

albertaliberalcaucus

Tuesday, October 23, 2007

Hi, I'm Kevin Taft, Leader of the Alberta Liberals.

Albertans are engaged in an intense debate about the royalties we collect from our oil and gas – royalties that will help build the future we want.

At the heart of the debate are the recommendations of the Royalty Review Panel. My caucus and I have spoken to many people about the report, including panel members, members of industry, environmentalists, labour leaders, and --most importantly--regular Albertans. Reactions are different in Grande Prairie than Calgary, different in Fort McMurray than Edmonton. But all Albertans agree that we need to collect our fair share.

I want to share four key points on this issue with you.

The royalty review panel and the auditor general have each revealed that government has grossly mismanaged the collection of royalties.

Starting seven years ago, this government was getting warnings from its own staff that the royalty system was not collecting a fair share for Albertans.

Staggering amounts of money belonging to the people of this province –untold billions- have been lost. This could easily be the most expensive scandal in Canadian history.

So first, the management mess in Alberta's royalty system must be cleaned up. The government has let billions of dollars slip through their fingers, and they must be held accountable.

Second, the bottom line for the Alberta Liberals is that the total take from royalties must rise at least 20%, as the royalty panel recommends, and as the auditor-general and others confirm. This is non-negotiable. Both reports demonstrate that this increase is fully compatible with maintaining a healthy energy sector.

Third, it is crucial that Alberta's royalty system support the protection of our air, land and water.

And fourth, Alberta's royalty system must encourage a healthy long-term economy for Alberta, including value-added economic benefits. Alberta's growth must serve Alberta's people.

The royalty review panel has surveyed the scene, determined a destination, and plotted a detailed course to get there. The destination is a 20% rise in royalties. The members of the royalty review panel have articulately and passionately proposed ways to get that 20%. Theirs is the position against which all others will be judged. If someone has a better idea of how to get that 20%, they should come forward now, especially if we can find ways to minimize the impact of higher royalties on communities, families and workers that depend on the energy sector. If the details of the panel's report can be improved, let's improve them.

But let's do it soon, and let's do it openly. That is why I am, today, challenging the Premier to release all the internal royalty reports generated by the government, particularly an ***Executive Committee Decision Request to the Ministry of Energy***, which recommended higher royalties two years ago. If the Premier is serious about increasing accountability in the royalty system, Albertans must have access to this material.

There's too much at stake for this debate to take place without this vital information, because the decision we make will affect Albertans' lives for decades to come.

It's important to get the details right – there are questions about how we collect royalties, whether or not there should be a severance tax for the oil sands, whether gas royalties should account for the differences between a deep well in the foothills and a shallow well in eastern Alberta. There are issues of competitiveness to address, costs of business to consider.

But we mustn't lose sight of the big picture: royalties must rise at least 20%.

This debate is about the future of Alberta. About the kind of place we want Alberta to be in 5, 10 or 20 years. It's about building a future that serves our people, our land, and our children wisely, by collecting our fair share of royalties and using that revenue to support people, secure prosperity and protect the environment.

We'll build Alberta's future, and we'll build it together.

Let's get to work.