



Legislative Assembly of Alberta

The 29th Legislature  
First Session

Standing Committee  
on  
Alberta's Economic Future

Ministry of Executive Council  
Consideration of Main Estimates

Tuesday, November 17, 2015  
10 a.m.

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**Legislative Assembly of Alberta  
The 29th Legislature  
First Session**

**Standing Committee on Alberta's Economic Future**

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Schneider, David A., Little Bow (W), Deputy Chair

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Carson, Jonathon, Edmonton-Meadowlark (ND)  
Connolly, Michael R.D., Calgary-Hawkwood (ND)  
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\* substitution for Sandra Jansen

\*\* substitution for Richard Gotfried

**Also in Attendance**

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## **Standing Committee on Alberta's Economic Future**

### **Participants**

#### Ministry of Executive Council

Hon. Rachel Notley, Premier and President of Executive Council  
Christine Couture, Deputy Secretary to Cabinet  
Gitane De Silva, Deputy Minister, Intergovernmental Relations  
Richard Dicerni, Deputy Minister, Executive Council



**10 a.m. Tuesday, November 17, 2015**

[Miranda in the chair]

**Ministry of Executive Council  
Consideration of Main Estimates**

**The Chair:** Good morning, everyone. I would like to call this meeting to order if I could, please. Thank you, everyone.

Welcome, everyone. The committee has under consideration the estimates of Executive Council for the fiscal year ending March 31, 2016.

I'd ask that we go around the table and introduce ourselves for the record. Madam Premier, when we get to your end of the table, please introduce your staff as well. Thank you.

**Mr. Schneider:** Dave Schneider, MLA for Little Bow.

**Dr. Starke:** Richard Starke, MLA, Vermilion-Lloydminster.

**Mr. Hanson:** Dave Hanson, MLA, Lac La Biche-St. Paul-Two Hills.

**Mr. Taylor:** Wes Taylor, MLA, Battle River-Wainwright.

**Mr. Hunter:** Grant Hunter, MLA, Cardston-Taber-Warner.

**Mr. Solberg:** Matt Solberg, principal secretary with Wildrose.

**Mr. Jean:** Brian Jean, MLA for Fort McMurray-Conklin and Leader of Her Majesty's Loyal Opposition.

**Mr. Dicerni:** Richard Dicerni, Deputy Minister of Executive Council.

**Ms Notley:** Rachel Notley, MLA, Edmonton-Strathcona, and Premier.

**Ms Couture:** Christine Couture, deputy secretary to cabinet.

**Ms De Silva:** Gitane De Silva, deputy minister, intergovernmental relations.

**Mr. Dach:** Lorne Dach, MLA, Edmonton-McClung.

**Mr. S. Anderson:** Shaye Anderson, MLA, Leduc-Beaumont.

**Mrs. Schreiner:** Kim Schreiner, MLA, Red Deer-North.

**Ms Fitzpatrick:** Maria Fitzpatrick, MLA, Lethbridge-East.

**Ms McKittrick:** Annie McKittrick, MLA, Sherwood Park.

**Mr. Connolly:** Michael Connolly, MLA for Calgary-Hawkwood.

**Mr. Carson:** Jon Carson, MLA, Edmonton-Meadowlark.

**Mr. Coolahan:** Craig Coolahan, MLA, Calgary-Klein.

**The Chair:** Ricardo Miranda, MLA for Calgary-Cross.

I would also like to note for the record that we have the following substitutions. Mr. Bhullar will be substituting for Ms Jansen. Dr. Starke, I believe you're substituting for Mr. Gotfried.

Please note that the microphones are operated by *Hansard*, and we'd ask that BlackBerrys, iPhones, et cetera, be turned off or set to silent or vibrate and not placed on the table as they may interfere with the audiofeed.

Hon. members, the standing orders set out the process for consideration of main estimates. Before we proceed with the consideration of the main estimates for Executive Council, I would

like to review briefly the standing orders governing the speaking rotation. Please keep in mind that as per Standing Order 59.01(5)(e) this is a two-hour meeting, so the speaking times have been adjusted accordingly. Therefore, as provided for in standing orders 59.01(6) and (7), the rotation is as follows. The Premier or the member of the Executive Council acting on the Premier's behalf may make opening comments not to exceed seven minutes. For the 14 minutes that follow, members of the Official Opposition and the Premier may speak. For the next 14 minutes the members of the third party, if any, and the Premier may speak. For the next 14 minutes the members of any other party represented in the Assembly or any independent members and the Premier may speak. For the next 14 minutes private members of the government caucus and the Premier may speak. For the time remaining we will follow the same rotation just outlined to the extent possible; however, the speaking times are reduced to five minutes as set out in Standing Order 59.02(1)(c).

Members may speak more than once; however, speaking times for the first rotation are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 14 minutes. However, if their time is not combined, I would ask that members and the Premier limit their remarks to a seven-minute maximum to allow for an equitable split of the time slot. For the final rotation, with speaking times of five minutes, once again a minister and a member may combine their speaking times for a maximum total of 10 minutes. Members are asked to advise the chair at the beginning of their speech if they wish to combine their time with the Premier's time.

If members have any questions regarding speaking times or the rotation, please feel free to send a note or speak directly with either the chair or committee clerk about the process.

Two hours have been scheduled to consider the estimates of the Executive Council.

Committee members, ministers, and other members who are not committee members may participate. Ministry officials may be present, and at the direction of the Premier officials from the ministry may address the committee. Members' staff may be present and, space permitting, may sit at the table or behind their members along the committee room wall. Members have priority for seating at the table at all times.

If debate is exhausted prior to two hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule and we will be adjourning. Otherwise, we will adjourn at noon.

Points of order will be dealt with as they arise, and the clock will continue to run.

Any written material provided in response to questions raised during the main estimates should be tabled by the Premier in the Assembly for the benefit of all members.

The vote on the estimates is deferred until consideration of all ministry estimates has concluded and will occur in Committee of Supply on November 23, 2015.

If there are amendments, an amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is deferred until Committee of Supply convenes on November 23, 2015. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. Twenty copies of amendments must be provided at the meeting for committee members and staff.

I would now like to invite the Premier to please go on with her opening remarks. Thank you.

**Ms Notley:** Well, thank you very much, and thank you, Mr. Chairman, for that introduction. Mr. Chairman and hon. members, I'm pleased to be here to discuss the Executive Council estimates for 2015-16 and its business plan for 2015 to '18. These estimates and business plan are part of a much larger picture. Alberta is in a pretty tough position. I think we all know that. Jobs are being lost. Families are hurting. When times are tough, Albertans take extra care with their finances, and we are doing the same thing. That is why the three pillars of our budget are, as some of you may have heard: stabilizing public services, returning to balanced budgets, and creating jobs in a more diversified economy.

By prioritizing public dollars, families have doctors and nurses, kids have teachers, and all Albertans have the public services that they need.

We're already taking steps to balance the budget. Government-wide hiring restraint is in place, and we are limiting overall spending increases to just over 2 per cent each year. That includes limiting spending on health care to a 4 per cent increase next year, a 3 per cent increase the year after that, and 2 per cent annually after that.

We are also committing \$4.5 billion in capital spending to keep Albertans working and to build infrastructure that Alberta needs as it grows. We are partnering with job creators to diversify the economy and to create good jobs, stable growth, and lasting prosperity for all Albertans. We are providing stable funding for the postsecondary system and its 250,000 full- and part-time students and apprentices so that as the economy recovers and jobs are created, we have skilled people to fill them.

To accomplish all of this, we rely on Executive Council to help us develop progressive policies and helpful relationships that are so essential to success. Now, Executive Council includes my offices in Edmonton and Calgary and the deputy minister's office. We operate with the secretariat support of the cabinet co-ordination office, or CCO, and the policy development support of the policy co-ordination office, or PCO. We have the confederation relation-building support of intergovernmental relations, the incoming mission and visit support of the protocol office, and the public communications support of the Public Affairs Bureau, or PAB. Executive Council also includes operations and machinery of government and administrative support for the office of the Lieutenant Governor and the Alberta Order of Excellence Council. All those responsibilities will help our government fulfill our mandate in these challenging times.

I thank the members of Executive Council and all of the public service for their support of Alberta's first new government in over 40 years.

How Executive Council will provide the support government needs is laid out in its business plan for 2015 to 2018. That business plan has three outcomes. The first outcome is that government's agenda and decision-making are supported and implemented. Executive Council's first priority is to continue providing professional policy and legislative advice to my office and to cabinet so our government can base its decisions on the best information. Executive Council will also continue to co-ordinate the policy agenda across ministries, ensure fair and transparent appointments to public agencies through the new agency governance and appointments secretariat, and lead the development of key visits linked to our international priorities.

The second business plan outcome is that Alberta's policy interests within Canada are advanced. Executive Council will support the development of strong relationships with other governments in Canada and advocate for Alberta's interest on an interprovincial and national scale. Having intergovernmental relations as part of Executive Council will help us do this.

**10:10**

The third business plan outcome is clear and co-ordinated communication between Albertans and their government and between Alberta and the rest of Canada and the world. Priorities include public consultation and engagement, advertising, news services, and online information and feedback.

All this work takes place under Alberta's high hopes for change and the prudent and careful budget that stabilizes public services, returns our finances to balance, and makes us a good partner to job creators as we work to grow and diversify the economy.

The estimates for Executive Council show that we are leading by example. Stabilizing government and balancing our priorities require a more thoughtful approach to how we allocate our resources. The 2015-16 allocation for Executive Council is \$25 million. That is down \$2.1 million from the 2014-15 budget. The intergovernmental relations budget has a reduction of \$500,000. Those are savings from closing the Ottawa office. Eliminating unfilled vacant positions at the Public Affairs Bureau let us reallocate \$2 million to support priority needs and cover general salary increases outside of my office. Funding for my office held the line at just over \$4.2 million, as put forward by the previous administration. It looks like the budget has \$3.5 million more and 24 more full-time equivalent positions than in March 2015, but in fact these dollars and positions come with the intergovernmental relations program.

These are just some highlights of Executive Council's work as we serve Albertans by helping our government make the best policy and program decisions based on the best information and advice and by sharing those decisions and initiatives with Albertans and the broader community.

I welcome our discussion on Executive Council's priorities and budget. Thank you.

**The Chair:** Thank you, Madam Premier.

Mr. Jean, would you like to go back and forth, or would you like to make an opening statement?

**Mr. Jean:** Thank you, Mr. Chair. I appreciate the opportunity. Because we're here to help – and we are getting a little worried, like most Albertans, with the direction we're going – we'd like to go back and forth to have the most opportunity to have that discussion with the Premier.

Thank you.

**The Chair:** Thank you. Please continue.

**Mr. Jean:** Premier, thank you so much for coming here today, and thank you to your staff, Mr. Dicerni and others, and, of course, the 17 MLAs that are here today to participate.

I will be referring to three documents: the estimates, the business plan, and the budget speech. I will give you the page numbers and the line items for each and try to be as organized as possible so we can move along.

The first question I have is in relation to the Premier's office budget estimates, in particular page 130, line item 1.1. The budget estimates for the office of the Premier and the Executive Council seem to increase over the amount budgeted under former Premier Redford in 2014-2015. The increase is just over \$200,000 per year, year over year, from \$11.7 million in the 2014-15 budget to \$11.9 million in the 2015-2016 budget. Is it accurate for me to say that the Premier's office under your leadership has actually budgeted more for itself than the comparable amount under former Premier Redford in 2014-2015?

**Ms Notley:** So what I'm seeing here is that the change reflects the additional resources to support the . . .

**Mr. Jean:** Sorry, Madam Premier. I was just curious if you would confirm that the amount is higher than Premier Redford's – that's the first question, and I will get on to the second question, and I will go through the specifics later – and just confirm that it is \$200,000 more.

**Ms Notley:** Yes. It is higher, but it comes in part from the reallocation from PAB.

**Mr. Jean:** I understand. It is higher. Thank you.

The Premier's office budget in the business plan, page 51: on this page of the business plan it states that the expected outcomes for the ministry are achieved by "providing leadership to the Alberta Public Service." I do of course agree that leadership must come from the top, so I'm just wondering what message you're intending to send to the public service when increasing your budget for your office over the comparable amount under former Premier Redford.

**Ms Notley:** Well, I don't think that we're actually looking at an overall increase. I think that when you look at all the line items together, we're actually seeing a decrease of roughly 8 per cent.

**Mr. Jean:** Madam Premier, if I was to point to your operating expenses under line item 1.1, you'll notice that the total budget for 2014-15 was \$11,713,000, and you'll notice that the one estimated for this year is \$11,931,000. It seems fairly evident that it is a \$200,000 increase.

**Ms Notley:** No. But as I say, that increase comes as a result of an overall reorganization, and I think that it would be helpful for Albertans and also the public service, to whom you are suggesting the message is being delivered, to look at the total number at the bottom in terms of the Executive Council, which is a reduction from \$27 million to \$25 million.

**Mr. Jean:** With respect, Madam Premier, I'm just talking about the two numbers there that are directly attributable to the office of the Premier. I'm not talking about the total at the bottom. I'm talking about that particular. You do see the number difference, right? It is fairly evident that there is a \$200,000 difference.

**Ms Notley:** I see that there is a number difference, but I also see that this is a decision around an overall reorganization of matters that are within my purview. Within those matters that are within my purview, we've seen an overall reduction of about 8 per cent. That is the message. Sometimes when you reorganize and make an effort to reduce your expenditures, reorganization has to happen in line with that because, as we've often discussed and, indeed, you and I have debated in the Legislature, simple cutting by rolling back sort of 5 per cent here and 5 per cent there without thinking about the function . . .

**Mr. Jean:** So you'll agree, Madam Premier, if I may . . .

**Ms Notley:** What needs to happen is that there's a thoughtful process around reorganization.

**Mr. Jean:** I understand. I appreciate it, but I do have some more questions. I do understand, Madam Premier.

You will recognize, of course, that your operating expenses include corporate services, office of the Lieutenant Governor, intergovernmental relations. I know that you've reorganized your

expenses, but let's be clear. Your expenses are going up \$200,000. I appreciate that confirmation.

The Premier's office staff, page 130 of the estimates, line item 1.1: what is the total full-time equivalency count for the office of the Premier and the Executive Council, and can you please provide a breakdown of what units staff are located in? For instance, in March 2014 there were 99 FTEs in the office of the Premier and Executive Council. If you can't answer that today, I'm fine if you would get back to us and table it through, of course, the chair.

**Ms Notley:** I'm just checking to make sure that we've got the right numbers here and that we're looking at the right collections.

**Mr. Jean:** No problem. Thank you, Madam Premier.

**Ms Notley:** So you're looking at both the Executive Council and corporate services?

**Mr. Jean:** No. Office of the Premier and Executive Council. You'll notice that line item 1.1 is the one I'm referring to. The total FTEs: in March 2014 there were 99.

**Ms Notley:** Executive Council-funded positions right now are 26 for the Premier's office. I'm trying to figure out which group you're looking at.

**Mr. Jean:** I'm asking in particular on the office of the Premier and the Executive Council. In March 2014 there were 99 FTEs. If you need to get back to us in relation to the specifics, I have no difficulty with that. I would ask that you table that through the chair, and he can of course circulate it to all the members.

My question is actually referring – I'm not trying to confuse you at all, Madam Premier, and I apologize if that appears to be the situation. I'm just looking for the total FTEs that you've got.

I guess my next question would be a more general question, and that would . . .

**Ms Notley:** Just if I could, the numbers that we do have – I'm going to throw these out, and then as well we'll try to get back to you, but if you could also get back to us on your 99 number.

**Mr. Jean:** I will, Madam Premier.

**Ms Notley:** If I could say so, under Premier Redford there was a total staff number of 69. Under Premier Prentice there was a total staff number of 71. Under ours there is a total staff number of 59. Those are our numbers.

**Mr. Jean:** I understand that.

**Ms Notley:** If we could also, just as we go back and forth, get an explanation of yours just so that we are sure that we're comparing apples to apples.

**Mr. Jean:** Absolutely. FTEs are a standard equivalency calculation for the government of Alberta, and the FTEs that I'm looking for are full-time equivalencies. That's, of course, what it stands for.

**Ms Notley:** Yeah. That's what these are.

**Mr. Jean:** It would be comparable, apples to apples. That's what we're seeking. I will ask you to table that.

I guess my second question would be in relation to this, and a follow-up would be: do you consider your office to be fully staffed at this stage?

**Ms Notley:** We have positions that are funded but which are currently vacant. When I talk about the numbers that we're looking at, there are still four vacancies right now.

**Mr. Jean:** Great. Thank you very much.

What vacancies would those be, just in general terms? If you do know, that would be great to know.

**Ms Notley:** The deputy chief of staff position is vacant and the assistant to the deputy chief of staff, the director of stakeholder relations, and an administrative assistant position in McDougall.

**Mr. Jean:** Okay. Thank you for that.

How much was spent on staff, supplies, and furniture specifically related to your transition into the Premier's office after the general election? Again, Madam Premier, if you don't know that off the top, I'm happy to ask for it to be circulated through the chair.

**Ms Notley:** We'll get back to you on that.

**Mr. Jean:** Thank you very much.

Now, according to the government website the office of the Premier has spent about \$120,000 on office expenses so far this fiscal year. Interestingly, though, almost half of those expenses came during the month of July, specifically over \$42,000. It was spent on goods, supplies, and services and other expenses that month. I'm just wondering: what's the reason for the massive month-over-month increase in relation to that file?

**10:20**

**Ms Notley:** My understanding – and by all means, you guys can jump in – was that as we staffed up, we had to do things. Well, the first thing is that when something comes in, if it's paid in July, it wasn't necessarily incurred in July. It might have been incurred earlier. For the most part, it was essentially setting up new staff in new offices with new IT: new laptops, new computers, all that kind of stuff.

**Mr. Jean:** I understand. It's a very fuzzy waiver. Can I get a detailed list of those expenses, please, for that time period and from that date forward?

**Ms Notley:** Yeah.

**Mr. Jean:** How many staff do you have working out of your southern Alberta office? I notice you said that there was an administrative assistant that you're seeking in the future. How many currently are working out of that office?

**Ms Notley:** We have two there. Two.

**Mr. Jean:** One would be Bob Hawkesworth?

**Ms Notley:** Yes, indeed. Yeah.

**Mr. Jean:** Who would be the other person?

**Ms Notley:** Marcella Munro.

**Mr. Jean:** Great.

I'm referring to page 130, line item 1.1 of the estimates again. On Saturday, November 7, Mr. Hawkesworth's appointment as executive director of the southern Alberta office was announced. You defended the appointment yesterday, of course, in question period, saying that it was all above board. I do have a couple of questions on that, and I would appreciate those responses. The press release describes Mr. Hawkesworth's role as being responsible for

“stakeholder relations, communications and outreach services.” Is this role different than the one being performed by Ms Marcella Munro?

**Ms Notley:** Well, it is similar, and he is also supervising her.

**Mr. Jean:** Excellent. She does have the role as manager of stakeholder relations and communications, which seems very similar. Could we get a job description for both of their jobs and their duties as required by your office?

**Ms Notley:** Yeah. We can certainly send that along.

**Mr. Jean:** And tabled through the chair, of course. Thank you.

Was any consideration given to anybody else . . .

**The Chair:** I'd just like to step in and clarify that any written request for information – could you please table it with all members of the Legislature so that they could have a copy.

**Ms Notley:** Absolutely.

**The Chair:** Thank you very much.

**Mr. Jean:** Well, actually, if I may, I think the rules confirm that they have to go through the chair, and the chair circulates them to each member.

**The Chair:** It will be circulated to the Legislature.

**Mr. Jean:** Thank you very much.

Now, when you did of course hire or appoint Mr. Hawkesworth to that job as executive director, was anybody else considered for that role?

**Ms Notley:** I believe that there were a number of people considered. I wasn't directly involved in the hiring, but I believe that there was a variety of people that were considered. Indeed, the position had been filled for a brief period of time over the summer, and then that person had to leave for family reasons. So, yes, there have been other people considered.

**Mr. Jean:** Have you ever communicated with Mr. Hawkesworth in relation to that job?

**Ms Notley:** Well, since he has been hired, I believe I have, yes.

**Mr. Jean:** Did you talk to him before he was hired in relation to that job, before November 7?

**Ms Notley:** I honestly can't remember. We talked a lot, as you know. I was working . . .

**Mr. Jean:** I know you were in his campaign a lot.

**Ms Notley:** I was in his campaign; that's right.

**Mr. Jean:** Yeah, you were.

**Ms Notley:** And he's a good friend as well.

**Mr. Jean:** Of course.

**Ms Notley:** Was I directly involved in the hiring? No.

**Mr. Jean:** How long have you been good friends?

**Ms Notley:** Well, let's see. I've been active in politics, and Bob Hawkesworth . . .



**The Chair:** I would like to interject at this point as well. I would just like to remind everyone that we need to stay with the intent of this meeting, which is to talk about Alberta's economic future. The point here is not necessarily pertinent to the question at hand, so I would ask . . .

**Mr. Jean:** I appreciate that, Mr. Chair, but as you, of course, recognize, this is a cost under the office of the Premier, and she's just acknowledged that she's friends with Mr. Hawkesworth. I'm wondering – and it's directly relevant – how long she has known Mr. Hawkesworth and been good friends with him in relation to before the hire. We're talking about a situation where the government is utilizing possible resources, that belong to the taxpayers, for their friends. That's a very important thing, and I think that Albertans are really concerned about it.

So I would again ask the Premier: how long has she been good friends with Mr. Hawkesworth? It seems to be a very fair question considering that we've got a \$50 billion budget for Albertans.

**The Chair:** I understand, and that's the reason why I'm interjecting. I'd just like to remind everyone of what we're here to do and, of course, to again reframe the questions. Thank you.

**Mr. Jean:** I appreciate that.

**Ms Notley:** Certainly. My relationship with Bob Hawkesworth, the long-term nature of it, comes primarily from his many years in politics and having been a longstanding member of the Calgary city council, from his role at the AUMA when . . .

**Mr. Jean:** I understand that, but my question was about your friendship . . .

**Ms Notley:** No, no. I'm just explaining. I'm trying to figure out how long ago . . .

**Mr. Jean:** My question is in relation to the friendship; it's not in relation to his resume. I have asked for . . .

**Ms Notley:** Well, I'm sorry. When I work with people, I describe them as friends, so this is someone with whom I've got a long-term, very affable professional relationship.

**Mr. Jean:** But this one you described as a "good friend," so I'm just asking: how long have you been good friends with Mr. Hawkesworth? I think it's a fair question.

**Ms Notley:** I have worked with him on a professional basis and considered him a friend for many years. That's all I can say.

**Mr. Jean:** Twenty?

**Ms Notley:** I really can't remember because I don't know exactly when he first got elected as a councillor. But I've been active in politics as an advocate in a number of different ways and, of course, then would have had a lot to do with Mr. Hawkesworth. And as you probably know from your MLA in Calgary, anyone who comes into contact with Mr. Hawkesworth on a professional basis tends to develop a very affable and professional relationship.

**Mr. Jean:** I understand, Madam Premier, that you have worked out a mechanism – I want to congratulate you for it – to put Mr. Hawkesworth's MLA pension on hold. I think that's very reasonable in the circumstances so that he doesn't double-dip, with his extremely high pay as executive director and a pension that Albertans pay for.

Of course, I'm kind of curious as to why you made that announcement on a Saturday morning. Do you have any reason why you would have made an announcement in relation to Mr. Hawkesworth on a Saturday morning?

**Ms Notley:** I had absolutely nothing to do with the timing of that announcement.

**Mr. Jean:** Excellent.

Can you tell me approximately how many days it took to resolve the pension issue prior to the announcement?

**Ms Notley:** I really can't.

**Mr. Jean:** Okay. Could you please provide that to me through due diligence and research as to what took place on that? Well, we have a situation where there were discussions, and it will become evident in relation to the rest of my line of questioning, how many days it took to resolve the pension issue prior to the announcement itself of his being hired.

**Ms Notley:** I know nothing of what you're talking about.

**Mr. Jean:** I understand. And your officers beside you, of course, can do their due diligence and find that and just table it with the committee chair. That'd be great.

On what date was Mr. Hawkesworth first approached about the executive director job at the McDougall Centre, and who made the initial offer?

**Ms Notley:** Again, because I was not directly involved and the staff that were directly involved in reaching out to him are not here, I can't tell you. You know from the press release when he was hired.

**Mr. Jean:** I do. And I appreciate that, Madam Premier.

**The Chair:** I'd like to interject at this point just one more time and ask all of you to please direct your questions and answers to the chair. Thank you.

**Mr. Jean:** Absolutely. Thank you, Mr. Chair.

Through you, Mr. Chair, I'm asking the Premier's staff to provide that to us, and I would ask them to confirm when they first approached Mr. Hawkesworth about the executive director job and who made the initial offer. Thank you.

The reason I'm asking these questions is because, as most people know, Mr. Hawkesworth, of course, was an NDP candidate in the Calgary-Foothills by-election that took place on September 5. Under the election finances act the campaign period for that election did not end until two months after the polling date, which would be November 5, two days before he was hired. I can't imagine that everything was put together in the two days. Frankly, I can't see that. So was Mr. Hawkesworth offered the job at the McDougall Centre during the campaign period of the Calgary-Foothills by-election, in which he stood as a candidate for your party?

**Ms Notley:** During the campaign period, during the election?

**Mr. Jean:** Campaign period has a specific legal meaning, and it would have ended November 5. So what I'm asking is: was he offered the job during the period of time that he was actually under the campaign period?

**Ms Notley:** I'll have to get back to you on that.

**Mr. Jean:** Thank you. I would ask that that be tabled. Thank you, Mr. Chair.

In particular, I'm now going to go to the ministry business plan, page 52, Mr. Heaney, specifically. "Desired Outcome One: The government's agenda and decision-making are supported and implemented." I'll repeat that just for the record. The ministry business plan specifically states: "Desired Outcome One: The government's agenda and decision-making are supported and implemented." It's fairly innocuous. Much of this would fall under the policy co-ordination office, which is led by your deputy minister, Mr. Heaney. Is that correct?

**Mr. Dicerni:** Well, I would say that it falls within Executive Council, and within Executive Council there are a number of people who assist in the implementation of said policies and programs.

**Mr. Jean:** Absolutely. But would much of it fall under Mr. Heaney?

**Mr. Dicerni:** Within Executive Council, which is, relatively speaking, a small operation . . .

**Mr. Jean:** I understand. That's why I thought you would be able to discern which persons would be responsible for that.

**Mr. Dicerni:** Lines are not as clear as they would be in the line department in the sense that John, Marcia, some of the ADMs, and Executive Council – we work fairly closely together, so to seek to isolate one person as being the one who shall be congratulated when all things go well or, alternatively . . .

**Mr. Jean:** I like those congratulations, Mr. Dicerni.

What I'd ask you to do is to use your best efforts to discern which amount each one of those individuals would be responsible for as far as the policy co-ordination of that office.

**Mr. Dicerni:** I would say that on policy matters John would have the lead.

10:30

**Mr. Jean:** Excellent.

Can you confirm that – through you, Mr. Chair, of course. Premier, would you confirm that Mr. Heaney's job is not one that you would consider to be partisan or political?

**Ms Notley:** No. This is very much about ensuring that the key public policy objectives of this government are implemented on a professional basis throughout the public service.

**Mr. Jean:** Okay. Excellent.

Now, I notice that priority initiative 1.4 is to "provide support and guidance in ensuring a fair and transparent process." Can I repeat that? "Ensuring a fair and transparent process for recruitment and appointment to public agencies." Now, the reason I ask about this is because Mr. Heaney was first appointed on May 28, through an order in council, to a brand new role as associate deputy minister of policy and planning at a pay rate of \$287,000.

Is that correct? I see you nodding your head.

**Ms Notley:** I assume that's correct. Yes. I haven't checked it.

**Mr. Jean:** Thank you.

Can you confirm if a fair and transparent process for recruitment and appointment to this brand new Alberta government ADM role was followed?

**Ms Notley:** I believe it was fair and transparent in terms of the standard process for the hiring of senior deputy ministers and deputy ministers in these positions.

**Mr. Jean:** Excellent.

**Ms Notley:** Those positions are typically appointed, and they may or may not involve, you know, open postings. They will simply be appointed. They are senior positions.

**Mr. Jean:** I understand, and I appreciate that.

**Ms Notley:** And that's why they are OICs.

**Mr. Jean:** I understand. Could you please provide to me the list of candidates that you considered for that job?

**Ms Notley:** No. No, I won't be doing that.

**Mr. Jean:** Okay. Now, the Public Service Act states, "Before approving the exclusion" – sorry. Oh, I should probably get back to that question. So you're confirming that nobody else was considered for that appointment, then?

**Ms Notley:** I'm suggesting that I won't be providing you with that list of candidates.

**Mr. Jean:** And why is that?

**Mr. Dicerni:** If I may?

**Mr. Jean:** Please.

**Mr. Dicerni:** The appointments of deputy ministers go to cabinet on the basis of the advice that I provide to the Premier. The basis on which I put forth that list of candidates – and in that sense Mr. Heaney is not an exception – varies one from another. I'll give you two examples to truly put that in context . . .

**Mr. Jean:** Actually, Mr. Dicerni, though, if I may, the Public Service Act states, "Before approving the exclusion of a position or class of positions from the classification plan," cabinet must – and I quote, must – "obtain a report from the [Public Service] Commissioner as to the desirability of that action." Was that done?

**Mr. Dicerni:** The position that we're talking about – and this applies to all deputy ministers. I consulted with the . . .

**Mr. Jean:** I'm just asking if this was not done, Mr. Dicerni.

**Mr. Dicerni:** . . . chair of the Public Service Commission, and indeed she, Lana Lougheed, was involved, is involved in all of the deputy minister recommendations, and I used her advice to satisfy, if you wish, that particular part of the act that you're quoting.

**Mr. Jean:** So was a report done? It's mandatory under the act, as far as I'm aware.

**Mr. Dicerni:** To the best of my knowledge – and I'll get back to you. I've been doing this for 13 months, and for deputy minister appointments – and this goes back to my time under Mr. Prentice – I don't recall a formal report along the lines of what you're saying apart from . . .

**Mr. Jean:** But it is required, of course, by the Public Service Act.

The other question I have – of course, he was first hired as an associate deputy minister, not a deputy minister. That, of course, would be a critical component of my questioning there. But I would appreciate it if you could table through the chair a copy of that report and whether or not a report was done according to the Public Service Act, which, of course, requires it.

Basically, the Public Service Commissioner must give the go-ahead in a report before cabinet can create a new ADM position with a new pay scale. We're very curious because, of course, Albertans want the Premier and the Executive Council to follow the law, that they are obligated to do, and we would like to find out whether that was done. When we filed a FOIP request for the report required by law for the classification of Mr. Heaney's new ADM role, we were told that no such report existed, so we're wondering if the Premier's office and the Executive Council did follow the law or not. If you could get back to me on that, I'd really appreciate it.

**Mr. Dicerni:** I will check with the chair of the Public Service Commission . . .

**Mr. Jean:** Thank you, Mr. Dicerni.

**Mr. Dicerni:** . . . because I'm confident that she is as familiar as you are with that statute.

**Mr. Jean:** That's what I would ask: if you could confirm that the Public Service Act was followed in the creation of Mr. Heaney's initial role as ADM, not just his new role of policy and planning. And where exactly is the Public Service Commissioner's report signing off on the classification of the new job given to Mr. Heaney in May? Thank you very much.

The next thing I would like to move to is communications in the business plan, page 53. If we look on page 53, you'll note that desired outcome 3 describes the government's desire to engage in two-way communications with Albertans about important programs. We are concerned about two-way communications. We think they're awesome; it depends, of course, on how they're done. I'm just curious as to what kind of two-way communication is being utilized. I'm assuming this includes – as a politician for a few years I'm just assuming; I don't know – telephone town halls, surveys conducted for budget review, climate review, royalty review, online issues, and other things like that. If I could just understand, Madam Premier, through you, Mr. Chair, of course, what kind of two-way communications is going to be done in relation to this.

**Ms Notley:** Well, I think that you've outlined a number of the elements to communication. There would also be, I would suspect, in some cases mail-outs; there would be some advertising; there would be meetings, you know, the whole range of communication strategies.

**Mr. Jean:** You know, I'm not being fair, Madam Premier. If you could just provide us an outline of what you would do. Of course, I know that you're not going to be privy to that information, and that's not fair of me to ask, and I apologize for that. I would ask your officials to get back to the chair, of course, and table for us the expected type of outreach and two-way communication that's going to be had.

How much money is budgeted for the 2015-2016 fiscal year for surveys and town halls and communications?

**Ms Notley:** I'll just check that now. As I've already outlined, the PAB budget itself has been – sorry; now my binder has just completely broken, which is super fun. My understanding is that PAB projects spending of up to \$560,000 on research by the end of fiscal 2015-16. That is slightly less than what was spent on research last year, which was \$571,000.

**Mr. Jean:** And this would include this two-way communication that has been defined within the business plan?

**Ms Notley:** I believe that it does.

**Mr. Jean:** The reason I ask is that I understand that there has been a contract in relation to town halls and online surveys. I understand that has been done. Mr. Dicerni is agreeing with me. Sorry; the record can't pick up the nods of the head. Mr. Dicerni, for the record, is agreeing with me. I'm just curious. Was this company hired through RFP, request for proposal, a formal process, which, of course, is required? I think Albertans would expect that.

**Mr. Dicerni:** Two things. One, there will be a regular, as per government policy, disclosure of all sole-source contracts. Secondly, PAB has a number of standing offers with companies, which permit them to proceed with contractual practices. I'll confirm which practice was used and get back to you.

**Mr. Jean:** Exactly: if it was sole-sourced or if it was out for competitive bid at RFP.

**Mr. Dicerni:** Or standing offer.

**Mr. Jean:** Exactly. And a request for proposal, of course, takes some time.

**Ms Notley:** If I could just clarify as well. A number of town halls that have occurred since we've taken over were actually contracted through Treasury Board and Finance.

**Mr. Jean:** Excellent.

Now, I understand that those contracts were done – the person who won the contract or received the sole-source contract, as the case may be, was Stratcom. Is that correct, Mr. Dicerni?

**Mr. Dicerni:** As the Premier mentioned, Executive Council was not directly involved, was not the contractor. I was aware that town halls had been organized but not familiar with who, because this was done by Treasury Board and Finance.

**Mr. Jean:** If you could just find that out, through you, Mr. Chair, and provide it to us, that would be excellent.

You know, the one thing I'm concerned about is online survey results in terms of policy development. When we did a little research on that, it appears that there is no ability by the department to take those online surveys and include in them only Albertans. Our concern is that there would be online surveys that would be done which would give us skewed data from third parties that are outside of our jurisdiction and certainly not taxpayers or the people that we should be concerned with, Albertans. That is one of our issues. When we filed a FOIP request, the IP addresses of those who completed the surveys were asked for, and we were told that the departments don't actually collect any information whatsoever on the IP addresses. We are very concerned, and we would like to know exactly what online surveys are being expected and what amount will be relied on, so if you could table that, that would be very helpful.

**Ms Notley:** I'm sorry. What is it that you're looking to have tabled?

**Mr. Jean:** Just to find out which company has received that and how that contract was processed and whether or not they're going to be using a lot of online survey processes, just because we're concerned that when we FOIPed it, we can't tell whether the IP addresses are from Alberta or from Ontario or from Tuktoyaktuk or from New Orleans, and we would like to make sure that Alberta policy is developed by Albertans. That is a concern of ours. It's just a homework issue.

The biggest issue, I think, for us is that there are no performance measures and no safeguards associated with this. If the government does rely on this, it is of concern, of course, to Albertans.

The next thing I'd like to talk about is staff wage freezes from your budget speech, and I know you'll remember this, the budget speech. The Minister of Finance said that the government was going to ask MLAs to freeze the salaries of members of cabinet, MLAs, and political staff positions, and we think that's a great opportunity for Albertans to save some money. As of course you know, we would like you to freeze the salaries of the rest of the bureaucrats that you can and the managers which you can without violating any contract terms. But can you confirm that all of your staff within Executive Council as well as the political staff in each ministry are currently under a freeze, and if so, on what date did that freeze come into effect?

**10:40**

**Ms Notley:** I'm not actually sure that at this point they are formally under a freeze although that's certainly something that we will be looking at going forward. The issue of the freeze was something that we put forward with respect to asking the Members' Services Committee to consider a freeze for MLAs, so that's the process.

**Mr. Jean:** I understand that. I'm asking a very detailed question. If you could even provide to me through the chair . . .

**Ms Notley:** It wouldn't even have come up yet, because we haven't been here for a year.

**Mr. Jean:** Okay. So no freezes are in effect right now?

**Ms Notley:** I'm sorry; I'm told here, in fact, that even though, again, it wouldn't have come into effect because none of them have been here for a year, political staff have been told when they were hired that their salaries would be frozen and would stay where they are. The public servants: that has not happened.

**Mr. Jean:** I understand that. What I guess I'm asking for are some details in relation to that freeze: when they were hired, if they were hired, and if that freeze was implemented at the time of the hire; in other words, "You're hired, but your salary is not going anywhere." That would be great if we could just get that confirmed in writing, and that's no problem.

But I'm curious. Can you confirm that no Executive Council staff contracts were renegotiated or amended in the lead-up to the budget speech being read on October 27?

**Mr. Dicerni:** Are you talking about bureaucrats in Executive Council?

**Mr. Jean:** Yes.

**Mr. Dicerni:** There were no changes.

**Mr. Jean:** And political staff.

**Mr. Dicerni:** Well, we can validate, but in regard to Executive Council there have been no increases since – you said: since the budget.

**Mr. Jean:** No, before the budget. We're asking: how soon before the budget – and there is a logical reason for this, and it will become evident. Before the budget were any of these political staff contracts renegotiated or amended in the lead-up to the budget speech? The difficulty, of course, is that some people are aware of what's in the budget speech and some people aren't, so we're just curious as to when those contracts were renegotiated. Thank you, Mr. Dicerni. I

see the light came on. So if you could table that through the chair, that would be helpful. Thank you very much. Thank you, Mr. Chair.

The next stage is New West, business plan page 53. In the business plan desired outcome 2 states, "Alberta's policy interests within Canada are advanced," which is great. I was so happy to read that; I think that is something you'll find the Wildrose very supportive of. But as you know, we've been asking for interprovincial advocacy on market access and trade, and I'm a bit concerned, though, because there's been a troubling absence of information when it comes to Alberta's continued role in the New West Partnership and, to be honest, a lot of rumours speculating and flying from different provinces that feel that there's not quite the dedication by this government to that in the future. What we're asking is: can you please confirm that Alberta will continue to be represented in this important initiative with our neighbouring provinces?

**Ms Notley:** I'm sorry; what was the question?

**Mr. Jean:** Can you please confirm that Alberta will continue to be represented in this important initiative with our neighbouring provinces? That important initiative, of course, is the New West Partnership.

**Ms Notley:** Yes. Well, absolutely. That was, of course, one of the reasons why I appointed a minister to be in charge of trade, so that that specific task could garner the kind of attention that it deserved and warranted . . .

**Mr. Jean:** Good. Excellent.

**Ms Notley:** . . . because it is something that's very important both within the context of the New West Partnership but also the agreement on internal trade and also in terms of working with other provinces across the country. As you know, for instance, I recently met with . . .

**Mr. Jean:** Madam Premier, I just want to tell you . . .

**Ms Notley:** No, I just need to say . . .

**Mr. Jean:** I just want to tell you that you sound just like a Wildrose Premier. I was very impressed with what you just said.

But I'm just curious here because, you know, the Pacific NorthWest Economic Region . . .

**The Chair:** I would like to interject at this point.

**Ms Notley:** I wonder if I could just finish my sentence.

**The Chair:** I just want to make sure that we have the question and we have the opportunity to hear the answer as well. I also would like to hear the answer. So if we can just . . .

**Mr. Jean:** That wasn't the answer I was seeking. In fact, I already received the answer. The question I asked was: were they going to continue in that partnership? And she said yes, and I was very happy to hear that, Mr. Chair.

**The Chair:** I understand, sir. What I'm asking for is just decorum so that we can actually have a meaningful dialogue today and actually get some questions that you have . . .

**Mr. Jean:** Absolutely, but I had my question answered.

My next question is in relation to the summit itself. As you know, Mr. Chair, this was cofounded by a previous government here in Alberta, and of course in 1991 it was actually cofounded by a

previous Deputy Premier. The Pacific NorthWest Economic Region is very, very important because, of course, those are our trading partners that circle and surround us, including pipelines. Anything that we want to ship anywhere has to go through their airspace or over their ground, so it's very, very important to us.

I'm just curious as to why, when they held their 25th annual summit in Montana, our shadow minister for the Wildrose for electricity and renewables attended the summit but he was the only politician there from Alberta. In fact, there was nobody there from the government. We're very concerned about that, and I think Albertans are, too, because, of course, with the rhetoric that you've put forward in relation to how important this partnership is and then there being nobody there at the actual summit, it is very concerning. In fact, on the agenda was working sessions with other legislatures on topics including – I love this, and you will too, Madam Premier – expanding natural gas markets, trade and economic development, market access, and social licence. I'm just curious as to why nobody from the Alberta government was there if it was such an important thing for your government.

Madam Premier, I only have a limited amount of time. I see you talking to your officials, but I'm happy, as you've noticed, to have it tabled with the chair, and we can go on with this line of questioning in the House at some later time.

**Ms Notley:** Would you like me to answer or not answer?

**Mr. Jean:** If you can, that'd be great.

**Ms Notley:** Can I have, like, more than six words to do it, do you think?

**Mr. Jean:** Why did your government choose to forgo the opportunity to discuss these important issues with some of our biggest trading partners?

Now, as you know, I've been limited to two hours here and only 40 minutes, which means I get 20 minutes less than I should have, so I'm just very anxious to ask you a lot of questions because Albertans do have a lot of questions for you.

**Ms Notley:** I absolutely get the asking of a lot of questions. I've been through this process myself.

**Mr. Jean:** I'm sure you have.

**Ms Notley:** You should, though, remember that there's a big difference between giving someone two sentences to answer a question and trying to stop these sort of half-hour discussions that we would get from previous . . .

**Mr. Jean:** It's just a why, Madam Premier.

**Ms Notley:** Well, unfortunately, why don't always work if the preface is incorrect. In fact, in July, as you would know, that would have been about a month and a half after our government was sworn in. Officials from the ministry went to the meeting in Montana – officials from the ministry are at a meeting in the Northwest Territories right now – and I was advised of how that went. But we were also in the process of changing a 43-year-old government about seven weeks after having been sworn in. So that's why we didn't go.

I have done an exceptional amount of travel across the country.

**Mr. Jean:** I know you have, Premier.

**Ms Notley:** Going back to my previous point, in terms of meeting recently with Premier Gallant to talk about a very critical economic issue for Albertans . . .

**Mr. Jean:** Now you've answered the question. I really appreciate that.

Is this a policy shift?

**Ms Notley:** . . . that is something that is very important for me to do.

**The Chair:** I would like to call everyone back to decorum, please. Thank you. If we could just please keep the decorum so that we can actually have a dialogue.

**Mr. Jean:** Absolutely, Mr. Chair. Thank you for the reminder.

**The Chair:** I would like to reiterate that in order for us to do that, we cannot be speaking over each other. I would appreciate that, if we could. Thank you.

**Mr. Jean:** Is this a policy shift away from intergovernmental trade agreements, or is it just that you weren't ready to go?

**Ms Notley:** I'm sorry. Which?

**Mr. Jean:** Nobody showed up. You said: a month and a half. But this is very important, the most important trade relationship.

**Ms Notley:** Well, again, I need to clarify the point that you made. People did show up. Officials from intergovernmental affairs and trade did show up.

**Mr. Jean:** No MLAs showed up, no ministers.

**Ms Notley:** As I've indicated before, the reason for that was that we were about two months out from having been sworn in as a government, and we were managing the transition from 43 years of government to a new government. We had a lot on our plate at that time, and as a result, we had our officials go. I was briefed by our officials, and that is the process that we underwent. We have continued to have conversations with our partners across the whole country on critical and important issues with respect to trade, and as I've said before, I've identified a new minister to focus on the issue of trade, intergovernmental trade and international trade, because that's very critical to Albertans.

**Mr. Jean:** I did notice in your business plan that you actually said that.

I appreciate that because timely reviews and approvals, of course, are important. How much has been budgeted to do these reviews for the 2015-2016 year, and how does this compare to previous years? Of course, priority initiative 2.5 commits the government to "complete timely and consistent reviews and approvals of intergovernmental agreements." If this is one, I'm just wondering: how much is budgeted for that?

Madam Premier, I know it's very difficult to keep track of all these numbers. I do know that. If your officials want to get back to us . . . [interjection] Listen. There are a ton of numbers. I can't keep track of them. There are far too many, and I understand that's why she has her officials, the same as I have my assistants beside me. It's very difficult to keep track of these numbers, and I would appreciate it if the MLAs wouldn't ridicule my line of questioning.

Thank you.

**The Chair:** I would ask one more time to please keep the decorum, and I ask everyone to be respectful of each other so that we can actually have a very meaningful dialogue.

10:50

**Mr. Jean:** Thank you, Mr. Chair. I appreciate that. I agree.

If you could, through your officials, just get back to the chair in relation to how much has been budgeted for these reviews. That's all I'm seeking.

**Ms Notley:** It's basic staff costs. There's no specific line-item budget. It's the staff cost of the people that work in that department. That's one of the things that they do.

**Mr. Jean:** Okay. How many staff would be allocated to that, FTEs?

**Ms Notley:** We have 24 staff in intergovernmental relations.

**Mr. Jean:** And all would be towards these reviews?

**Ms Notley:** Yeah. Plus or minus, to greater or lesser degrees all but about four or five of them would do that as part of their general work.

**Mr. Jean:** Okay. Excellent. Thank you.

Page 130, line item 2, in the estimates under intergovernmental relations you see that unlike the budget for the Premier's office – it went up – the intergovernmental relations budget has been cut. Of course, that is a concern because right now, with the economy as it is, we need to make sure that we keep our relationships with everybody as good as possible. In 2014-15 the comparable number was \$3.97 million whereas it's down to \$3.5 million for the 2015-2016 estimate. Can I ask, please, Madam Premier, through you, Mr. Chair, what specifically has been cut in the budget for intergovernmental relations? Is it staff, or is it expenses?

**Ms Notley:** It's the Ottawa office, primarily.

**Mr. Jean:** Okay. That would be the difference of \$500,000.

**Ms Notley:** Yes.

**Mr. Jean:** Wow. Does this reduction reflect a reduced commitment to intergovernmental relations from the past government's?

**Ms Notley:** Quite the opposite. With the changing political environment, with our new federal government there's actually a greater opportunity for me as Premier to engage with my colleagues and the new Prime Minister across intergovernmental lines. So we actually anticipate that there'll be greater opportunity, but it's not necessary to set up specific offices. We can simply do the work as part of our job.

**The Chair:** Thank you, Madam Premier. Unfortunately, the time is up for the answer.

**Ms Notley:** What we're trying to do . . .

**The Chair:** Madam Premier. Madam Premier, sorry.

**Mr. Jean:** That felt like five minutes, Mr. Chair. Thank you so much.

**The Chair:** Thank you very much. We've run out of time.

Now I believe Dr. Starke will be asking the questions. Did you want to go back and forth, or did you want to make an opening statement?

**Dr. Starke:** If that's good with the Premier, I'd love to do that. Thank you, Mr. Chair. Thank you, Premier, and thank you to your staff for being here. Premier, I've enjoyed the discussion so far. It's a little hard to follow at times, I have to confess. What I want to concentrate on primarily is the business plan which you've laid out. I guess my first question would be – and I notice that this goes across all ministries. The business plan that was previously presented, in March, covered five years, and the business plan that you and the other ministers have presented covers only three years. Can I ask what the rationale was behind dropping the last two years of the business plan?

**Ms Notley:** Well, I think that the requirement ultimately is to deal with three years. Also, I think that, ultimately, trying to project – and I think we've learned that lesson exceptionally well in this province over the course of the last 24 months, starting with the former government and now moving on to our government – revenues and expenditures five years out in every setting becomes a bit of a mug's game. There's no question that there are parts of government that absolutely need a five-year plan. There's no question about that. But to suggest that that needs to happen for each and every line item and each and every function over a five-year period is a rule that I think, if applied too broadly, leads to a lot of busywork and moves us off really focusing on the five-year plans that we actually need to work on. So that's why.

**Dr. Starke:** Well, thanks. You know, I would certainly agree that in terms of projecting revenues and expenditures, you're quite right. Five months can be too long, but five years is a struggle.

I was just curious because the business plan largely talks about, you know, broad concepts and that sort of thing. I know, looking at it, that there's a tremendous degree of similarity between the business plan that was presented in March and the business plan that you signed off on in October. Now, there are different ways of interpreting that. It could be interpreted as being an acknowledgment that what was going on before was good, or it could be called plagiarism if you were in a university setting. I don't think I want to go there.

But there are a number of things, though, that were dropped out or that have changed, and I want to focus on the changes. Specifically, Premier, under desired outcomes, priority initiatives, performance measures, desired outcome 1, the second paragraph in your document simply says, "Executive Council supports departments and public agencies in understanding expectations related to leadership and governance." No argument with that. But in the March document it states, "Effective governance is achieved when all departments and public agencies are accountable for their decisions. This is achieved through defined roles, purposes and governance practices." Now, that would strike me as being a strong statement and a statement that you would have wanted to include in your business plan going forward. I'm curious to know why it was dropped.

**Ms Notley:** I'm sorry. Did you have any comment on that?

**Mr. Dicerni:** If I step back, two comments. The first one is that the new government wishes to take perhaps a more holistic approach to how it will conduct its overall programs. Second, Executive Council fundamentally is a staff function, and different governments try to receive the support from Executive Council in different ways. I would say that in terms of desired outcomes, how we serve the government of the day, there has been no dramatic change. The services, the advice, the programs that we supported for Premier Prentice are fundamentally similar to those that we provide to Premier Notley.

**Dr. Starke:** Okay. Well, I'm glad to hear that that doesn't reflect, then, a shift in the priorities.

One shift, though, that I would also like to ask about is under priority initiatives. I'm reading 1.1. The October document reads, "Provide advice to the premier and Cabinet on the government's policy and legislative priorities," and then continues. The March document includes the words "professional advice to the premier and Cabinet" and also includes, after "government," the word "mandate." I'm curious to know why the word "professional" – is the advice no longer expected to be professional? Secondly, why was the word "mandate" dropped? We hear about the government's mandate, that it achieved in May, virtually every day in question period. Why does it not appear within the business plan of the Executive Council?

**Ms Notley:** Well, I'll just make one comment, and then I believe Mr. Dicerni would like to add. I would suggest that it is a given that the advice is professional, so there's no need to articulate that. Then, are you suggesting, "to ensure that the government [mandate] has the best information to implement its agenda"? That would have been the kind of thing I would have done from a purely grammatical point of view, to suggest that mandates don't implement agendas. Certainly, there's no evil intent there. I suspect it was simply a different editor, with a slightly different take on grammar, reviewing that particular line.

**Mr. Dicerni:** I would like to confirm for the record that the advice that is being provided to the government is as professional today as it was six months ago or 12 months ago.

**Dr. Starke:** I'm relieved to hear that. I'm relieved to hear that, and, you know, truthfully I have to say that I had no doubt that that was the case. That was why I was curious as to why it was dropped because, to me, it would seem a given that the advice was professional.

I just want to backtrack a little bit into the strategic context. If there is one area of the documents where there's considerable difference, it's in strategic context, and I can appreciate that. Premier, it's very clear that the strategic context that you bring to this document is really quite different from the previous government, and that is certainly your purview. But there is one statement that was in the old strategic context – and I just want to know what the opinion is because your document is silent on this – and that is the statement in paragraph 3, and that was: "With this collaborative approach, the government anticipates ethical, respectful and fiscally-sound public services for Albertans." Tell me, Premier, that even though it doesn't show up in your document, that is an expectation of your government as well.

**Ms Notley:** Well, you know, it absolutely is an expectation. Again, not only does it go without saying, but I think it also does as a result of the demonstration of having walked the walk. I mean, our view after the last election was that one of the most important themes and outcomes that we could provide to Albertans, not only as a result of the change in government but as a result of the ever-changing state of our economy and our economic outlook, was the notion of stability.

**11:00**

We were very clear early on that we were going to approach our relationship with the public service and approach the work that we do with the public service from the perspective of (a) respecting the role of the public service, (b) understanding that the work they do is in the best interests of all Albertans, on a nonpartisan basis, and (c) ensuring that that professionalism, that balance, and that best

practice was something that was rewarded and indeed given as an assumption and, to some extent, celebrated. We were not about to come in and start, you know, righting old wrongs and moving people and getting rid of people and creating a whole bunch of uncertainty and chaos, because we have a very strong belief in the value of the public service regardless of who the government in power is. I think that's how you run good government and have good public service in our parliamentary system.

**Dr. Starke:** Well, Premier, you know, for the record, I absolutely agree with you that the public service in the province of Alberta is outstanding. Having had the privilege of working with the public service while in government, certainly that was something that I greatly appreciated. I'm sure you're finding the same thing in terms of their dedication to the job that they do. So no question about that whatsoever.

One other question, Premier. I note that in all three areas of your desired outcomes it states under performance measures that they are under development. I'm just curious to know, I guess, first of all, what was inappropriate or what you found not suitable under the old performance measures. They were limited; there were only three of them. Secondly, when might we expect to see performance measures developed? I think performance measures are important, and I think they're useful as benchmarks to see how things are progressing, so I'm just curious to know, first of all, why you got rid of the old ones and when we might see the new ones.

**Ms Notley:** Right. Absolutely. I agree with you that performance measures and performance standards are very important tools in terms of holding the government to account. I don't believe it was ever the case when you were a minister, Member, but certainly I believe when your colleague was a minister, we may have been in a reversed position. I've long had fairly strongly held beliefs about performance standards and the fact that calling them performance standards does not make them performance standards and that they should be crafted in a way that has some meaning to it. I believe that certainly in the case of my ministry there was probably some value in trying to identify some slightly more measurable outcomes and to injecting those in the process. So we're working on it, and it is a work-in-progress, but it's definitely one where I felt it was better to just say: Yeah; I'm not entirely sure that I would know how to measure these previous performance standards, so we're just going to yank it and see if we can do something a little . . .

**Dr. Starke:** Premier, that's fine. I anticipate or, certainly, look forward to seeing them in the budget that's five months away. Perhaps by then we will see them.

Given that you've had the opportunity to go the other way, I'm going to turn the rest of the questioning over to my colleague Mr. Bhullar, and that way you can do the full swap that you used to appreciate.

**Mr. Bhullar:** Déjà vu.

**Ms Notley:** Sort of.

**Mr. Bhullar:** Sort of, yeah. Is it a lot more fun on that side or this side?

**Ms Notley:** It's different.

**Mr. Bhullar:** It's different, yeah.

Well, thank you very much for being here, Premier. I want to start off by asking a question with respect to the Public Affairs Bureau. How many staff from the Public Affairs Bureau have now been

moved into departmental staff, so moved from the bureau into their respective departments?

**Ms Notley:** I believe most of the movement happened under the previous government's watch, not under this government's watch. In fact, I believe almost all of the movement did. So 31 FTEs, just over \$4 million, were transferred from Public Affairs Bureau to various ministries. At the end of 2014-15 all staff and ministry communications branch positions that had been funded by PAB were transferred to their respective ministries. That change supported the accountability of deputy ministers for all of the activities of their departments, including communications. Over and above that transfer, PAB also reduced its 2015-16 budget by \$2 million.

**Mr. Bhullar:** So does that mean that the budget dollars then followed those people into their new departments?

**Ms Notley:** Partially.

**Mr. Dicterni:** Correct. Most of them follow to the departments that they were reassigned to.

**Mr. Bhullar:** I see. Okay. Well, I won't get into the numbers there. Now, what about with respect to policy development. How many staff do you have in the Premier's office itself responsible for policy development?

**Mr. Dicterni:** The different governments arrange their organizations to meet the needs. I don't believe that in the actual org chart of the Premier's office there are people who are explicitly dedicated to the task of policy development. There's not, as was the case under the previous government, a deputy chief of staff responsible for policy. There are a number of officials who contribute to policy and issue management. I don't believe there are a dedicated number of people whose only purpose in life is policy development.

**Mr. Bhullar:** Okay. So the policy development ...

**The Chair:** Unfortunately, your time is up.

Next in the rotation are other parties represented in the Assembly and independents.

Seeing none, the next one in the rotation is government caucus. I believe that, Mrs. Schreiner, you are the one asking the questions.

**Mrs. Schreiner:** Yes.

**The Chair:** Thank you. Please, go ahead. Oh, sorry. Did you want to go back and forth with the Premier?

**Mrs. Schreiner:** Yes.

**The Chair:** Okay. Thank you.

**Mrs. Schreiner:** Thank you, Mr. Chair, for the opportunity to speak. Thank you, Madam Premier. Exploring new opportunities to promote Alberta is perhaps the most important to diversifying our economy and creating new jobs. Premier, last month you went to New York to talk about foreign investments, and I see that the business plan for Executive Council prioritizes steps to promote Alberta as a place to invest. Earlier you were speaking to intergovernmental relations, and you did not get a chance to finish your thoughts on it. I am curious to know: what role did the intergovernmental relations division play, and what did they do for our taxpayers?

**Ms Notley:** Well, there are a couple of issues there. I mean, first of all, in terms of intergovernmental relations one of the things that I didn't get a chance to talk about too much was the Premiers' meeting, the COF, Council of the Federation, meeting, which occurred in Newfoundland in July. It occurred at that time just between Premiers because there wasn't a tradition of the Prime Minister attending. One of the things that we did talk about at the meeting, of course, was the Canadian energy strategy. It was a strategy that was initiated under the previous government but had not been signed off on. So it gave me the opportunity to both meet for the first time and also begin to advocate and lobby my colleagues across the country about the importance of the Canadian energy strategy and to remind them about the importance of Alberta's energy industry, not only to the people of Alberta, as, you know, you've heard us talk about, but, frankly, to the economic development of the whole country. It was encouraging because it was clear to me that Premiers across the country understood the importance of that relationship.

You know, we sat down and tried to hammer out the last pieces of the document on the Canadian energy strategy. There was a bit of positioning in some cases. It almost went off the rails, but I feel that through the work of our officials and also, to some small degree, from my own efforts we were able to get the issue back on the rails and were able to get full sign-off, which then gives us a framework from within which to talk to Premiers across the country about this important issue of energy infrastructure.

So that's good, and that all happened as – I mean, you know, you can imagine being a brand new Premier and going into a room full of Premiers and trying to function in an effective way. Of course, that wouldn't have happened if it hadn't been for the support I got from the staff at that time. So it was very important.

In New York what we did, again as a result of the good work of the staff, was that we were able to make connections with a lot of really important investors in New York, because it was really important to get the message out that Alberta was a stable place to invest, that we continue to welcome investment, and that it is a place that people could be sure that they could count on.

**11:10**

It was also important for me, quite frankly, to hear the view of many investors, particularly the longer term investors, that they still see Alberta as one of the best long-term investment destinations in North America and that they still have an exceptionally optimistic view of our long-term outcomes. That was also very helpful. Again, that work was organized by the ministry of intergovernmental relations and, at that time, trade, because that was before we separated it out.

You know, in 2014-15 alone that ministry supported the Premier – myself and the previous Premier – ministers, and deputy ministers, both from our government and the previous one, within the previous fiscal year at more than 130 bilateral or multilateral meetings and conferences. That involves a whole heck of a lot of preparation, briefing, and pre-engagement to make sure that we all know what we're having our meeting about when we get there. I'm sure that we've all had the experience of thinking you're going to a meeting about item A and then discovering that other folks want to talk about item B, so neither A nor B is ultimately resolved. It's a lot of prework to ensure that the key decision-makers are talking about the right things when they get to the table.

That's just some of the examples. I'll let you maybe ask more questions so that I don't burn out all your time.

**Mrs. Schreiner:** Thank you for that. That's great to hear.



Premier, if the work of intergovernmental relations is so important, why did it lose its ministry status and get transferred to Executive Council?

**Ms Notley:** I mean, it did lose its ministry status, but it stayed with the same minister, which is the first minister, which is me, in case you didn't know that. That being the case, I think it's clear that that ministry retains its profile and the collective understanding that it remains a priority issue. In fact, quite honestly, I think the amount of work that will come on that intergovernmental level is going to increase quite dramatically in many ways compared to the past because there's a renewed desire to engage on the part of the federal government and there are a number of burning policy issues which have not been fully canvased over the last several years. That's going to be a very important piece in my office.

Meanwhile the international relations part of it moved to the Ministry of Economic Development and Trade because, quite frankly, that is the big piece of that work, economic development work. We felt it was really important to have a minister whose sole focus was on economic development and investment encouragement and creation. By putting those two together, it was a natural fit. It actually elevates the importance even as it reorganizes it.

**Mrs. Schreiner:** Thank you for that clarification.

Premier, I would like to talk about how to promote our economy in these tough times by investing dollars in appropriate and much-needed programs. Your ministry's business plan talks about advancing Alberta's interests by creating jobs, promoting diversity, and investing in infrastructure. I'd like to ask some questions about how that agenda is communicated with Albertans. In particular, this is referenced in Executive Council's business plan on page 54. Premier, why is the government of Alberta spending taxpayers' money on promoting this budget when it is already extensively covered by the news media?

**Ms Notley:** Well, there are a couple of different reasons. I mean, first of all, the budget of the province is something that has always been of critical importance to Albertans. At a time when we're seeing such a significant drop in our oil and gas revenues, Albertans are concerned, and they're concerned about how it is we're going to manage it. Quite honestly, as much as they voted for a new government, to see that drop in revenue happen at the same time that they have a new government, in order to reinforce that critical point that I talked about earlier, which is stability, it's really important that Albertans have a good sense of what's coming and that they do not have to worry that the sky is – you know, they're already worried about the security of their family as a result of jobs or job layoffs or hours reductions or all those things. They don't need to also be worrying that their school is going to close, that their grandparents or parents won't be able to get the support they need, that kind of thing. So it's actually, I think, fundamentally important at a time when the province is facing some pretty major challenges – it's more important than it would ever be otherwise – to communicate with Albertans about what we're doing and to let them know that we have a plan.

You know, people have asked: "Why haven't you created jobs? We're losing jobs. Why haven't you created jobs?" I've got to be honest. I mean, we are critically worried about these jobs. You know that. We talk about that all the time. But the answer to replacing those jobs is a complicated one, and it's a complex one. We're taking a number of different strategies to try and ameliorate the effects of the significant downturn in the price of oil in a

province that is so economically tied to that. It's not something that you can change overnight.

It's important for Albertans to know: here's what we're trying to do; here's where you might be able to find some opportunity; here's how we might be able to help. So all of that is part of the communication effort, and again all that being within the context of communicating at a lower rate than the previous government did but still trying to keep it responsible and effective.

**Mrs. Schreiner:** Thank you for that, Premier.

Can you tell us: how much money has the government spent promoting Budget 2015?

**Ms Notley:** I can. The media costs for Budget 2015 are \$546,450 along with creative production costs, for a total of \$736,450. This is about half a million less than the total spent by the previous government for the 2014-2015 budget. We accomplished the savings by using some common-sense measures such as shorter television spots, 15 seconds rather than 30 seconds, and with a focus on online advertising, which allows Albertans to connect directly to the budget website. As we all know, the prevalence and the reach of online advertising is growing every day. If you can do it intelligently, you can actually get your message out to people pretty effectively.

**Mrs. Schreiner:** Thank you for that, Premier.

Executive Council's business plan outlines that one of its three desired outcomes is aimed to ensure that Alberta's policy interests within Canada are advanced, as on page 53. Premier, now that we no longer have a Prime Minister from Calgary and given that promoting Alberta's interests is part of the role of your department of Executive Council, how are you going to work with the new Liberal federal government to address Alberta's priorities?

**Ms Notley:** Well, you know, I think it's a six of one, half a dozen of the other kind of approach. It is true that we do not anymore have a Prime Minister from Calgary, but on the flip side it's also true that we have a Prime Minister who is more interested in engaging with the Premiers, so it's six of one, half a dozen of the other. What we are going to do is that we're going to take a collaborative and engaged approach to all issues that have both a federal and provincial element to them.

As you know, Alberta does have two ministers, out of the four Alberta MPs, that are in cabinet. That is quite helpful. Even as we do that and even as we are hopeful that some of the federal government's plans are more aligned with ours, we will continue to, of course, advocate for the interests of Albertans, which are, as I say, promoting prosperity for Albertans, promoting economic development in Alberta, ensuring that there continues to be job creation and investment opportunities in Alberta.

As you probably are aware, I will be attending the first ministers' conference meeting in Ottawa this upcoming Monday. That will be an exciting opportunity to meet with my colleagues. Then as well I'll be attending along with the Prime Minister in Paris the following week. So we'll have an opportunity as well to engage with not only the Prime Minister but my provincial colleagues to talk about some critical issues, much of which we've been talking about already: the climate change piece but also promoting our energy infrastructure and talking about strategizing ways to ensure that we can finally be successful on that important objective.

**11:20**

**Mrs. Schreiner:** Thank you.

Through the Chair, Premier, many constituents have raised with me how important it is that this new government act in a more

transparent way than the previous government. One specific area that was talked about during the campaign was agencies, boards, and commissions. This is referenced in Executive Council's business plan under priority initiative 1.4, where it states that your department will work towards providing "support and guidance . . ."

**The Chair:** Thank you, Member. Unfortunately, your time is up.

For the final rotation we have a speaking time of five minutes, which may be combined for a total of 10, and we will follow the same rotation. I understand, Mr. Hunter, that you would like to start the questions. Is that correct? Did you want to combine the time?

**Mr. Hunter:** Yes. Thank you, Chair. I will continue on with the questions. There are a few more questions that need to be asked, Madam Premier, so what I will do is – I see that the time is quickly going. I hope to be able to just maybe ask the questions into the record, and then you guys can provide us with the information later on if that works for you.

The first question is . . .

**Ms Notley:** So it's five and five, then?

**The Chair:** You're going to have five and five? Is that correct?

**Mr. Hunter:** Yes.

**The Chair:** Okay. Thank you.

**Mr. Hunter:** Actually, we'll just go back and forth if that works.

So the first question is: how much money has been set aside to help the transition of the 3,000 Syrian refugees that you have committed Alberta to settling by the end of 2015?

**Ms Notley:** That issue is still under discussion with the federal government, so we've not made any commitments yet. We're still in discussions with the federal government about how that will unfold as well as the funding arrangements for that.

I don't know if you'd like to add anything to that?

**Mr. Dicerni:** As well as municipalities and community settlement groups and so forth. But we are waiting for the initial announcement from the federal government in terms of when, where, and how they will work in partnerships with provinces and community groups and municipalities.

**Mr. Hunter:** Has money been put aside this fiscal year, or would that have to be taken out of next fiscal year in order to be able to facilitate those refugees coming in?

**Mr. Dicerni:** There was some initial support provided to settlement groups to get them ready, but we are indeed waiting for more specificity from the federal government.

**Mr. Hunter:** Thank you.

What was the amount of that?

**Mr. Dicerni:** I'll get back to you. We provided some seed funding to assist.

**Mr. Hunter:** What line item could that be found on?

**Ms Notley:** I think that was under jobs, skills, training.

**Mr. Hunter:** Jobs, Skills, Training and Labour. Okay. Thank you so much.

The next question. The budget for Public Affairs is set to decline this fiscal year. How many communications professionals are

employed within the PAB, what's the total number of FTEs, and how does that compare with the previous fiscal year?

**Mr. Dicerni:** I can get back to you with the specifics, but I can tell you that it is lower because, as previously mentioned, I provided advice to the previous government that in order to reinforce ministerial and deputy ministerial accountability, it would be preferable to have a Public Affairs Bureau that was much more decentralized. Therefore, a number of officials were moved to departments. Moreover, we reduced the actual number of officials involved in public affairs and replaced them with a few additional ones to do policy development because the view was that it was more important to do policy and analysis rather than public affairs messaging.

**Mr. Hunter:** Okay. Thank you.

**Ms Notley:** Just so you know, the '14-15 budget had 62 FTEs in PAB, and it went to 40 this year.

**Mr. Hunter:** Okay. Thank you very much, Madam Premier.

You were asked about the fair and transparent process for recruitment and appointments, that your ministry says is a priority initiative, and whether that process was employed in the hiring of Mr. Hawkesworth or Mr. Heaney. On the same line of questioning, was the position of managing director of the Public Affairs Bureau put out for open competition, or was Mark Wells also hired in the same manner as was Mr. Hawkesworth?

**Mr. Dicerni:** Both Mr. Heaney and Mr. Wells are order in council appointments. The process for which those appointments are made is different than with the Public Service Act, that Mr. Jean was referring to, and that speaks to how I provide advice to the government in regard to identifying people who can operate at that level.

Since you raised Mr. Heaney, I'd like to go back to him and put that in the context of other deputy ministerial appointments that have been made. I would deem his hire to be of a strategic nature, in the same way that when we hired the Deputy Minister of Education from the city of Edmonton or the associate dean of the business school at the University of Ottawa, it was somebody that I thought would bring a unique skill set and a unique ability to contribute. Mr. Heaney was familiar with government, having worked with the government in British Columbia, understands the interface between the political side and bureaucracy, and brought a unique set of analytical skills, so I thought he would make a good contribution to the deputy minister team.

Similarly, in terms of Mr. Wells . . .

**Mr. Hunter:** Sorry. I apologize. You know what? I have 10 minutes, and I'm running out of time here.

**Mr. Dicerni:** Can I go on to Mr. Wells, or do you want me to stop?

**Mr. Hunter:** If you could. I have to get through the rest of these questions or else – well, these are good questions, so I'd like to ask them.

The next question we'll talk about is on page 133 of the estimates, unexpected revenues. What's the explanation for the \$42,000 line item for other revenue within Executive Council?

**Ms Notley:** I believe that was the selling of furniture, selling surplus furniture.

**Mr. Hunter:** Okay.

**Ms Notley:** Who would have thought we would have got that much for it, but . . .

**Mr. Hunter:** Fantastic. I have a few more minutes left. I don't believe I'm going to be able to finish asking the questions and receive a response to them, so maybe, Mr. Chair, if I could just read them into the . . .

**The Chair:** You have four minutes.

**Mr. Hunter:** The next question is: could you explain to the committee and to Albertans the function of the corporate services line item, estimated at \$2.2 million for the 2015-16 fiscal year, and why this number is increasing? The next question is in regard to the business plan on page 52. On page 52 of the business plan it states that the government is working to establish a fair . . .

**Ms Notley:** Excuse me. I'm sorry. Mr. Chair, I hate to do this, but it's one of these things. If it's back and forth, then we can answer. If it's not back and forth, then you get five minutes, and I get five minutes.

**The Chair:** That is correct.

**Ms Notley:** So the whole sort of: it's back and forth but it's not really back and forth so that you can spend 10 minutes asking us questions – great thought on your part; excellent try. But I'm not sure that that's a totally fair way to go ahead. I'll leave that to you, Mr. Chair.

**Mr. Hunter:** I appreciate that, Madam Premier. I guess the gist of the thing is to be able to get the questions on so that Albertans can get answers to the questions. I think that's a fair thing to ask.

**Ms Notley:** Well, that's what we're trying to do, though, is give you the answers.

**The Chair:** Presumably, you're asking the questions because you want the information, so if the ability is there to answer the question in a succinct manner . . .

**Mr. Hunter:** Okay. If that's what you want to do, we'll go with that, then.

**The Chair:** Thank you.

**Mr. Hunter:** So we'll go to estimates, page 130, line item 1.3, please. If you can explain to me the function of the corporate services line, estimated at \$2.2 million for the fiscal year 2015-16, and why this number is increasing.

**Ms Notley:** This has increased in part to provide additional resources for IT support and development and also some reallocated money from protocol as well as the standard GOA-wide salary adjustments and increment increases.

**Mr. Hunter:** Thank you, Madam Premier.

Through the Chair, on page 52 of the business plan it states that the government is working to establish "a fairer, more balanced revenue base." We've talked about this earlier in the questioning, that there are no metrics within the business plan associated with this statement, so I would like to know: how are you measuring fairness, and how will you know when the optimal level of fairness is achieved?

**Ms Notley:** Well, that's a very good question. That goes back a little bit to the previous question that was asked by the MLA from

the third party about the performance standards and how we would relate to that. Obviously, we would see sort of the gap between the rich and poor decreasing as one of the issues.

Of course, those are impacted by a lot of different things, so we'll be looking at how we can measure the distribution of our revenue sources. Certainly, over time and even under the watch of the previous government we've seen the percentage of government revenue which comes from oil and gas decreasing over the last 10 years or so. We'd need to have that come down more, not as a result of its absence but as a result of it growing somewhere else. Nonetheless, that's another measure, just looking at where the government, the GOA, revenue is coming from and how much more distributed it is.

**11:30**

**Mr. Hunter:** Thank you, Madam Premier.

Do you think it's fair, when 75,000 jobs are being lost in the private sector, that public-sector jobs receive a different standard?

**Ms Notley:** I would suggest that the job losses, which we are very concerned about, in the private sector are fundamentally important, but I think that you could go to most communities and to most families and say that – you know, talk about the family – where the wife may have lost the job driving a truck for a service industry and the husband is working in health care, having the husband lose his job, too, isn't going to help any.

**The Chair:** Thank you, Madam Premier. We have run out of time.

The next in the rotation is the third party. Mr. Bhullar. Thank you. Would you like to go back and forth?

**Mr. Bhullar:** Yeah. We'll go back and forth.

**The Chair:** Okay. Thank you.

**Mr. Bhullar:** It's much more enjoyable.

Premier, just following up on a PAB-related question. There were 62 people. We were told that currently there are 40 people, but we were told that 31 people have moved to departments. If that's the case, does that mean that from 62, 31 were moved to departments, and then an additional nine were hired?

**Ms Notley:** That is an excellent question. Let me just consult.

**Mr. Dicerni:** I would like to get back to you with the very specific numbers. In part there are FTEs. A number of those FTEs were not filled, which partially explains why we used some of the money from those areas in the policy co-ordination unit. We ended up not filling some of those positions, abolishing the positions while they were vacant, and that, to a large degree, explains why there's a significant decrease in the PAB. Having said that, others were transferred with their resource base to the departments. I can get back to you through the chair with the very specifics as to the granularity of those transitions.

**Mr. Bhullar:** Great. Thank you very much. I appreciate that.

Who now prepares ministers' communications, briefing books for things like question period?

**Ms Notley:** Well, I think it depends. I think for the most part they come from the department based on the issues. A request is sent in to the department about a certain particular issue, and then that information is sent back. Then depending on the ministry it might be reviewed within the minister's office for how that would be ultimately communicated publicly, and then that's the way it goes.

**Mr. Bhullar:** So, for example, in things like question period when the minister gets up with quotes from the opposite party and so on, even though Public Affairs Bureau staff has moved into departments, all of that is done by directors of communications in minister's offices?

**Ms Notley:** It wouldn't be done by Public Affairs Bureau people. It would be done by the staff within the minister's office.

**Mr. Bhullar:** Okay. So all the politically exempt staff. Right. Fair enough.

On the policy side, though, when it comes to, like, implementing specific political promises that came up in the election, that policy work to say, "Here's an election priority; move on this election priority," that work is now done by the public service exclusively?

**Ms Notley:** The public policy team?

**Mr. Dicterni:** It remains a collaborative effort. The government's platform laid out a number of very specific areas that they wanted to pursue. Those were passed on to the public service, who developed plans to implement, provided options where appropriate, final decisions being made by individual ministers and subsequently cabinet.

**Mr. Bhullar:** Things such as polling that's done on these types of priorities that were laid out in an election period: is that type of data publicly accessible for us?

**Ms Notley:** I believe that it's all FOIPable, as it always has been. It's available the same way it always was. Strangely, I never saw a lot of it.

**Mr. Bhullar:** Okay. Perfect.

Well, that's an interesting question, actually. Since you mentioned FOIP, is there still an executive sort of co-ordinator for FOIP within the Executive Council office?

**Ms Couture:** Yep.

**Mr. Bhullar:** Okay. And are there still weekly reports – I don't recall; is it weekly or monthly summary reports? – on FOIP requests?

**Mr. Dicterni:** Let's be clear, the primary accountability for responding to FOIP requests lies with each individual department in respect of implementing the act. There is no what I would say operational role in Executive Council in any respect to delay or amend any content.

There is a weekly – I think it's weekly – report that identifies the FOIP requests that are in the system and being processed.

**Mr. Bhullar:** Wonderful. Thank you. That's helpful on the FOIP end for sure to know that that's still happening.

Would you know the distribution list of that weekly report?

**Mr. Dicterni:** No. I haven't made that inquiry.

**Mr. Bhullar:** Okay.

Do you want to go?

**Dr. Starke:** Thanks.

If we could just conclude this segment. Premier, I'm curious to know with regard to part of your role in looking after intergovernmental affairs and intergovernmental relations with the other provinces. I think that's actually very positive, and I'm glad to see that there is going to be a Premiers' summit. Specifically,

though, with regard to your western counterparts, Premier Wall and Premier Clark, and the New West Partnership, I'm just wondering: do you have planned any specific talks with regard to remaining interprovincial regulatory barriers that are still in place amongst the members of the New West Partnership?

**Ms Notley:** Now, if I recall, there is one issue that is being discussed or that is sort of outstanding at this point, and I can't remember what that is, so just let me get advised. I know I'm looking forward to, hopefully, meeting with Premier Clark in Ottawa next week, and some of these issues may come up.

Okay. Essentially, there are very few remaining barriers that are left in place. One that is outstanding that is still being discussed is the follow-through on the transportation piece. Generally speaking, our officials are continuing to work together to identify other barriers that might need to be discussed.

As well, just going back to the previous question, I just got a note. If I could just add that, in fact, the focus on Alberta polling, that was the same that was done under the previous government, remains online.

**Dr. Starke:** Okay.

Premier, one question with regard to the organization of cabinet and cabinet committees. I'm curious to know, first of all, what cabinet committees you continue to have going forward with regard to agenda priorities or procedures. The second one is: do you still have interministerial working groups? We found those to be extremely helpful in terms of creating a dialogue between multiple ministries on collaborative efforts that involve more than one ministry.

**Ms Notley:** In terms of the cabinet committees we have a cabinet committee on economic development, we have a cabinet committee on social policy, we have a cabinet committee on the Treasury Board, of course, and then we have a cabinet committee on legislative review. We also have a sort of special select cabinet committee, which was established when I created the new ministry of economic development, which consists of the minister of economic development chairing it along with the Minister of Finance and the Minister of Municipal Affairs, to work primarily on the issue of the Municipal Government Act and getting some of those harder issues that remain outstanding, working through them, and getting to some resolution on them. Those are the cabinet committees that we're dealing with right now.

**11:40**

**Dr. Starke:** And interministerial working groups?

**Ms Notley:** As I said, the one on the MGA essentially also works as an interministerial group, notwithstanding the structure within cabinet, and then also there's an interministerial group right now working on the issue of the Syrian refugee piece.

**Dr. Starke:** Okay. These are more ad hoc for specific issues. There are no standings that involve deputy ministers as well as ministers?

**Ms Notley:** Not at this point. Of course, we collapsed so many ministries into each other as it was and reduced the number of ministries.

**Dr. Starke:** You don't want people talking to themselves.

**Ms Notley:** Exactly. You don't need more meetings.

**Dr. Starke:** Premier, just one question: was additional funding allocated to these special ad hoc committees of cabinet?

**Dr. Starke:** Premier, just one question: was additional funding allocated to these special ad hoc committees of cabinet?

**Ms Notley:** None at all.

**Dr. Starke:** No. Okay.

Chair, I believe those are our questions, and I believe that more or less wraps up our time for this segment.

**The Chair:** Thank you.

Seeing none from the third or other parties or the independent, we turn now to the government caucus. I believe, Ms Schreiner, you continue the questions.

**Mrs. Schreiner:** Thank you, Mr. Chair.

**The Chair:** Did you want to go back and forth?

**Mrs. Schreiner:** Yes, please.

**The Chair:** Thank you.

**Mrs. Schreiner:** Premier, I think it's important that Albertans hear about the work that you and your staff are doing in Executive Council, so I'm going to finish asking the question that I started a little earlier. Many constituents have raised with me how important it is that this new government act in a more transparent way than the previous government. One specific area that was talked about during the campaign was agencies, boards, and commissions. This is referenced in Executive Council's business plan on page 52, under priority initiative 1.4, where it states that your department will work towards providing "support and guidance in ensuring a fair and transparent process for recruitment and appointment to public agencies." Premier, we hear that a review of 301 agencies, boards, and commissions in Alberta is under way. How will this impact the overall numbers of agencies, and how much money will be saved as a result of the overview?

**Ms Notley:** I'm going to begin by letting my deputy minister talk a little bit about the overarching architecture of the ABC review.

**Mr. Dicteri:** There are three phases to this review. The first phase relates to agencies who are APAGA. The government has an influence, control over those and appoints all, if not a majority, of the board. The second phase will deal with non-APAGA, and the third one will deal with the postsecondary education institutions, which form a community unto themselves. Ministers have been asked to look at: is the agency, board, or commission still relevant? Is it performing its mandate properly? Does it have the right governance relationship between the government, the minister, and its operations to ensure that the swim lanes of accountability are clearly outlined? Ministers are currently reviewing that.

A subset of that, especially for the larger organizations, is to ensure that the compensation policies and practices that are being followed by these agencies are in keeping with good benchmarking practices. There's a review going on to look at, to validate the benchmarking that has been used to establish the policies and practices on the basis of which boards as well as executives are remunerated.

In regard to the appointments – and this is a work-in-progress – there is the establishment of the public appointments secretariat, which seeks to broaden the pool of candidates that the government may wish to consider for being appointed to one of those 300 or so boards and agencies on which the government has an opportunity to appoint members.

**Ms Notley:** In addition, I would just add that, I mean, there are roughly 301 agencies, boards, and commissions. They vary. You know, AHS is an agency, board, and commission. Universities are agencies, boards, and commissions. The surface board and WCB are agencies, boards, or commissions. Then you have very small and very, very focused groups where people are essentially working on an almost volunteer basis. It's quite a range. The previous government had at one point targeted getting rid of 25 per cent of them, which would have meant the elimination of about 75. We haven't set a number, but what we are doing is ensuring, as my deputies outlined, that their mandates continue to be rational, that they're not overlapping, and that they continue to be relevant to the work that is going on today so that we can make sure that we're getting good work and good value for our money. We don't have specific numbers, but we are hopeful that some savings may be forthcoming.

**Mrs. Schreiner:** Thank you, Premier.

Premier, I agree with you. We all know that we are in tough economic times, and I am seeing this in my constituency. We are seeing the impacts of this tough reality every day. Can you please speak to how this budget supports jobs and families in Alberta?

**Ms Notley:** Well, you know, I mean, as I said before, it's not easy. It's not an easy answer. I wish there were an immediate, easy answer that would deal with the struggle that we have here in Alberta, and there's not an easy answer. As I've said before, we're taking a number of different tracks to it. One of things we're doing is that we're stabilizing public services. People sometimes forget that public services are in place to support citizens, to support families, to support communities, so a time when those citizens, those families, those communities are struggling because their jobs are at risk is not necessarily also the time to pull those additional supports. So what we are doing is everything that we can to stabilize those supports in a prudent and cost-sensitive fashion.

The other thing we're doing is that we are then embarking upon a multipronged strategy to generate economic activity and, through that, job creation. Some of those job-creation activities are more direct, like the job-creation incentive program, like the STEP program.

Some are slightly less direct, where we're simply putting 4.5 billion extra dollars into capital spending. Obviously, we're hoping that that will generate ultimately between 8,000 and 10,000 jobs in construction.

Then, some of the efforts are even less direct, where we're simply making capital available to Alberta's innovators and small businesses and medium-sized businesses and enterprises. In the past perhaps they haven't been able to get access to capital because their business was structured in a certain way and their ideas and opportunities were structured in a certain way and they didn't align with the financing rules of the more traditional financing institutions, so they couldn't get access to capital to kick-start their businesses. What we did was that we listened to these small business owners, to these medium-sized enterprise owners, and others and said: well, what can we do to help you get your business off the ground? We made over \$2 billion of extra capital available.

There are sort of three streams in terms of the directness of our job-creation efforts. Hopefully, they will all be resoundingly successful, and hopefully the price of oil will begin to rebound sooner rather than later so that those important businesses that are already in place that rely on that can survive. We know that's really important to the health of Alberta's economy, too.

We're working at a multifaceted level while at the same time keeping an eye on our fiscal priorities because we are a government

some years, and if we focus solely on our bottom line at the expense of those citizens, families, and communities, I think we do more harm than good.

**Mrs. Schreiner:** Thank you for that.

You've kind of answered my next couple of questions, but maybe if you could elaborate a little more. Given the challenges facing Alberta, how does this budget balance the maintenance of the much-needed public services and the need for fiscal restraint?

**Ms Notley:** Well, as we have outlined and as has, you know, perhaps not gotten quite as much attention, we have actually balanced this. We have engaged in a great deal of fiscal restraint. For instance, health care, which takes up around 40 per cent of our budget, increased at a rate of 6 per cent a year. In the previous budget, that was introduced but not passed in March, the plan was to flatten out that budget, get rid of that 6 per cent increase in one year. To be clear, there was no plan for how that was going to go. The plan was basically chaos. What we are doing instead is we are slowly ratcheting it down over time, giving just a very clear direction that this is what they can expect and that their rate of increase is not going to continue. We're going to phase it down to 2 per cent, essentially population plus inflation, give or take. That's what we're going to do there.

11:50

To do that, what we're doing is that we are essentially freezing the budgets of most other ministries across government right now. That means that there is restraint being built in already because there are cost pressures which many of those ministries can't automatically eliminate. By holding their budgets stagnant, we're actually already asking them to go in and find ways to do more with less, a phrase that can be very frustrating, but obviously it's something that I think all Albertans want to see their government doing. We've done that, and what that means is that it averages out, that we're looking at about a 2 per cent increase annually over time. That, I think, is a restrained way to go.

We're going to continue to look at specific areas where we think we might be able to find savings – that's why, for instance, we're engaging in this ABC review – but at the same time we're doing it with a thoughtful analysis of what these programs provide so that we don't just take a dollars-first evaluation to it and then after the fact discover . . .

**The Chair:** Thank you, Madam Premier. We've run out of time. Thank you.

Mr. Hunter, did you want to go back and forth, or would you prefer to have . . .

**Mr. Hunter:** Yes. We'll go back and forth if we could, Mr. Chair. Thank you.

**The Chair:** Back and forth. Thank you. You have eight minutes and 33 seconds.

**Mr. Hunter:** Thank you so much. I'd like to continue on, if I could, with the concept of fairness that your government talks about. The business plan, again on page 52:

Alberta's government is moving forward with action to cushion the impact of the downturn on Albertans . . .

Then there is some more information about how you're planning on doing that. Then it says:

. . . and to foster the growth of a sustainable and diversified economy, whose benefits are widely shared among all Albertans.

Again, I'll go back to the question that I asked before. With the people that I talk to, many people don't share a public-private work

relationship. You know, husband has a private job; wife has a public job. Oftentimes a lot of these guys are in private jobs. How is it fair to that family that both the husband and the wife have lost their jobs?

Now, the question, again – I'm going to ask that question, but I will say this: the question isn't whether or not we should get rid of front-line workers. We know their importance. I think we can all agree on that. The question is: your government has said that they are interested in making sure to ratchet back the spending. Why are you not starting it now? Why are you not freezing the wages of all public servants so that you share the concern of all Albertans? You talk about it in your business plan.

**Ms Notley:** Well, first of all, I don't think it's helpful to define the dichotomy, you know, fair versus not fair, in terms of public versus private. For every public servant – let's take a teacher. They are teaching kids whose parents work both in the public and private sectors. I think that defining it that way doesn't really help the analysis.

When you asked about what was in our business plan and we talked about ensuring that everybody shared in the prosperity, what we were talking about is the fact that over time Alberta has developed the greatest gap in the country between rich and poor. When we look at the fact that we had an exploding GDP for some time, you know, that's great, but it's not great if only 10 per cent of the population is enjoying the benefit of it and the rest, everybody else, are struggling. That's what that speaks to.

Now, when you talk about public-sector wage freezes, the fact of the matter is that there is a collective agreement to which we are a party. The Supreme Court of Canada has made it very clear that ripping up that collective agreement, whether we do it just because we want to or whether we pass legislation, is considered a breach of the Canadian Charter of Rights and Freedoms. This matter has been well litigated. So we're not going to do that.

Now, if it makes you feel any better, though, the fact of the matter is that over that period of time, that 10 years, private-sector wages on average rose much faster than public-sector wages did, particularly those that are covered under these collective agreements. Yes. Now, if you look at it over a 10-year period, you'd probably see that the rate of increase and decrease is still fairly equal. If not, there's actually still a divergence between the two, with the private sector doing better.

All that being said, though, it's really about making sure that we support those who are struggling, that we not create new people that are struggling. That, in my view, is the role of government.

**Mr. Hunter:** Madam Premier, I appreciate what you're saying, but I don't think that people are saying: you need to fire people. You don't have to fire nurses and teachers, and I don't think anybody in our House is saying that, but what we are saying is: why are you not sharing the concern of Albertans who are losing their jobs? We've seen this in the past, that everybody shares that concern. Why is that not happening? I see that you want to do it over time, but why isn't it happening now?

**Ms Notley:** Well, as I've said – I mean, first of all, I don't want anyone to ever misunderstand that we're not concerned about Albertans who are losing their jobs. We're very concerned about Albertans who are losing their jobs, and that's why we've introduced the different strategies that I just spoke about in answer to the last set of questions and created the new ministry focused entirely on, you know, economic diversification and job creation, because we're very aware that Albertans are hurting, and we know that that is a problem.

**Mr. Hunter:** That is a separate issue, though, Madam Premier.

**Ms Notley:** Well, no. The two are very much linked.

**Mr. Hunter:** But I think the question, though, is – we're talking about the fairness. You talk about that quite a bit there, the fairness of that. Many people I talk to in the private sector don't feel that it's fair.

**Ms Notley:** Well, let me just say that the rule of law is fundamentally the foundation of fairness in our country, and the rule of law says what it says about collective agreements that are in place, so that's what we're going to do.

**Mr. Hunter:** To this council you're saying, then, that freezing public-sector wages is not the rule of law.

**Ms Notley:** Freezing public-sector wages under union contracts would break the law.

**Mr. Hunter:** And you're saying that we would not be able to effect any of those changes in the Legislature.

**Ms Notley:** Exactly. Other governments have tried it, and the Supreme Court of Canada has fully canvassed that issue and indicated that it's not cool.

**Mr. Hunter:** I just want to make sure that that was on the record.  
Okay. The next question I have for you. We've already seen this government spend close to a million dollars on advertising for the budget. We are currently debating: was this ad buy tendered, and if so, who won that tender?

**Ms Notley:** I believe it was. I'm sure it was. I'm not sure who the company was that did it.

**Mr. Hunter:** Maybe you could provide that for us as a council.

**Ms Notley:** Yeah. We sure can.

**Mr. Hunter:** Thank you.  
How much money is budgeted for advertising for the entire 2015-16 fiscal year?

**Ms Notley:** For the whole government, like, including forest fire, campfire notifications, and all that kind of stuff? Do you want the whole piece?

**Mr. Hunter:** Yes.

**Mr. Dicerni:** We can get back to you, because we don't do much advertising in Executive Council.

**Ms Notley:** We'll get back to you for sure, yeah.

**Mr. Hunter:** I appreciate that. Thank you so much.  
Okay. In the 2014-15 fiscal year there appears to be over \$1 million in vacation liability for Public Affairs. For the 2015-16 estimate that liability is gone. How was the million-dollar liability dealt with, and was there a million-dollar vacation payout for department PAB staff?

**Ms Notley:** Good question. It was transferred to the various ministries along with the staff who were transferred.

**Mr. Hunter:** So it was a payout, then?

**Mr. Dicerni:** No.

**Mr. Hunter:** Or it's just been allocated.

**Ms Notley:** The liability was transferred.

**Mr. Hunter:** Okay. The liability is. Thank you.

**Mr. Dicerni:** It went with the body.

**Mr. Hunter:** Okay. The last question, basically, the ABC reviews, estimates page 130: how much money was spent on the review of agencies, boards, and commissions under former Premier Prentice, and how much money are you budgeting in 2015-16 to continue that review?

**Ms Notley:** Would you like to answer that, the distinction between the two?

**Mr. Dicerni:** Sure. Under Mr. Prentice there were a number of individuals who were tapped to donate their services on a pro bono basis. There were one or two officials who were assigned to support them. Similarly, in this review that the government has undertaken, some officials have been asked to do double duty, so there are no additional staff costs. We will be retaining professional advice on the compensation to get firms to assist in determining that the ABCs have established their compensation policies and frameworks based on sound benchmarking. We have an RFP that has been issued to identify one or two firms to assist in that. That RFP has not come in yet, so I don't have the specific number.

**Mr. Hunter:** Okay. If you can get that for us once that comes in, that'd be great.

**Mr. Dicerni:** Yeah, once the RFP is issued and once the work has been completed. Not all of the 301 ABCs will need to have their compensation reviewed.

**Mr. Hunter:** Thank you. I appreciate that.

**The Chair:** I apologize for the interruption, but I must advise you all that the time that we have allotted for this item of business is now concluded.

I would like to remind the committee members that we are scheduled to meet next on November 18 at 9 a.m. to consider the estimates of the Ministry of Economic Development and Trade.

I also want to remind the Premier that all material provided in response to the questions raised during the main estimates should be tabled by the Premier in the Assembly for the benefit of all members.

Thank you, everyone. Have a good day.

[The committee adjourned at 12 p.m.]











