is responding to this, I would really like to know: what is the projected amount of income that is going to be raised from this portion of the carbon tax, just on the domestic fuel carbon tax part? Unless it's a huge amount of money that the government is going to forgo – I understand that they would like to bring in revenue from this. I really question whether anyone has done a cost-benefit analysis to determine whether the measure that is being put in place here, selectively targeting domestic intraprovincial travel, will have the desired effect. Will it end up costing more than what it's going to bring in in revenue? Very clearly, if it is not going to bring in more revenue than what it costs the economy, then it makes no sense to go ahead and do it.

Madam Chair, I hope that I've provided the Assembly this evening with a number of arguments that they will carefully consider with regard to these two areas of taxation. Again, I applaud the government for leaving out-of-province travel and those flights out of the carbon tax. Clearly, they've recognized that that makes us uncompetitive with other provinces. I also want to point out to them – and I hope that they will take this in the manner in which it's intended – that creating a disincentive for aviation, for airline travel within the province is also a negative on our economy. It will work against job creation, it will work against diversification of the economy, and it will hurt our overall competitiveness.

It is not a measure that we should go forward with, and I would urge all members to support this amendment. Thank you.

The Chair: This amendment is A9. Are there any further members wishing to speak to amendment A9? I'll recognize Calgary-Elbow first, followed by Calgary-Lougheed.

Mr. Clark: Thank you very much, Madam Chair. At the risk of sounding repetitive, I imagine that if we do go, in fact, as late tonight as it sounds like we might, that may become a bit of a theme for all of us in terms of repetitive arguments. You know, what I like about this amendment is that it is seeking to solve what I would consider an unintended consequences problem. The hon. Member for Vermilion-Lloydminster has done a very good job of researching the impacts of this, and I think it's going to help, again, with the credibility of this carbon tax. Anything that we can do on this side of the House to make this a better bill I would hope the government would consider. I don't imagine this is going to end up costing a tremendous amount of money in terms of the overall carbon tax. In fact, it may be one of those situations where the loss of economic activity avoided by not disincenting the air travel domestically within Alberta would in fact offset any losses to government revenue from the carbon tax. I think it's a thoughtful amendment, I think it's something definitely worth considering, and I would strongly encourage the government and all members to support this amendment.

Thank you, Madam Chair.

Mr. Rodney: In the interest of time, tongue firmly planted in cheek, I will say – and I quote – that he had me at “Madam Chair.” With all great respect, this is not about politics; this is about making it better. The hon. House leader of our party has definitely done his homework, and I would really, really like to know from the other side if there is a reason to vote against this amendment because I can't find a single one. In the interest of time, perhaps after the next speaker we could call the question.

Thank you.

The Chair: Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I will be brief. When we're talking about our economy here in this province, often we forget that there is a part of our province, the northern reaches of our province, that faces very unique challenges both on the business side of things and on the personal side of things. For remote communities, for remote First Nations communities, and for Métis communities in the north, they face unique challenges that are, quite frankly, foreign to Albertans who don't live there and experience these challenges on a day-to-day basis. One of those challenges is the increased cost of living just by virtue of the fact of their remoteness. In another life I was responsible for distribution of goods into our north, and many times we had to airdrop those supplies into communities in the north.

Now, this is not a luxury item. Air travel in Alberta's north is often a matter of survival. Sometimes we have situations where there are flights that are medical in nature, and all the time it is expensive. It's very expensive. So there is an unfair economic burden already on Albertans living in the north of our province, and aviation to them is a lifeline. It is not a luxury item, where they're taking a trip to Maui or somewhere like this. This is a lifeline for them for cargo that comes up there. It brings food, it brings fuel, and it brings medical supplies all winter long into these remote communities. They bear already what I would say is an unfair burden, and to add this carbon tax upon them is adding insult to injury. They already have a tough go. I don't believe it's fair at all to be hitting them, you know, with any kind of an increase or anything that could lead to an increase in the cost of living in the north.

Furthermore, if this government is very serious about economic diversification, we have untapped resources in the northern half of our province that are enormous. It's going to require a significant

amount of aviation in order to capitalize on it. Hamstringing them through any kind of an economic distortion like this is simply wrong.

I am fully in support of this amendment. I thank the hon. member for it. He has done his homework. I would hope that every member in this Assembly will support this amendment simply because aviation for many Albertans is not a luxury; it is an absolute necessity. It's a necessity for businesses, not just in the north either but right across our province. I would like every member in this Assembly to vote in favour of this good amendment to try to help improve a very bad bill.

Thank you.

The Chair: Any other hon. members wishing to speak to amendment A9? The hon. minister of environment.

8:50

Ms Phillips: Well, thank you, Madam Chair, and I thank the hon. member for his careful work and for his previous service to our province in promoting tourism and so on. I certainly have benefited from his insights on more than one occasion as parks minister, and I'm sure I will continue to do so.

Madam Chair, having said that, there are a couple of issues with this amendment. One, the exemption for interjurisdictional flights is standard across jurisdictions in Canada. There are, in fact, interprovincial agreements on this matter, and that's why this legislation was written in the way it was.

Additionally, this is an economy-wide price in the same way that B.C. has an economy-wide price. Certainly, they still have an aviation industry in British Columbia, within the province, and certainly a very robust tourism economy. They have had a price on carbon that is economy-wide in nature since 2008. Certainly, their carbon levy is economy-wide and is phased in at \$30 per tonne currently. Of course, they do different things with the proceeds of their levy, Madam Chair, but we are reducing small-business taxes with ours, consistent with what British Columbia has done although our small-business rates will be lower than theirs when we are done with this. Of course, we have a different structure to our economy than British Columbia does. We have a much larger chunk of our economy that is trade exposed and energy intensive and requires that investment in public research and development in order to ensure that we remain competitive.

Madam Chair, that is why the Leach report recommended an economy-wide price and to address many of the competitive pressures that would come through programming and through a small-business tax reduction. We took that advice seriously, so that's why we have structured this the way we have.

I thank the hon. member for his work. Certainly, we will work with the airline industry going forward. This is not the only place in Canada or the world where carbon pricing is a reality, Madam Chair, in fact far from it. The aviation industry is working hard to work with other jurisdictions that are bringing in either cap-and-trade or economy-wide price arrangements within their jurisdictions. Certainly, they are also working very hard to reduce their fuel costs and their emissions. Canadian airlines have improved their fuel efficiency by 13 per cent since 2005. Certainly, they are aware that carbon pricing is a reality that is going to be in all of the jurisdictions in which they operate. Carbon pricing is the most market-efficient way to ensure GHG abatement, but it is also going to be phased in across Canada and around the world. We know this. Most jurisdictions are moving now because climate change is real, Madam Chair, and action is therefore necessary.

Thank you.

The Chair: Vermilion-Lloydminster.

Dr. Starke: Madam Chair, thank you. Oh, we have a floor-crosser here. That happens. We're used to it. We've seen it before.

I'd like to thank the minister for providing some commentary. I appreciate that, and I appreciate the sort of more broadly based, generalized view that the carbon tax, in the view of the government, needs to be or should be economy-wide. That's the theory, and I get that that's the theory.

A couple of comments, I guess, I'll just make sort of parenthetically before I get to the two specific questions that I want to ask about. The first is with regard to the effect of the carbon tax on aviation in British Columbia. Yes, aviation in British Columbia certainly does continue, but one of the areas that a carbon tax has definitely had an impact on – and I know this from conversations with the tourism minister of British Columbia – is interprovincial flights. Central Mountain Air and Air BC, which are, you know, airlines that have and do operate in British Columbia, have had to alter what they're doing in terms of availability and frequency of flights because of cost competitiveness. While perhaps it could be argued that the one single factor of a carbon tax on airline fuel was not the straw that broke the camel's back, it certainly is a factor.

I would like to ask the minister, though, two questions that I raised during the course of my speech, and if she can answer, that would be great, and if she can't, perhaps she could communicate back to me at some later date. The first is: what is the analysis as far as the effect on tankage? I outlined why tankage can potentially be a major problem and why tankage actually serves to work against the goal of reducing emissions. If aircraft are flying out of province in order to fuel up and then return to Alberta and in the process are burning more fuel because they're more heavily laden with fuel, how exactly is that fulfilling or meeting the objectives?

The second area. I note with a certain amount of interest that she mentioned that Canadian airlines have reduced their overall fuel consumption by 13 per cent since 2005. It's interesting. It sounds to me like Canadian airlines are changing their behaviour, but of course that behaviour has changed without the benefit of a carbon tax. I would suggest to you that for the most part airlines, because fuel is one of their largest single cost drivers, have been looking towards more efficient aircraft for many, many years. Certainly, for the manufacturers, whether we're talking about Airbus or Boeing or Bombardier, these companies have all, as one of their main drivers, been looking for aircraft that are more fuel efficient.

My second question to the minister – and I'm hoping that I can obtain an answer – is: what is the projected revenue that the carbon tax on aviation fuel for domestic commercial flights will generate for the province? I'd appreciate it if she could provide that information just in terms of an estimated number.

The Chair: The hon. minister.

Ms Phillips: Thank you, Madam Chair. Well, the second question I'll take first. We do have that figure, and we'll get back to you on that, hon. member, and I'll table it in the House for the benefit of the House.

The second piece, on arbitrage: we will follow that matter closely. This is why we will be working with the aviation industry and others to ensure that we've got the appropriate oversight on this matter, and we'll report back to the House on our progress on that matter.

The Chair: Any other hon. members wishing to speak to amendment A9?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A9 lost]

[Several members rose calling for a division. The division bell was rung at 8:58 p.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Anderson, W.	Jansen	Rodney
Clark	Loewen	Starke
Cooper	MacIntyre	Stier
Drysdale	Nixon	Strankman
Fildebrandt	Pitt	van Dijken
Hanson		

Against the motion:

Anderson, S.	Horne	Phillips
Carlier	Kazim	Piquette
Carson	Kleinstauber	Renaud
Connolly	Littlewood	Rosendahl
Coolahan	Luff	Schmidt
Cortes-Vargas	Malkinson	Schreiner
Dach	Mason	Shepherd
Dang	McCuaig-Boyd	Sucha
Drever	McKitrick	Swann
Eggen	McLean	Turner
Goehring	Miller	Westhead
Hinkley	Notley	Woollard

Totals: For – 16 Against – 36

[Motion on amendment A9 lost]

The Chair: Moving back to the main bill. Are there any further questions, comments, or amendments with respect to this bill? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Chair. I'd like to rise today to put forth an amendment. I'll provide the applicable copies, and I'll carry on once it's been distributed. Just let me know when.

The Chair: Just wait until I get the original, please.

This will be amendment A10.

Go ahead, hon. member.

Mr. Loewen: Thank you, Madam Chair. I would move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 1 by adding the following after section 3:

Accountability reporting

3.1(1) Prior to any revenue from the carbon levy being applied to an initiative under section 3(2)(a), the Minister shall make public an estimated quantity of emissions of greenhouse gases the initiative will reduce.

(2) Before May 31 and November 30 of each year, the Minister shall prepare and make public a report summarizing the effectiveness of each initiative under section 3(2)(a) for which the carbon levy has been used including an estimate of greenhouse gas reductions achieved by each initiative.

Madam Chair, the members opposite bemoan the fact that the previous government had no sense of accountability to the taxpayers at large. However, this government has shown numerous times that it is no friend to open and transparent government. Vague legislation that is long on promises and short on details has become a hallmark of this government. This government insists that this bill is all about changing behaviour and protecting the environment and not implementing another

crippling tax upon hard-working Albertans. Unfortunately, many see this as just another tax.

This amendment, if passed, should help to reassure Albertans that there will be some tangible method of reporting and accountability before the government starts throwing around taxpayer money. It is entirely reasonable that this government be held to a reporting standard on such an unprecedented initiative as this carbon tax.

As I've already mentioned, given this government's record on passing legislation without the details being fully written and public, Albertans simply can't trust this government to get it right. We've seen that with Bill 6 and multiple other bills that this government has passed. Albertans deserve to know where this money is going, what it's being used for, and who is benefiting financially from these initiatives. That's a minimum standard, Madam Chair, that Albertans should expect.

We simply cannot afford the mistakes being made in other provinces, where green energy initiatives have already caused skyrocketing electricity rates and a renewables industry built upon a shaky foundation of government subsidies. People often ask why this technology has to be so dependent on subsidies if the technology is so sound.

Madam Chair, we need to ensure that proper measures of accountability are in place for the taxpayers' benefit. By reporting twice a year, before the end of May and November, it almost certainly assures that these reports can be tabled in the House while in session. This will allow for the proper scrutiny and accountability of every initiative that has utilized taxpayers' money from the green fund. More importantly, it allows the public to be fully aware of the process. Considering that according to some polls more than half of Albertans oppose this tax, this would give some validity to this bill should the government choose to put in some transparency measures.

Now, we've seen here several amendments brought in to increase transparency, and of course this government has voted down every single one. But there is no reason that this amendment should not be passed if the government truly believes in being open and transparent. I sincerely hope that all members of the Assembly remember that it is the taxpayer that ultimately pays the price, and it would be nice if they knew exactly what they're footing the bill for.

Madam Chair, as I look through Bill 20, the Climate Leadership Implementation Act, the only place I can see any kind of reporting is under schedule 2, sections 10 and 11. I'll read section 10.

Business plans

10 The Corporation shall annually complete and provide to the Minister, in a form and at a time determined by the Minister, a multi-year business plan approved by the board, which must include

- (a) the budget for the fiscal years to which the plan relates,
- (b) the goals, objectives and targets for the fiscal years to which the plan relates, and
- (c) any additional information requested by the Minister.

Now, this contemplates a business plan. It contemplates a budget, goals, objectives, targets. We don't know what these goals, objectives, and targets are. This is pretty vague wording, that I believe this amendment will clarify.

This amendment will make public the cost and estimated quantity of emissions of greenhouse gases that the initiative will reduce. If this truly is a Climate Leadership Implementation Act and if it truly is to reduce emissions of greenhouse gases, which is what we've been told multiple times, then there should be no problem making public the cost and the estimated quantity of emissions that this will reduce. I think that only stands to reason.

Of course, what's contemplated in section 10 here does nothing of the sort. It's a business plan, a multiyear business plan, so it could look into the future who knows how many years. Of course, all this information can be determined by the minister. Madam Chair, when we're passing a bill in this Legislature, we should have some clarity on this, and this amendment will help provide that.

Now, section 11 says:

The Corporation shall, at such time as the Minister determines, submit to the Minister any reports, records or other information required by the Minister, including any information required for the purposes of a review of the Corporation.

Again, Madam Chair, it doesn't say anything; it's just reports and records that the minister determines, whenever the minister determines.

9:10

This amendment, Madam Chair, will clarify that, too, because in part (2) of this amendment:

the Minister shall prepare and make public a report summarizing the effectiveness of each initiative . . .

So it's actually determining what the effect of the initiative is and actually reporting on it so Albertans know what their money was spent on and whether they got full value for it. It goes on to say:

. . . under section 3(2)(a) for which the carbon levy has been used including an estimate of greenhouse gas reductions.

Madam Chair, this is a great measurement to be used in the effectiveness of this act, the Climate Leadership Implementation Act. If it truly is about greenhouse gases, then why wouldn't we want to include some sort of measurement afterwards to make sure that the initiatives were effective? We don't want to repeat the same things over and over again if they're not working. I think that stands to reason.

I think it only makes sense that we have this opportunity to show Albertans what this legislation will do, with some actual measurables for emissions, and what it has done because there are going to be multiple initiatives undertaken by this. We don't know what they are, necessarily. They're not really spelled out in the legislation here. But I think it's very fair to ask that we be able to measure them, of course, estimate what will happen, and then afterwards confirm what did happen. I don't think that's too much to ask on this one.

I would encourage all to support this amendment. Thank you very much.

The Chair: Any other members wishing to speak to amendment A10?

Mr. MacIntyre: Again, Madam Chair, this is an accountability measure, an attempt to have the government do some measurement and verification proving that, indeed, this pain that they're inflicting upon our people is resulting in something good. To date, with a number of amendments that have been proposed and this government using their majority to shoot them down, I believe it's becoming quite apparent that this government doesn't want to be held accountable for their actions with regard to this carbon tax on our people.

This measure, I believe, is an extremely important one. It is: "Prior to any revenue from the carbon levy being applied to an initiative . . . the Minister shall make public an estimated quantity of emissions of greenhouse gases the initiative will reduce." Here, this amendment is asking for a target. If we're going to be going through this pain, if this government is going to have such an invasive tax as this upon our economy, then let's have some targets. Is this pain worth it? That's what this is all about: is this pain worth it? Can the government back up their claim that this is worth it? So

prior to the expenditure of money from this carbon tax being applied to any initiative, the minister, in all fairness to Albertans, ought to make public an estimated quantity of emissions that this measure is going to reduce.

If the government is so certain that this carbon tax is going to result in a significant reduction, there must have been or there ought to be some sort of assessment done, some sort of technical assessment done, emissions assessment done on just what that impact is going to be. Otherwise, this tax is nothing more than a tax, with no real reason for it other than a money grab. To put out actual targets like this amendment is asking for: all right; here is an initiative. The government figures this is a good expenditure of Albertans' tax dollars. Okay. Fine. What's the ROI on this? How many millions or tens of millions of dollars per tonne of CO₂-e are we actually reducing here? Or none?

You know, I've done a lot of case studies on different corporations and some of the energy-saving opportunities that they have tried to use or execute within their companies and some of the failed experiments. For a savings of maybe \$150,000 the company ended up spending four times that and five times that and six times that, so from a bottom-line perspective, well, that was not a good idea. But, you know, that's the reason for alpha, beta, portfolio-wide as a concept. This government is forging ahead with a tax. We've asked repeatedly for assessments, for economic assessments and so forth, technical assessments and what have you. The government refuses to bring them forward, if they've even been done.

I believe this amendment as an accountability mechanism is absolutely vital for the credibility of this government's climate action plan, and it's all about, as I said earlier today, achieving universal buy-in. Here is an opportunity for the government to achieve some real buy-in. If we're going to have this tax, let's have this thing be measurable. Let's have some targets that we can measure against to see that this expenditure is actually worth it in the end. Without that, then this government really has no credibility for what they're imposing upon the good people of Alberta. It's just a tax for the sake of a tax under the flag of reducing greenhouse gas emissions, without any measurement, without any target to shoot at, no target to measure against. That is just patently wrong, and it's unfair to Albertans.

This is a massive tax. I call it invasive because it invades every corner of our economy, every corner of our society. No corner will be left untouched by this tax. It is worse than, say, something like a GST. You know, there's an offsetting mechanism for businesses under GST. There's no such thing under this tax. It's going to be cumulative in its effect. It's going to be compounding in its effect. It's going to do all kinds of things to every sector of our economy, and without the studies that I have repeatedly asked for, this government is flying blind. They have no idea, Madam Chair, what the impact of this thing is going to be on every sector of our economy and on every sector of our society.

This amendment is a friendly one. This is a friendly amendment that gives the government an opportunity to provide credibility for their claim that this carbon tax is going to result in emissions mitigation. If the government is going to refuse to support this amendment, then what are we left to conclude? We're left to conclude and Albertans are left to conclude, Madam Chair, that the government is playing a smoke-and-mirrors game, that they just don't want the whole story known, that this is just a tax for the sake of a money grab.

We need this. It's a desperately needed part of this whole process so that Albertans can have confidence that the money that is being extracted from their pockets, especially during this economic downturn that we are struggling under – the people of Alberta

deserve to be treated with much more compassion here and much more respect. This is their money, their hard-earned money, Madam Chair. These are people, many of whom have lost their jobs, many of whom have had hourly reductions. Some have taken pay cuts.

9:20

I was talking to a fellow, an executive, just a couple of weeks ago. His company put a 20 per cent payroll reduction right across the company just to hang on so that they didn't have to lay off workers. They're also employing job-sharing to try to reduce the amount of hours so that they, again, don't have to lay off workers, so that they're holding on to Albertans, important workers, key people. They're doing everything they possibly can to hold on, hoping for a better day, hoping that the Alberta economy will rebound in time. The don't need to have this government come along and extract \$3 billion out of an economy for a teeny population of only 4 million people. Madam Chair, it's grossly unfair.

We come to this accountability reporting amendment. Those precious people of Alberta deserve the respect and the kindness to at least be assured that the money that is being pried out of their paycheque through this carbon tax is at least going to accomplish something that this government claims is the reason for the necessity of this carbon tax. This government claims that it's an absolute necessity to hit us with this carbon tax and to put our businesses in this province at a distinctly competitive disadvantage as to the rest of the country and even the world.

You know, I want to read something, if I may, from a document entitled Canada's Ecofiscal Commission. It's been referred to by the hon. minister of the environment. Correct me if I'm wrong, Madam Chair, but I think this document has already been tabled some time ago. The title is Provincial Carbon Pricing and Competitiveness Pressures. I just want to read a couple of things here. "Significant differences in carbon prices across jurisdictions generate the possibility that some firms in some regions will experience a competitive disadvantage." This is the report that the hon. minister of the environment waves, figuratively, as being supportive of this carbon tax, the way this government is rolling it out, yet it clearly states in the introduction that "significant differences in carbon prices across jurisdictions generate the possibility that some firms in some regions will experience a competitive disadvantage."

We're in a global economy. We have to look at our competitiveness around the world for Alberta products. Alberta, of all jurisdictions in our country, is trade exposed way beyond other jurisdictions. Correct me if I'm wrong, but I believe it's around 18 per cent trade exposed. That's a significant amount of our products being trade exposed. Differences in carbon pricing aggravate that. It causes distortions, a market distortion. It causes a competitiveness problem.

I'll read on.

In the context of carbon pricing policy, competitiveness pressures can arise when there is a higher carbon price in one Canadian province than in other jurisdictions—either foreign or domestic. In these cases, provincial firms competing in national or international markets might experience a "carbon disadvantage" relative to firms outside the province. Given that Canadian firms have traditionally focused much of their trade within the North American market, it is the policy differences between the various Canadian provinces and between Canada and the United States that are particularly important for this discussion.

My question, then, to the government would be: did you do any comparative analysis on this trade exposure and what kind of inhibitor this carbon tax was going to be on our trade-exposed industries?

In short, carbon competitiveness pressures come from carbon-price differentials between trading partners, not the absolute level of the carbon price. Under a uniform global carbon price, for example, there would be no competitive disadvantage between [Canada's companies, Alberta's companies, and any other companies].

However,

differences between carbon prices at home and abroad can have both economic and environmental implications. When we talk about competitiveness pressures in this report, we refer only to competitive impacts on industries between jurisdictions with carbon prices of different stringency.

It should be noted that that was the focus of this report. Not every jurisdiction around the world, of course, has carbon pricing, yet we're in a globalized economy. Alberta products have to compete on the global stage. It's important, therefore, that Albertan companies have an advantage, a competitive or comparative advantage, out there. That is job creating. By its very nature it is job creating. But this carbon tax is putting that at risk. It's putting it at risk, and there is no measurable accountability reporting to ensure that this expenditure and this risk that we're putting our products at are worth it.

In short, Madam Chair, I support this one hundred per cent. I thank my hon. colleague for the thoughtfulness that he's put into this, and I would hope that every member in this Assembly will support such an excellent amendment.

Thank you, Madam Chair.

The Chair: The hon. Member for Edmonton-South West.

Mr. Dang: Thank you, Madam Chair. It's always a pleasure to speak after the hon. Member for Innisfail-Sylvan Lake. I do have to take this opportunity to take a look at this and say that there absolutely was some very sound economic research that went into this policy, and that's why policy-makers, scientists, and industry have endorsed a carbon price as simply the best way to reduce emissions. That group includes influential and prominent Canadians like Preston Manning, and even the World Bank can be cited as saying that carbon pricing is the best way to ensure the overall goal is achieved in the most flexible and least costly way to society.

Here in Canada British Columbia saw a 6 per cent reduction in emissions after four years of having a carbon price, Madam Chair. Really, we can look at this and say: what did we do for the research? The Climate Leadership report does come out and absolutely say that we will see absolute declines of emissions by 2020, and these declines could be as high as 30 to 35 megatonnes by 2020. That's through things like phasing out emissions from coal-fired plants, increasing our renewables use, putting a price on emissions, and establishing performance standards.

I want to touch a little bit more on performance standards, Madam Chair, because performance standards do exactly what the hon. member across the way was talking about, which was to ensure that the trade-exposed industries in Alberta are able to be competitive in a global marketplace. That is exactly what the economists recommended, and that's exactly what this government is implementing because we recognize and are cognizant of all of these concerns. Doing things like reducing methane emissions and investing in energy efficiency and investing in innovation in technology with hundreds of millions of dollars is simply what is going to get us to this 30 to 35 megatonnes. As we work with our stakeholders to finalize the implementation of these plans, we absolutely do believe and understand what the report suggests, which is that the 30 to 35 megatonnes are what you're going to see. I do think that really does succinctly account for this first point in the amendment.

Secondly, Madam Chair, there's a point about how there should be reporting and public accountability. There are already a lot of these steps in place in the Fiscal Planning and Transparency Act, which requires all ministries to prepare a business plan and an annual report. The annual report includes the consolidated financial statements and a comparison of performance results to the business plan and any explanations of variances between the two. These annual reports also include a report of the Auditor General on the department's financial statements. Really, I do believe that this is very sufficient for our purposes, for an audit of the ministry and moving forward from there. That is simply why the Fiscal Planning and Transparency Act was brought in.

Madam Chair, quite simply, 30 to 35 megatonnes are what we're going to be seeing in reductions by 2020, and that's been done through thorough consultation and thorough expertise from our industry partners, from our economic partners here in the government and the research academics in this great province. Really, there are already a lot of accountability measures built in place in this government, so I really don't think that, necessarily, this amendment is needed at this time, and I would implore all members to vote against it.

Thank you, Madam Chair.

9:30

The Chair: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Cooper: Well, thank you, Chair. It's a pleasure to rise and speak to the amendment. I know you'll be surprised that I will be speaking in favour of the amendment.

You know, Madam Chair, a little over a year ago the government changed. When people in Alberta voted for change, they were hoping that a new leaf would be turned over, that the new government would shed some of the ways of the previous government, that had become not nearly as responsive and accountable to the Alberta people. I think you'd even find, if you looked in a number of media reports or even in this House, that the third party has acknowledged that, that they had strayed, if you will, from some of their core principles of accountability and responsiveness to the Alberta public.

The sad thing – and I mean this genuinely because I, too, had this renewed sense of hope that when it came to being accountable, to listening to the needs of Albertans, to being responsive to that, the government of the day would turn back to the people, if you will, and be accountable to them. Obviously, there's a vast chasm between that side of the House and this side of the House, and there are a lot of varying opinions on Bill 20. But what I've been most surprised about is that the government has little to no desire to ensure that within the context of Bill 20 it is as open and accountable as possible.

While the Official Opposition does not like the direction of Bill 20, in this amendment we aren't even trying to make significant changes to the implementation of the bill but only, Madam Chair, to provide a level of accountability that Albertans expect. I think we'll find that over a period of time not only will Albertans expect it, but Albertans will demand it. This amendment is about being accountable and transparent to Albertans. The government wants to fund emission reduction initiatives with taxpayers' dollars, and taxpayers deserve to evaluate the success of their investments in the form of emission reduction reports from each initiative. If, in fact, we're going to be investing in reduction of emissions, then we should be able to measure the emissions being reduced. And as members of that caucus once believed, it's important that that report come back to the Assembly. It's not just a report for the inner workings of the front bench but a report that all Albertans can have access to.

Now, Madam Chair, we will continue in our position that this is a bad tax made worse by bad timing and by failing to come anywhere close to revenue neutral, but if the government is insisting on making these new tax initiatives, then we ought to make sure that they are accountable to the people. It's important that as we move towards reductions, there is accountability for Albertans and to Albertans. It's unacceptable that the government would impose a heavy carbon tax on Albertans and not be clear about how those funds are used, and that's exactly what this amendment does. It provides a vehicle for Albertans to know how and where these funds will be used, that they won't just be used for the political gain of the NDP, that they won't just be used in funding special-interest projects that are a net benefit to the NDP or their friends. An amendment like this provides the accountability to this Chamber that Albertans expect and deserve.

Madam Chair, my hon. colleagues from Grande Prairie and Innisfail-Sylvan Lake made some significant and persuasive arguments. I think it's important that we ensure that there is transparency for all Albertans on such a significant amount of resources. We're not just talking about 10 million bucks here, and even if we were speaking of 10 million bucks, Albertans should have accountability and trust and the knowledge of how dollars are being spent. But we are talking about billions of dollars.

I know that the outstanding constituents of Olds-Didsbury-Three Hills want me and this Assembly to be accountable to them, to be accountable to the people. What Bill 20 does is that it allows the government to hide behind legislation, to hide behind the inner workings of cabinet and not bring the types of accountability that Albertans know and deserve. That's exactly what this amendment does, and that's exactly why every member in the Chamber should support this amendment this evening.

The Chair: Any other members wishing to speak to amendment A10?

Seeing none, we'll call the question.

[The voice vote indicated that the motion on amendment A10 lost]

[Several members rose calling for a division. The division bell was rung at 9:37 p.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Anderson, W.	Hanson	Rodney
Barnes	Jansen	Starke
Clark	Loewen	Stier
Cooper	MacIntyre	Strankman
Drysdale	Nixon	van Dijken
Fildebrandt	Pitt	Yao

9:40

Against the motion:

Anderson, S.	Hinkley	Notley
Carlier	Horne	Phillips
Carson	Kleinsteuber	Renaud
Ceci	Littlewood	Rosendahl
Connolly	Luff	Schmidt
Coolahan	Mason	Schreiner
Dach	McCuaig-Boyd	Shepherd
Dang	McKittrick	Sucha
Drever	McLean	Turner
Eggen	Miller	Westhead
Goehring	Miranda	Woollard

Totals: For – 18 Against – 33

[Motion on amendment A10 lost]

The Chair: We're back on the bill. Are there any further amendments, questions, comments? The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. Before I begin, I want to assure everyone that I've very carefully read my remarks, and like Don Cherry, *Hansard* is operating on a 30-second delay today.

Madam Chair, I've been itching to get back here and fight the carbon tax with my colleagues because that's what Albertans elected us to do. Now, a \$3 billion ND PST carbon tax on everything is bad enough, but there's another twist to this story, and that is that there will be a tax on tax in this.

An Hon. Member: Tell us more.

Mr. Fildebrandt: The plot thickens.

This NDP carbon tax is going to be a buried cost as a good. Therefore, in the way the federal GST is applied, the GST will tax the carbon tax. That is a tax on tax. Now, a \$3 billion carbon tax is going to hit Albertans hard enough, and my colleagues on the opposition side of this House have very ably spelled that out, how this is going to punish families and hurt our economy. But beyond that, now the GST will be applied to the carbon tax: a tax on tax.

Now, not only is this grossly unfair to the taxpayers of Alberta as a concept, but it is going to be a tax that we are paying for which we will receive virtually zero return. We're going to be paying extra taxes to Ottawa, essentially a voluntary giveaway to the capital. We're going to send more money to Ottawa without any requirement that a single dollar of that be sent back. Now, Madam Chair, I know that some members are very happy to send more money to Ottawa, but I know that the people of Strathmore-Brooks and, I believe, the people of Alberta believe that we send enough money to Ottawa, and we should not be doing this.

Now, at the very least – at the very least – if the government is going to go ahead with this, they should demand a rebate from Ottawa for this. If they are saying that we are acting in partnership with Ottawa to deal with climate change, that's fine. I can accept that. But if we're doing our part for climate change, why should we be handing more free money directly to Ottawa without receiving anything back for it whatsoever? The reasonable thing to do would be for the Premier to request of the Prime Minister that they rebate this money to the Alberta government. I think that is an entirely reasonable request.

That rebate money should be put back to Albertans in the form of tax cuts, or if they refuse to go the road of tax cuts, which they obviously are, they should increase the rebate on that front so when Albertans go to the pump or when Albertans buy groceries or they buy any product that could have the GST applied to it and they're sending more money to Ottawa, that money should be sent back to Alberta. The government insists that this entire scheme is about social licence, but, Madam Chair, it's very obvious that this is about wealth redistribution. This is not about social licence; this is licensed socialism. It is a tax grab, it is a money grab from Albertans, and it's going to send even more money to Ottawa without a penny of it coming back. That is why I and the Wildrose are proud to vote against the carbon tax.

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

Mr. Rodney: I was just simply going to ask the member: how much tax could a carbon tax tax if a carbon tax could tax tax?

The Chair: The hon. Member for Grande Prairie-Wapiti.

Mr. Drysdale: Thank you, Madam Chair. It's my pleasure to rise to speak to Bill 20 in Committee of the Whole, and I'd like to move an amendment. I have the requisite number of copies, and I will wait for you to have a copy at the table before I continue.

The Chair: Go ahead, hon. member.

Mr. Drysdale: Thank you. I move that Bill 20, Climate Leadership Implementation Act, be amended in schedule 1 as follows. (a) Section 4(1) is amended by adding the following after clause (c):

(c.1) fuel used in connection with the forestry industry or commercial tree nursery industry in the circumstances set out in the regulations, and

(b) Section 79(1) is amended by adding the following after clause (b):

(b.1) prescribing, for the purposes of section 4(1)(c.1), the circumstances in which fuel is used in connection with the forestry industry or commercial tree nursery industry.

Madam Chair, this is a relatively straightforward amendment. It looks to provide a little extra bit of support for those in our forestry industry and commercial tree nursery industry. This amendment would mean fuel use in the forestry industry and commercial tree nursery industry would be exempt from paying a carbon tax under section 4(1), and the circumstances would be prescribed in the regulations. The regulations would have the power to outline what, exactly, could be exempt.

Forestry plays an important part in Alberta's economy. It contributes around \$5 billion in economic impact to our economy and provides more than 10,000 jobs. It is also our third-largest manufacturing sector. The forestry industry is already being hit by carbon tax on transportation and locomotive fuels. These additional costs would mean many small producers would be forced out at a time when Alberta is really looking for this industry to lead and continue to diversify our economy.

Just as importantly, commercial tree nurseries have a vital impact on our province. It is also the industry that leads the planting of seedlings for oil sands reclamation. Early indications are that the carbon tax along with other recent policy directions from this government will mean a cost increase of 18.5 per cent to the industry. If some of the worst-case scenarios were to eventuate as prescribed, this industry could be forced out of Alberta within three to five years. The average natural gas bill for one nursery is approximately \$250,000 annually. It is estimated that the gas bill alone will increase to between \$350,000 and \$500,000 annually once the carbon tax is fully implemented at \$30 per tonne of CO₂. I would ask all members to see the importance of this amendment and the positive effect it would have on the industry.

9:50

You know, the forestry industry along with the ag industry does a lot for the reduction of carbon in our province. They both have a carbon sink. With added technology – like in farming, the zero tillage has reduced our carbon footprint by a whole lot more than this carbon tax will. Now by punishing those two industries where we're looking for diversification and industries that could lead the carbon sink – I think it's unnecessary to punish them. The PCs support putting a price on carbon, but the way the NDP government has structured their carbon tax will hurt Alberta families and businesses.

There's no denying that climate change is real and that we as legislators can play a role in fighting it, but we do not believe this bill in its current form will achieve that goal. Bill 20 lacks important details about how the carbon tax will be implemented, how the new energy efficiency agency will be structured, and how much all of this will really cost Albertans. The NDP need to be much more transparent with Albertans. Bill 20 in its current form is deeply flawed, and our caucus has brought forward a series of amendments that will reduce carbon emissions without hurting the taxpayer, including an amendment to make the carbon tax truly revenue neutral. Without passing these amendments, we will not be able to support this bill.

Hon. members, I encourage you to support this amendment. Thank you very much.

The Chair: The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. I rise to offer my enthusiastic support to this amendment. I think it is very consistent with what the objective, – at least what I would hope is the objective – of Bill 20 actually is. If the objective of the Climate Leadership Implementation Act is to in fact reduce carbon emissions in this province, then there are, I guess, a couple of ways they can go about that. If the government intends to support important industries like forestry and seedling nurseries in their efforts to sequester carbon by growing more trees, one would hope that that's the sort of thing precisely we want to be doing in this province. Unfortunately, the way the carbon tax currently works is that we're actually going to increase costs on those very producers, and there's significant risk that we end up driving those companies out of business and out of the province, especially to places like British Columbia.

Now, that could lead to the second way that this government could end up reducing Alberta's carbon footprint. By putting companies out of business, I guess they're not going to be working anymore and producing no carbon. We don't want that. That, I can assure you, from this end of the House, anyway, is not what we want, and I would hope, in all sincerity, that that's also not what the government wants.

But this is a very good example of some nuance and subtlety that would be very important to build in to this bill, and it is a perfect example of the unintended consequence – at least I hope it's an unintended consequence – from the government as they work through Bill 20. I don't think that they intend just to punish nurseries and seedling companies, but when you add up the cumulative costs of carbon tax, of the minimum wage increase, of compliance costs with Bill 6, you're going to find that a lot of these companies are now moving from a very thin position of being profitable to a position of being not profitable. You may find – I think that there's significant risk that you'll find – that you put these companies out of business in a short period of time. They have choices. They can in fact move across the border to British Columbia, where they do have substantial exemptions for carbon-neutral or carbon-negative business. That's something I think this government should really consider as you work through the details of the bill.

An amendment like this is going to substantially strengthen the bill, improve the perception of the bill in the minds of Albertans, and gain the credibility which I think this government badly needs for this carbon tax and beyond.

Thank you, Madam Chair.

The Chair: The hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Madam Chair. I, too, rise to voice my support for this amendment and thank the hon. member for bringing it. Cypress-Medicine Hat is an extensive greenhouse part of our

province, and there are many, many good growers. The nurseries for seedlings is a very strong business, as the hon. member said, for reforestry in the oil sands area, throughout northern Alberta, and of course it's a great job provider.

I've been sitting here for a little while listening to many, many parts of the debate, and it is a bit hard to add anything new. Starting with the old part, I'm still amazed at how regressive this tax is going to be to all Albertans, with the unintended consequences, the hidden costs, the horrendous timing, when areas like Medicine Hat have almost 10 per cent unemployment, and how far reaching this tax is going to be for all aspects of our society and our economy.

One of the things that rolled through my mind, though, with this forestry bill and the, you know, attempt to have the carbon tax excluded from aviation is that if we're going to have a tax, no matter how bad a tax is, the tax base should be as broad as possible. That means shared as widely as possible. But I think in the case of the carbon tax, that makes absolutely no sense. It's because the money goes to a slush fund. It's because the money gets handed out directly to the government's friends and those insiders. So it's not going to be like a true tax, that actually goes into health services or education or roads and that are there for the use of every Albertan. I think that, yeah, there's really no way to spread this tax fairly across as many Albertans as possible because at the end of the day the recipients of the tax money are going to be specifically involved with the government. Of course, we saw that on the stage months ago. That's a great, great concern to Albertans.

I'm concerned, as the hon. Member for Calgary-Elbow talked about, about the harm that this is going to have on the economy. Although it's an amendment or two ago, I remember one of my friends, who was very, very successful in the technology business, who is located in a city in British Columbia. I was talking to my friend, and I said: "Why not Medicine Hat? Why not Alberta?" He said: "Because of the airport. Because of the cost of flying out of here." I think back to the hon. Member for Vermilion-Lloydminster. His point is bang on. It's going to make an already expensive industry, that already is in decline, even that much harder to survive, to be competitive. It's the type of industry that is exactly what we need to diversify our economy, to provide jobs, you know, to provide those high margins where companies and employees can pay taxes for the services we need like health, education, roads, and our social safety net.

Again, I thank the member for bringing yet another proposal forward of one of our strong, strong industries that is going to be so unduly affected as it affects, you know, other competitors and other provinces. I spoke last week about carbon leakage and how I think all we're really doing is giving a cost and a competitive advantage to Montana, to B.C., and to Saskatchewan. Because they'll be more competitive, we'll actually do the opposite of what the government intends and increase carbon but at the same time hurt the Alberta economy.

Madam Chair, I'm very much in favour of supporting a strong industry like forestry, strong environmental stewardship, like nurseries and seedling greenhouses and growers, and very, very much in favour of not doing Albertans and the Alberta economy any more harm.

The Chair: The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you.

An Hon. Member: You again?

Mr. MacIntyre: Yeah. Me again.

Thank you, Madam Chair. I am in favour of this amendment, and I will illuminate the reasons why. Forestry as an industry is entirely

trade exposed. Entirely trade exposed. Not only is it entirely trade exposed, but the margins that the softwood industry in our country have been experiencing over the last number of years have been declining. It's been tough.

10:00

Forestry is one of those industries. I'm sure everyone in this House can remember the NAFTA wars in the softwood lumber industry. Our softwood lumber industry has spent literally millions and millions of dollars protecting itself. Being so terribly market exposed and having margins so terribly reduced over the last number of years has put our lumber industry at a significant disadvantage.

Another thing that we need to consider about this is that the boreal forest, which is, you know, the source of lumber in our province and in our nation, is one gigantic carbon sink. But as trees rot, they actually emit methane through the process. The only way trees are actually a hundred per cent carbon sink is if we harvest them. So the harvesting of trees in our province is actually helping the provincial government meet its greenhouse gas emissions reduction targets.

To then come after this very same industry, that is being such an enormous help, and hit them with a carbon tax on fuel used in connection with forestry or commercial tree nursery operations is actually fighting against the very industry that could be helping. This is absurd, absolutely absurd. Here is an industry which, of the many industries in this province, is being enormously helpful in harvesting trees, these huge, beautiful carbon sinks that we have, and this government is penalizing them. Hello? What sense is this?

Furthermore, to take an industry that is 100 per cent trade exposed like this and to put them at a competitive disadvantage – and I pointed out from the Ecofiscal Commission report, that the hon. minister of the environment likes to wave around this place, that carbon taxes have the ability to damage competitiveness across jurisdictions – here's an example of that. Our lumber industry is going to be put at a competitive disadvantage, and it is totally trade exposed to the United States lumber industry. So not only are they being put at a competitive disadvantage, but let's remember that under NAFTA it is just as easy for a lumber distributor in Calgary to order out of the United States, out of Oregon or Washington, as it is for him to pick up a phone and order lumber out of High Level or to order lumber out of Grande Prairie. He can order lumber from wherever he wants to. NAFTA allows for that.

Now here we are putting our own lumber industry at a disadvantage. Now, you might say: oh, it's just a tiny little disadvantage. No, it is not. Fuel is an enormous input cost to our lumber industry because of the transportation cost necessary for moving our lumber to market. We move our lumber to market both by truck and by rail. By truck and by rail. And where is this carbon tax being applied? To transporting by truck and by rail. We have a locomotive tax. We have tax on fuel now. This is crazy. Here is an industry that is going to be hurt by this carbon tax. That means jobs. That means profitability.

Mr. Hanson: They're taxing baby trees now.

Mr. MacIntyre: And now they're taxing baby trees.

Now, just to show you that I'm not an angry Santa all the time, that I do indeed have a sense of humour, it really does something to me to see a group of people who are tree huggers taxing trees. Where does this come from? My goodness.

Mr. Connolly: What's next? Bushes? Flowers?

Mr. MacIntyre: You're probably going to be taxing flowers. Yes, florists are going to be taxed.

An Hon. Member: This is about greenhouses.

Mr. MacIntyre: You know, greenhouses are going to be taxed.

Mr. Connolly: Succulents? Cacti?

Mr. MacIntyre: Yes. Like, come on, you guys. It's terrible. I have pictures in my mind of little girls and their little tree: oh, it's taxed now. Like, come on.

However, in all seriousness, Madam Chair, we have a tax on a very trade-exposed industry. This tax is going to put them at a competitive disadvantage. It is going to result in more difficulty in moving Alberta's softwood products to market, softwood products that have to come from way up north in our province and get shipped all the way south in our province. The cost of transportation is one of the more significant inputs into softwood lumber. This is a terrible idea, and I would hope that all members in this House, especially those that love to hug trees, can support the exemption that this amendment is attempting to put forward.

Thank you for your applause, and I trust that you will provide support if for no other reason than you liked my speech.

The Chair: The hon. Member for Calgary-East.

Ms Luff: Thank you, Madam Chair. I don't know how to follow that. It's not even that late.

In any case, what we're doing here with this carbon levy, with our climate leadership plan: we are not putting a price on trees; we are putting a price on carbon emissions. It's been designed to be an economy-wide price on carbon. We want to reduce emissions, which is why the price on carbon has been designed how it has been, to be economy-wide. It's something that is designed to be fair across all industries. This does not work if it is applied unfairly. We could be here all night . . .

An Hon. Member: We will be.

Ms Luff: We will be here all night while you try to exempt individual industries and individual aspects of individual industries at a time, but the premise of the price on carbon is that it is applied universally across the economy.

As such, we are not creating efficiencies and we're not encouraging efficiencies if we allow various exemptions. The thing with the price on carbon is that it really is a fundamentally conservative solution to something that we don't want. We don't want carbon emissions. Hank Paulson, the former U.S. Secretary of the Treasury, said: the solution is a fundamentally conservative one that will empower the marketplace to find the most efficient response; we can do this by putting a price on emissions of carbon dioxide.

Every industry in Alberta is important, and we as a government support every industry in Alberta that is working to create jobs here in Alberta, which is why we are going to work with industry and have been working with industry here in Alberta by using the funds from this carbon levy and putting back that money into industry to enable them to adapt to our carbon-constrained future, to be able to adapt and find efficiencies in their operations.

We cannot be here all night trying to exempt individual industries. This has been designed as a province-wide, industry-wide, economy-wide price on carbon to reduce emissions, which is what we want to do because it is the right thing to do, because it will help us diversify our economy. It will help us move Alberta

forward. We are going to work with all industries. Every industry is important. Every industry will get assistance through Energy Efficiency Alberta, through various programs that can be provided.

I would urge all members of this House to vote against this amendment.

10:10

The Chair: The hon. minister of the environment.

Ms Phillips: Thank you, Madam Chair. A couple of quick questions here. First off, on this question of trade exposure there has been some selective quoting from the Leach report and from the Ecofiscal Commission this evening. The performance standards that we are phasing in as we phase out the specified gas emitters regulation is exactly the mechanism, the public policy mechanism, that we are using to address these competitiveness concerns.

I know it's technical and hard to understand, but, you know, that is the reality, that what we are phasing in is an output-based allocation for trade-exposed industries like fertilizer, cement, certainly oil sands and other large final emitters, Madam Chair. Now, that is so that we can maintain a level of comparability with other jurisdictions because certainly other places, whether they are pricing carbon or instituting a cap-and-trade system, are increasingly using the performance standards in order to account for competitiveness concerns and carbon leakage concerns.

In addition, I've heard quite a bit of very strange comments coming from a party that purports to, you know, have the back of the oil and gas industry. However, I've heard a tremendous amount of hand-wringing over the composition of the stage on November 22. I've heard comments about big oil and this sort of stuff, Madam Chair, which is entirely inappropriate. These folks are job creators, and they contributed meaningfully to this process and continue to do so. Certainly, Alberta remains an energy economy and will be so for the foreseeable future. What we need to make sure of is that we are competitive moving forward. Certainly, the oil and gas companies recognize this if the Official Opposition does not.

Now, as for the amendment here with respect to use by the forestry industry, Madam Chair, I will say, first of all, that we have proposed to make reinvestments in the bioenergy program. That is a program that we are continuing to review. We have of course listed it in the budgetary allocations. That is an initiative undertaken jointly by the climate office, the Minister of Agriculture and Forestry, and the minister of economic development. Certainly, we know that we can be leaders on bioenergy, just as we are in other sectors. We're going to make sure that we are designing really smart, lean, efficient bioenergy programs that achieve those greenhouse gas reductions while ensuring that we are diversifying the economy.

I will just make the final point that for off-road use the forestry industry can use and does use marked fuel. It's not just for the agriculture industry but also for construction and forestry. They will indeed, for that off-road use, benefit from that exemption, Madam Chair, in addition to the investments that we will be making through reinvesting the carbon levy and through the in-compliance standards for the large final emitters. When we invest in innovation and technology, we fully anticipate that some of those initiatives will build on our strength as Albertans in the bioenergy sector.

The Chair: Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I think it's rather obvious to the House that there seems to be some misunderstanding between the hon. minister of the environment and the hon. Member for Calgary-East. The Member for Calgary-East said that this is economy-wide and that it's fair because it's economy-wide. Then

the hon. minister of the environment gets up and says: well, you know, there's this exemption and that exemption and this other exemption. So what's it going to be?

It's interesting that the very industries that the hon. minister of the environment says are supportive of the carbon tax are the very industries exempt from it – no surprise – yet the very industry that could be helping with mitigation of greenhouse gases through the growing and harvesting of trees is being penalized for the industry that it is.

Insofar as off-road fuel, obviously, the minister of the environment hasn't worked in a logging operation. The more significant fuel use is in transporting the finished product all the way to market. Secondly, there's also the cost of natural gas to fire the kilns to kiln-dry the lumber before it's even stuck on a truck or a train. Obviously, no economic impact assessment was done on the lumber industry, for goodness' sake. This is terrible. Such a lack of understanding of an industrial sector that provides so much employment in this province and provides so much greenhouse gas mitigation – it's just terrible that this government is going to penalize this industry when it is already struggling under low margins and significant barriers to trade.

Thank you, Madam Chair.

The Chair: Any other hon. members wishing to speak to amendment A11?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A11 lost]

[Several members rose calling for a division. The division bell was rung at 10:16 p.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Aheer	Fildebrandt	Pitt
Anderson, W.	Hanson	Starke
Barnes	Jansen	Stier
Clark	Loewen	Strankman
Cooper	MacIntyre	van Dijken
Drysdale	Nixon	Yao

10:20

Against the motion:

Anderson, S.	Horne	Notley
Carlier	Kazim	Phillips
Carson	Kleinsteuber	Piquette
Ceci	Littlewood	Renaud
Connolly	Luff	Rosendahl
Coolahan	Malkinson	Schmidt
Cortes-Vargas	Mason	Schreiner
Dach	McCuaig-Boyd	Shepherd
Dang	McKitrick	Sucha
Drever	McLean	Turner
Eggen	Miller	Westhead
Ganley	Miranda	Woollard
Goehring	Nielsen	

Totals: For – 18 Against – 38

[Motion on amendment A11 lost]

The Chair: We're back on the main bill. The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much, Madam Chair. I, too, have an amendment to present. I will hand this to the table and wait till you receive it.

The Chair: This will be amendment A12.

Mr. Clark: Thank you very much, Madam Chair. I will read it out. I move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 1 as follows: (a) Section 4(1) is amended by adding the following after clause (c):

(c.1) fuel used in connection with an industry that produces a net negative emission of greenhouse gases in the circumstances set out in the regulations, and

(b) Section 79(1) is amended by adding the following after clause (b):

(b.1) prescribing, for the purposes of section 4(1)(c.1), the circumstances in which fuel is used in connection with an industry that produces a net negative emission of greenhouse gases.

The purpose of this amendment, hon. members, is to simplify the determination of what is and is not a net negative emission industry, perhaps not singling out one, as the previous member attempted to do, but addressing some of the concerns and questions that the minister had raised about picking winners and losers, or targeting, in particular.

I think that it's important to recognize that the purpose of this bill, as we've said previously, is to reduce carbon emissions. In doing that, we ought to be providing appropriate incentives as broadly as possible for any industry that does not produce carbon emissions and that, in fact, is net negative. I think that agriculture zero-till methods are one very good example, and there are many, many more examples of industries that are, in fact, carbon neutral or carbon negative. Those industries not only ought not be punished; they ought to be rewarded for their work. Those are the sorts of industries we want to see in this province.

The objective here is to reduce carbon emissions. If, in fact, we find that we're sending these sorts of industries out of Alberta, then we are going to find that maybe our carbon emissions go up in a way that we had not intended. The goal here, of course, is carbon reduction, and to spur new industries that are carbon negative or carbon neutral ought to be the intent. It's important that we recognize that there are industries that we have not yet identified that may fit into this category, and every one of those industries is important.

I would sincerely hope that given the importance of reducing carbon, if that is, in fact, the goal of the government, they would consider supporting this very important amendment, which I do believe will improve the bill and help raise the profile and the appreciation for the bill in the eyes of Albertans.

Thank you very much, Madam Chair.

The Chair: Any others wishing to speak to this amendment? The hon. Member for Grande Prairie-Wapiti.

Mr. Drysdale: Thank you, Madam Chair. I'm pleased to rise in support of this amendment. You know, we hear a lot about carbon emissions in Alberta and how the oil sands are one of the highest emitters in the country, but we never look at the net difference of Alberta. The amount of carbon that's sunk in our ag industry and our forest industry is huge. I wonder if this government has done the calculation on the amount of carbon that's sunk in Alberta with ag and forestry compared to the number of emissions, and I wonder what the net difference would be.

This amendment is a great amendment, and I think that the industries that sink carbon should be rewarded, not punished.

The Chair: The hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you. Just to the hon. member's point, I've had ranchers and agriculturists call me and tell me that they feel that the value of carbon stored in our good rangeland and our agricultural land is \$13 billion a year, an incredible environmental record for our good producers.

Thank you.

The Chair: Any other members wishing to speak to this amendment? The hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I rise to speak in favour of this fine amendment from my hon. colleague. It seems to me that if this government is genuine in its drive to implement a tax which has been described around the world by experts as one of those behavioural modification mechanisms and we have a sector of our economy that's actually contributing to the sinking of carbon just by virtue of what that industry does and that industry or that sector is resultant in a net negative, they should be rewarded, not penalized. It doesn't make any sense whatsoever to penalize an industry that's actually helping in the reduction of greenhouse gas emissions.

If this government is being honest with Albertans and honestly believes that their carbon tax is going to result in a reduction of greenhouse gas emissions, if they really, really believe that that's the reason for this carbon tax, then any industry that's already contributing positively to the solution shouldn't be penalized. It only makes sense. For this government to penalize any industry, whether it be forestry, whether it be ag, whether it be greenhouses – anybody that's doing something that sinks carbon ought to be rewarded, not penalized. Yet they are not some, you know, that are being exempted under this thing.

I wholeheartedly support this amendment. I would encourage all members of this House to support this. I would encourage the government side to support this because this amendment right here will tell the truth on whether you really are interested in greenhouse gas mitigation or simply out there to grab a bunch of money out of the pockets of Albertans. If you're really serious about greenhouse gas mitigation and we've got industries that are actually doing this stuff and reducing greenhouse gases, then I expect that this government would be rewarding them. This amendment will allow you the opportunity to prove that you really are serious about GHG reductions. If this amendment is voted down, then that really will tell the story on what you're about with this carbon tax.

Thank you, Madam Chair.

The Chair: Any other hon. members wishing to speak? The hon. Member for Edmonton-South West.

Mr. Dang: Thank you, Madam Chair. It's my pleasure to rise today and speak to the amendment. I do want to set some things out very clearly from the beginning about this amendment. I think this amendment by the hon. member across the way is really well intentioned, but what it does, again, is that it carves an emissions group out of that economy-wide price.

What we're looking at here is that we already have in the legislation, in the bill, an offset program. There's an offset program where we have the opportunity for industries that are large emitters to buy offsets from approved smaller emitters that aren't emitting. So what the hon. member across the way is talking about, there is already a program in place to address those sorts of issues. I believe that the offset industry that will come up as a result of Bill 20 is really a viable way to target that. That's in line with what the Climate Leadership report talked about and in line with the intents

of the bill and the intents of this amendment, really, I think. There is an opportunity for industries that are not emitting as much to really benefit from Bill 20, as is the intention of this amendment.

As we move forward, we can also note that in a lot of the industries we're talking about, there are already some exemptions such as the marked fuel exemption for farm use, Madam Chair. As we develop programming for microgeneration and energy efficiency in this province, we're going to be working with our partners in agriculture and in other industries to develop programming to make sure that we are capitalizing on these offset programs, capitalizing on generation in the province and reducing emissions across the province. That's why this bill, I think, and the offset program that we have already really do address a lot of the issues that are found in this amendment. When we talk about this and we talk about being competitive in a global market, I think that it's important to keep those things in mind, that we are shaping this legislation in a thoughtful way to make sure that as we move forward, it's an economy-wide reduction. That's why we have an economy-wide price. It's a reduction across the entire province, across all industries.

10:30

When we can find those optimizations and when we can find those efficiencies – we're working with our industry to develop those programs, and the offset program is one of those pieces, Madam Chair. That's why we have things like the performance standards piece, which allows trade-exposed industries to be able to compete in a world market without having to worry about the carbon levy in the same way as other industries, and that's why we've made sure that this is a very thoughtful and thorough piece of legislation.

Madam Chair, at this time I'd have to ask the members, because we already have programming in place for this, to vote down this amendment. Thank you.

The Chair: Any other hon. members wishing to speak to amendment A12?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A12 lost]

[Several members rose calling for a division. The division bell was rung at 10:31 p.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Aheer	Hanson	Starke
Anderson, W.	Jansen	Stier
Barnes	Loewen	Strankman
Clark	MacIntyre	van Dijken
Drysdale	Nixon	Yao
Fildebrandt	Pitt	

Against the motion:

Anderson, S.	Goehring	Nielsen
Carlier	Hinkley	Notley
Carson	Horne	Phillips
Ceci	Kazim	Piquette
Connolly	Kleinsteuber	Renaud
Coolahan	Littlewood	Rosendahl
Cortes-Vargas	Luff	Schmidt
Dach	Malkinson	Schreiner
Dang	McCuaig-Boyd	Shepherd
Drever	McKittrick	Sucha

McLean	Turner
Miller	Westhead
Miranda	Woollard
Totals:	For – 17
	Against – 39

[Motion on amendment A12 lost]

The Chair: Moving back to Bill 20, the hon. Member for Airdrie.

Mrs. Pitt: Thank you, Madam Chair. I rise to speak to Bill 20. I think it's time for us to talk about a very important issue to me, and that's charities. Charities come in all shapes and sizes, from your local food bank, as we've discussed here before, ensuring that families have access to basic food needs, to the larger national organizations like the Red Cross, who've supported so many in Fort McMurray as we speak and ongoingly, I'm sure.

Now, Madam Chair, all charities in Alberta are about to see a significant rise in their operating costs for fuel, heating, food, and travel, et cetera, et cetera, et cetera, not to mention that those who use the food banks will see a rise in their costs as well. As I've referenced in this House before, these rising costs come at a time when charities are already facing a double-edged sword. On the one hand, due to the economic climate and the fact that many Albertans are struggling, charities are seeing an increased demand for their products and services and a decrease in the actual donations that are coming in.

This climate is only made worse as a result of this bill in its current form. This is specifically in regard to charities in our province. We have asked this government many times for a full market assessment – many times this has been shot down – and, in particular, for the effects that will be placed on charities in this province. It is also so important that as we as legislators debate bills, that we take a broad look at all aspects of society that are potentially affected. This would be the important, responsible thing to do when we're creating legislation. A government shouldn't be implementing broad-based taxation schemes without having all the answers first, Madam Chair. The result is that things like charities get missed from the equation. That's what we've seen here. Charities have been missed. Ultimately, it is Alberta's most vulnerable people that will suffer the most from a tax like this.

Now, this is why, Madam Chair, I come forward with a solution. I would like to propose an amendment which will include charities and charitable activities in the rebate scheme. While we know that the actual costs associated with this tax will undoubtedly raise the cost of everything, I believe that allowing charities to have some mechanisms for a rebate is a positive step towards ensuring that their important front-line social services are unhindered by this tax policy. We need to be responsible. We need to make sure that our most vulnerable are protected. I'm sure that this was just an oversight in such a large piece of legislation, and I'm certain that all members in this House recognize the importance that charities have in our society and for the people within Alberta and those who rely on our charities so much. I am pleased to rise to introduce Wildrose amendment 3, an amendment to extend the rebate to charitable organizations.

I have the appropriate number of copies here signed by Parliamentary Counsel. Shall I proceed?

The Chair: Let me see the original first, please.

This will be amendment A13.

Go ahead, hon. member.

10:40

Mrs. Pitt: Thank you, Madam Chair. I am absolutely pleased to introduce this amendment. It reads: Mrs. Pitt to move that Bill 20,

the Climate Leadership Implementation Act, be amended in schedule 1 in section 19 by adding the following after subsection (1):

(1.1) The purposes and uses prescribed under subsection (1) for which a rebate may be paid must include charitable activities engaged in by registered charities.

Now, Madam Chair, this is an amendment, I feel, that all sides of the House can support. This is certainly something to strengthen the bill, to show our commitment to the most vulnerable people in Alberta by really protecting and promoting the work that charities do in our province and really supporting them and the activities that they engage in.

I just would like to stress, Madam Chair, that in this climate, this economic crisis that we are in, there are so many of us here in Alberta that rely on charitable organizations for day-to-day living: the food banks, Meals on Wheels. There are so many charities that need our support, and this is an opportunity for this House to show these hard-working individuals that we support them, that we've got their backs.

I will plead with members of this House to please support this amendment. Thank you very much.

The Chair: The hon. Member for Highwood.

Mr. W. Anderson: Thank you, Madam Chair. I wish to rise and speak in favour of amendment A13. Charities, I think, are the backbone of our society. Charities are very near and dear to my heart. I've been involved in charities for several years in my constituency, and I've had the privilege for the last two and a half decades to be involved in a philanthropic organization called the Shriners. Yeah, we wear those little red hats, we get in parades, we ride around, and we kind of look like we're having a lot of fun, but I'll tell you what we do. We raise an awful lot of money to take care of the vulnerable, the vulnerable people in our society. We provide financial support and personal support to many organizations.

These people are the most vulnerable in our society, and right now, in very tough economic times, what I've noticed in my own constituency is that the SNAPS organization, that deals with autistic children, is running into financial difficulty. The food banks in both Okotoks and High River: their impact is up well over 50 per cent. This carbon tax is going to impact the amount of capitalization they'll be able to receive. There's only so much money that we can raise on their behalf. Rowan House, a personal charity that I've been involved with for several decades in both my constituency and others, is a women's shelter. Right now they're turning away 10 to 12 families a month. They can barely keep the lights on. This tax, without an opportunity to provide them with any sort of rebate, is going to cause hindrance and a difficult situation for a lot of women and children who are in abusive relationships.

These are very tough economic times, and additional taxation is not a great thing to be doing to these organizations. I think that by refusing to exempt them, this government, in my opinion, is showing a profound disinterest in providing for the most vulnerable individuals and charities working within our society and, especially in my constituency, within this province. Charities need a break.

For the sake of the kids, for the sake of the children I deal with as a Shriner every day, I request that you please support this amendment. Thank you.

The Chair: Any other hon. members wishing to speak to amendment A13? The hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Well, thanks, Madam Chair. I appreciate the opportunity to speak to this amendment, brought forward by the hon. Member for Airdrie. I am most certainly in support of this amendment. One of the interesting things in the last election that I think we can all remember was when the PCs – and they brought it back; to their credit, they reversed it – started to mess a little bit with our charities across this province. I know that all of us remember the outrage that we were hearing at the doors or in town halls or wherever you might have been campaigning while that was going on. It was pretty clear that Albertans were upset.

Now, this House knows that I have a long history in the charitable sector. I know that members on the other side of this Assembly also have a long history in the charitable sector. I know that those members know that we rely on charities in the province of Alberta to help with our social needs. That's the reality. We have charities working with all demographics across our province that we depend on. Some of them have already been mentioned: Meals on Wheels for our seniors. I know the work I did with the Mustard Seed is going to be affected by this, and that's important.

What we have seen this evening over and over is the government standing up and saying that they're trying to make it fair or trying to justify the decisions and the overwhelming tax burden that they are about to put onto families, municipalities, schools. While I completely disagree with that and have made that very clear on the record, I think that, at the very least, this government should take a step back and look at what they're doing to charities because we depend on charities. That's something that this government stands up on quite often and tries to say that they want to support charities or at least the causes they're working on, but this clearly does not support charities.

I also would like to hear from the government side on what kind of consultation they have done with charities or the charity sector to understand what the impact of this new tax is going to be on their operations and what the impact is going to be on social issues all across this province and all across many different types of social issues.

Now, my dad – I talk about him lots because I'm proud of him – has left the Mustard Seed now. He's retired. He's in his well-earned retirement. For him, that meant that he went and became the executive director of Oxford House in his retirement because it was a little bit smaller than the Mustard Seed and, you know, he could work more closely with the addicts that he likes to work with. What they do at Oxford House is that they have houses where ex-addicts live together within communities independently within those houses. I was talking to him on Sunday. He was at my house, and before I came back up to Edmonton on Sunday night, Madam Chair, I asked him what their math is just on what they think the increased heat, electricity costs are that they're going to see because of this government's policies. He says that their preliminary math is showing that they are going to lose 1 bed per 3 houses because of this.

Now, think about that. The decision this government is making could cause one person not to have a bed just in that organization. That's just one organization of many organizations across the province that are depending on donations and are trying to help people, that we depend on as a province to be able to meet the social needs of our province. Now, I can assure you, knowing my dad and knowing the team that is around him, they're not going to allow that person to lose their bed. They're going to have to go out and fund raise extra money to pay for the carbon tax that this government is bringing forward.

However, our charities right now, all across the charitable sector – it doesn't matter which area they're working in right now – are facing the perfect storm. I think we should all acknowledge that.

They're facing the perfect storm. They're seeing an increased demand for their services because of the economic downturn in our province, whether it's food banks or any type of social issue right now. They're seeing a lot of increase in demand because of what's happening economically in Alberta right now. At the same time, the other end of that perfect storm is that people are losing jobs. People are scared. They're trying to keep their money closer. They're trying to be smarter with their money and ride out this economic downturn, and that means donations are down.

So now you have these charities that we depend on – and we depend on them as a province – to help those most vulnerable and most in need in our society, and they have to meet that increased demand, and they can't get the donations to meet that increased demand because of what's going on with our economy. That's the perfect storm. Now, this government under this Premier: their answer to that is to tax them. It's to tax them. It doesn't make any sense, and it needs to be explained.

This amendment right here allows the NDP government to correct what I hope is an oversight. I know the hon. Member for Airdrie also indicated that she hopes it's an oversight. I suspect that it's not, but we're going to find out here pretty quickly when we vote on it. If the NDP government is really committed to working with our charities, really committed to working to address the many social issues that we see all across our province, they're not going to let charities be punished by this carbon tax. Instead, they're going to support charities. They're going to support the important work that they do.

Now, I don't understand how the government could be shocked by this or could not know that that would affect charities. Do they not realize that charities have facilities that they have to heat? Do they not realize that they have facilities that need electricity or vehicles that need fuel?

You know, we stand up in this Legislature and have asked over and over questions about municipalities and what this government is going to do with this carbon tax. We haven't had many answers on that. We've been to school boards. I know all of the hon. members have been contacted by school boards, and we see the calculations on the impact this carbon tax is going to have just on getting kids to school on buses or heating schools. And, again, not many answers from this government.

10:50

We've brought forward concerns about the transportation costs throughout Alberta but particularly in rural Alberta, for parents to get kids to sporting activities or just to be able to get to and from work, and the answer from the Premier was to get a new car. You know, I have talked in great detail about how well that will work for communities like mine because Smart cars aren't going to be driving around Sundre very well in the snow or up and down the hills like we have to do.

But putting all that aside, at least on this issue we should be able to agree that we need to support our charities and our nonprofits, and particularly all the government backbenchers on the other side need to be asking themselves right now why this Premier and this government do not want to support charities. I think that's alarming. I know my colleagues think that's alarming. I think my colleagues in the third party think this is alarming as well as in the Liberal and Alberta parties, I am sure.

So this is our chance. This is our chance to stand up for our charities, to recognize the important work that they do for our communities, to cast a vote to make sure that we're able to protect that work and to help them continue to do it, particularly in light of the perfect storm that they are facing right now. I know that they're depending on us for that support.

I think that anybody who would vote against this amendment has to seriously be asking themselves why and be prepared for many questions from the charities inside their constituencies and across Alberta that are going to suffer as a result of the decision of this Assembly today. The people that they help are the most vulnerable in our society. They will be kids, homeless people, women's shelters, Meals on Wheels, as said before. That is important. That's important to me, and I think it should be important to everybody inside this Assembly.

With that said, I will take my seat and let somebody else speak to this amendment. But I encourage you to think about the impact your decision tonight will have on the most vulnerable amongst us.

Thank you very much, Madam Chair.

The Chair: The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you, Madam Chair. I rise to offer my enthusiastic support to this amendment as well. You know, I really believe that despite some of the more heated rhetoric which can come from this side of the House, this is an amendment that is intended to make the bill better. I truly believe that.

I don't believe that the government is trying to hurt the charitable sector, but this is, unfortunately, one of those unintended consequences that can come from legislation such as this. As I'm sitting listening to the debate and thinking about what I'll say in my remarks here, I can't help but think again that had we passed one of the amendments previous that would have incorporated a report, a formal report, back to the Assembly at some point shortly after the implementation of this new legislation, this is exactly the sort of thing that we would learn more about, the impacts on the charitable sector.

Now, I've talked with many in the not-for-profit sector in my constituency of Calgary-Elbow and all throughout the province, and there's a tremendous amount of concern not just about the carbon tax but about the cumulative impact of the minimum wage increase up to \$15 an hour compounded with the carbon tax. All of these things are piling cost upon cost upon cost, and much if not all of the not-for-profit sector to one degree or another relies on donations.

In this challenging economic time, as I'm sure you all know, charities are very stretched. As Albertans have shown in their true Albertan way, we do step up and we do help our neighbours in time of need. So while many not-for-profits have seen reasonable stability in the donation levels that they're seeing this year over last, there's a great deal of concern about what next year looks like. Now, even this year many have had some real challenges in raising money. Some are struggling to keep their doors open. This could very well be the issue that tips the balance.

I don't think the government is trying to harm the charitable sector, the not-for-profit sector, but unfortunately there's a big risk that that's exactly what happens with this bill. We have an opportunity here tonight to improve the bill. That's what the purpose of committee is. That's why the opposition and perhaps occasionally the government will bring in amendments, to improve the bill. This will improve the bill by addressing a real flaw that is going to have a negative impact, a substantial, significant negative impact, on one of Alberta's most important sectors. And it is important at all times.

The work that the Member for Rimbey-Rocky Mountain House-Sundre has done and that his family has done over the years at the Mustard Seed and beyond: I've a tremendous amount of respect for the work that they've done. They are truly a cornerstone institution in the city of Calgary that has made the lives of countless hundreds, thousands of people so much better.

I don't believe that you're trying to hurt that sector, but unfortunately, with the way the bill currently is worded, you do exactly that. You're hurting the charitable sector, and we know that's going to happen. We know that to be a fact. That's the reason that I would like to see a report come back to the Assembly within perhaps a year after this bill has become law, to ensure that we're not seeing unintended consequences in the charitable sector or in other areas of the economy, other areas of the province. We talked earlier about carbon-neutral or carbon-negative companies. Are we going to see those companies being put out of business or pushed out of Alberta? That's a real risk.

There are significant risks from this bill. It is being, I think, pushed through at a time when we don't have sufficient information. I would be very interested to hear if there's anyone from the government side who's willing or able to stand up and defend why you would vote against this amendment. I haven't heard from anyone on the government side, so I don't want to presume what your perspective is on this.

Given that we're on amendment 13, however, and 12 of them have been defeated – the only one succeeding was one rather technical amendment – I have to say that I don't hold out tremendous hope that you will support this one, but as a born-and-raised Albertan I do find myself always living in a positive and optimistic frame. I live forever in hope that the government will see the light on important amendments. We have yet to see them do that here tonight or through the course of debate on this bill, but I do live forever in hope that, in fact, the government will see the light.

I will return to my place, Madam Chair, and I will give a member of the government side the opportunity, I hope, to rise and explain to us if, in fact, you're going to accept this amendment. If not, I'm sure Albertans would love to hear why it is that you're not going to accept this very reasonable amendment.

Thank you, Madam Chair.

The Chair: The hon. minister of the environment.

Ms Phillips: Thank you, Madam Chair, for the opportunity to speak to this amendment. It was the recommendation of the climate leadership plan that the price on carbon be economy-wide but also that a number of adjustments would be provided. A large part of that is through the energy efficiency efforts and efforts to phase in microgeneration, smaller scale renewables, and so on.

With respect to the charitable sector we had many conversations with many different groups over the course of last fall, Madam Chair, and many did provide their input into the public consultations last fall. There were many submissions, and some of them were from this particular sector. It certainly formed part of our deliberations and part of the consultations.

Where we landed on this, Madam Chair, where the panel's advice was helpful, was that many of these abatement issues can be addressed through efficiency programming. In order to facilitate that, I have had some conversations with many folks in the charitable sector in this new year, since the release of the plan in November, and we're going to work with them in ensuring that we are tailoring some of that efficiency programming directly to the voluntary sector and work with them in a working group kind of way as the efficiency work moves forward and as we stand up those programs. So that is how we chose to move forward on this given that the variability in this sector meant that a straight exemption would become very administratively difficult if not impossible on some level and given the position under the tax act and so on.

11:00

That is the choice that this government has made based on good advice and based on the evidence of what has happened in other

jurisdictions, Madam Chair. For that reason we will be voting against this amendment, or I'm going to recommend that we do that. It is for that reason that we are ensuring that we've got a robust consultation, working with groups in the charitable sector to ensure that we've got appropriate programming tailored to their needs.

Thank you.

Mr. Nixon: Madam Chair, I have to say that I'm a little bit taken aback by the minister's comments. Efficiencies? Well, it's important long term that we would probably bring that forward and move towards that. I would not argue with that. It clearly shows no understanding of what the infrastructure is in the nonprofit world that we depend on right now to take care of the most vulnerable in our province. Now, I'll stick to just the issue I know well, which is homelessness. If we're saying that efficiencies is the way to do it, that means that you are now proposing that we are going to renovate all of our homeless shelters immediately in this province, all of the buildings that we have built already in housing first.

Efficiencies? We already can't get people into treatment for addictions right now, and they're dying because of it, something that this government wants to stand up all the time and act like they're a champion of and then meanwhile will stand up inside this House and say efficiencies? It's a ludicrous thing. It shows that the minister did not consult with anybody in the nonprofit world and has absolutely no clue what our nonprofits need, and she should be ashamed of what she just said.

The Chair: Any other hon. members wishing to speak to amendment A13? The hon. Member for Highwood.

Mr. W. Anderson: Thank you, Madam Chair. Once again, I'm taken aback, like my hon. colleague, by this minister stating that efficiencies are going to provide a break for charities. Ten to 12 families a month are being turned away from the Rowan shelter in High River alone. These are women and children in a vulnerable situation. How do you tell a woman and a child who are being abused by their father or their parent that efficiencies are going to give them relief in their life? That, to me, is absolutely ridiculous. I don't believe you consulted with the number of charities that you said you did. I can't understand that. I've been involved in charitable organizations for almost 25 years. I couldn't think of one of them that would specifically state: if you make my furnace more effective, we'll be able to save children and women who are in abusive situations. Children and women. For the sake of the kids, come on.

Thank you, Madam Chair.

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

Seeing none, we'll call the question.

[The voice vote indicated that the motion on amendment A13 lost]

[Several members rose calling for a division. The division bell was rung at 11:03 p.m.]

[One minute having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Aheer	Hanson	Pitt
Anderson, W.	Hunter	Starke
Barnes	Jansen	Stier
Clark	Loewen	Strankman
Cooper	MacIntyre	van Dijken

Drysdale Fildebrandt	Nixon	Yao
Against the motion:		
Anderson, S.	Hinkley	Nielsen
Babcock	Hoffman	Phillips
Carlier	Horne	Piquette
Carson	Kazim	Rosendahl
Connolly	Kleinstauber	Sabir
Coolahan	Littlewood	Schmidt
Cortes-Vargas	Loyola	Schreiner
Dach	Luff	Shepherd
Dang	Malkinson	Sigurdson
Eggen	McKitrick	Sucha
Feehan	McLean	Turner
Ganley	Miller	Westhead
Goehring	Miranda	Woollard
Totals:	For – 19	Against – 39

[Motion on amendment A13 lost]

The Chair: We're back on the bill. The hon. Member for Olds-Didsbury-Three Hills.

Mr. Cooper: Well, thank you, Madam Chair. I'm going to say that I'm going to do this amendment as efficiently as possible because the hon. minister of the environment is encouraging charities to solve all of their challenges by being efficient. So perhaps if I propose this amendment in a very efficient manner, it will have the attention of the government and, as a result, will be passed.

I'd like to propose an amendment, and I'll just wait until you have it.

The Chair: This will be amendment A14.

Mr. Cooper: Thank you.

The Chair: Go ahead, hon. member.

Mr. Cooper: Well, we have seen some robust discussion this evening around particular areas of our province that will have a significant impact on their industry. We unfortunately just saw charities and the amendment around charities – that would have provided an exemption to those charities to continue the good work that they do. In fact, if there's one thing that I know about the outstanding constituents of Olds-Didsbury-Three Hills, it's that a well-meaning group of individuals will outperform government every day of the week. It's unfortunate that the government doesn't recognize the good work that they do, particularly around this carbon tax and how they're quite likely going to be more affected than others while doing much of the work that, if they aren't there to do it, will ultimately fall on the government to do.

11:10

There are other areas like that that are negatively impacted by the carbon tax disproportionately. That's why I want to propose this amendment. I move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 1, section 19 by adding the following after subsection (1):

(1.1) The purposes and uses prescribed under subsection (1) for which a rebate may be paid must include fuel used for the production of food in a greenhouse operated for financial gain.

We have seen this government already heading down the road of identifying areas that would have a negative impact on a certain industry or another. A perfect example of this would be purple fuel. I know that many people in rural Alberta are appreciative of the

purple fuel exemption and the negative impact that that would have had on our second-largest industry, which we all know is the agriculture industry. So I find it a little peculiar that the government has chosen to provide an exemption for certain areas of the ag sector but not all areas of the ag sector.

Commercial greenhouse operators are farmers, and the fuel which they use to provide locally sourced food, something that I know the government whip is very passionate about, providing quality, locally sourced food – the fuel that they use, predominantly, is natural gas. Because of the carbon levy and the significant increase to the cost of natural gas – \$1.50 a gigajoule on natural gas – means that their heating source is going up 50 to 70 per cent. At the end of the day, a commercial greenhouse operator is just as valuable inside the ag industry as my colleague from Drumheller-Stettler is in terms of the end product. My colleague from Drumheller-Stettler grows a significant amount of grains. In the case of greenhouses, I know that in Cypress-Medicine Hat and down in that part of the province there are a lot of greenhouses. Instead of providing grains for us to consume, they will provide produce, and the gas that they use to do that is natural gas.

Now, I know that I have raised this point here in the House before, but I think specifically of an outstanding operation in Olds-Didsbury-Three Hills called Shirley's Greenhouses. Shirley's Greenhouses employs anywhere between three and five people plus the operator. They do a wonderful job of providing natural, pesticide-free, locally sourced cucumbers, predominantly, but also peppers and some other vegetables. Their costs are going to increase by close to \$3,000 a month, between \$2,500 and \$3,000 a month. It's around \$30,000, and \$30,000 dollars is a significant impact, one where that business will need to make a decision, that the cost of produce will increase. As you can well imagine, Madam Chair, the margins inside the greenhouse business are often fairly tight in our northern climate because of the amount of input costs that they have that some other areas of the country and certainly south of us don't. Increasing the costs to greenhouses will not only have a negative impact on the business owner, who may struggle to stay in business, but certainly if they are able to stay in business, it's going to have a negative impact on all of us because the cost of food will be increasing.

Just today or yesterday the fact came out that year over year the cost of food is up between 10 and 12 per cent. This is a major, major concern. Not only are those costs going to increase at a time when Albertans can least afford them; it also has a significant negative impact on local businesses. Greenhouses have already been burdened with increased business taxes, minimum wage, costs associated with WCB and the enhanced protection for farm and ranch workers. There is major impact on this industry. While a traditional farm has the major cost of purple gas, for greenhouses it's heat. An estimated increase of approximately one-third of additional costs may be the difference between a viable business or not.

This sort of tax, Madam Chair, really undermines any claim that the government likes to make about buying local, supporting local marketing strategies when they're hitting these greenhouses with a 50 per cent hike on their natural gas costs. We saw in private members' business at the end of last session a significant discussion around the production of local food. If, in fact, the government's goal is to encourage that type of production, taxing greenhouses will have the opposite effect.

There are certainly other jurisdictions, including the province of British Columbia, that include an exemption for greenhouses in what is already a revenue-neutral carbon tax. This is a very good opportunity for the government to listen to stakeholders, to ensure that the production of food – we're not talking about a luxury. I

know that the government likes to discuss curbing behaviour, but if the government's goal is curbing food production, it is counterintuitive.

I believe that my colleague from Innisfail-Sylvan Lake is going to expand on some of the positive impacts that greenhouses have in terms of their role in reducing emissions and the critical role that they play in being part of a larger project. [interjection] It's with that that I'll encourage all members of this Assembly, including my hon. colleague from Rimbey-Rocky Mountain House-Sundre, who would be well served to pay very close attention to the very important debate that's happening here in the Chamber, to support a solid amendment that moves food production forward, that treats farmers equally, that respects the role that our food producers have, not just the good, not just those who are in the business of using purple fuel but those who use other fuels to provide food for this great land that we all enjoy.

The Chair: The hon. Member for Edmonton-South West, followed by Innisfail-Sylvan Lake.

Mr. Dang: Thank you, Madam Chair. It really is my pleasure to rise and speak to this amendment today in the House and, for once, before my hon. colleague from across the way. I do want to make some points on this and say that rather than debating what are the plain facts of the matter, the opposition is more concerned about spreading their half-truths and disingenuous information here. Either they do not understand what the plan is or they are more interested in scaring Alberta.

11:20

In my opinion, Madam Chair, we are looking at the simple facts, and the fact is that when we're talking about greenhouses and we're talking about these types of operations, natural gas prices are at absolutely historic lows. Even with the carbon price, consumers will be paying less for natural gas than they have on average in the last 10 years. An average household in Alberta in 2008 paid \$1,015 for natural gas in heating. With the carbon price in place this year those households would still only be paying less than \$360. A small business on average in 2008 paid \$5,300 for natural gas, and with the carbon price these businesses this year would pay less than \$2,500. Quite simply, if the members opposite have a crystal ball that allows them to see the price of natural gas in the future, you'd think they would have used that crystal ball to craft a shadow budget.

Madam Chair, what we are looking at here is an economy-wide price on carbon, something that economists came back with, industry came back with, nonprofits and NGOs came back with and said: absolutely, an economy-wide price on carbon is the way to go. We are pricing that carbon at the smokestack, not at the consumer. Industry is absolutely the best equipped to be able to find efficiencies in their own markets and their own produce. When we look at this, we want to say that government is not interested in picking winners and losers here. What we are looking at is that with an economy-wide price the industry will react, and we'll be able to move forward on tangible, viable emissions reductions moving forward to 2020 and 2030. When we look at this, we can see very clearly that this doesn't actually move towards that goal. What this does is that it spreads mistruths as we can see that natural gas prices absolutely are at the lowest they've been and are absolutely lower than the last 10 years on average.

Madam Chair, given all these facts and given all this information I really do think that all hon. members should be voting against this amendment. Thank you.

The Chair: The hon. Member for Olds-Didsbury-Three Hills.

Mr. Cooper: Thank you, Madam Chair. Just to correct the record, while it is a fact that natural gas prices are at a low point, it is also a fact that Shirley's Greenhouses will see an increase to their natural gas bill because of the carbon tax of \$30,000 a year.

The Chair: Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. Well, the Member for Edmonton-South West has once again demonstrated a profound lack of understanding of the business world. The Alberta greenhouse operators are trade sensitive in that food producers from B.C.'s lower mainland, from Mexico, from the United States, from American jurisdictions are competing with our greenhouse operators for food sales. The price of natural gas is low all over the place. What this tax does is that it effectively doubles the per unit cost of natural gas to just our food producers – just our people – which puts them at a distinct competitive disadvantage to everybody else that they're competing against, and the hon. Member for Edmonton-South West obviously doesn't grasp how this works.

[Ms Sweet in the chair]

Now, I'm going to go on. I just want to demonstrate the absurdity of this bill and the advantage of this particular amendment to help our producers of food, the greenhouse operators in Alberta. We haven't had this government perform an economic assessment sector by sector, which has been very clear, but let me demonstrate just for a moment the absurdity, using the greenhouse operators as an example. The growing of food plants captures carbon dioxide. In other words, growing plants creates a carbon sink, and the growing and harvesting of repeated crops provides an enormous carbon sink. This government repeatedly touts the carbon tax as some sort of saviour of our environment, but their ignorance of the photosynthetic process of absorbing carbon dioxide is rather evident. Because this government refused to seek the input of all Albertans and didn't give greenhouse operators an opportunity to speak to this bill, the results are that this government is actually going to be punishing greenhouse operators with a tax on carbon when they are in fact providing a service to this province in providing a carbon sink, crop after crop after crop. It is absurd, absolutely absurd.

Another absurdity demonstrating the ignorance of some members opposite regarding the impact of this tax is the statement from the hon. Member for Edmonton-South West regarding food banks and comments from his colleagues that – this was the other day – people needing food bank food can just take a bus. Well, obviously, the members opposite have no clue about life outside of large cities. In the magnificent riding of Innisfail-Sylvan Lake, for example, we have a dozen small towns and villages such as Elnora, Delburne, Lousana, Penhold, Springbrook, Spruce View, Gleniffer Lake, Pine Lake, Sylvan Lake. All of these communities are small, all have persons needing food bank services, and none of them have bus service.

We have greenhouses throughout this entire riding of ours because the people out there really love locally grown food, but in our winter climate a substantial amount of heat is needed for these greenhouses to operate. Yet now they are going to be hit with a carbon tax when, in fact, they're producing a carbon sink, just like with forestry, that we mentioned earlier. It's just absurd that this government is penalizing the very industries that are helping with greenhouse gas mitigation. Furthermore, it appears the government doesn't understand the challenges faced by other people and are

refusing to listen to them, refusing to give compassion and consideration to the unique challenges faced by certain sectors of our economy.

They're failing to achieve buy-in, which I talked about earlier. The greenhouse industry isn't going to buy in to this because they understand the value that they're providing this province in providing a carbon sink. They get that, but their own government doesn't get that. Oh well.

The lack of proper study, Madam Chair, and the very clear demonstration that this government doesn't understand the food supply chain is clearly evident. This government seems to think that just exempting purple fuel is all that is needed to offset the impact of this tax on our food supply chain. Well, I'm going to walk this House through the food supply chain so that they understand, so everybody understands.

Here we go. From the dirt to the kitchen an accumulative impact of this tax and what it's going to have on food looks like this. Seed needs to be treated, trucked. Fertilizer needs to be manufactured, in part from natural gas, and trucked to a distributor. Then the distributor loads it on a truck or a self-propelled spreader and hauls it to the farm. Tax is going to be added all along the way here. The farmer seeds and harvests his crop. Granted, his purple fuel will be exempt, but then a truck is going to come and haul that grain to market. That fuel is going to be taxed. It's hauled to an elevator or to a buyer. The grain is then hauled to a processor and taxed, perhaps to make pet food, perhaps to make livestock feed or cereal for our children or a malting plant to create malt for brewing. All of these processes will be taxed. They all use natural gas. They all use fuel in great amounts.

11:30

From here the grain, now processed into a food like pasta or cereals or enriched feed for pets and livestock, is going to be trucked again to a retail outlet and taxed again and sold to us, the end user. Of course, at every step of this process the food had to be stored in a factory or a warehouse or a refrigerated storage facility. Each of these consumes massive amounts of natural gas or diesel, and the carbon tax will be added to the cost of their products. In this whole food supply chain we're seeing the cumulative effect of this tax.

This government's claim that indirect costs to Albertans will be a hundred dollars or less is a myth, a shameful attempt to sucker Albertans into believing that this carbon tax is relatively benign when, in fact, it is not. I just mapped out one sector of our economy, food. Whether it be from the greenhouse to the end user, whether it be from the farm to the end user, the cumulative impact of this tax is going to be enormous. This claim that indirect costs will only be a hundred dollars is an absolute, how shall I say – I can't use the L word. I'll put it this way: it is an economic use of the truth. Because I can't use the L word, I'll use that one. I trust that the chair is okay with being economical with the truth.

Well, Madam Chair, the cumulative effect on our food that I just spelled out is horrendously large, and had this government taken the time to do the kind of impact assessments I keep hammering and hammering away at, they would have realized this and could have put measures in place to mitigate that impact.

Now then, coming back to the issue of fresh food, our greenhouse operators are going to be damaged. Every one of us that is a parent or a grandparent understands the value of fresh fruit and vegetables for our families, especially through our long winters. We have a choice. We either truck it in from far, far away, or we grow it in greenhouses here, but whether we truck it or whether we grow it in greenhouses, it is expensive here. That's just one of the realities of living in this northern climate and living in this province that we

love. However, parents and children should not be penalized with a carbon tax on something as essential as fresh fruit and vegetables.

Furthermore, the greenhouse operators in this province provide an absolutely essential service to our families, providing us not only with fresh fruit and vegetables, but it's locally grown. These are industries that employ Albertans. These are industries that pay taxes right here. These are industries that provide us – and in terms of greenhouse operators, the majority of them, I think, are even organic. It is wholesome, it is healthy, it is far healthier than the stuff that gets trucked in here. Even on a good day lettuce out of Texas is a three-day truck ride. Having been a former trucker, yeah, I've done that, too. That lettuce had to be hauled a very long ways to get here – it's sold as fresh, but, you know, fresh is a relative word – whereas if you go to the greenhouse operator and if you buy it at the gate, it was picked, like, 10 minutes ago. There's nothing more nutritious than that.

These industries like greenhouse operators should be applauded for the service they're providing to our children. They should not be penalized with a carbon tax. Their fuel inputs in the cold weather is the largest input they have. Although the hon. Member for Edmonton-South West claims, "Oh, natural gas prices are the lowest they've ever been," that is not an excuse to go and tax them to death. That's no excuse to go and hit them with a tax that doubles the cost per unit, for crying out loud. Come on. They ought to be exempt. They ought to be applauded. They are our carbon sink.

I've spoken to a director of a natural gas co-op, who called me up not long after the carbon tax was revealed. Her administration people did some calculations, and the current tax is going to double the cost per unit of natural gas at its current market price. The impact on greenhouses is going to be profoundly devastating. As I said earlier, they are competing with other jurisdictions that are also able to have low natural gas and some jurisdictions that actually don't need it, like B.C.'s Lower Mainland. What we're going to see is our greenhouse operators put at such a competitive disadvantage that they are going to go out of business, and we're going to be losing Alberta jobs, losing Alberta taxpaying businesses, and losing the precious value of locally grown organic food for our people. This government should be supporting greenhouse operators, not hurting them. This is a terrible consequence.

Well, I've talked about, you know, the value of greenhouse operators and forestry industries as a carbon sink. I've talked about the localized, healthy, often organic, high-quality fresh fruit and vegetables that we can get from greenhouses. This food requires very little transportation, so from the point of view of pollution in general, which can come from transportation using diesel fuel or gasoline, having it grown locally is a huge advantage. If this government is really concerned about global emissions reductions, why would this government put locally grown food in jeopardy and prefer food grown 3,000 miles away, that has to get trucked all the way here, and all of that pollution per load of lettuce, per load of carrots, per load of whatever that's coming from Mexico or the southern U.S.? Why would they prefer something like that over locally grown, with no 3,000 miles of transportation needed, no pollution from all those miles of transportation, that leaves a very tiny carbon footprint? I would suggest that it's perhaps even negative from our greenhouses.

But without a proper environmental assessment, we won't know, and the government refuses to do that. Nevertheless, we do know that the carbon footprint of a head of lettuce grown in Lacombe and sold in Lacombe is going to be significantly less than a head of lettuce grown down in Yuma, Arizona, and trucked all the way up to the store in Lacombe. There's no comparison to the carbon footprint, yet this government is demonstrating preference here for

out-of-Canada produce by hitting our local growers with such a tax as this. It is absolutely absurd. It's absurd.

Now, it should also be made clear that a lot of these fresh fruit and vegetables that are being trucked in here are coming from and coming through jurisdictions that do not have a carbon regime like we do. In the Ecofiscal report the authors of that report specifically stated that if the government isn't careful about how they apply carbon tax, they may be putting Alberta firms at a distinct competitive disadvantage vis-à-vis companies in jurisdictions that don't have the same kind of carbon regime. That is precisely what is about to happen by taxing our greenhouses, who are competing with producers from outside our jurisdiction. Yet they wave the Ecofiscal report as being some sort of foundational document for what they're doing when, in fact, that is simply being economical with the truth, very economical with the truth, maybe Scottish with the truth. Being a Scotsman, I can use that.

11:40

If we had an economic assessment analysis done, Madam Chair, we would know these things. We'd know these things. We could have foreseen these things. We could have avoided this. We would not be putting our greenhouse operators at risk, and neither would we be inadvertently causing a gigantic carbon footprint on every head of lettuce or cabbage or anything else that we're having to import from jurisdictions 3,000 miles away. We could be growing it locally, providing jobs locally, providing taxes locally. But no.

Again, on account of this government's dogmatic insistence on not supporting this amendment, it is more evidence in support of my position that this is not about greenhouse gas mitigation. This is about taxation, nothing more than taxation.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Madam Chair. I'd like to take two or three minutes, and I'd like to talk a little bit about the greenhouse business as well. Of course, it's a very, very important and predominant part of Cypress-Medicine Hat, and I've been around it for a long time. One of the things that I really liked about the greenhouse business, when I talked to many of our good producers in it, was that many of them would talk about what a great family business it was. It was an opportunity for them to work with their children, with their spouse, an opportunity to do things together, an opportunity to work together and grow a much-needed commodity.

Of course, this is exactly what we're harming. This is exactly what we're putting in greater jeopardy by increasing their main input, the cost of natural gas. It was interesting that when I was fortunate enough to be first elected, in 2012, one of the big issues that greenhouse operators were concerned with was that they had just weathered a storm, going from \$15 to \$17 a gigajoule for natural gas, driving a lot of these family businesses out of business. So when an hon. member says, "Oh, natural gas is low; it's okay to pile on because it's low now," I'm sitting here thinking, "You know, my goodness, that's only five or six years ago that a lot of these families, a lot of these small businesses had their retirements harmed, their balance sheets hurt, the possibility of paying for their children's education or paying for some aspect that their family needed absolutely harmed. They finally get a break – they get an opportunity to make a little bit of extra money, to rebuild – and the NDP government steps in and, worse than not even thinking about it, takes it away with a gleeful laugh. It's a shame. It's a shame.

Alberta producers, Alberta families need the equity and fairness that come with a government putting in the right policies.

The hon. member talked a lot about the carbon footprint and, you know, not accessing vegetables and stuff from here. Well, let me tell you how it worked with flowers. Redcliff used to be a strong, strong provider of flowers for Medicine Hat and all of Alberta. Some side of eight or 10 years ago I noticed that very, very few flowers were being grown in Redcliff and Medicine Hat anymore even though we've acres and acres under glass, so I asked some of the operators why. Guess where they come from, cheaper, on a jumbo airplane? South America. Apparently, how our flower industry works now is that these flowers are grown in South America, flown overnight to Calgary or Edmonton, and then trucked to Medicine Hat and Redcliff cheaper than we can provide them. Madam Chair, to me that sounds like a heck of a step backwards when it comes to the carbon footprint. Every time you raise the cost of producing goods, every time you raise the cost to our suppliers, they are going to produce less.

The hon. member from the other side also talked about the fact that it was applied equally and that there was no sense in going into exemptions because there were no exemptions. As far as I know, that is erroneous as well. For good reason the oil sands industry is exempt up to 100 megatonnes. Why can't this be looked at in other areas? Why can't this be looked at in areas when it comes to food production, when it comes to strong family businesses?

I'm also concerned, though, talking to some of our oil and gas producers the other day, Madam Chair. I understand that because of the uncertainty around this carbon tax, because of the uncertainty as to how offsets are going to work, and because of, you know, the fact about what's going to happen when 100 megatonnes is hit – how's the next step going to happen? I don't think there are any new projects in our oil sands at all right now. That is of great concern when you think of the people employed in Nisku, in Leduc, in Calgary, in Athabasca, all around Alberta, when you think of what will happen as we lose yet more jobs because of the uncertainty that the new NDP government has created.

We have exemptions. We don't have clear rules. We have unfairness. We have a lack of equity for Albertans in good family businesses. Surely to goodness – surely to goodness – we can look at a rebate for the fuel used for the production of food in the greenhouses operated for financial gain. I seem to remember a motion from this government a short time ago trying to enhance local food production. Well, instead of talking about it, let's do something about it. Let's continue to ensure that Alberta families and Alberta food production stay as competitive as possible.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak? The Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Yes. Just while we're on the subject of greenhouses, I got an update from a business owner out in the St. Paul area that is in the reforestation tree nursery business. I had told her that we were possibly going to, or someone was possibly going to put an amendment forward to try and exempt the reforestation tree nursery business from this carbon tax. I had to call her and inform her that, unfortunately, the government had unanimously voted against that amendment. Her comment was that that will be the straw that breaks the camel's back. This is a business that's been running for many, many years, very well established. She said that between the carbon tax and the minimum wage hikes she'll have to lay off her workers. She has typically close to a dozen full-time, and then in peak, when it comes to shipping the trees out, they employ a lot more people

than that. So this is a business that's going to be closing down, and those people will have to, if they can in a small town, find a job somewhere else.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A14? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Chair. Yes. I wanted to speak in favour of this amendment, too, dealing with greenhouses. I think the word that's been used most is "bizarre," and I think that's still fitting. The Member for Edmonton-South West was getting up and talking about: since the price of natural gas is low, then now is the time to just hit it with taxes. I guess that's the answer to everything. If the price of fuel is below an all-time high, then we should just tax it right up to where it's as high as it's ever been or higher, I guess. I don't know what the plan is if prices recover and prices go higher. I don't imagine they're going to be lowering the taxes. I've never seen even a hint of that out of this government.

But I think what the Member for Edmonton-South West fails to realize is that because the prices are low here in Alberta for natural gas, the prices are also low in Saskatchewan and in Montana and in British Columbia, so by raising the taxes here in Alberta, that puts us at a competitive disadvantage to these other areas, these other jurisdictions right around us. When we have markets that rely on export and we have a government that insists on punishing the people and the businesses right in our own province, then obviously they don't understand how business works, how an economy works, how the world economy works. Now, the Member for Calgary-East said that this carbon tax was designed to be fair. Well, unfortunately, it's not fair to companies that export and have to go into the world market to try and be competitive. When they're not competitive, then, of course, they have to shut down shop. I mean, they have no choice, or else they start up their business somewhere else or do their expansion somewhere else.

11:50

We also saw here earlier this government vote down an exemption for charities. Of course, the minister gets up and suggests that these charities could maybe find some efficiencies. She suggested that this would be an administrative nightmare, to exempt charities. Are you serious? An administrative nightmare? These charities are registered charities already. They're already registered with the federal tax act. Are you telling us that it's too burdensome to recognize that on a simple tax form, that they can't all of a sudden receive some sort of benefit as a charity? These are charities that are taking care of the poor and the vulnerable in our communities, and this government insists on taxing them and then suggests that they cannot find an exemption for these charities because they just could find some efficiencies; it's an administrative nightmare.

When I look at this carbon tax bill – you want to talk about an administrative nightmare? – that's an administrative nightmare. The airline companies, the train companies have to calculate how much fuel they use while they're in Alberta, whether they land and take off and all these different things. There's a nightmare. You want to talk about red tape? There's red tape.

Madam Chair, the discussion gets more and more bizarre all the time here listening to people on the other side. It's actually good when they get up and speak – I'd encourage more to get up and speak – because then we can fully understand what they're really thinking. I think Albertans are actually, probably the proper word would be stunned to hear what they're saying on the other side, how

they're supporting this carbon tax, when it makes absolutely no sense at all.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A14? The hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Chair. I haven't had the opportunity to speak on this bill yet or any of the amendments, and I was hoping to be able to speak to this bill. The amendment that I see here is a reasonable amendment, that I will be supporting.

In my riding of Cardston-Taber-Warner we have greenhouses. We have a lot of produce that is produced there, and, in fact, farming is our mainstay in that area. I had the opportunity probably about six months ago of being able to go and take a look at one of the greenhouses in my riding, and I was impressed with the innovation. I was impressed with the entrepreneurial spirit. I was impressed with the ability of this entrepreneur to find markets globally, and I just took my hat off to him. I said: you know, this is the sort of thing that Alberta needs, and this is the sort of thing that will make Alberta great again.

Now, what we're dealing with here, Madam Chair, is a situation where this government out of one side of their mouth are saying: you know, we want to actually promote local, we want to promote local growing, and we want to promote . . . [interjections]

The Deputy Chair: Members, I would just like to remind everybody that although we are in Committee of the Whole, you still need to respect the speakers, please. The volume is increasing quite a bit on your side. Thank you.

Please proceed, Member.

Mr. Hunter: Thank you, Madam Chair. Anyway, the issue here is that the government out of one side of their mouth are trying to say that they want to promote local growing, that they want to have entrepreneurs, businessmen and -women come to the table with investment, come to the table with their innovations, come to the table with their dreams and aspirations, that they should trust this government, start a business here and be able to grow locally. Unfortunately, the message is not being received very well. Unfortunately, we're in a situation where these entrepreneurs in my riding are telling me that even though they say that they want to have local growing and local produce, with this tax it actually disincentivizes these entrepreneurs and these businessmen and -women from setting up shop here or from continuing to expand.

Now, I actually am sad to hear the Member for Edmonton-South West say that this is not what we need. I'm sad to hear that he and his colleagues, it sounds like, would not be interested in exempting greenhouses. This is a duplicitous argument on their side. If they really do believe that they promote this concept of local growing, then don't disincentivize these entrepreneurs. I don't understand the argument there.

You know, I have to represent my riding, and it's a pleasure to be able to do so. As the south is known for their growing and their heat units, their ability to be innovative in that industry, I can tell you that this carbon tax is going to affect them in a terrible way. Madam Chair, I hope that the members opposite will rethink the concept of an economic impact study, that they will rethink doing first and then finding out what the consequences will be of their actions. There are unintended consequences to not truly thinking things through and not truly being able to assess what the damage is going to be.

I have had people that have contacted my office. One situation that I would like to point out is that a gentleman, who is 57 years old, contacted my office. He's not from my riding, but he contacted my office, concerned about what this carbon tax is going to do. He said that he was concerned because he had been an engineer in the oil patch and, obviously, had paid taxes for many years and had been a contributing resident of Alberta. These are the types of people that we want to have in Alberta. That's what made Alberta great. Unfortunately, because of the low oil price and because of some of the punishing programs and laws that have been brought in by this government, he now is no longer employed in that industry.

Being a strong Albertan and a resilient Albertan, he didn't just sit down and say: "That's enough. I can't do anymore." What he did, Madam Chair, is that he said, at 57 years old: "I need to retrain. I need to be able to get back on the horse. I need to be able to actually be a productive member of society." He was looking for options, so he contacted his MLA – he's from Calgary – and contacted the Ministry of Labour and one of the other ministries, the ministry of environment, I believe, and said: what kind of things do you have for me to be able to retrain, to be able to fit into this new economic environment of Alberta? What he was told is shocking. He was told that there's nothing that they can do for him. He was told that at his age to take the time to retrain would not really work in his situation. Unfortunately, Madam Chair, this is the unintended consequence of pushing too quickly to try to reinvent or redefine what Alberta means.

12:00

Now, change does happen to a society. It always happens, and, generally speaking, it will be embraced. But my colleague from Innisfail-Sylvan Lake, who some of the members on the other side like to call Santa Claus, which I don't think is very appropriate, made some really good points. What he said was that you need to get universal buy-in. You need to get universal buy-in so that the people can come with your innovations, with your – I wouldn't say ideology but with your ideas for change. Unfortunately, when this sort of thing is pushed through like it is, we find that a lot of Albertans are actually left wondering: "How do I fit in? How am I going to be a contributing member of society in this new environment called Alberta, in the new way of whatever we define Alberta as with the green initiative?" So he talked a lot about being able to get universal buy-in, and I thought that was an excellent argument.

One of the examples or ideas about universal buy-in that I can say that I watched happen was the recycling program. I remember when it first came out. I remember my wife being absolutely ecstatic about it, and I said: I don't think this is going to go anywhere. I wasn't a visionary guy when it came to that – I admit it – yet my wife got involved. She got excited about it. She started doing the recycling, and a whole bunch of other people did as well, and now we have a very robust and strong buy-in to this recycling program. That's a good example, that when it's an initiative that can get that universal buy-in, it will actually promote something that's valuable to society. This is something that is a good example about how to be able to get that universal buy-in.

The member also talked about measurements and verification. He talked about being able to say, you know, that if you're going to bring forward a program, if you're going to bring forward a new way of doing something, how are you going to be able to measure that? How are you going to be able to verify that it's actually something that's accomplishing the goals that you're trying to accomplish? Again, that's a very good question.

I like to call it in business the plan, do, check, and adjust process. The best plans oftentimes don't take you in the direction that you

want to go, so you have to do it, check it, and adjust. Unfortunately, with this plan I don't see anywhere where this government is going to actually do those other parts of this process, and if you don't do that, then you have no way of being able to determine whether or not it's accomplishing what you're really looking for.

I guess the other concern that I have is that this whole carbon tax is not actually going to decrease carbon emissions. I've heard the argument many times, actually, from the Member for Edmonton-South West in talking about how we're going to decrease carbon emissions with this, yet your plan doesn't specifically show that it's going to decrease emissions. If you're selling it as a program to help Albertans and the children of future generations to decrease carbon emissions and global warming – I've heard the hon. Minister of Infrastructure say that it's about our children and grandchildren – if that's the truth, then why is this plan not specifically decreasing carbon emissions? I would imagine that if you're going to bring forward a plan and you're going to bring forward a strategy of being able to help our children and grandchildren in this way, at least you'd have that kind of measurable. But we don't have that measurable here. This is maybe one of the big reasons why we have 68 per cent of Albertans that are against this plan.

The Deputy Chair: Member, you are speaking to the amendment, just to clarify.

Mr. Hunter: Absolutely.

The Deputy Chair: Okay.

Mr. Hunter: As I told you, I haven't had an opportunity to speak to this, and I had a lot on my mind.

The amendment talks about a specific aspect of this, of being able to help an industry or a sector of our society that provides a value to Albertans: fresh, locally grown produce. The government has said that they're not willing to accept this as being revenue neutral. They're willing to pick winners and losers. Well, I would say that a good pick on this part would be greenhouses. The greenhouse industry would certainly be a great pick for this government to say: "You know what? Other industries, heavy emitters, need to be penalized in some way to be able to make it work." But when it comes to actually growing, we've got a situation where the greenhouse industry is providing exactly what this government's plan is looking for.

I'm very much in favour of this amendment. I consider it to be in the wheelhouse of this program, of decreasing carbon emissions, so I am most heartily going to support this amendment.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak on amendment A14?

Seeing none, I'll call the question.

[The voice vote indicated that the motion on amendment A14 lost]

[Several members rose calling for a division. The division bell was rung at 12:08 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Gill	Pitt
Barnes	Gotfried	Schneider
Clark	Hanson	Smith
Cooper	Hunter	Strankman
Cyr	Jean	Taylor

Ellis	Loewen	van Dijken
Fildebrandt	Nixon	Yao
Fraser	Orr	

Against the motion:

Anderson, S.	Hinkley	Piquette
Babcock	Hoffman	Renaud
Carson	Kazim	Rosendahl
Connolly	Littlewood	Sabir
Coolahan	Loyola	Schmidt
Cortes-Vargas	Malkinson	Schreiner
Dach	McCuaig-Boyd	Shepherd
Dang	Miller	Sigurdson
Drever	Miranda	Sucha
Feehan	Nielsen	Turner
Ganley	Phillips	Westhead
Goehring		

Totals:	For – 23	Against – 34
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[Motion on amendment A14 lost]

The Deputy Chair: We are now back on the original bill. Any members wishing to speak to the original bill? The Member for Airdrie.

Mrs. Pitt: Thank you so much, Madam Chair. What a pleasure it is to speak to Bill 20. Good morning, everybody. Wow. We are earning a paycheque today.

I'm beginning to think that this government really doesn't want to change this bill in any way, shape, or form. I'm really disheartened that this government does not want to support charities in our province. That was probably the low point of what is now yesterday. I'm really, really sad to see that. It's very apparent, Madam Chair, that this government is actually quite proud of the carbon tax or, in other words, the tax to tax everything, including charities. I don't really think that's showing leadership in that area, that's for sure. It's very much disheartening, right?

This government is very proud of what they're doing. I disagree quite heavily, and we've put forward many amendments to offer to make the bill just a little bit less bad. We tried to put the bill forward to Albertans so that they would have their say in a referendum, so that they would get a chance to actually have their say on a tax that will impact every single person, every single industry, every single charity in such a huge way.

This government refuses to put forward any type of measurable. We don't know what targets they want to reach. They won't report back to this House even with a simple air quality test. It's really quite disheartening. I feel in a way like I'm dealing with a stubborn child that just won't budge, that just won't reason, that just sits there. I have two children. I bang my head on the wall. This is really, really tricky.

Madam Chair, I would like to put forward an amendment, and I would actually like to offer it as a challenge to this government, who is so proud of the carbon tax, the tax on everything. I believe along with my colleagues that in your moment of pride you should get to print this everywhere we go. I would like to propose an amendment right now. I have the appropriate number of copies.

The Deputy Chair: Just wait till I receive the original, please.

Mrs. Pitt: I'll wait until you have indicated for me to proceed.

It's a wonderful amendment. You guys are going to like this one, though.

The Deputy Chair: Hon. member, this amendment will be referred to as A15. Please proceed.

Mrs. Pitt: All right. I will now read the amendment. I move that Bill 20, Climate Leadership Implementation Act, be amended in schedule 1 by adding the following after section 10:

Disclosure of carbon levy on bills and receipts

10.1 Any vendor that prepares a bill, statement of account, receipt or similar record for the purchase of fuel by a consumer for which a carbon levy is payable under section 4(2)(a) or 8(5) shall indicate separately on that record the amount of the carbon levy paid or payable in respect of the fuel purchased by the consumer.

Madam Chair, this is an extremely important amendment. If this tax is to be used to change behaviour, perhaps the behaviour that they're trying to change should be notified. I certainly think that consumers will look at their receipts and see this tax on its own separate line item, just like the GST is, just like the other tax that we have. I think it's responsible. We should let people know what they're paying for so that maybe it will curb their behaviour. If this is actually what the bill is intending to do, I see no reason why this wouldn't be an amendment that's supported. This government is very proud of their tax-on-everything bill, so let's let the people know that they're being taxed on everything.

This is extremely, extremely important. We've seen this in other sectors. The restaurant industry just came to my mind. You're going to start to see them clearly label the minimum wage increase on the receipts because people need to know what they're paying for. Those \$50 nachos need to be clearly labelled: this is where your costs are going. I digress.

I want to speak to the amendment, though, Madam Chair. I think it's very important that when you're proud of something – and this is a simple PR strategy. This is what you're taught; I come from the world of marketing. When you do something good and something that you're proud of, you're supposed to tell everybody about it. This government is very clearly proud of the carbon tax bill – they're very, very proud of it – regardless of the fact that we don't have any measurables or any indication that we will ever see any measurables in relation to this carbon tax bill. It would be extremely important for this tax, or levy, whatever you want to call it, to be clearly labelled on the fuel products that the everyday consumer is going to be purchasing. This is important. It's real. If we want to curb behaviour, people should clearly see that.

12:20

I think we're going to see on our utility bills that come into the house a clearly labelled carbon tax on those heating costs. That's what we're going to see. I want people to see them at the pumps. I want them to see that so that they can figure out how to carpool a little bit more, so that they can figure out how to save some money for a smart car or whatever the strategy is here, possibly riding a bicycle in the wintertime. Maybe that's a strategy. I'm not really sure. All those commuters from Calgary to Airdrie and Airdrie to Calgary, I'm sure, would be really interested to know how they will cycle from Airdrie to Calgary in rush-hour traffic twice a day in a three-piece suit.

It is the most responsible thing, for this government to let people know what they're trying to do and help them to get there. It is actually very helpful to have this type of line item on the receipt for the products that they are purchasing, which, certainly in my opinion and in the opinion of my colleagues, if I may so speak on their behalf, is the right thing to do. It would be the right thing to do, to let people know what you're trying to do. If this government is truly so very proud of this carbon tax, I don't see why they

wouldn't support having it labelled on everything they possibly could.

An Hon. Member: Like a PST.

Mrs. Pitt: This is exactly like a PST. This is exactly like a PST. This is exactly why it should have gone to a referendum, but, alas, here we are.

I just think that this line item, the carbon tax levy, should be clearly labelled on receipts for the goods that people purchase. I would encourage all members to support this. I certainly don't see any reason why the government wouldn't support this amendment. I just really don't understand. You know, such pride is coming across from the other side, and it would be very confusing if this government didn't want to promote this.

I hear on my radio station all the time the climate change ads, and all I can actually hear is: ching-ching, ching-ching, ching-ching. That's what I hear. Really, it's horrible. Again, it's the boulder rolling down the hill. What a complete waste of tax dollars. If you're so proud, why don't we expand your reach a little bit more? This would actually be a very good advertising promotion idea for you guys. The government would benefit from additional marketing through legislation by having clearly labelled the carbon tax on the fuel that consumers purchase. It's all about reach. It's part of the overall marketing strategy. Perhaps you could save some money on the radio ads.

I encourage all members to support this bill. I really don't see why they wouldn't. You're welcome, for putting forward such a wonderful amendment. Please vote for this.

Thank you.

The Deputy Chair: Thank you, hon. member.

Any members wishing to speak to amendment A15? The hon. Member for Barrhead-Morinville-Westlock.

Mr. van Dijken: Thank you, Madam Chair. I rise to speak on amendment A15. We have had many amendments come before this House in trying to make a bad bill a little bit better. I believe that this is a very good amendment, that will help Albertans to recognize the carbon levy that they will be putting forward in regard to the climate plan in this province.

I do believe that when I pull up to a gas pump to fill up my truck, I want to know how much of my fuel bill is for gasoline and how much is for taxes. So often people are quick to blame the oil companies for the increases in the price of their gasoline. It's critical, Madam Chair, that we get in a position where we allow them to recognize how much is actually being paid for the gasoline product and how much is being paid for the taxes on that gasoline product.

Come January 1, 2017, taxes on a litre of gasoline will look something like this unless there are going to be other increases to the federal or provincial fuel tax. Currently we have 10 cents federal excise tax on gasoline; we pay 13 cents in provincial fuel tax. As of January 1, 2017, we will pay approximately 4 and a half cents provincial carbon tax, which will rise to 6.73 cents per litre in 2018. On top of that, we have the 5 per cent GST tax on the gasoline and all the other taxes. So we've got tax on top of tax on top of tax.

If the total price of my gasoline is a dollar a litre, for simple figuring – I come to the pump; I buy 50 litres, and I pay \$50 – of that dollar per litre, 32.25 cents will go towards tax. This is important for Albertans to understand and to know. Almost a third of the price come January 1, 2017, is going to be tax. Only 67.75 cents of that price of gasoline will be going to the producers of that product. It is time to be completely transparent with Albertans.

If we look at the taxes on a litre of diesel fuel come January 1, the federal excise tax is 4 cents, 13 cents is the provincial fuel tax, and then adding 5.35 cents of provincial carbon tax and in 2018 all of a sudden 8 cents per litre for the carbon tax. Of course, then we add the 5 per cent GST. We add GST on the actual diesel fuel, and we add GST on the tax, so a tax on the tax. In this case, if the total price of a litre of diesel fuel is a dollar, then a little over 27 cents is tax, and the price of the diesel fuel is just shy of 73 cents a litre.

Having the tax displayed on the fuel receipt provides the transparency in pricing so that consumers are fully aware of what they're paying in tax and what they're paying the producers to produce that product. Given that all the cash registers and the gas pumps will have to be reprogrammed anyway to handle this new carbon tax, I believe this would be a relatively simple fix, relatively easy to administer, and totally transparent with the disclosure of taxes on the products that we're purchasing. I don't understand who would not want to know how much tax they are contributing. Cash registers already have the GST amount on it, and I think they can easily have the carbon tax as a line item also.

We have had great success in transparency of billing in Alberta. For instance, take the electricity that we consume in our homes and in our businesses. The generation of the electricity, the transmission of the electricity, the distribution: all of these are broken down so that consumers can easily see what parts of their bill go to what producers, to the distributors. It's very easy for the consumers to understand what areas are being broken out.

Even my hotel receipts: when I come to Edmonton and stay at a hotel, they break out the tourism levy. It's very simple to do. A line item: tourism levy. So I get to understand where those dollars are being spent.

12:30

The same can be done for the fuel charges on the receipt from the gas pumps. This amendment will do this, and I would urge my colleagues from all parties to support this, support transparency in the disclosure of taxes on our receipts at the fuel pumps. I believe that for retail gasoline it's important that we have full disclosure there. Then, also, if we're going to charge a carbon tax, or sales tax for that matter, we need to see the breakout on the consumers' natural gas bill so that they know what they are paying for. I'm not completely clear if that's already in the plans, but it is important that the consumers of these products are aware of the taxes that they will be paying on these products.

My gas rate for April was \$1.47 per gigajoule. For May the gas rate is \$1.22. Here we've got in January 2017 where this government feels it necessary to put in a carbon tax of a little over \$1 per gigajoule, just about doubling the current gas rate.

Mr. Nixon: How much?

Mr. van Dijken: Over \$1 per gigajoule. In 2018 that goes up to \$1.517 per gigajoule. That is more than what the actual gas costs at my home.

Madam Chair, one of our staff members actually brought in their gas bill, and that particular month they used 15.86 gigajoules of natural gas. If this had been January 2017, the \$1, one penny, one-tenth of a cent carbon tax on this bill would have cost this staff member \$16.03, increasing their bill by \$16.03. In January 2018, when that comes around, the carbon tax on that natural gas is going up to \$1.51 and seven-tenths of a cent per gigajoule. This means that gas bill would cost \$27.27 in carbon tax.

It's important that we have full disclosure on this so that Albertans know what part of their bill is carbon tax. These have very serious implications, especially for residents and some of our

most vulnerable people that are on fixed incomes. These kinds of incredible shocks from these price jumps can affect them dramatically, so we need to see these price spikes on utility bills broken out.

Now, there was a situation a few years ago when natural gas prices were very high. I will admit that the price is relatively low at this time, but at that time the government of the day chose to pay \$1.9 billion to everyone in the form of a natural gas rebate to combat the high gas prices. Those natural gas rebates were applied and noted on people's natural gas bills. For transparency and accountability's sake, just like the rebates were itemized on those bills, I believe it is important for full disclosure that the consumers are informed of this carbon tax. It is only fair that the carbon tax now show up on the natural gas bills in the homes. This will show transparency and accountability.

It's important to recognize that Albertans deserve full disclosure and transparency. I urge all my colleagues from all parties to support this important amendment to Bill 20, Climate Leadership Implementation Act.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The hon. Member for Edmonton-South West.

Mr. Dang: Thank you, Madam Chair. I think that this amendment comes forward with some very good intentions here. I see that a lot of the interest was in the pride of this bill, and I think Albertans are proud of this bill. I think Albertans do want to be part of the solution, and that's why Albertans are proud of the government for finally bringing in an Alberta energy efficiency corporation. We're the last jurisdiction in Canada to do it, and I think that's something that we can all in this Assembly be proud of when we pass this legislation. That's why Alberta is taking a leadership role internationally on climate change.

Speaking to some of the specifics of this amendment, Madam Chair, officials in the Alberta climate change office and Alberta Energy are working together to make sure that all the incremental costs are made clear to consumers when this rolls out. The Alberta climate change office and Alberta Energy are ensuring that everything that we see moving forward will be clear to consumers and that this will be in a transparent way for Albertans to be able to move forward. That's why the amendments to the regulations to enable the line items to be displayed in things like receipts are going to be made this fall in regulations.

With respect to that, I think that knowing that, Albertans can be very proud of this legislation, with things like the Energy Efficiency Alberta corporation. They can be very proud of Alberta taking a leadership role moving forward, knowing that the officials are working very hard in the Alberta climate change office, that the officials are working very hard in Alberta Energy and are moving forward on making sure that these incremental costs are going to be visible, are going to be transparent, and are going to be available to all consumers. These regulations will be made this fall.

We should hold off on this amendment for now, Madam Chair. I'd urge all members to take that in mind as we vote on this amendment and to vote it down so that we can move forward on those regulations.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Any more members wishing to speak to amendment A15? The Member for Barrhead-Morinville-Westlock.

Mr. van Dijken: Thank you, Madam Chair. I would be remiss to not stand and allow the colleagues from across the way to understand that the Member for Edmonton-South West is proposing that what is essentially being proposed here will be put into regulations this fall. If that is the case, then I would suspect that this would be a very good time to put it into place now just for the very fact that it allows us to have a little bit more trust in this government going forward. There is a certain amount of trepidation that I move forward with in trusting that this type of regulation will actually be coming forward. If we do this now with this very clear amendment to the bill, then we will be certain that that's going to happen, and this government will not have that on their work papers to do it come fall. This allows them to just move forward on many other priorities that they might have.

I would really encourage all members to vote in favour of this amendment, that will give clear disclosure on all bills that the carbon levy will have an effect on. I'm trying to help them recognize that this should actually reduce their workload come fall.

Thank you.

The Deputy Chair: Thank you, hon. member.

Any other members wishing to speak to amendment A15? The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Chair. I rise to speak to amendment A15. A colleague on this side was just telling me a story about how he had been preaching in a church and had got a little exuberant and a little long. At the end of the service a little old lady comes up to him and says: "I've got a really good watch from my ex-husband. I think you need it." I'll try not to take too long. I'll try to be succinct in my comments.

Mr. Connolly: Too late.

Mr. Smith: Too late. Yes.

We've already heard people talk to this amendment and suggest, Madam Chair, that receipts that show how much of the total price is accounted for by GST and PST are already available and that we should allow the carbon tax to conform to this pattern. There's real wisdom to that, that I think we should consider. I was glad to hear the member opposite talk about how they're considering doing this a little later on. I guess I would encourage the other side of the House to support this amendment. If you understand that this is a valuable path to pursue in just a few months, then why not begin right now?

12:40

You know, I believe that Albertans have a right to transparency when it comes to the taxes that are levied on them. We know that this is what is already done for the GST. When you purchase things, the GST is automatically added on, and you can see it on your bill. It helps to shed light on the effects of this tax on consumers' lives, and this would do the same thing.

As a basketball coach sometimes we had to make sure that the kids understood that there's a consequence for the actions that they have on the court, and I think that in some ways this transparency is very much like that. You know, it's not just for the gas that we would pay for at the pump; it's also for the natural gas bills that we will receive as consumers. When Albertans open up their utility bills, Madam Chair, they would be able to see the effects of the carbon tax on those bills. That actually helps to affect the way that they would start to live their lives. That's what the goal of this government is and what this carbon tax is all about. It's to try to change behaviour and to try to mitigate the way we live our lives and the way we consume carbon. You know, we all understand that,

but when we do things that can begin to mitigate and change the way we live, there are times when we need to know what those consequences will be.

We see labelling on soup cans and on medicines. Why? Because the ingredients in those things can affect the way we live our lives. They can have a serious effect on our health or on our ability to be strong and healthy. I believe that, in that same way, knowledge with regard to the medicines that we consume is important. It helps to inform our choices, just as this carbon tax would help to inform our choices when we go to the pump.

Albertans have come to expect this kind of transparency. It's a good thing. We've moved away from a hidden manufacturing tax towards a transparent GST, and I believe that this would be an appropriate thing to do with this carbon tax.

You know, I guess I would just come back to my last point here. When you're coaching basketball and you see these kids come out on the court, sometimes they just believe: you know, if I just work a little harder – if I just work a little harder – we'll be able to win these games. Sometimes that's the truth, but sometimes they actually have to break it down. Sometimes you have to break it down to the fundamentals of the game.

I can remember trying to teach my girls' team a pick and roll and having them understand that, you know, you have to set your feet, and you have to make sure that you're in good position so that when that person comes into you, you're not moving – it's a not a moving screen – you then have to roll, and you have to do a reverse pivot, and then you have to move towards the basket because you're going to get the ball back, and you're going to get that ball in that pick and roll if you're open.

I think that in some ways these kinds of sound teaching principles apply to this amendment. We need to make sure that the people of Alberta understand: what are the basic foundations of the taxes and the money that they're spending, where is it going, and why is it being taken from their pockets? Transparency helps them to understand that and then to be able to change their behaviour or mitigate their behaviour and mitigate the problems with the carbon footprint that we have.

I would speak to this amendment. I think that this government needs to demonstrate to the people that it's accountable for the monies that they collect. That means that the people have to understand where that money is coming from and why it's coming out of their pockets. So I would speak to this amendment.

Thank you very much, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Hon. Member for Calgary-Elbow, you're speaking to the amendment?

Mr. Clark: Yes, I am.

The Deputy Chair: Okay. Please go ahead.

Mr. Clark: Thank you, Madam Chair. It is with regret that I rise to speak against this amendment. I've spoken to many amendments this evening – this morning, I suppose, now – often speaking in favour of amendments brought by the opposition side because I think the intention, of course, of these amendments is to make the bill a better bill. I'm sure that is the intention. The hon. member, I'm sure, believes that that is what they're trying to do with this amendment.

Unfortunately, I just can't imagine the burden that this particular amendment will put on small-business owners in particular, to have to update their systems to display the specific information of a carbon tax, which will change 12 months into the implementation

of that. You know, it's a bit interesting from a party that, I know, purports to be supportive of business.

I do understand that you're trying to create some headwinds for the government in terms of their ability to pass the bill and to bring in some amendments. I understand that. You're trying to put some speed bumps in place perhaps. But this one, unfortunately, would be a speed bump not on the government or on the bill but on the very small-business owners that you purport to support. If there is going to be a carbon tax, I think that it ought to be just rolled into other prices, as with other taxes. We don't see a specific spelling out of the fuel tax on our gas receipts as it stands now and the cost to business owners, especially small-business owners, I think.

You know, the other thing I guess I'd point out is the seeming desire for the opposition to want to reduce or eliminate red tape. This seems like the opposite of that. This seems like a giant ball of red duct tape that you'd wrap up business owners in.

Unfortunately, I cannot support this amendment because I feel that it just increases the burden on an already overburdened business sector. Thank you very much, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The Minister of Advanced Education.

Mr. Schmidt: Thank you, Madam Chair. I'd like to just build on the comments from the Member for Calgary-Elbow if I could. He's quite right to point out that the provincial sales tax on fuel is not already listed on the receipts that are distributed when people purchase gas. Of course, provincial taxes on cigarettes and alcohol are also not on receipts when people purchase those products.

You know, to the Member for Airdrie's original argument that she made when she proposed this amendment, that people need to understand the choices that they're making in order to change their behaviour, of course that's only true in part with respect to the transparency that they're promoting here with the sales tax – or the carbon levy. [interjections] Forgive me, Madam Chair. It's 10 to 1 in the morning, and my energy isn't what it was three hours ago. I've spent a lot of it heckling these guys.

My original point, though, Madam Chair, was that cigarette taxes and alcohol taxes have been proven to discourage the use of those products. It's quite clear from all the studies that have been undertaken by people that have looked into the matter that when cigarette taxes go up and when alcohol taxes go up, the consumption of those products goes down. It doesn't have to be explicitly printed on the bill. [interjections]

The Deputy Chair: I have already cautioned you once in the House today around respecting when other individuals are speaking. I would appreciate it if the other side would also respect that, please.

Mr. Schmidt: I'm glad, Madam Chair, that somebody still has the energy required to heckle.

Back to my original point, the consumption of those products, alcohol and cigarettes, goes down when taxes go up, and it's not necessarily linked to whether or not the amount of those taxes is printed on the receipts. You know, we are advancing this carbon levy to reduce the use of energy. We are confident that the implementation of this carbon levy will do that, whether or not it's explicitly stated on the bill.

Furthermore, on the point of openness and transparency, I appreciate the members opposite wanting the government to be open and transparent about what we're achieving with this carbon levy after its implementation. Of course, the minister of the environment has said a number of times what measures will be in

place to ensure that that transparency and that openness and that accountability are achieved.

12:50

What I am looking forward to – and I understand that we're going to be here for several more hours – is the opposite side being open and transparent about what they would do about climate change, Madam Chair. We have been debating this now for – what? – 30 hours. We have not heard anybody stand up on that side of the House and say what it is they would do to reduce carbon emissions. So I encourage the members opposite, you know, to bring forward some amendments that would actually show the people of Alberta what they would do to reduce carbon emissions. I eagerly await those amendments. I suspect that they won't come, but in a world filled with unicorn farts, I suppose anything is possible.

The Deputy Chair: Thank you, hon. member.

The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. I just wanted to respond quickly to that. One of the main mandates, I think, for the carbon tax, obviously, is about modifying behaviour. I honestly think that if that's the direction the government has on why we're doing this and, obviously, if we're wanting to change the footprint, if it matters to people not just in their pocketbook but if they actually see where that's going, that's a bit of transparency that helps to bring forward the whole mechanism. It provides that transparency for the mechanism and gives all the reasons in the world for people to see that what you've put forward works, right? I don't think it's too much to ask.

We've given a mountain of amendments – mountains of amendments – and that's what this is about, just so you remember. This is about collaboration, hence the reason we have Committee of the Whole. Just to remind you, it is your responsibility to come up with these ideas, and it's our responsibility to help you make this better. Just to clarify our positions here.

An Hon. Member: Well, we're still waiting for you to do that.

Mrs. Aheer: Actually, we've had some great amendments. I'm actually extremely proud of the amendments that we've brought forward.

Having said that, this amendment actually goes to exactly what we've been talking about. If behavioural modification is key in this situation, then you need to show people how it's working so they understand, so they're actually seeing it. They can modify based on the numbers that they're seeing. In your own climate action plan and in the discussions that you had leading up to the action plan, you stated specifically in your statements that Albertans are savvy, that they understand the mechanism for change. It actually says that right in your own statements. So if they're savvy, why don't we give them the opportunity to actually see what you're doing so that when they're making the decision to change their behaviour, they actually have the metrics to fall back on?

With all due respect to the member – I don't know where he moved to; he was over there a few minutes ago – I think that we owe it to Albertans to regulate this. The fact that transparency could be put on hold because it might cause some work for a business – I own a small business. I have a couple of small businesses with my husband. I know, for myself, that it's just like when you have the GST or anything else. We had to change for that. So I don't know if that would be a good enough argument for me to suggest that that's not a good reason to do it. In a lot of ways it would provide the automatic metrics that we're asking you for to see if the

intention with which this bill is put forward is actually being fulfilled.

Thank you so much for allowing me the chance to speak.

The Deputy Chair: Thank you, hon. member.

The Member for Battle River-Wainwright. You're speaking to the amendment?

Mr. Taylor: Yes, to the amendment. Thank you.

Thank you, Madam Chair, for the opportunity to rise and speak on this amendment, the disclosure of the carbon levy on bills and receipts. You know, this amendment doesn't necessarily make this bill better, but it adds clarity, clarity on what this bad bill actually has for consumers. It adds transparency and full disclosure, and that's something I think Albertans deserve.

This tax that's coming on here with Bill 20 makes everything more expensive at a time when Albertans are facing layoffs and cutbacks and are struggling to make ends meet. Businesses all across the province are hurting, and they're only going to hurt more with the implementation of Bill 20. We need to add clarity and transparency, and that's what this will do. This will give Albertans the full impact of what's happening with this bill.

I have to speak to a couple of points that I felt urged to just because a couple of members were speaking to them here. Edmonton-South West said that Albertans are proud of this bill, and I suppose the member doesn't count this government as being Albertans that are proud of this bill. Otherwise, he would be proud to be able to put the carbon tax or carbon levy on these receipts. If he was proud of it, if he was truly proud of this carbon tax, this carbon levy, it would go on the bills. He's kind of saying one thing and meaning another. I'm not sure where he's coming from on that, but I think that needs to be noted.

You know, another member talked about cigarettes and alcohol, that it curbed the behaviour of people with cigarettes and alcohol. However, when you have a house to warm, how do you curb that behaviour? How do you restrain that behaviour? This is an essential service in this province. You try cutting back or not using it at 40 below. The suggestion was that it cuts cigarette or alcohol use. Well, you try not using any natural gas or any electricity, the majority of which is driven from a carbon base. Does it make any sense that we want to be doing that as well? It makes absolutely no sense to me.

This government has provided us with several what I would call bad bills, and this is just another one in a long line of them, so we need to put transparency and full disclosure into this. It's been sobering to speak with my constituents and going on to other bills, but I haven't had to go too far out to actually ask my constituents about their opinions on bills because, frankly, they're mailing me and they're e-mailing me and they're phoning me. I don't have to go out of my way for them to want to talk about bad bills. They ask us: well, what can we do? We're putting in amendments, amendments that can bring transparency to this. This is an important aspect that we have to do.

You know, I have a person in my riding. His name is Ken. He's a small-business owner. Ken is a baker in Lougheed, a small town in my riding. He wrote me a letter and told me that if we factor in the cost of natural gas to power the oven, the cost of oil to lubricate the gears, the cost of oil product used on a belt-driven system, then the fuel cost to physically deliver a loaf of bread to the shelf, not to mention vehicle costs, road costs, et cetera, the cost of a loaf of bread would have to go from \$2 a loaf to at least \$3.75 to accommodate the energy increases. Because taxes never go down, in a way inflation can and will take root.

This goes for everything that's produced currently, from carrots to apples to grain to ice cream. You know, Ken went on to say that instead of offering us real leadership in a real crisis – and frankly we are in a real crisis and on the threshold of a new agricultural revolution – we are seeing a new method of taxation being implemented. Give us an alternative to taxation. Give us an alternative to carbon tax credits. Throwing money at a problem doesn't work if the government is using money inappropriately. The bottom line: more taxes do not equate to different or better results.

1:00

You know, Madam Chair, while Ken can try to anticipate how this will impact his business, he has no real way of determining the wider impacts of this bill. If you're able to put that transparency, the full disclosure of this carbon levy, on bills and receipts, he knows how much more he has to charge for that loaf of bread. It's fairly simple in that way. He has to do this work, but you're asking him to just try to fudge around here. Now he can explain to his customers: well, this is how much I had to pay extra as a result of a carbon levy that was placed on this.

It's making everything more expensive. It's making fuel more expensive. It's making a loaf of bread more expensive. It's going to make the cost of the flour that he's getting to his shop more expensive. It's going to make the sugar – they have to produce sugar if we want to buy local, made-in-Alberta sugar. We've got sugar beets. Sugar beets have to go through a rigorous, high-energy, high natural gas system to be able to produce sugar from a beet. That's just part of one of the ingredients. That, flour, yeast, all these different ingredients, salt, lard, whey powder: they all require this energy. If he has all these different facts, he can then know how much he should be charging.

If we bring this in, we bring in transparency. It's only fair for Albertans. It's fair for the Albertans that have automobiles. They can see what it is. It's fair for people that have homes. They can see how much that's costing them. And it's fair for people that have to produce food. All these people, right down the line, need transparency. They need to have full disclosure of the carbon levy on bill receipts, just as this amendment says.

Madam Chair, I am in favour of this amendment, and I hope everybody here votes in favour of this amendment. Thank you.

The Deputy Chair: Thank you, hon. member.

Member for Olds-Didsbury-Three Hills, you're speaking to the amendment?

Mr. Cooper: Just very briefly, Chair. I'm not sure if the hon. Member for Edmonton-South West will have the opportunity to respond or not. Just really seeking a little bit of clarification on the amendment in terms of the government's intention. The hon. Member for Edmonton-South West said: don't worry; we're going to do this in the regulations, so there's no need for this in the legislation. But the Minister of Advanced Education said that it's way too hard and that this is ridiculous.

So I'm just hoping that we can have some clarity. If it's not going to be in the regulations, clearly everyone should in fact support the amendment because they've said that it will be. From time to time the government sends mixed signals about what they will or won't do, and I know that some of the folks in Olds-Didsbury-Three Hills have a hard time trusting what they say because it's sometimes all over the map. I'm curious. I understand that they may not choose to respond – and that's reasonable – but it has created some uncertainty on this side of the House with what their actual intention is here.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A15? The hon. Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Chair. I just wanted to make one comment. I had heard earlier the Member for Calgary-Elbow talking about how he would not be in support of this amendment due to the fact that it would increase red tape on businesses. Now, I think the reality is that bringing in a carbon tax is certainly going to add a lot of red tape to businesses and is something that businesses would not be in support of. So the argument is a little late in that way.

However, one thing that I wanted to point out to that hon. member and to the hon. Member for Edmonton-South West is that one of the values of being able to bring in this transparency is that it provides the consumer with the ability to, say, do a comparison. So if they were buying an apple one week and then the next week the carbon tax came in, rather than the retailers having the opportunity to – I wouldn't say price gouge – add some money or cost to that apple, they could say that there's a direct comparison, that the cost that the apple has increased is directly related to the carbon tax versus an increase in the cost applied by a retailer.

The value to this transparency amendment that I see and the reason why I'll be supporting it is because it provides the end buyer, the consumer, with the ability to see where the costs and the increases in those costs are for themselves. We've seen an increase in produce – as a family man I've seen it, being able to buy produce – extensively over the last little while. It's just always nice to be able to know where those costs come from. So I think that having this transparency at least provides for the consumer that transparency that they're looking for in being able to figure out and understand where those increases are.

This is the reason why I'll be in support of this amendment, Madam Chair, and I'd ask that all members support this amendment.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the amendment? The Member for Bonnyville-Cold Lake.

Mr. Cyr: Thank you, Madam Chair. I appreciate the opportunity to speak in front of the members tonight about this carbon tax amendment. Now, I would like to go back to my past occupation, which was accounting, and give us some insight on exactly what it is that this amendment is looking to do.

For the consumer, obviously, this carbon tax will be passed down indirectly through, say, apples or oranges, but for businesses – what they're trying to do is they're trying to capture what their cost of doing business is. For many businesses the cost of doing business, the major one, would usually be their employees. That's usually your biggest cost. The next cost is usually something along the lines of – well, for trucking companies, for instance, it would be fuel. For a restaurant or a warehouse or any business that has got a building of any sort, it would be natural gas.

Now, this is important because what we're trying to do is we're trying to find out where the business is and where it needs to be. What happens is that a lot of times the larger companies are on top of their margins, with a monthly and in some cases even a daily total. What happens here is that there are some businesses like the small businesses – I mean, your farms and your restaurants and all the small businesses that make up Alberta – and those businesses only do their taxes at the end of the year. A lot of times they don't know how much money they've made until they've progressed through the year.

1:10

What's going to happen, as January 1 hits, is that they're going to feel that they're doing fine because in 2016 they've made it through the tax increases that the government has implemented – the personal taxes, the corporate taxes, the minimum wage increases, all the other little taxes that have accumulated on top of them – and they've adjusted to show that they can actually remain profitable during this. It's been hard on these small businesses. What happens is that in order to do that, they have to raise their prices to be able to still be competitive and be able to make a profit.

Now, it's easy to say – it's easy to say – let's just raise the cost of a hamburger; let's just raise the cost of a truckload of grain. The thing is that it's easier said than done because a lot of businesses would have already raised it to what the market can bear. The whole thing about business is that it tries to be competitive with its neighbours, the businesses that it competes against. What happens is that – I fear that a lot of businesses aren't going to know that this carbon tax is going to kick in or know the effects of this carbon tax until the end of 2017, when they have done their taxes.

Why is this important? The reason is because a lot of businesses have razor-sharp profit margins. This amendment will give the businesses who do monthly bookkeeping the ability to be able to see how much carbon tax they're actually contributing to the Alberta government. This is important because what happens is that these businesses, if they can't react fast enough, go out of business. This is the nature of business.

It starts really simply. At first it seems like: "Gee, you know what? I have a hard time maintaining my bank account balance." So what is the next step? "Well, gee, I'd better go and get a line of credit with the bank." What happens is that they fill up the line of credit, and then they start to stop paying other necessary bills. That is where they get behind, and that's where we end up in a place that they can't recover from.

Now, I don't see anywhere in Bill 20 that says that they're going to help businesses that get into trouble because of the implementation of the carbon tax. We actually aren't keeping track of its effect whereas this amendment is asking that the tax be transparent. It's being shown to all of the business community. It also is important that we see exactly how much they're paying in carbon tax so that they can say: "You know what? Maybe this is an area that we need to work on. We see that we are putting out a large amount in actual carbon taxes, so this is a place that we can address and work towards to be able to reduce our carbon footprint."

That is something that the government can actually see a result from because what happens is that nobody wants to pay taxes. That is just a fact. Now they will go out of their way to make sure that the gas use is brought down by being more efficient, and it will be driven because of the fact that they are trying to drive down their costs. I hear where the government is going with this, that they want to drive down their costs. In the end, this is a good vehicle for our small-business community to see exactly what it is that is going out of their businesses. What we need to do is to make sure that we support our small-business community, and until we can actually give them a tool, this is a great amendment to do it.

I support this amendment, and I would ask everybody in this Legislature to support it. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A15? The hon. Member for Calgary-Elbow.

Mr. Clark: Alberta Party, a table for one. Yes. Thank you. I have a question for the hon. Member for Bonnyville-Cold Lake. You referenced that one of the reasons you would like to see this

particular amendment move ahead is so that Albertans could see the true, transparent cost of the carbon tax on all of their bills. Could you give us some indication as to how much per orange or apple you believe a carbon tax would add? Would it be one-fiftieth of a cent? How much do you think we're going to see on a grocery bill, for each apple and orange, from the carbon tax? My point is that at some point it gets a little bit silly.

I understand where you're trying to go with the transparency, but frankly I think this would add overhead to businesses as opposed to streamlining things. You know, Albertans are going to know that their costs have gone up in certain areas, but I don't think it's going to have a material impact, necessarily, on the price of fruit and vegetables, for example, to the point where we would want to see a government force business owners of all sizes, big and small, to add that to their receipts. I think the burden of doing that is pretty extreme.

So I'm curious: how much per apple, how much per orange will the carbon tax add, do you think?

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak on amendment A15?

Seeing none, I will call the question.

[The voice vote indicated that the motion on amendment A15 lost]

[Several members rose calling for a division. The division bell was rung at 1:17 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Hunter	Schneider
Cyr	Loewen	Smith
Ellis	Orr	Taylor
Gill	Panda	Yao
Gotfried		

1:20

Against the motion:

Anderson, S.	Goehring	Miranda
Babcock	Hinkley	Nielsen
Carson	Hoffman	Notley
Ceci	Horne	Piquette
Clark	Kazim	Renaud
Connolly	Kleinsteuber	Sabir
Coolahan	Littlewood	Schmidt
Dach	Loyola	Schreiner
Dang	Luff	Sigurdson
Drever	Malkinson	Sucha
Eggen	McCuaig-Boyd	Turner
Feehan	Miller	Westhead
Ganley		

Totals: For – 13 Against – 37

[Motion on amendment A15 lost]

The Deputy Chair: We are now back on the main bill. Any members wishing to speak to the main bill? The Member for Calgary-Glenmore.

Ms Kazim: Thank you, Madam Chair. I'm honoured to rise today in support of Bill 20, the climate change leadership plan. We Albertans are known as go-getters. When we believe in something,

we do it. Climate change is something we believe in. We believe in the science, and we know that climate change is real. If we believe in it, that means we need to do something about it. That's why our government has Alberta's climate change leadership plan.

Madam Chair, I'm very proud of our government's decision to take real action on climate change. Our government is committed to moving Alberta forward, moving past the inaction and towards leadership on climate change. The climate leadership plan is the right thing to do today and for future generations. The climate leadership plan diversifies our economy and creates new jobs. As well, every penny raised will be rebated to Albertans and reinvested in our economy.

Madam Chair, I would like to talk a little about sustainability. Sustainability is a complex concept. The most often quoted definition comes from the UN Brundtland commission. Sustainable development is "development which meets the needs of the present without compromising the ability of future generations to meet their own needs." From the National Geographic: they refer to sustainable development as a process for meeting human development goals while sustaining the ability of natural systems to continue to provide the natural resources and ecosystem services upon which the economy and society depend.

The climate leadership plan will also improve Albertans' health by phasing out harmful coal pollution in favour of cleaner energy. Pollution and greenhouse gas are two terms that are oftentimes used, and they overlap with each other quite a bit. The definition of pollution is: "Generally any substance that people introduce into the atmosphere that has damaging effects on living things and the environment is considered air pollution." Again, this definition is on the National Geographic website.

Greenhouse gas is a gas that absorbs infrared radiation and creates greenhouse effects. For example:

Carbon dioxide, a greenhouse gas, is the main pollutant that is warming Earth. Though living things emit carbon dioxide when they breathe, carbon dioxide is widely considered to be a pollutant when associated with cars, planes, power plants, and other human activities that involve the burning of fossil fuels such as gasoline and natural gas. In the past 150 years, such activities have pumped enough carbon dioxide into the atmosphere to raise its levels higher than they have been for hundreds of thousands of years.

Again, this is as clearly defined on the National Geographic website. That means that carbon dioxide is a pollutant.

Research has been done all over the world on the impact of a carbon tax on the economy. There is a lot of information available as well, with many examples of other countries successfully implementing the approach. Although it is an unprecedented approach in Alberta, it is not a primitive approach. We are not only catching up with the rest of the world but creating a plan that is even better. The climate change leadership plan will actually make Alberta the leader in sustainability.

[Mr. Sucha in the chair]

Mr. Chair, let me share with you an example. Dublin, Ireland, is a great example, where Dublin proved itself by recovering its economy through a carbon tax, or penalty, for environmental damage. It drove prices up for oil, natural gas, and kerosene. Ireland has seen its emissions drop more than 15 per cent since 2008. It used to be one of Europe's highest per capita producers of greenhouse gas emissions, nearing those of the United States.

[Ms Sweet in the chair]

Because of the taxes they shifted to greener fuels and cars and began recycling ferociously. Automobile manufacturers such as

Mercedes found ways to build powerful cars with emissions as low as small Nissans. With the higher cost of fossil fuels, renewable energy sources became the supreme source of energy. That led wind power energy to soar. Mercedes and Volvo have high-efficiency cars that shut down instead of idling.

Further to that, Europe's strongest economies – Sweden, Denmark, Netherlands – have all had carbon dioxide taxes since the 1990s. Japan and Australia recently introduced them as well.

A resident scholar at the American Enterprise Institute, Aparna Mathur, said that a carbon tax is a good idea. She also said that according to some economists, "a carbon tax could [potentially] raise \$400 billion annually in the United States."

Madam Chair, our government is progressing by all means through this plan. I'm very proud of the extensive consultation and work that went into the development of our climate leadership plan. Indigenous communities, for example, also were consulted on the climate leadership plan, to fully utilize their wisdom. They strongly believe in taking care of Mother Earth, and having them onboard with this plan is one of the biggest assets for our province.

Our plan, Albertans' plan, will have a global impact. It has three parts. First is the carbon levy, which is a bank account for sustainability. It's the penalty for damaging our air, water, food; thus, the sustainability of human beings. So every investment towards the carbon levy is basically an investment towards sustainability. Energy Efficiency Alberta, the second phase of this bill, is the reward for taking care of our environment, that has an impact on the well-being of human beings. Rebates will be issued to offset the costs of insulation, retrofitting, and rebuilding across the province. Small-scale energy, microgeneration, energy efficiency, and conservation of energy: everything will be promoted. From the funds collected and invested in renewables, alternative energy and better technology will be created to create more jobs and to give Alberta an edge globally.

Madam Chair, this bill is the right thing to do for Albertans, and I would strongly encourage all members to join me in supporting it as well.

My personal story is that I immigrated with my family to Canada from an upper middle-income family, and we started our lives in Canada as a low-income family, basically starting at the bottom. The reason we migrated was because we wanted to pursue a higher quality of life. The definition of a better quality of life is to have access to better air quality, water, food, health care, education; overall, my own well-being, which is a combination of all these factors.

In our case, when we started our lives after moving to Canada, I had my struggles based on the change of culture and the financial situation and everything, but I was highly motivated because I still defined my life to be the best while being in Canada and being a Canadian. I had access to all the great things that make a society a better place to live and which define that nation to be successful. A successful nation or a developed nation is different from a developing one just because they have better access to all the things I defined: health care, education, air, water, food, and overall well-being of the human beings. That makes our nation superior or the best place to live in.

1:30

Having such a plan that is originating from Alberta and that will help make Alberta the leader globally is our government's excellent move towards that. Through this bill, Madam Chair, we are being valiant and vigilant as we are taking this bold and unprecedented step to secure the future for our future generations. Therefore, I would highly encourage all the members to support this bill because this bill has a lot of information based on thorough analysis and a

lot of research and consultation. It's a complete bill that will lead to the bright future of our province and for our future generations.

Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Member for Calgary-Foothills.

Mr. Panda: Thank you, Madam Chair. Climate change needs actions and solutions. I know and we on this side know that climate change is real, it's happening, and it is affecting the entire world. We're not debating whether climate change is real or not. We should be debating solutions to lower global emissions. Instead, we are debating a punitive tax on hard-working Albertan families.

The idea of putting a price on carbon is to change the consumption behaviours of people and reduce the carbon footprint. It's a great idea, but we need more carbon reduction in the most cost-effective way. At the same time, we do not want to reduce our ability to compete in the global market. We should not ignore the fact that our contribution to global emissions is less than 2 per cent, and we are already the leaders in monitoring and controlling emissions world-wide. But we should always aim to do even better. Instead of creating something better, the members opposite are constantly trying to avoid answering questions on their legislation.

Instead, they want to know what we would do if we were in the government. The backbenchers on the other side have begged us for a Wildrose plan over a dozen times according to the *Hansard*. Today even the member from the fifth party, sitting in the Member for Edmonton-South West's chair, was asking me: what's your plan? He said in the past, too: "What would you do? What would you do about that? What would the Wildrose actually do?" Even with his pamphlet of a plan, he is begging us for a better plan, which, to me, is a bit surprising.

The reason why we are debating the NDP carbon tax plan and not a Wildrose carbon tax plan is because we campaigned on not bringing in a single new tax. I think our leader said that many times, anyway. That's the first and most obvious reason why we have not proposed a tax to replace this NDP tax. We're not criticizing this tax because we think we can tax better; we are criticizing this tax because it's a tax and we do not advocate for higher taxes. The members opposite can beg us to put forward a tax, but we will not, no matter how hard the members opposite beg.

Another reason we are debating the NDP's climate change plan is because the NDP are in government. If the NDP are so intent on debating a Wildrose proposal, then step aside and let us be the government. We would be happy to take over government and put forward legislation for this House to debate. If the NDP would like to debate our budget, then step down and let us be in charge of the finances of this province. The members opposite are constantly asking for a Wildrose plan, the Wildrose budget, the Wildrose this, the Wildrose that. Well, the time to debate party platforms is during election time. If the NDP want to debate party platforms, then call an election today. The reason I am here is because we did debate our platforms during the by-election, and – guess what? – I am here. The Member for Calgary-Greenway is here. Now we are here to debate the government's plans and government legislation. The title that is being broadcast across the screen is Government Bill 20, not Wildrose Bill 20, so not the opposition climate change plan.

I know most of the members across the aisle have never been in government before. I appreciate that, but this is the parliamentary system. The opposition cannot submit bills that spend taxpayers' dollars or increase taxes. Therefore, no matter how badly you want us to put forward a bill that increases taxes or spends money, we are legally not allowed to do so. I would suggest that the members opposite stop asking for something that is not legally allowed to

happen and focus on the bill in front of us. Now, perhaps they would like us to create a plan that is not in the form of a bill but encompasses the same size and scope as their 95-page climate tax plan. Perhaps this government knows their plan is so bad that they hope we present a better plan that they can copy and take credit for. That's why you're asking for our plan. Reducing small-business tax is just an example, and you're welcome to take our plan and do that. I appreciate that.

There is another reason why we cannot create a plan the same size and scope that the government has presented. The Wildrose operates with about 27 staff members for 22 MLAs. Madam Chair, Wildrose operates with 27 staff members, just 27 staff members for 22 MLAs. That's barely one assistant per MLA. Instead, we have spent our time presenting plans that will help this government fix the economy. We have presented plans that will save money and get people back to work. We have presented a 12-point jobs action plan. We presented a budget sustainability plan that provided \$2 billion worth of savings without firing a single front-line worker or reducing services. Without firing a single front-line worker or reducing services. We found experts to provide feedback on equalization with the creation of an equalization panel.

We also were first out the door with a plan to assist Albertans to fight the problem surrounding fentanyl. Meanwhile the government has the entire bureaucracy behind them. Most of them may not even be from Alberta, anyway. Thousands of people working for the government: the whole department has more staff members than the Wildrose staff and MLAs combined.

1:40

If this government is so intent on putting forward a plan, then give us the exact same resources that were available to the government when creating this plan. Give us access to an entire department to research our own plan. If the government is unwilling to give us access to any of the staff members who are from Alberta – we'd prefer staff from Alberta, anyway – to create a plan, then we'll have to stick to debating this plan, the NDP's carbon tax plan. If the government is still looking for ideas, they can look at our members' past policies on the environment. We do have them if you want to look at that. You ignore looking at that, and you keep asking us: "Where is it? Where is it?" Go spend some time looking at our website. You'll find our plan.

The government has not even released the regulations that will be a major part of this tax plan. There are so many reasons why this bill needs to be withdrawn or at least postponed. That's why we'd use legislative tools to send this bill to a standing committee for scrutiny, so that none of the good people from Calgary-Foothills ask me: what's our plan? They're asking us to help the government make their carbon tax bill a better bill. That's why we are using all these legislative tools. We are proposing reasonable amendments, and you just ignore them, even the reasonable amendments. You are answerable to your constituents. The tools are in place to get more input from MLAs and stakeholders, but this government refuses to use those tools. That's why we are here at 2 o'clock at night discussing your bill, not our bill.

You would expect this government to look at provinces that have a better public service delivery model, that spend less per capita and deliver more efficiency. This government should take a look at provinces that have a better performing economy and have implemented a carbon tax. B.C. implemented a truly revenue-neutral carbon tax. Now, all taxes are spent by the province on some sort of program that is used by Albertans. One could say that if the definition of revenue neutral is tax revenue that is spent on people, then all taxes are revenue neutral, but that is not the definition no matter how many times the government says so.

B.C. has a revenue-neutral plan, revenue neutral by B.C. law. It states that the policy requires equivalent cuts to other taxes. B.C. has cut millions in income on other taxes to offset carbon tax revenue. The B.C. government has a transparent spreadsheet, which is balanced between cuts and revenue, to ensure that the tax is revenue neutral. This balance sheet is published yearly so that everyone can see where the money is given back to the people. This tax that's proposed by the NDP does none of that. Bill 20 does none of that. The money taken from Albertans goes into a slush fund, that could be used for who knows what.

If this government is looking for suggestions that are better than the plan up for debate in this House, then I suggest they use the tools available to them and make a better plan themselves. We're giving you the tools to make your plan better, if you want to use them. It's only available for another seven hours or so; then it expires. If you want to use the tools we're proposing, use it or lose it. Take this plan back to the drawing board and come back with something Albertans will not be harmed by. The government could start with an economic impact study on Alberta's economy and how this tax will affect Alberta's economy. That would prove to this House once and for all how this tax would affect Albertan families. The Member for Lacombe-Ponoka broke down the bare-minimum costs that would affect the typical Albertan and showed that the NDP's math is so far off. It is so far off. Thank you for doing that.

The rebate that the NDP advertises will cover all the costs created from this tax is nowhere near the true amount. My fellow colleagues have pointed out cost after cost that the NDP refuse to admit will affect Albertans. The awesome people of Calgary-Foothills do not want increased school fees because of this tax. They do not want increased food costs because of this tax. Albertans and Canadians expect that we'll have a reasonable debate in this House, Madam Chair, on the cost-benefit analysis of Bill 20. In this bill you'll find all information regarding tax collection and tax avoidance punishments but no benefits to the taxpayers. After paying \$2.6 billion in taxes, what is the return on investment for Albertans? We haven't heard from any of the government benches what the benefits, tangible benefits, are for Albertans.

The fantastic people of Calgary-Foothills are asking: how many new jobs will be created with this initiative? No answer. We've asked them so many times. When will these jobs be created? In 10 years? In 20 years? Nobody knows. But people want jobs now. They are looking for jobs now, not in 10 years or 20 years. We do not have a single detail regarding what type of jobs it will create.

Will this gain us market access? No one can tell us that so far. Will this gain us the mystical social licence? No answer. Dead silence on the other side. Will this bill reduce red tape as it creates new Crown corporations to implement red tape? Will this reduce our wait times in the health care system? Why is this bill not revenue neutral when it was first advertised as such? Why will it not fix the problems Albertans actually have?

This climate tax plan wants to cap the emissions at 100 megatonnes. We are already at 70 megatonnes, so who will get the allocation of the balance of 30 megatonnes? These are the questions, Madam Chair, that I'm being asked in my riding of Calgary-Foothills. Is this government giving preferential treatment to whoever backs their plan? That means that others who don't back their plan won't get any allocation, so that means there won't be any new jobs. If the 30 megatonnes is simply allocated to the existing producers just because they stood with you, will that reduce competition? Will there be no new projects if this government allocates these 30 megatonnes to their friends instead of allowing for a competitive marketplace?

The only thing this bill will do is increase the tax burden on Alberta families. That's why, Madam Chair, I'm not in favour of

this bill unless – unless – the government addresses my questions and concerns above in a satisfactory manner. Again, the government has another few hours left for debate today, Tuesday. If they want to make use of the time and answer our questions, then I'm open – I'm open – to hearing your answers to make up my mind whether I support this bill or not.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to the bill? The Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Chair. I would like to begin just by briefly once again citing the Climate Leadership report to the minister. On page 17, on what climate leadership means to the panel personally, Stephanie Cairns begins with this short sentence. She says, "Alberta climate leadership presents a profound design challenge." Now, I do know a little bit about design challenges. I've been on some major construction projects in various places around the world. If there's any reality at all, it's that if you go into the construction management office, you will find against the wall a big tub, basically, full of blueprints, drawings, design drawings drawn by the designing engineering company. The interesting part is that there will be revisions upon revisions upon revisions upon revisions at a construction site. It just is a reality. To design anything perfectly the first time is absolutely unheard of.

I would suggest that this climate leadership plan does in fact have profound design challenges. In fact, we would argue that the design is deeply flawed and has significant problems that are going to make it ineffective and therefore a problem for Albertans, and that's why it needs to be improved. So, Madam Chair, in that regard I would like to introduce an amendment because the design of this plan is flawed, and we can't seem to make the members opposite understand how detrimental this tax plan will be to the province. They've refused to be responsible for the taxes they already have in their possession, and they insist on constantly raising taxes of all types. Since this government is determined to get this tax passed, the best that we can do is to hope to mitigate the damage.

That's why I would like to present the following amendment, of which I have the requisite number of copies, and the original is on top for the chair.

Thank you.

1:50

The Deputy Chair: Thank you, Member. If you can wait till I get a copy.

Members, we have an amendment. The amendment will be referred to as A16.

Please, go ahead.

Mr. Orr: Thank you, Madam Chair. I would like to move that the Climate Leadership Implementation Act be amended in schedule 1 as follows. In part A section 6 is struck out; in part B section 25 is amended (a) by striking out subsection (1)(h) and (b) in subsection (2) by striking out "6,"; in part C section 27(1)(d) is struck out; in part D section 61 is amended by striking out "6,"; and in part E the table to the schedule is amended by striking out the following:

Locomotive diesel	5.94¢/L	8.90¢/L
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Now, I'd like to say that, as everybody realizes, Alberta is a landlocked province. This is something that everybody has acknowledged in one form or another in this House. Of course, the pipeline debate wouldn't be such a large issue if our province was situated on the coast or at least with some sort of direct access to the coast.

The major way that our resources are exported out of this province is via rail. Without the railroad even our oil and gas industry would not have been able to grow to the size it is today, yet the oil and gas industry is hurting. Oil prices have dropped dramatically. This government has raised taxes on oil companies. The fires in the Fort McMurray area have stopped production for weeks, and now this tax is going to hurt them even further. The fuel tax increase for locomotives will damage our already fragile oil industry. I'm a bit baffled as to why the government insists on kicking our oil and gas industry while they are down. The tax already gets a share of revenue from the oil companies, and there's no need to be double-dipping. There is no need to tax oil and gas companies twice.

But it's not only our resource sector that uses the railroad. Manufacturers of all kinds that import goods into Alberta, not only goods but also equipment that is used in the development of many kinds of industries and manufacturing – these goods are all imported. The majority of them come in on rail in order to create new products for Albertans. These products will all become more expensive thanks to the carbon tax. Companies that use the railroad to export goods will have to pay more now to ship their goods, making them less cost competitive. Our economy is hurting, and this tax is aimed at our importers and our exporters. Albertan companies will incur higher taxes because the railroads will simply pass on their costs to Albertans.

Railroads actually can't easily find efficiencies in order to reduce their emissions. They can't find a more efficient route to take, in most cases. If this tax is supposed to encourage better stewardship of the environment, I don't quite understand how a railroad is supposed to change its environmental footprint. [interjections] Their ways are literally nailed to the ground.

The Deputy Chair: Members.

Mr. Orr: A railroad can't replace their diesel-electric engines with pure electric motors. The infrastructure simply is not in existence for a railroad that stretches across Canada. The government needs to explain how this tax on locomotives is going to change the ways or the habits and therefore the emissions of the railroad industry.

Furthermore, this tax is going to punish agriculture and farming and farm-related industries in Alberta. There's a good deal of agricultural implement manufacturing that goes on in this province. Most of it is shipped out by rail. The big one, of course, though, is the delivery of grain crops to market. Millions of tonnes, actually, are shipped to market by rail, and there is no price flexibility in that for farmers, producers. They are just going to have to take this out of their pockets. They are going to be punished again: first Bill 6 and now this. I think this government just doesn't understand the impact that this bill is going to have on our farm industry in Alberta. We talk about wanting to diversify the economy, about wanting to expand away from oil and gas, and here we are punishing probably one of our best likelihoods, which is the agricultural industry.

This amendment is something that should be a priority for all members in this Assembly if they care about Alberta businesses that export and import products for Albertan families. This amendment also assists our oil and gas sector, that has been taking a beating after the prices lately. We should not be taxing our industries when they're already down.

I ask all members to please vote for this amendment. Thank you.

The Deputy Chair: Are there any members wishing to speak to the amendment? The hon. Member for Little Bow.

Mr. Schneider: Thank you, Madam Chair. As we all know, rail is vital to our key industries – agriculture, manufacturing, energy, forestry – so it's disappointing that the government wants to make things harder for those job creators during this downturn. Alberta, as my colleague said, is a landlocked province, and rail is necessary in order to export the products that we produce here. Certainly, as a farmer I understand that. Without the railway our energy and ag industries would not have been able to grow to the size they are today.

You know, Madam Chair, a carbon tax is supposed to be a behaviour-modifying piece of legislation. Where I come from – I'm not sure that I understand what behaviour will be able to be changed on a farm in southern Alberta. Farms, in truth, at the end of day, are actually way ahead of this anyway. We began using zero-till and minimal-till equipment to seed crops about 25 years ago. As a result less fossil fuel has been used in the seeding process on farms for years. The capacity and size of equipment for other processes on farms have also increased, so less fossil fuel is used to cover the same number of acres that we used to cover.

Farmers that grow grain other than grain to feed their own cattle or to ship to a feedlot mostly ship it for sale, and that means that it has to be sent by rail. Rail already saw an increase in diesel fuel during the last budget, so it's disappointing that locomotive diesel will take another hit on fuel with this tax. As far as ag is concerned, the cost for getting grain in export position just went up, and farmers don't have the opportunity to control their income, that being the price of grain.

Oil moves by rail daily in this province. Pipelines are a better, safer way to move our energy, but rail has been used for years, and it has increased, actually. Rail has allowed the energy industry to diversify. Now, all of a sudden it will cost more to ship oil. This tax will hurt our resource sector when they are already hurting. Why does this government insist on hurting our oil and gas industry when we're already down? This is a very depressed part of the cycle for oil and gas. The tax already gets a share of revenue from the oil companies. There's no need to double-dip. We should not be taxing our industries when they're down.

2:00

You know, Sea-Cans bring goods through Alberta from the coast as part of trading partnerships that we already have. The price for these goods just went up. Automobiles are moved by rail – we see that all the time – so the price of a vehicle just went up. Those costs to the railway have to be passed on. All types of manufactured goods imported into Alberta will become more expensive. Everything. Our economy is hurting, and this tax is aimed at our importers and exporters.

The railways have confirmed that they'll pass on the carbon tax to consumers. They're certainly not going to eat it. It means increased costs to farmers to move their grain, increased costs for automobiles to get here, increased costs for tourists to travel by rail. It costs 35 cents to move one tonne of grain one mile. One grain car holds 90 tonnes. That's \$31.50 to move one car one mile. Trains today are about 150 cars.

An Hon. Member: We adopted the metric system in 1974.

Mr. Schneider: Sorry, Mr. Scientist. I can't catch you over there.

If you move 150 cars one mile at that price, it's 4,725 bucks a mile. That just went up 9 cents a litre.

This amendment is something that should be a priority for all members in this Assembly if they care about Alberta businesses that export and import products for Alberta families.

That being said, Madam Chair, I will be supporting this amendment, and I encourage all members to do so. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak on the amendment? The Member for Edmonton-South West.

Mr. Dang: Thank you, Madam Chair. I think it's very important that we all have an opportunity to speak to this amendment. I think it is important to recognize what this legislation does when we are talking about a carbon levy, when we are talking about the climate leadership plan and the Climate Leadership report. We're talking about an economy-wide price on carbon. We're talking about something that is designed to reduce consumption, designed to find efficiencies through industry, and to do that we really do need to work on an economy-wide scale here. That's why it was developed by renowned economists, and that's why it was developed by people in research and industry that have heavy backgrounds in these sorts of issues.

We're really looking specifically at a carbon price on locomotive fuel. We can see that the policy mirrors the fuel tax that we have here in Alberta and that we've seen in Saskatchewan. We can see that on top of that, the Railway Association of Canada reported that the industry saw a 9.8 per cent decrease in taxes in 2014. Even the locomotive industry, Madam Chair, is concerned about reducing their emissions, and that's why the Railway Association of Canada's 2015 report stated that

investments in modern locomotives, among other fuel-management technologies and policies, have allowed Canada's railways to make substantial emissions reductions, and to improve their fuel efficiency by 27.5 per cent since 2005.

Madam Chair, in addition to that, the president of CN, Claude Mongeau, even said that environmental sustainability is a strategic priority for CN, which is focused on lowering emissions, increasing energy efficiency, reducing waste, and encouraging environmental stewardship among their employees.

Clearly, industry understands the importance of taking action on climate change, and that's why we've been moving forward on this economy-wide price, and that's why I think it's very important to understand that in accordance with the Climate Leadership report and in accordance with all the thorough consultations and research that's gone into this, we are moving forward on this economy-wide price.

At this time, Madam Chair, I do have to ask and implore all the members of this House to vote against this amendment. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak on the amendment?

Seeing none, I will call the question.

[The voice vote indicated that the motion on amendment A16 lost]

[Several members rose calling for a division. The division bell was rung at 2:05 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Gotfried	Panda
Clark	Hunter	Schneider
Cyr	Loewen	Smith
Ellis	Nixon	Yao
Gill	Orr	

Against the motion:

Anderson, S.	Goehring	Notley
Babcock	Hinkley	Piquette
Carson	Hoffman	Renaud
Ceci	Horne	Sabir
Coolahan	Kazim	Schmidt
Cortes-Vargas	Kleinsteuber	Schreiner
Dach	Littlewood	Shepherd
Dang	Loyola	Sigurdson
Drever	Luff	Sucha
Eggen	Malkinson	Turner
Feehan	McCuaig-Boyd	Westhead
Ganley	Nielsen	
Totals:	For – 14	Against – 35

[Motion on amendment A16 lost]

The Deputy Chair: We are now on the original bill. Anyone wishing to speak? The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. Good morning, everyone. Investing in cleaner choices, making green initiatives more affordable, to be leaders in energy efficiency and cutting edge in clean technology: these are the primary strategies, as I understand them, for this bill. Just a couple of things I'd like to clarify, too.

2:10

With all due respect to the Member for Calgary-Glenmore – and she made some great comments about some jurisdictional comparisons between Alberta and Ireland and what they're doing – I just wanted to clarify a few things. Please correct me if I'm wrong. Dublin is sort of in a similar situation to us, where we're in a recession and seeing some downturn and whatnot. I'm pretty sure that some of their targets are being met as a result of defaults because of the recession. That's very similar to here. We may very well see some of those numbers here as well due to the simple fact that there is a downturn in the economy. I'm just saying that it might be part of the reason. That doesn't mean that we shouldn't try and do better. I'm just suggesting that that might be part of the reason you'll see those numbers decline.

As far as I know, they are not quite on target yet to reach their 20 per cent. That could change. Of course, theirs is agriculturally based, right? Their big thing in Ireland is beef. It's beef. I think it's close to \$1.5 billion a year in beef. That is what they sell. That's their big export, agriculture. It's a different group of things.

Nevertheless, it was very nice to have some jurisdictional comparison. The good thing about that is that you can actually take some information and actually compare it across the board, so I really appreciated that. Especially if we're actually going to look at how the numbers are being impacted from one place to another, it's nice to have some information. Again, please correct me if I'm wrong, but that's what I understand to be true about Ireland.

We want to make sure that the accountability factors are there. Again, I know we've said it a hundred times, but I think it's worth saying again: all of us ran on that. As many times as you may say what your plans are and all of those kinds of things, you are the government. I actually really look forward to these collaborative discussions, and I'm hoping that at some point collaboration will actually occur.

There have been some really, really great amendments in here. I think my favourite amendments have actually been the accountability amendments. What those do is give a lot of information to Albertans to show that the government is actually interested in not just waving around a document but in actually

standing behind it and being able to show that it worked. Personally, I would appreciate that, and I know that I speak on behalf of many of my constituents in that they would really appreciate the ability of the government to show foresight, that they care about what Albertans think, that they care about the impression that they're leaving behind. This is part of your legacy. I don't know. I would consider potentially maybe looking at some more of these accountability amendments.

I'd also like to bring forth an amendment if I could, please. I believe I have the requisite number of copies.

The Deputy Chair: Please go ahead.

Mrs. Aheer: Thank you, Madam Chair. I move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 1 in section 19 by adding the following after subsection (1):

(1.1) The purposes and uses prescribed under subsection (1) for which a rebate may be paid must include fuel used for the transportation of students by bus provided by a school board to or from the site of a school.

Madam Chair, this government is seeming to rush through a very, very punitive tax on Albertans. In the process of introducing the bill, the government, I believe, failed to understand the full ramifications. It seems like you're cherry-picking from a plan without looking at the full impact of this tax. Many, many of us have said this over and over again, that the cost-benefit analysis and the impact analysis are really, really important for Albertans to understand. Albertans are intelligent people. They are interested in what's happening and in what's going forward, and they're interested in being engaged.

In your own statements from the engagement process leading up to the climate leadership panel, you had a thousand people come to where they were able to come in and be engaged with this process, and many, many people also responded online. With that engagement process it's hard to understand why within that process, after being able to see what Albertans want, you would pick the part that has become a regressive tax grab. Oddly enough, the tax is going to hurt the people, Madam Chair, that the government seems to want to most protect, and that's the vulnerable. That was shown tonight. It was so disappointing to see the government turn away charities in this and accountability amendments, that will do nothing to alter what you're trying to do other than to show Albertans that what you've done is correct or that if you've made a mistake, we can fix it. That's the whole point. When you are hurting the vulnerable, you can't sufficiently correct the onerous impact of that tax.

The environment minister has been asked about the government's failure to study the economic impact. Also, you've said in the climate action plan that it must provide an incentive for everyone. Well, I'm not sure how the vulnerable are being incentivized here. I'm not sure how charities are being incentivized here in this tax on Alberta. She's replied with a variety of what feel like very ill-informed comments. The Ecofiscal report, that she keeps referring to as the economic impact study: it seems to the Wildrose that it fails to agree with the government's exceedingly low revenue-recycling numbers, and it fails, actually, to satisfy the criteria of the economic impact study.

The government is offering low-income families – these are families that are earning less than \$108,000, give or take, combined. The rebate under that is \$855 in 2018. The report, however, notes that the percentage of carbon pricing revenues required to fully compensate those households with those income levels in the other part, in the second income quintile, so the other 20 per cent of the population, well within what the government

considers to be a low income as earnings in this quintile are averaging around \$40,000, a rebate of \$1,130. The government will be offering in 2018 a rebate of \$855, Madam Chair, to low-income families that are spending \$1,130. That's just not good enough for Alberta's poorest families.

The government is using the numerous reports by Ecofiscal to prove that they're getting this carbon tax right and all the while not adhering to their own recommendations from the Ecofiscal plan. I mean, the report is not an economic impact study. It gives parameters by which to try and create this process, but it's not an impact study. There's no assessment on the added cost for groups vulnerable to the regressive nature of the tax like school children, particularly in rural Alberta, that have no option but to take the bus to school every morning.

I grew up in Chestermere. I've been there since 1979. It's grown substantially since then, but it's a long, long, long, long, long, long way to school. In fact, the bus that I took in the morning circled around the entire outside of what was considered Rocky View at that time before it even got to school. Even now, even with the growth of the city and the number of people that are there, the school is still on the outskirts of the city. In fact, because we're on the outskirts of the city, if people, especially teenagers, are wanting to work in the city of Calgary, how do you think they're going to get there? I'm just curious. I mean, if we're thinking about the tax base, just the relative tax base, and getting people working and getting to the city, like I mentioned before, most of Chestermere and, in fact, my entire constituency empties out into Calgary to work. So it's very punitive to a community like mine where the choices are very limited. There are not enough jobs in Chestermere to provide for everyone who lives there. There's no way. Most of the people do travel outside the city of Chestermere in order to work. If we're talking just about children, I mean, they have no option but to take a bus in the morning.

2:20

The minister keeps waving it around and using it as Canada-wide numbers. Well, the numbers the Wildrose used to estimate the impact, which the minister claimed, don't even apply to Alberta. These numbers don't apply. I mean, how can you use numbers if they're not relevant to our jurisdiction? The matter required further study, and instead of facilitating the study, the government has decided to ignore every report that disagrees with them. Failing to offer the proper numbers is not fair to Albertans, and they're angry about this.

I know you've said over and over again that your constituents are fine with the carbon tax. I don't know how that could be so different. My constituency is full of a diverse group of people, a very, very diverse group of people, and they're not all just one stripe or one type. There are many, many different people in my constituency. I have yet to receive a letter promoting this carbon tax, not one, and we have asked.

Again, I know that you think that doing a referendum should only be reserved for certain large-ticket items. I would wager that this is large enough in order to ask Albertans what they think. I think that the matter requires further study, and Albertans are left wondering if the environment minister understood the reports, because while their elected representatives debate in the House right now, in the wee hours of the morning, the government seems to irresponsibly and recklessly push through an ill-planned bill. Why? Because nobody's watching right now? I can't imagine how it is that you look at some of the amendments that have been given to you in collaboration, in the spirit of trying to make this better . . .

The Deputy Chair: Hon. member.

Mrs. Aheer: Yes.

The Deputy Chair: Can I clarify that you are speaking to amendment A17?

Mrs. Aheer: I am. Thank you very much.

I want to make sure that when we're talking about accountability, when we're talking about transportation and school boards, you have to understand that everything else that's been put in front of you hasn't even been given a second look. Now you're given an opportunity to rebate to schoolchildren, especially in rural areas. I would really, really, highly recommend that you take a look at this one. It's good for everyone.

Madam Chair, the reason I've risen in the House today to introduce this important amendment is simply to make sure that the government has the opportunity to look at maybe a small portion, a thumbprint, of this that they maybe hadn't considered. The NDP failed to consider my constituents in Chestermere-Rocky View when they drafted this bill, and the government failed to take into account that the school boards would be saddled with the high cost of this tax and little option beyond cutting programs and increasing the already high and already regressive fees that they are forced to levy on parents.

I'm going to just give you a few examples here. The Calgary Catholic board, which my riding is a part of, has done some analysis of the financial impact of the proposed carbon tax. The following information was shared during their public board meeting, so I'm sure that the members opposite also have this information as well, but I'll still share it anyway. This board meeting was on April 27, 2016, and the meeting disclosed that Budget 2016 contained the implementation of the carbon tax, which is budgeted to increase the cost of transportation and utilities by \$350,000 in 2016-2017 and just over \$500,000 in 2017-18 and beyond. Is that correct? I mean, I actually read those numbers, and I was flabbergasted. The impact on the public board, that my constituents are educated through, again, is estimated at \$231,000.

Mr. Yao: Sorry. How much?

Mrs. Aheer: Estimated at \$231,000 for the upcoming school year and \$557,000 when it is fully implemented in January 2018.

An Hon. Member: No way. Wow.

Mrs. Aheer: Yes, it is.

Again, I would love to be proven wrong here. How many arts programs will this momentous bill cost our children? I think of one program in particular that's been cut in our area, Trickster. My son is part of Youth Singers. They really rely on the grants and other things that have come from the government in the past. The children are going to be asked to sacrifice not only the quality of their education but other programs that help to make life wonderful in this province.

Mr. Yao: Why does this government not support the arts?

Mrs. Aheer: I don't know.

Why haven't we asked Albertans in a referendum if they consider that this sacrifice is worthwhile? Or maybe it's just not a big enough deal. I'm assuming it's just not a big enough deal to ask Albertans what they think.

Mr. Nixon: You've got to roll with it.

Mrs. Aheer: I'm rolling.

The polls tell us that nearly 70 per cent of Albertans are opposed to this tax. How will this bill impact children educated by other boards? There are questions that each and every member of this House should be asking themselves when they vote on this amendment this morning.

Our schools and our children's education should be exempted from the punitive impacts of this tax, and I would implore you to all vote in favour of requiring exemption for school boards. Thank you very much.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A17? The Member for Calgary-East.

Ms Luff: Thank you, Madam Chair. You know, this is another amendment that is the same, more or less, as most of the amendments that have come before it. We countered the previous ones by saying that this is an economy-wide carbon tax. It is applied to everybody.

If we're talking about children and we're talking about students in Alberta schools, there is no one in this province who wants us to move on this more than those kids. I have taught kids in schools, and they care passionately about climate change. They know it's the issue of their time, and they want us to do something about it. They absolutely want us to do something about it. I have talked to school board trustees who are aware that, yes, this will have an impact, but they are onboard. They're onboard with this change. [interjections] Yes, they want to be part of this. There are schools that want to be part of this. They want to work. They want to be part of the solution. [interjections] I am speaking. You know, through the chair, please.

In any case, children want this. They want us to do something about it. They're passionate about it. They care about it. There is no one who cares about it more. There is no one who wants this more. We must apply this fairly. This, like I said, is the same amendment that has come before. We are doing this primarily, you know, for the future. I am doing this for my children. We're doing it for our children, so to say that we're impacting children negatively I think is unfair, and I would encourage everyone to vote against this amendment.

The Deputy Chair: Thank you, hon. member.

The hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you so much. Thank you to the member. I completely agree with you. Kids are totally onboard with this. I completely agree with your statements. I think, however, that any vision – I mean, I've taught kids my whole life, and they're my biggest teachers, no holds barred, by far the biggest teachers I've ever had. The wisdom of children: it's absolutely imperative that we take it into this discussion. Kids especially, I find, when you have these discussions with them, are so intelligent that given all of the facts they're also going to understand that there is a cost and a balance to everything, and that's what this discussion is lacking. Nobody is disagreeing with you about what needs to be done for the environment. Not one bit. However, what we are lacking in this discussion is balance, and the kids would give you a balanced understanding of that, too, given the opportunity to discuss all parts of this.

2:30

Nobody is disagreeing that kids are passionate about this. They are. I talk to them about it all the time, too. But it's one of the three pillars; there's environment, there's economics, and there are also the energy aspects. Those three things in conjunction, in stewardship, have to be discussed all together. Those kids know

that, and you would know that because, obviously, you've talked to them as well. Please, as you're bringing forward thought processes like this – that's fantastic – let's actually talk to the sincerity of the full discussion because our kids all deserve that, and they're smart enough to understand it.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak?

Seeing none, I will call the question.

[The voice vote indicated that the motion on amendment A17 lost]

[Several members rose calling for a division. The division bell was rung at 2:31 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Gill	Orr
Clark	Gotfried	Panda
Cyr	Hunter	Smith
Ellis	Loewen	Taylor
Fraser	Nixon	Yao

Against the motion:

Babcock	Hinkley	Notley
Carson	Hoffman	Piquette
Ceci	Horne	Renaud
Connolly	Kazim	Sabir
Cortes-Vargas	Kleinstauber	Schmidt
Dach	Littlewood	Schreiner
Dang	Loyola	Shepherd
Drever	Luff	Sigurdson
Eggen	Malkinson	Sucha
Feehan	McCuaig-Boyd	Turner
Ganley	Miller	Westhead
Goehring	Nielsen	

Totals: For – 15 Against – 35

[Motion on amendment A17 lost]

The Deputy Chair: We are now on the original bill. The Member for Calgary-Fish Creek.

Mr. Gotfried: Thank you, Madam Chair. I rise today with a notice of amendment. I have the requisite number of copies here for the chair.

The Deputy Chair: Give me a moment to get the original. We'll refer to it as amendment A18.

Mr. Gotfried: I'll wait until the chair has copies in her hand.

The Deputy Chair: Please go ahead.

Mr. Gotfried: Thank you, Madam Chair. I rise today to propose an amendment to Bill 20, Climate Leadership Implementation Act, with the act to be amended in schedule 2 by adding the following after section 2(5):

(5.1) Any grants, contributions or loans, or loan guarantees provided or issued by the Corporation pursuant to subsection (5) shall prioritize innovation, energy efficiency and the reduction of greenhouse gases by small businesses.

Madam Chair, this amendment would see the newly formed Energy Efficiency Alberta prioritize the sustainability of small

businesses when providing grants, loans, and pilot programs. This gesture will help small businesses by providing assistance as they address increased costs associated with the carbon tax. It will lead to meaningful cost and emissions reductions, achieve energy-conserving efficiencies, and prioritize entrepreneurship, innovation, and competitiveness amongst the small-business sector.

The incoming carbon tax will negate one of the few positive aspects of the NDP's budget, the small-business tax reduction, and we're greatly concerned about the impact on many small businesses who are struggling and, in many cases, teetering on the edge of bankruptcy and failure, which would then, of course, impact jobs and the vibrancy of our economy. Essentially, by imposing a carbon tax on small business, the government has undone the modest goodwill and the small shot of hope that they gave these risk-taking entrepreneurial Albertans when they thankfully listened to our repeated calls for reduction in small-business taxes, which, of course, we were thankful for.

In fact, the amount that small businesses must pay in carbon tax, if indeed any of them are lucky enough to actually turn a profit in this very difficult economy to be eligible for a reduced tax bill, appears set to greatly exceed any cost savings or benefit derived, which, Madam Chair, is of great concern to all Albertans. In fact, as we all know, it's the local businesses, the small businesses, the family-owned businesses that will suffer from that.

It's important that we understand the challenges faced by small businesses going forward and also put them in the best position possible to remain at the forefront of leadership and best practices in regard to the emissions, which this government says that they are so committed to, and the emissions management and, of course, energy-saving business practices, which will then affect climate change and the consumption of hydrocarbons.

[Mr. Sucha in the chair]

While the government has indicated that they intend on providing carbon tax revenue to small businesses through some as yet unidentified initiatives, this can be said of a number of other rumoured or inferred commitments, some positive and some, of course, negative in their impact. Amending the bill so that small businesses are directly referenced in this legislation I think is highly important so that they know because we all know that it's the confidence of businesses that will affect their ability to invest, their desire to invest, thereby creating jobs and increasing the activity in our economy. We need them to be directly referenced under the legislation, meaning that the government would continue to acknowledge, reflect upon, and react to the challenges facing this all-important job-creating sector. There's no escaping their monumental impact on our business, and it is often said that small business is big business, particularly in entrepreneurial Alberta.

2:40

Mr. Chair, I've spoken to many small business over the last year. Some are teetering on the edge. Some are deciding whether it's worth continuing to operate in this environment. Some have said that they've hired. They have three students on staff. Some of them, because of having a small business, have a nanny. I've spoken to one in particular who says – she's very close – that she doesn't pay herself a wage as the owner of that company but is looking towards the future, when she retires from her wage-paying job and has that opportunity. She's done the math on it, and at this point already, before this transpired, it's not worth running that business, taking that long-term risk anymore. Hence, she'll lay off four people in the process of doing that.

To the chair: this is a situation which we need to do everything to combat. We need to build confidence in our small-business sector.

We need to give them the opportunity to survive this downturn. Our future depends on that. The vibrancy and the diversification that we hear so much of depends on it. So let's work with them and support them rather than looking at them as a low-hanging source of revenue. Let's serve Albertans and support Albertans, their jobs, and this economy, which means so much to us.

Thank you.

The Acting Chair: Are there any other speakers on amendment A18? The Member for Edmonton-South West.

Mr. Dang: Thank you, Mr. Chair. I just want to speak really briefly to this because I do want to recognize – the hon. member did mention it – the 1 per cent tax cut that this government brought in as part of the climate leadership rollout. As we move forward on those, we absolutely are interested in supporting small business. When we look at things like how the Energy Efficiency Alberta corporation – and we are the last jurisdiction to bring in an energy efficiency corporation – is absolutely going to be focused on finding energy-conscious savings for our businesses and our partners in industry and consumers as well so that we can help small businesses find those savings, I think this is absolutely the intent of the corporation.

The intent of the bill as a whole is absolutely to help find savings by reduction of emissions overall, so I don't think that this amendment is really necessary at this time. I think that the Energy Efficiency Alberta corporation absolutely will be doing a lot of this work moving forward. I think that the climate leadership report and the Climate Leadership Implementation Act do a lot of this work moving forward by those contributions and grants that we're going to be seeing as is, so at this time I'd like to ask all members to please vote against this amendment.

Thank you.

The Acting Chair: The Member for Calgary-Greenway.

Mr. Gill: Thank you, Mr. Chair. I'm proud to rise here to speak to an amendment to Bill 20 by my colleague. There's no question of whether or not Alberta's economy is hurting. I mean, we've all seen the numbers. We've all seen the job losses, and we all know somebody – our neighbours, our friends, our relatives – who've lost jobs in this economy. The one sector that is hurting very badly in Alberta is our small businesses. We know this because our constituents, Alberta's entrepreneurs, have reached out to us and talked to us and said, you know, that their small business, the mom and pops and those shops, are hurting.

A small business is a company that employs 49 employees or less. In Alberta just a few short years ago small business made up almost 95 per cent of all the businesses in this province. That's a huge, huge number. Of the total employment in Alberta small businesses employ about one-third of Albertans in the private sector, and that transcends quite a big range of industries as well: agriculture, forestry, oil and gas, and construction, just to name a few. In addition, in Alberta we're among the leaders in the country with nearly 40 small businesses per thousand people in the province. That's important to note, that critical role that small businesses play in hiring Alberta's youth. Studies show that businesses that have fewer than 20 employees have the highest percentage of employees aged from 15 to 24. Those are our youth that are going to universities while they're working. You know, that's helping them get through those stages in life. As you can see, small businesses are essential to Alberta. When small business struggles, Alberta struggles and our economy struggles. That's why I fully support my colleague's amendment to ensure that small

businesses are provided the support they need to weather both the carbon tax and the tough economic times.

Now we've seen this NDP government vote against a number of common-sense amendments that have been put by this side of the House, our caucus and other parties, amendments that would have made Bill 20 better for Albertans and for our economy to handle this new tax. We saw this government vote against a revenue-neutral carbon tax. We saw this government vote against supporting sustainable forestry jobs. We saw this government vote against supporting our tourism industry with the flights coming in and leaving the province. But I hope this government recognizes the incredible importance of small businesses as employers and as economic drivers.

Energy Efficiency Alberta needs to have the capabilities to support small businesses in Alberta, to support programs that are designed specifically for small businesses by providing grants, loans, and pilot programs that will lead to our province being able to maintain our competitiveness on the global scale. As mentioned by my colleague, Bill 20 will undo one aspect of the NDP budget, when this government took the advice from the PC's Engage initiative and lowered the small-business tax. On the one hand, this government offers some help to businesses in their time of need, and on the other hand they hand them the carbon tax, which will undo that help that they need. You know, it doesn't make any sense to me.

As members of this House we must serve as responsible legislators. This means ensuring we have the best interests of Albertans in mind when we sit here, when we, you know, make those important decisions. When our small-business sector survives, that means Albertans stay at work. They stay in jobs, and they feed their families. That means that our economy comes through these tough times intact and that, most importantly, as I said, Albertans stay working.

Mr. Chair, our role as representatives is to act on behalf of Albertans. If that's not our role, I don't know what our role is. I think we all know the truth. It lies within us. Just dig a little deeper and rise above the party colours and make the right choice. As Abraham Lincoln once said: the ballot is more powerful than the bullet. So let's use the ballot today and support this amendment.

Thank you.

The Acting Chair: Are there any other speakers on amendment A18?

Hon. Members: Question.

The Acting Chair: The question has been called.

[The voice vote indicated that the motion on amendment A18 lost]

[Several members rose calling for a division. The division bell was rung at 2:49 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Gotfried	Panda
Clark	Hunter	Schneider
Cyr	Loewen	Smith
Ellis	Nixon	Taylor
Fraser	Orr	Yao
Gill		

Against the motion:

Babcock	Goehring	Nielsen
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Carson	Hinkley	Notley
Ceci	Hoffman	Piquette
Connolly	Horne	Renaud
Coolahan	Kazim	Sabir
Cortes-Vargas	Kleinsteuber	Schmidt
Dach	Littlewood	Schreiner
Dang	Loyola	Shepherd
Drever	Luff	Sigurdson
Eggen	Malkinson	Sucha
Feehan	McCuaig-Boyd	Turner
Ganley	Miller	Westhead
Totals:	For – 16	Against – 36

[Motion on amendment A18 lost]

The Deputy Chair: We are now on the original bill. Are there any members wishing to speak to the bill? The hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Chair. I rise to propose an amendment to Bill 20, the Climate Leadership Implementation Act. I have the number of copies, and the original is on top. I'll wait to continue.

The Deputy Chair: This amendment will be referred to as A19. Please go ahead, Member.

Mr. Loewen: Thank you. I move that Bill 20, Climate Leadership Implementation Act, be amended in schedule 1 in section 79 by striking out subsection (3). The intent of this amendment is to remove 79(3), on page 71, which says that "a regulation made under this Act is, if it so provides, effective with reference to a period before it was made." In other words, this section allows for this act to be made effective retroactively.

Now, maybe it's just me, but that sounds just a little heavy handed and undemocratic. Imagine if a government in power decided it was okay to make other pieces of legislation retroactive. It may be that this is just a wording error, or maybe there's some clarification that the government could give on this. As it is right now, we just don't believe it's proper that the government have the ability to jump in their DeLorean and make these regulations retroactive.

I will support this amendment and look forward to any discussion on it. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A19?

Seeing none, I will call the question.

[The voice vote indicated that the motion on amendment A19 lost]

[Several members rose calling for a division. The division bell was rung at 2:56 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Gotfried	Panda
Clark	Hunter	Schneider
Cyr	Loewen	Smith
Ellis	Nixon	Taylor
Gill	Orr	Yao

Against the motion:

Anderson, S.	Goehring	Nielsen
Babcock	Hinkley	Notley
Carson	Hoffman	Piquette
Ceci	Horne	Renaud
Connolly	Kazim	Sabir
Coolahan	Kleinsteuber	Schmidt
Cortes-Vargas	Littlewood	Schreiner
Dach	Loyola	Shepherd
Dang	Luff	Sigurdson
Drever	Malkinson	Sucha
Eggen	McCuaig-Boyd	Turner
Feehan	Miller	Westhead
Ganley		

Totals: For – 15 Against – 37

[Motion on amendment A19 lost]

The Deputy Chair: We are now back on the original bill, recognizing the hon. Member for Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Madam Chair, I am going to move an amendment. I have the appropriate number of copies.

3:00

The Deputy Chair: This amendment will be referred to as A20.

Mr. Nixon: I will start with your permission, Madam Chair.

The Deputy Chair: Please go ahead, Member.

Mr. Nixon: Madam Chair, I move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 1 by adding the following after section 3:

Interjurisdictional initiatives

3.1 The revenue from the carbon levy may not be used for an interprovincial initiative under section 3(2)(a) unless

- (a) the total estimated costs of the initiative and the estimated reduction in greenhouse gases in Alberta are made public by the Minister, and
- (b) the Minister lays before the Legislative Assembly a letter from the government of each province participating in the proposed interprovincial initiative indicating that government fully supports pipelines that will be used for the transmission of oil, gas or any other commodity originating in Alberta.

Madam Chair, we've been promised that all funds will be spent in Alberta, yet the Premier has already signed a MOU with Ontario. This makes us nervous. At first, we wanted to dismiss this out of hand, but there's a possibility that collaboration could be productive. The last thing that we want to do is to send the carbon tax funds to work with a province that is holding up or opposing our pipelines. We are supposed to be getting social licence out of this, but it would just be too offensive to see carbon tax, slush fund dollars going to any kind of a partnership with a province who opposes Alberta's prosperity.

With that, I would ask all members to support this amendment.

The Deputy Chair: Thank you, hon. member.

Are there any hon. members wishing to speak to amendment A20?

Seeing none, I will call the question on amendment A20.

[The voice vote indicated that the motion on amendment A20 lost]

[Several members rose calling for a division. The division bell was rung at 3:02 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Hunter	Schneider
Cyr	Loewen	Smith
Ellis	Nixon	Taylor
Gill	Orr	Yao
Gotfried	Panda	

Against the motion:

Anderson, S.	Ganley	Nielsen
Babcock	Goehring	Notley
Carson	Hinkley	Piquette
Ceci	Hoffman	Renaud
Clark	Horne	Sabir
Connolly	Kleinstauber	Schmidt
Coolahan	Littlewood	Schreiner
Cortes-Vargas	Loyola	Shepherd
Dach	Luff	Sigurdson
Dang	Malkinson	Sucha
Drever	McCuaig-Boyd	Turner
Eggen	Miller	Westhead
Feehan	Miranda	

Totals:	For – 14	Against – 38
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[Motion on amendment A20 lost]

The Deputy Chair: We are back on the original bill. Anybody wishing to speak – sorry, hon. member.

Mrs. Aheer: That's okay.

The Deputy Chair: The Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Chair. It's 3:04 in the morning. We're doing really good.

I would like to propose an amendment as well to Bill 20. I have the requisite number of copies, which we can pass to you so that you don't have to come all the way down.

I rise in the House to move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 3 in section 4(2)(b)(ii) by striking out the proposed section 10(3)(g.1) and (g.2)

The Deputy Chair: Member, do you have the original?

Mrs. Aheer: No, I don't. I pulled the very bottom one.

The Deputy Chair: Okay. We'll just get you to sign one so that I have an original signature.

Mrs. Aheer: Okay. Sorry about that, Madam Chair.

The Deputy Chair: Please go ahead.

Mrs. Aheer: Okay. Thank you so much. By passing this amendment, the assembled members would be removing from Bill 20 the section amending the Climate Change and Emissions Management Act which irresponsibly extends the mandate of the CCEMF to include:

- (g.1) education initiatives, including education programs, research programs and scholarships;
- (g.2) outreach initiatives, including initiatives to provide information to stakeholders and the public.

The CCEMF has been given a clear mandate with good reason. The taxes levied on our energy producers have negatively impacted their ability to compete and attract investment from outside capital. This is a deal that they made in order to make this fund work, the losses in competitive advantage and losses of their ability to attract outside capital. The fund for outreach initiatives has no ability to reduce GHG emissions in the province, and the additions of these clauses are signs of the government's intention to mismanage the CCEMF. Industry is happy with the mandate of the CCEMF, and it should be left alone. These lines do little more than to allow the minister to turn the CCEMF into Alberta's newest billion-dollar slush fund. The climate action plan has posed serious challenges for Alberta's energy industry, challenges that will require serious investment into research and development and outreach, that they need to overcome.

Alberta has two of the cleanest coal facilities in the world, Keephills 3 and Genesee 3. These facilities provide jobs, and the companies that run them have invested significantly in clean-coal technologies like scrubbers for their facilities. Instead of helping the industry move forward, the NDP is using the carbon tax to financially decimate the coal industry and, with this clause in particular, to divert funds away from the industry's goal of reducing their environmental impact. Long before the Member for Edmonton-Strathcona was Premier, she was pushing for the shutdown of coal with a private member's bill. The Albertans in these communities are already convinced that this government doesn't care about their livelihoods and doesn't have an interest in working with them towards further progress on clean coal. Voting down this amendment will only serve to reaffirm that.

The coal industry needs the funds made available to them by the CCEMF to progress towards their zero-emissions future. It has been estimated that the cost of retrofitting the average coal-powered electricity generator with carbon capture and storage is over \$700 million. That's just for one unit, not the six coal-fired facilities in Alberta but just one of the 18 physical units employing Albertans across this province. Our coal industry needs help bringing the costs down on the estimated \$1.5 billion needed to refurbish Sundance 1 and 2 with Japanese clean-coal technology.

3:10

The Coal Association of Canada estimates that these industries provide direct employment for 31,000 Albertans and indirect employment for 10,000. Without fast progress, the employees of these units are looking at losing their jobs in 15 years. It is prudent that this House remember that the 15 years only applies to those facilities that are not taken out by the government's irresponsible changes, via order in council, to the carbon tax rate charged against specified gas emitters last June, that led to the serious legal problems and the mass cancellations of power purchase arrangements. These irresponsible, poorly-thought-out changes to the specified gas emitters regulation means that many facilities will have less than 15 years.

While the government turns important research and technology funds into slush funds, Albertan communities that rely on the employment that these coal facilities provide prepare to turn into ghost towns. The funds should only be used for the purposes related to reducing emissions of a specified gas or improving Alberta's ability to adapt to climate change. This fund was set up with the industry in mind, and through the co-operation of the fund, it achieved a shared goal. Our industry wants to lead on the environmental file, and this House should be facilitating that desire, not impeding it.

I encourage all of you to vote in favour of this amendment. Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any members wishing to speak on the amendment which is referred to as A21? The hon. Minister of Advanced Education.

Mr. Schmidt: Thank you, Madam Chair. You know, I find it strange that only 10 or 12 or a hundred hours ago the members across the way there were chastising us for not doing enough to advertise what we're doing with the climate leadership plan, right? They wanted to have it published on every gas receipt and natural gas bill in the province so that the people of Alberta would know what we're doing with our climate leadership plan. Now, at 10 after 3 in the morning, they want to take away our ability to engage in education and outreach initiatives to do the very thing that they wanted to do 10 hours ago, which was to tell the people of Alberta what we're doing with our climate leadership plan.

You know, I understand that at 3 o'clock in the morning the things we believe in are maybe not necessarily the things we believed in at 10 o'clock the previous night. It's not true on this side of the House, Madam Chair, but it is apparently true on that side of the House, well, except for our dear friends from Leduc-Beaumont and Calgary-Shaw.

If the member is honest and truly wants the people of Alberta to know what this government is doing with our climate leadership plan, she would withdraw this amendment, Madam Chair, so that the money in the climate change emissions management fund can promote and educate the people of Alberta about the good things that we're doing with our climate leadership plan. In case she doesn't want to withdraw the amendment, Madam Chair, then I would recommend that everybody in the House vote against this amendment.

Thank you.

The Deputy Chair: Thank you, hon. member.

The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you very much. If I'm going to be in the House at 3:14 in the morning, I'd better at least be in *Hansard* to prove to the world that I was here. More importantly, I will be very brief. I know it's been a very, very, very long day, and we're well into the next day.

There are many things about this bill that I don't like, and I think there's a lot of work that needs to be done to make it better. I've said many times before – and I'll say it again for the record – that I support a carbon tax in principle. Climate change is real and human caused, and we ought to do something about it. Done properly, I think it can provide a real source of economic opportunity for Albertans.

You know, I think that this is an important aspect of the bill. If I were proposing a bill like this, which we likely would given that we are the only party on this side of the House to propose an actual idea as it relates to climate change – we have a climate change abatement plan. We're the only opposition party to do that. We know what other parties on this side are against; we don't know what they're for. I'm very clear on what I'm for.

I think the education initiative aspect of this bill is a very positive thing. I will therefore be voting against this amendment. Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak?

Seeing none, I will call the question.

[The voice vote indicated that the motion on amendment A21 lost]

[Several members rose calling for a division. The division bell was rung at 3:15 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Hunter	Schneider
Cyr	Loewen	Smith
Ellis	Nixon	Taylor
Gill	Orr	Yao
Gotfried	Panda	

Against the motion:

Anderson, S.	Goehring	Nielsen
Carson	Hinkley	Notley
Ceci	Hoffman	Piquette
Clark	Horne	Renaud
Connolly	Kleinstauber	Sabir
Coolahan	Littlewood	Schmidt
Cortes-Vargas	Loyola	Schreiner
Dach	Luff	Shepherd
Dang	Malkinson	Sigurdson
Drever	McCuaig-Boyd	Sucha
Eggen	Miller	Turner
Feehan	Miranda	Westhead
Ganley		

Totals:	For – 14	Against – 37
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[Motion on amendment A21 lost]

The Deputy Chair: We are back on the original bill. Are there any other members wishing to speak?

Mr. Panda: Madam Chair, I rise to move an amendment. I have the requisite copies.

The Deputy Chair: Okay. The amendment will be referred to as A22.

Mr. Panda: Can I go ahead?

The Deputy Chair: Wait till I get the original, please.

Member, please go ahead.

3:20

Mr. Panda: I move that Bill 20, Climate Leadership Implementation Act, be amended in schedule 1 by striking out section 82 and substituting the following:

Coming into force

82 This Act comes into force on the later of the following:

- (a) January 1, 2017;
- (b) 30 days after the date on which the Minister lays before the Legislative Assembly an economic impact assessment of the provisions of this Act.

This amendment outlines one of the core issues that we have with this bill. As you can see by the amendment, this bill does not change the date as to when the carbon tax can come into effect. This amendment does not change what will be done with the carbon tax. This amendment simply asks for more information on how it will affect Albertans. We want to be certain that this carbon tax will not harm Albertans.

Madam Chair, when I worked in the industry, I dealt with logistics and impacts of multibillion-dollar deals on a regular basis. To make sure that those deals were risk averse, we used to use some tools like life cycle value assessment. Those were required before a project was put in motion. It was common sense to evaluate how

the project would affect the company and the people around the project. The assessment would show flaws in our plans. It would show how we could improve our plans. The study would show us many of the problems that we thought we had addressed in the first place and many problems that we had never thought of. Those studies saved the companies I worked for many millions and millions of dollars simply by doing our due diligence.

This economic impact study that I am proposing through this amendment could save taxpayers far more than just a few million dollars. If every member other than the NDP is correct, this study could save the livelihoods of thousands of Albertans. On the other hand, this economic impact study could show that everyone on this side of the House is totally out to lunch. Either way, this would be a very good thing for the NDP to vote in favour of. This could provide Albertans the legitimacy that this bill desperately lacks. The only reason for the government to vote down this amendment would be because they know that this study will prove that their carbon tax will not be beneficial for Albertans.

In the end, the ball is in the government's court. They can choose to vote down every single amendment we propose in an attempt to help Albertans, or they can choose to help make Alberta better. If this government wants Alberta to be a better place for everyone, then vote in favour of this amendment, and find out what can be done to improve this bill.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member. Are there any members wishing to speak to amendment A22?

Seeing none, I will call the question on amendment A22 as proposed by the hon. Member for Calgary-Foothills.

[The voice vote indicated that the motion on amendment A22 lost]

[Several members rose calling for a division. The division bell was rung at 3:23 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Gotfried	Panda
Clark	Hunter	Schneider
Cyr	Loewen	Smith
Ellis	Nixon	Taylor
Gill	Orr	Yao

Against the motion:

Anderson, S.	Goehring	Nielsen
Carson	Hinkley	Notley
Ceci	Hoffman	Piquette
Connolly	Horne	Renaud
Coolahan	Kleinsteuber	Sabir
Cortes-Vargas	Littlewood	Schmidt
Dach	Loyola	Schreiner
Dang	Luff	Shepherd
Drever	Malkinson	Sigurdson
Eggen	McCuaig-Boyd	Sucha
Feehan	Miller	Turner
Ganley	Miranda	Westhead
Totals:	For – 15	Against – 36

[Motion on amendment A22 lost]

The Deputy Chair: We are back on the original bill.
The Member for Battle River-Wainwright.

Mr. Taylor: Yes. Thank you, Madam Chair. I have an amendment. I am moving this on behalf of the Member for Olds-Didsbury-Three Hills. I have the appropriate number of copies.

An Hon. Member: We miss him.

Mr. Taylor: You miss him so much, I'm sure.

The Deputy Chair: The amendment will be referred to as A23.
Please go ahead.

Mr. Taylor: Mr. Cooper to move that Bill 20, Climate Leadership Implementation Act, be amended in schedule 1 in section 19 by adding the following after subsection (1):

(1.1) The purposes and uses prescribed under subsection (1) for which a rebate may be paid must include fuel purchased by a municipal authority for municipal purposes as defined in the Municipal Government Act.

Rebates for municipalities only make sense. The costs incurred by municipal governments are in the service of everyday Albertans. These taxpayers rely on government for the services which provide safety, convenience and, indeed, which allow us to live in northern climates comfortably. The cost of heating our public buildings, including libraries, town halls, fire halls, police stations, is astronomical.

I ask all members to support this amendment. Thank you.

3:30

The Deputy Chair: Are there any other members wishing to speak on amendment A23?

Seeing none, I will call the question.

[The voice vote indicated that the motion on amendment A23 lost]

[Several members rose calling for a division. The division bell was rung at 3:31 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Gotfried	Panda
Clark	Hunter	Schneider
Cyr	Loewen	Smith
Ellis	Nixon	Taylor
Gill	Orr	Yao

Against the motion:

Anderson, S.	Goehring	Nielsen
Carson	Hinkley	Notley
Ceci	Hoffman	Piquette
Connolly	Horne	Renaud
Coolahan	Kleinsteuber	Sabir
Cortes-Vargas	Littlewood	Schmidt
Dach	Loyola	Schreiner
Dang	Luff	Shepherd
Drever	Malkinson	Sigurdson
Eggen	McCuaig-Boyd	Sucha
Feehan	Miller	Turner
Ganley	Miranda	Westhead
Totals:	For – 15	Against – 36

[Motion on amendment A23 lost]

The Deputy Chair: We are back on the original bill.

Mr. Nixon: Madam Chair, I have an amendment to Bill 20 with the appropriate copies.

The Deputy Chair: The amendment will be referred to as A24. Please proceed.

Mr. Nixon: Madam Chair, I move that the Climate Leadership Implementation Act be amended in schedule 1 in section 3 by adding the following after subsection (2):

(3) During a pre-election period, the revenue from the carbon levy may not be used

- (a) for new initiatives under subsection (2)(a), or
- (b) to provide rebates or adjustments under subsection (2)(b) at rates that exceed those in place prior to the pre-election period.

(4) For the purposes of this section, “pre-election period” means the period commencing 6 months prior to the commencement of the 3-month period during which a general election must be held under section 38.1(2) of the Election Act and ending at the end of polling day for that election.

Whether you’re a member of the opposition or a member of the government caucus, the concentration of power and the possibility of abuse are alarming. This Premier is asking members of this House to vote in favour of a bill that has absolutely no system to hold spending accountable, period. The least this government can do is to commit right here and now that they will not be using this slush fund as their own personal precampaign fund. It’s that simple. Well, Madam Chair, at least it is simple for the members of this House who are tired of seeing the government take advantage of their political position for the benefit of themselves over the benefit of all Albertans.

I encourage all members of this House to support this amendment and put in place some sliver of accountability in this slush fund for the Premier. I encourage all members to vote in favour.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any members wishing to speak on amendment A24? Seeing none, I will call the question.

[The voice vote indicated that the motion on amendment A24 lost]

[Several members rose calling for a division. The division bell was rung at 3:37 a.m.]

[One minute having elapsed, the committee divided]

[Ms Sweet in the chair]

For the motion:

Aheer	Gotfried	Schneider
Clark	Hunter	Smith
Cyr	Loewen	Taylor
Ellis	Orr	Yao
Gill	Panda	

3:40

Against the motion:

Anderson, S.	Goehring	Nielsen
Carson	Hinkley	Notley
Ceci	Hoffman	Piquette
Connolly	Horne	Renaud
Coolahan	Kleinsteuber	Sabir
Cortes-Vargas	Littlewood	Schmidt
Dach	Loyola	Schreiner
Dang	Luff	Shepherd
Drever	Malkinson	Sigurdson

Eggen	McCuaig-Boyd	Sucha
Feehan	Miller	Turner
Ganley	Miranda	Westhead
Totals:	For – 14	Against – 36

[Motion on amendment A24 lost]

The Deputy Chair: We are back on the original bill. The Member for Cardston-Taber-Warner.

Mr. Hunter: Thank you, Madam Chair. On behalf of the Member for Olds-Didsbury-Three Hills I would like to introduce an amendment. I have the required number of copies.

The Deputy Chair: This will be referred to as A25. Please go ahead.

Mr. Hunter: Thank you, Madam Chair. I move that Bill 20, the Climate Leadership Implementation Act, be amended in schedule 1 in section 55 by striking out subsection (3).

Section 55, of course, deals with warrants when “there are reasonable grounds to believe that an offence against this Act or the regulations has occurred and that evidence of that offence is likely to be found.” Subsection (3), which this amendment seeks to remove, allows for warrantless searches. Now, a warrantless search is a serious matter. Essentially, it’s a breach of property rights based predominantly on suspicion. This amendment strikes this section granting the minister the right to warrantless searches.

Maybe I’m missing something, but this reads like it comes out of a spy novel. Now, I’d love to hear why the minister thinks she needs these sweeping powers. Let me be perfectly clear. I really don’t like tax cheats, but I don’t think that they should be allowed to take this overstep in this section. If we were presented with a recurring problem where suspected tax cheats were regularly deleting important information after a warrant was done, I might be interested, but I just don’t see the problem this is addressing.

This section, in context, says that a warrantless search may be executed if the delay in obtaining a warrant would result

- (i) in danger to human life or safety, or
- (ii) in the loss, removal or destruction of evidence.

Now, as to the first aspect, regarding a danger to human life and safety, if there is any risk of danger to human life and safety, the appropriate response, Madam Chair, is through emergency responders. The carbon tax shouldn’t even factor into it.

With the second, context is entirely important. Regrettably, section 55 speaks about offences to this act or its regulations. Of course, we haven’t seen the full regulations yet. It is substantially troublesome that the government would ask that we here approve warrantless searches on the grounds that they may be in breach of regulations we haven’t seen yet.

Matters concerning private property should always be treated carefully, and any scenario where a government should enter private property, especially without a warrant, needs to be examined very carefully. Remember, Madam Chair, that when we asked them about the fentanyl issue, they said that that was unacceptable, yet here we see it now. The clear definition of private property and the enforcement of that definition are matters integral to any free society.

If there are members on the government benches who want to defend the subsections in question, I am very interested in hearing why they are bringing this forward.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any members wishing to speak to the amendment? The Minister of Justice and Solicitor General.

Ms Ganley: Thank you very much, Madam Chair. I will be incredibly brief in speaking to this amendment. The reason why the bill was drafted in the way that it is is because these provisions are quite standard. There's nothing particularly nefarious here. It's usually fairly standard to have provisions allowing one to obtain evidence if there's a risk that that evidence will be destroyed.

So those are the reasons, and with that, I will sit.

The Deputy Chair: Thank you, hon. minister.

Any other members wishing to speak to amendment A25?

Seeing none, I will call the question on amendment A25 as proposed by the Member for Cardston-Taber-Warner on behalf of Olds-Didsbury-Three Hills.

[Motion on amendment A25 lost]

The Deputy Chair: We are now back on the original bill.

Seeing no speakers, are you ready for the question on Bill 20, Climate Leadership Implementation Act?

Hon. Members: Question.

[The remaining clauses of Bill 20 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The Minister of Justice and Solicitor General.

Ms Ganley: Thank you very much, Madam Chair. I move that the committee rise and report.

[Motion carried]

[Ms Sweet in the chair]

Mr. Kleinsteuber: Madam Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports the following bill with some amendments: 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 Acting Speaker: Thank you, hon. member.

Does the Assembly concur with the report?

Hon. Members: Concur.

The Acting Speaker: Opposed? So ordered.

Government Bills and Orders

Third Reading

Bill 20

Climate Leadership Implementation Act

The Acting Speaker: The Acting Deputy Government House Leader.

Ms Ganley: Thank you, Madam Speaker. It's my pleasure on behalf of the Minister of Environment and Parks and minister responsible for the climate change office to rise and move third reading of Bill 20, the Climate Leadership Implementation Act.

Given the lateness of the hour, Madam Speaker, I think I will be brief. The reasons for this bill have been, I think, canvassed in depth. This government is responsible not only to the people of today but to the people of this province tomorrow and into the future. That is why we are taking action to combat climate change.

Thank you very much.

The Acting Speaker: Thank you, Acting Deputy Government House Leader.

Any other speakers on the motion? The hon. Member for Chestermere-Rocky View.

3:50

Mrs. Aheer: Thank you, Madam Speaker. I rise today to move an amendment, and I will pass out the copies here.

The Acting Speaker: Please go ahead, Member.

Mrs. Aheer: Thank you, Madam Speaker. I move that the motion for third reading of Bill 20, Climate Leadership Implementation Act, be amended by deleting all the words after "that" and substituting "Bill 20, Climate Leadership Implementation Act, be not now read a third time but that it be read a third time this day six months hence."

The Acting Speaker: Having heard the motion as proposed by the hon. Member for Chestermere-Rocky View . . .

Mrs. Aheer: I'm sorry. I was . . .

The Acting Speaker: Oh, you can speak to it. Go ahead.

Mrs. Aheer: Thank you, Madam Speaker. We have proposed a number of amendments – I think that's an understatement – and the government has shown that it is unwilling to co-operate, and we feel that we just have absolutely no choice but to try and hoist this bill.

I rise today to bring to this House the concerns of my constituents in regard to the impact of the carbon tax and what will happen during these difficult economic times. As a representative of the beautiful and extremely diverse constituency of Chestermere-Rocky View I have many rural constituents that feel that the exemptions will not be sufficient.

Many of the farms in my riding are market exposed. They will be transporting their grain and other products to markets outside the province on trucks and trains. Just to be clear, too, farmers are already efficient. They use so many new tools and knowledge to be as efficient as possible. With any business or anything we have to keep in mind that efficiency is going to help us all with our bottom line. So, just to be clear, Albertans want to do this, and they are already showing an amazing ability to do this. They will be transporting their grain and other products to markets outside the province on trucks and trains.

I've received a number of letters about the carbon tax. One such letter notes what most Albertans are well aware of, that our farmers are stewards of the land, yet their behaviour is being penalized. This resident details in his letter:

Since the 1980s we have reduced our fuel consumption by reducing tillage at seeding time by 56 per cent. This reduced tillage increases the soil organic matter and therefore sinks carbon. We have done this by investing in new precision seeding technologies. There are many other new technologies to invest in like variable rate fertilizer. This takes the new tools and knowledge and new services, all of which take further investment.

These are Albertans that truly care about the environment and their impact on the water, soil, and air that allows them to prosper.

In the letter this resident goes on to detail:

On the livestock side of business we have invested in fencing equipment and labour to increase production through improved grazing management. We have much more investment to make to get all of the pastures properly managed. By limiting grazing duration and increasing rest time of pastures, production goes up by 25 per cent or more. As well, organic matter is trampled into the soil and carbon is sunk.

The resident has taken proactive steps to decrease the footprint of his family farm without any sort of punitive actions imposed on him by the government.

He goes on here to point out that this carbon tax will impact his ability to reinvest.

The carbon taxation reduces farm income.

And this is his quote.

Reduced income equals reduced investment. Reduced investment reduces efficiencies. Reduced efficiencies increase the carbon footprint and reduce the amount of carbon sink, a likely unintended consequence of the NDP's great economic experiment. Leave the money in the producers' hands to invest instead of in the hands of the government to invest, most likely, into the white elephant of economic experimentation.

There are individuals on the other side of this House that we hope, understand about farming, and we would assume that with their understanding about farming, they would understand that exempting them on purple gas is not enough. It truly isn't. Rural Albertans are going to be harshly penalized by this tax, and we've gone into many of those explanations. Their electrical rates will go up due to the tax on specified gas emitters, and, Madam Speaker, the cost of moving the products they produce to market will go up. My constituent has a valid concern about the cyclical impact of this tax. This is the wrong time to be taking punitive actions against Albertans.

Exemptions for market-exposed industries are insufficient. It is not just the farmers, Madam Speaker. It is not made clear in this bill that the trade-exposed sector will qualify for an exemption needed to keep their businesses alive. At this point it is up to the minister.

This government is picking winners and losers with this bill. In the process this government is driving away much-needed investment dollars. This level of uncertainty is troubling, and that doesn't seem to follow the mandate of what this carbon tax is intended to do at all.

Case-by-case applications show that it will expose Albertan industries to unnecessary amounts of uncertainty and red tape. This will mean that some companies do not invest in Alberta because they're worried about the fact that they will not receive the exemptions that they need from the minister. That is at the mercy of the minister. Furthermore, they were worried that those exemptions are only partial.

Industries may leave as well. Every time I drive to Edmonton, I notice the Labatt brewery, and I wonder what will happen to the operation of a large international business with mobile capital, capital that is completely fluid and mobile and can leave this province at any time. They have no reason to stay here without the incentives to stay and the stability of a government that understands the importance of investment here.

This international business with its mobile capital: I wonder what the people that work in that factory will do if this radical high-tax agenda becomes too much for their employer. Ontario actually experienced a mass exodus of business just shortly after the implementation of its rapid, radical renewables agenda.

Electricity costs in Ontario are too high. Manufacturers find it difficult to open operations and keep their operations going in Ontario. I am assuming that this government does not want that.

Breweries like the Labatt brewery use significant amounts of heat energy in the processing of their products. Their production costs will go up significantly. Worse, they won't qualify for the small-business tax credit.

Alberta is filled with multinationals that locate their manufacturing here because of our competitive advantage. That's amazing, and the government has done nothing but erode this advantage. Now we're facing rising electrical costs under this bill.

Alberta has a clear competitive advantage in natural gas. This is an advantage that attracts industry, and we are undermining that by artificially increasing the cost of natural gas. Alberta is risking carbon leakage. Many businesses, actually, would choose relocating to a lower tax jurisdiction over upgrading equipment necessary to avoid this carbon tax. Don't we want to keep that investment here? I have to assume that that's not what this government wants to see, investment leaving the province.

4:00

Food processing provides another clear example. Plants like McCain Foods in Coaldale, Alberta, could leave, and Albertans would lose jobs. I don't think that the government quite understands that this is a wrong course of action to be implementing. I think that we're trying to grow our jobs market. I would hope so. This government specifically is desperate to increase the level of value added in the province. We've heard that over and over again as well, yet you're raising the electrical costs.

Bill 20 is a tax bill. This isn't about the environment. This is a wealth transfer, and worse, it's a regressive wealth transfer because the government has refused to calculate the full indirect and direct costs. On top of that, there have been some really, really fabulous and thoughtful amendments that have come forward that have seen absolutely zero collaboration. It's really hard for us to go forward and tell our constituents and Albertans that this is something that we got to work on together. They're going to be able to see for themselves that these amendments haven't been accepted or even spoken about in any way that is collaborative.

With that in mind, I cannot support this bill. Thank you.

The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak? The Member for Strathcona-Sherwood Park.

Cortes-Vargas: It's a pleasure to stand up and to say: let's adjourn debate on the amendment to Bill 20.

[The voice vote indicated that the motion to adjourn debate carried]

[Several members rose calling for a division. The division bell was rung at 4:03 a.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[Ms Sweet in the chair]

For the motion:

Anderson, S.	Goehring	Nielsen
Babcock	Hinkley	Notley
Carson	Hoffman	Piquette
Ceci	Horne	Renaud
Connolly	Kazim	Sabir
Coolahan	Kleinsteuber	Schmidt
Cortes-Vargas	Littlewood	Schreiner
Dach	Loyola	Shepherd
Dang	Luff	Sigurdson
Drever	Malkinson	Sucha
Eggen	McCuaig-Boyd	Turner

Feehan	Miller	Westhead
Ganley	Miranda	
Against the motion:		
Gotfried	Panda	Smith
Loewen		
Totals:	For – 38	Against – 4

[Motion to adjourn debate carried]

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

Ms Ganley: Thank you very much, Madam Speaker. Seeing the earliness of the hour, I move that we adjourn till 10 a.m.

[The voice vote indicated that the motion to adjourn carried]

[Several members rose calling for a division. The division bell was rung at 4:20 a.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[Ms Sweet in the chair]

For the motion:		
Anderson, S.	Goehring	Miranda
Babcock	Gotfried	Nielsen
Carson	Hinkley	Notley
Ceci	Hoffman	Piquette
Connolly	Horne	Renaud
Coolahan	Kazim	Sabir
Cortes-Vargas	Kleinsteuber	Schmidt
Dach	Littlewood	Schreiner
Dang	Loyola	Shepherd
Drever	Luff	Sigurdson
Eggen	Malkinson	Sucha
Feehan	McCuaig-Boyd	Turner
Ganley	Miller	Westhead

Against the motion:

Loewen

Totals:	For – 39	Against – 1
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[Motion carried; the Assembly adjourned at 4:37 a.m.]

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