



Legislative Assembly of Alberta

The 29th Legislature
Third Session

Standing Committee
on
Alberta's Economic Future

Ministry of Executive Council
Consideration of Main Estimates

Monday, April 3, 2017
7 p.m.

Transcript No. 29-3-5

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Third Session**

Standing Committee on Alberta's Economic Future

Sucha, Graham, Calgary-Shaw (ND), Chair
van Dijken, Glenn, Barrhead-Morinville-Westlock (W), Deputy Chair

Carson, Jonathon, Edmonton-Meadowlark (ND)
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Coolahan, Craig, Calgary-Klein (ND)
Dach, Lorne, Edmonton-McClung (ND)
Drysdale, Wayne, Grande Prairie-Wapiti (PC)
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McIver, Ric, Calgary-Hays (PC)*
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Schneider, David A., Little Bow (W)
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* substitution for Wayne Drysdale

Also in Attendance

Jean, Brian Michael, QC, Fort McMurray-Conklin (W)

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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

Jennifer Hibbert, Executive Director, Corporate Services, Finance and Administration

Marcia Nelson, Deputy Minister

Lora Pillipow, Deputy Clerk and Deputy Secretary to Cabinet

7 p.m.

Monday, April 3, 2017

[Mr. Sucha in the chair]

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

The Chair: Good evening. I'd like to call this meeting to order and welcome everyone. I'd like to acknowledge that this committee meeting is commencing on the traditional land of Treaty 6. The committee has under consideration the estimates for Executive Council for the fiscal year ending March 31, 2018.

I'd ask that we go around and have all the MLAs introduce themselves for the record. Premier, when we do get to you, if you could introduce the people at the table with you this evening. My name is Graham Sucha. I'm the MLA for Calgary-Shaw and the chair of this committee. I'll proceed to my right.

Mr. van Dijken: Glenn van Dijken, MLA for Barrhead-Morinville-Westlock, deputy chair.

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

Mr. Schneider: Dave Schneider, Little Bow.

Mr. Orr: Ron Orr, Lacombe-Ponoka.

Mr. McIver: Ric McIver, MLA, Calgary-Hays.

Ms Notley: Rachel Notley, MLA, Edmonton-Strathcona.

The Chair: Please introduce the people joining you at the table for the record as well.

Ms Notley: Okay.

Ms Nelson: Marcia Nelson, deputy minister, Executive Council.

Ms Pillipow: Lora Pillipow, deputy secretary to cabinet.

Ms Hibbert: Jennifer Hibbert, executive director of corporate services for Executive Council.

Mr. Piquette: Good evening. Colin Piquette, MLA for Athabasca-Sturgeon-Redwater.

Ms McPherson: Good evening. Karen McPherson, MLA for Calgary-Mackay-Nose Hill.

Ms Fitzpatrick: Good evening. Maria Fitzpatrick, Lethbridge-East.

Mrs. Schreiner: Good evening. Kim Schreiner, MLA for Red Deer-North.

Connolly: Michael Connolly, MLA for Calgary-Hawkwood.

Mr. Carson: Good evening. Jon Carson, MLA for Edmonton-Meadowlark.

Mr. Dach: Lorne Dach, Edmonton-McClung.

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

The Chair: Mr. Jean, if you can introduce yourself for the official record as well.

Mr. Jean: Sure. It's Brian Jean, MLA for Fort McMurray-Conklin.

The Chair: Thank you.

I'd like to note for the record that Mr. McIver is an official substitute for Mr. Drysdale.

Please note that the microphones are operated by *Hansard*, and the committee proceedings are being audio- and video streamed. Please set your cellphones and other devices to silent for the duration of this meeting.

Hon. members, the standing orders set out the process for consideration of main estimates. Before we proceed with the consideration of main estimates for Executive Council, I would like to review briefly the standing orders that govern the speaking rotation. As provided for in Standing Order 59.01(6) and (7), the rotation is as follows. The Premier or the members of Executive Council acting on the Premier's behalf may make opening remarks not exceeding 10 minutes. For the 50 minutes that follow, members of the Official Opposition and the Premier may speak. For the next 20 minutes members of the third party, if any, and the Premier may speak. For the next 20 minutes members of any other party represented in the Assembly or any independent members and the Premier may speak. For the following 20 minutes private members of the government caucus and the Premier may speak. For the time remaining, we'll follow the same rotation as 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 rotations are limited to 10 minutes at any one time. A minister and a member may combine their time for a total of 20 minutes. For the final rotation, with speaking times of up to five minutes, once again the minister and a member may combine their speaking times for a maximum total of 10 minutes. Discussion should flow through the chair at all times regardless of whether or not speaking times are being combined. 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 a member has any questions regarding speaking times or rotations, please feel free to send a note or speak directly to either the chair or the committee clerk about the process.

Pursuant to Standing Order 59.01(5)(e) the estimates of Executive Council should be considered for a maximum of two hours. Committee members, ministers, the Premier, and other members who are not committee members may participate. However, only a committee member or an official substitute for a committee member may introduce an amendment during the committee's review of estimates.

Ministry officials may be present and at the direction of the Premier may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area.

We will have pages available to make deliveries should any notes or materials need to be passed between the gallery and the table.

Members' staff may be present and seated along the committee room wall. Space permitting, opposition caucus staff may sit at the table; however, members have priority for seating at the table at all times.

If debate is exhausted prior to two hours, Executive Council estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn. Otherwise, we will adjourn at 9 p.m.

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 main estimates should be tabled by the Premier in the Assembly for the benefit of all members.

Again I will remind all meeting participants to address their questions and responses through the chair and not directly to each other.

The votes on estimates are deferred until consideration of all ministries' estimates has concluded and will occur in Committee of Supply on April 19, 2017.

If there are any amendments, an amendment to an estimate cannot seek to increase the amount of an estimate 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 April 19, 2017. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are being moved. Twenty copies of the original amendment must be provided at the meeting for committee members and staff.

I'll now invite the Premier to make her opening remarks.

Ms Notley: Well, thank you very much, Mr. Chair. I am pleased to be here today to present the Ministry of Executive Council's estimates and business plan. Let me begin by again introducing the officials who are with me today with their appropriate titles: Marcia Nelson, Deputy Minister of Executive Council to my direct right; Lora Pillipow, deputy clerk of Executive Council and deputy secretary to cabinet; and Jennifer Hibbert, executive director, corporate services, directly to her right. There are a number of officials as well behind me in the event that I need additional advice and information.

I'd like to begin by acknowledging the staff of Executive Council for all their hard work and support to me as Premier and for the leadership that they provide to all of government. They have kept a steady hand on the tiller as Alberta has navigated some difficult times. No less will be required as Alberta moves forward. There are some positive signs that Alberta's economy is stabilizing. Government forecasts that Alberta's economy will grow by 2.6 per cent this year. However, we are not out of the woods yet, and the times remain hard for many Albertans. This is not the time to stray from the course that we have charted. Our government remains focused on making Albertans' lives better.

Our priorities are, we believe, Albertans' priorities: putting people to work, protecting their pocketbooks, and providing the services that Alberta families rely on. These are the priorities that shaped Budget 2017, and Albertans will see them reflected in tangible ways in their own lives. From reduced school and busing fees in the K to 12 education system and a continued tuition freeze in postsecondary education to keeping electricity prices stable and helping Albertans lower their household energy costs and investments in infrastructure and economic diversification that create good jobs: all of this in Budget 2017 is about supporting families and helping Albertans get back to work. It's all about making practical changes to make life more affordable for everyday Albertans and taking deliberate, thoughtful steps to reduce our spending so we can direct savings to protect front-line services for Albertans.

Executive Council plays a central role in achieving this agenda. The ministry includes my offices in Edmonton and Calgary. The Premier's office is led by the chief of staff and the deputy chief of staff and provides strategic advice, media relations, and stakeholder relations and issues management support to me. Also included is the deputy minister's office. The Deputy Minister of Executive Council is the head of Alberta's public service and provides strategic policy advice, operations and issues management, and supports the government decision-making processes. These offices

are supported by the cabinet co-ordination office and the policy co-ordination office. Executive Council includes intergovernmental relations, the protocol office, and the Public Affairs Bureau. Lastly, Executive Council also includes administrative support for the office of the Lieutenant Governor and the Alberta Order of Excellence Council.

Mr. Chair, allow me to outline how Executive Council supports our government's priorities in three key ways. First, Executive Council ensures the work of ministries is aligned to support the efficient implementation of the government's agenda. This happens primarily through the work of the policy and cabinet co-ordination offices. The cabinet co-ordination office, for example, provides secretariat support to cabinet and other committees as required such as the Wood Buffalo Ministerial Recovery Task Force. The policy co-ordination office provides secretariat support to the Legislative Review Committee, the Social Policy Committee, the Economic Development Policy Committee, the Municipal Governance Committee, and the Climate Leadership Policy Committee. Both offices liaise within Executive Council and across ministries to address emerging issues and to ensure that cabinet has the required information to make informed decisions.

7:10

The second outcome of Executive Council's business plan is to ensure that Alberta's priorities are advanced across Canada. Let me provide an example of what Executive Council does through the work of our intergovernmental group. In 2012, under a different administration, Alberta first proposed a Canadian energy strategy, and B.C. introduced its five conditions. For many years no progress was made, but at the Council of the Federation meeting in 2015, which I grant was a while ago, I was successful in getting all provinces and territories, for the first time, to agree to the Canadian energy strategy, including the sections on delivering energy to the people. This success opened up many new possibilities to build positive relations across the country. Over 2016 I had numerous bilateral meetings with my Premier colleagues, focused on the importance of getting our resources to tidewater. In March 2016 all first ministers agreed on the Vancouver declaration on the importance and urgency of moving Canada's resources to market.

Similarly, I met seven times with the Prime Minister, including a unique opportunity to brief and discuss with the entire federal cabinet the importance of getting our resources to tidewater at their retreat in Kananaskis. Finally, in November 2016 I was in Ottawa when the Prime Minister announced federal approval of the Trans Mountain pipeline. Intergovernmental relations worked hard to support those meetings and develop positive relations across Canada, and the Alberta protocol office leads the development of key visits linked to our international priorities.

Executive Council's third business plan outcome is the effective communication of government priorities both inside and outside of government. The Public Affairs Bureau co-ordinates and supports communications across government to provide accurate information on policies, programs, and services and to engage with Albertans and stakeholders in moving Alberta forward together. We see this as a vital duty of government, to listen to Albertans no matter how they choose to engage with their government and to share information with Albertans across a range of channels about decisions, policies, and programs that affect them. The bureau co-ordinates this two-way communication with Albertans in a number of ways, from traditional mail, to e-mail, to social media, the web, and telephone town halls.

Executive Council has two core functions: first, an internal function that supports government decision-making and, second, an outward-facing public communication and engagement function.

The current performance measures deal largely with our internal functions by focusing on other ministries' satisfaction with the service they receive from us and public satisfaction with government communications and the government website. These measures are important, and we will continue to measure them. However, I've asked my department to come up with performance measures that relate to Executive Council's outward-facing functions, to show us where we are doing well and where we can improve in areas such as FOIP compliance, correspondence response time, and the effectiveness of government communication.

Mr. Chair, the operating expense for the Executive Council's work is \$26.8 million, just as it was last year. As compared to other ministries, Executive Council's budget is very small. It is almost entirely dedicated to staff salaries. We've moved some dollars around within the ministry with the goal of staying within the same overall budget as last year, and I'm very proud that we've been able to achieve that while still being able to provide effective leadership to government.

Mr. Chair, these are just a few of the highlights of Executive Council's work to advance the government's priorities and to serve all Albertans. I thank everyone at Executive Council for helping to achieve the government's shared goals to make Albertans' lives better. I welcome our discussion on Executive Council's budget and business plan.

Thank you.

The Chair: Excellent. We'll now move on to the members of the Official Opposition caucus.

Mr. Jean, would you like to combine your time with the Premier's?

Mr. Jean: Yes, I would, please.

The Chair: Okay.

Ms Notley: Just to throw this out there, I think that the time gets divided up into different 20-minute blocks.

The Chair: That's correct.

Ms Notley: I'm happy to combine time for the first 20, and we'll see how that goes, and we'll determine how to go for the second block.

The Chair: Sounds good.

Mr. Jean, please proceed.

Mr. Jean: Thank you very much, Mr. Chair, and thank you and good evening, Premier. Thank you to all the executive staff and other staff either here or listening to tonight's meeting, and thank you all for your hard work for the people of Alberta. I truly appreciate what you do, and I know sometimes it seems thankless, but you do great work. Thank you, Premier, for answering our questions.

I'd like to start by looking at your business plan, where there are, I believe, some of what I would consider to be significant wording changes. In particular, the wording has changed from "implementing" the government's agenda to "delivering" it. I have two questions in relation to that, and I think they should be fairly straightforward. How do you define that difference, first of all? It's on page 73, if that's helpful.

Ms Notley: Okay.

Mr. Jean: First of all, how do you define that difference, and how will Albertans know that you've actually delivered on that promise?

Ms Notley: Well, I think that it is probably fair to say that the issue of the difference between implement and deliver is one of aesthetics. I think that there's no significance in the change of language. Effectively, we are taking the government's agenda and ensuring that it is effectively implemented, effectively delivered, so I don't think that there's any significance about the difference with respect to that.

In terms of – sorry. You were asking about how we would measure that?

Mr. Jean: The difference, the delivery, what matrix you'd use to actually grade that to see whether there are actual results for Albertans in a positive sense.

Ms Notley: Well, of course, it depends on which element of the agenda you are talking about, you know. I mean, if you talk about the goals that we have, we're talking about, for instance, approving affordability for Albertans, so we can look at a number of ways in which we are focusing on doing that work.

Mr. Jean: Is there any formal matrix of grading?

Ms Notley: What we have in there are the performance measures that you will see and that I talked about in my opening remarks. As the place in government that co-ordinates and leads the overall government, the particular strategic objectives are a little bit more subjective. But, obviously, we like to be able to point to concrete outcomes that align with the objectives that we're referring to. For instance, as I said, reducing school fees is the kind of concrete objective that we would point to as reaching that particular outcome, which is making life more affordable for Albertans.

Mr. Jean: In essence, then, we can count on you delivering that promise by the end of your mandate, of eliminating those school fees, as the Wildrose promised and as you also promised in the last election?

Ms Notley: Well, actually, what we're talking about now is reducing the school fees. As we've been fairly clear in the public already about, with the current state of finances we need to be careful and prudent, so we'll be moving more slowly in terms of the issue of reduction. Also, to be clear, the issue is also quite complicated because there are different school boards that charge different school fees that provide different services, so an across-the-board elimination is a very large investment, and the outcome is very different depending on the place in which you apply that investment.

Ms Notley: For instance, in a very wealthy area with high school fees, if you simply commit to getting rid of those school fees, what you're doing is you're funding very rich programs in one part of the province and then in another part of the province – say, Lethbridge is always an example that I like to use. They're very careful with their fees. Their fees are actually relatively low, and they're also careful with the extra services that they provide. So if you just go across the board like that, it's not really fair to Lethbridge.

That's what we're working on. We do hope to reduce more, in answer to your question, but we have to deal with some of those complications.

Mr. Jean: Absolutely. I understand that, Premier. Thank you for that answer.

It's safe to say, though, from what you've said, that we're halfway through your mandate right now, and the only real changes that you're making to your business plan are more or less

wordsmithing, then. Is that fair to say, as far as the change from implementing to delivering and how you define that, the objective grading mechanism you're using, rather than a subjective one? Is it safe to say that it's wordsmithing, in essence?

Ms Notley: Well, in essence, I mean, it's hard to plan a government on a four-year election cycle, let alone a 12-month cycle. So when we came into government, we made a decision to move forward on a fairly clear set of objectives and outcomes, and we're continuing to move forward with that. You know, we're not really, I would say, knee-jerking our way around the governance agenda. We set out a plan, we put it in place, and we're slowly moving forward as well as we can with it.

Mr. Jean: That's probably why you took "long-term" out of long-term strategic planning. I just noticed that in the 2015 business plan it actually referred to "long-term." Is that why you eliminated "long-term"?

Ms Notley: No, that's not why. Of course, we've always got our eye on the long term. As you know, the climate leadership plan and our Infrastructure investment talk about projects that, in fact, will be being constructed and creating jobs long past the next election, for instance.

7:20

Mr. Jean: Well, then, I'd just like to refer, because it's not clear to me from that, to the second bullet point. If you look at the second bullet point, it has also moved from supporting "long-term strategic planning and policy coordination for government" to "leading strategic planning and policy development and coordination for government." So it's clearly an elimination of "long-term." I'm just wondering if that is in some way indicative of your strategy, moving from a long-term strategy to a short-term one. Also, can you explain the addition of the word "development" because it's the first time it's actually appeared in a business plan and in this one in particular?

Ms Notley: Again, I think you're looking at wordsmithing. The role of Executive Council has always been to focus on policy development and to work through and to lead in some areas of policy development, and the role of Executive Council has always been to focus on long-term planning as well as short-term planning. I mean, that's why, for instance, investing in education is actually a long-term plan. Moving forward on the climate change leadership plan obviously is a long-term plan. We're talking about protecting our province for generations to come. Investing in infrastructure, where we're paying the price of short-term decisions that were made, say, a decade or two decades ago, is the outcome of a failure to engage in long-term planning. So long-term planning, quite frankly, is embedded into the work that we do each and every day.

Mr. Jean: Well, there's no question that the long-term ramifications are a result of the short-term implementation of government. In particular, I'm wondering: has the plan changed at all in relation to getting back to balance? We've seen it change a couple of times, and that's why I'm concerned about the removal of "long-term" out of that. Obviously, when you have \$71 billion in debt, you pay long-term interest payments of \$2.3 billion a year, which costs every single household in Alberta about \$1,800 per year, and I think that's a lot of money. So they're going to have a lot of long-term pain, and I'm wondering if you've looked at or

have developed a new case for when we're going to be out of this long-term deficit situation.

Ms Notley: Well, first of all, I think you'll recall that our Minister of Finance – and I don't want to get too far into someone else's portfolio – has been talking pretty much all along about reaching balance in 2023. That's the year he's been working towards, and that actually hasn't changed.

But when you talk about long-term planning, I think you also have to take into account what the long-term consequences would be of, say, a 5, 6, 7 per cent rollback in Advanced Education, what the long-term consequences would be in failing to fund enrolment in Education, what the long-term consequences would be of not building long-term care spaces. Those kinds of things also have long-term consequences.

Failing to move forward on school construction has incredible long-term consequences. Every time you open the paper, you hear about that. When you plan, you have to do more than issue a press release, which, as you know, is kind of what happened last time. You know, we had a lot of press releases issued for hundreds of schools, and then we got into government to discover that the majority of them weren't funded.

In fact, long-term planning, both in terms of the deficit that you are concerned about but also what that money does for our economy in the short term and ultimately for Albertans in the long term, again, is a fundamental component of all the work that we do in Executive Council. It's a balancing act. It always is. It would be great if money fell from trees, but it doesn't, so we have to balance the needs of Albertans against the fiscal challenges that we can responsibly manage.

The thing to remember is that even when you talk about the 2019-20 debt projection numbers, we still have lower debt than, say, our neighbour to the east and will maintain one of the lowest debt-to-GDP ratios up to and including the point at which we balance.

Mr. Jean: And balance is what I'm interested in. So when are we going to balance? In 2023?

Ms Notley: Well, as I've said, we're still focusing on 2023. We don't produce budget documents that go that far out, unlike many jurisdictions, say, for instance . . .

Mr. Jean: Why not, Premier?

Ms Notley: Well, interestingly, for instance, if you go east, you can't see their budget document for next year. You only get the year. You don't even get the three-year forecast. We do three-year forecasting in Alberta, which is one of the – it's actually a fairly gold-standard approach to the operation. So that's what we have done. Of course, Albertans have a right to know: when do we see ourselves being able to balance? We are still predicting that we're looking at 2023 as the time when that will happen.

Mr. Jean: Premier, I'm going to move on to something else now, which will probably be a relief to everybody listening. Intergovernmental relations, line 2; outcome 2; and ministry overview, the fifth bullet point regarding interactions and partnerships. I noted that the word "internationally" has been added, yet in the estimates debate in the fall of 2015 you specifically mentioned to me that international relations was moved to the new Ministry of Economic Development and Trade. I'm just wondering: is international relations moving back into Executive Council, or is it that you're sharing that portfolio and those responsibilities?

Ms Notley: No. International relations remains primarily in the home of EDT, but sometimes as the Premier you get to engage in the work of your ministers. For instance, when I went to Washington, it was of course primarily to speak out and to meet with Washington politicians and administration officials on behalf of Alberta businesses in the interests of promoting the value of robust trade between Alberta and many different parts of the United States, understanding that that was an issue that had suddenly become of concern to all Canadians.

Arguably, one could have said that that was work that could have just been done by the Minister of Economic Development and Trade, and certainly he does do that work. But because it was so critical – obviously, you get the best meetings with the person with the most authority. So, for instance, I spent that time in Washington doing the work that I think is the Premier's even though some of that international work also could be done by the Minister of Economic Development and Trade, and he does do that. Then, as you know, of course, I was also in Houston with respect to the conference there.

These are things that I do. Sometimes they actually have intergovernmental relations as well because we were working in conjunction with the federal government to promote Canada as an important trading partner to the U.S. and to remind them . . .

Mr. Jean: That's a very important trade relationship, of course. In fact, Madam Premier, I notice that intergovernmental relations has seen another decrease in funding, and that's the second one it's seen under your government. In 2015 you actually identified that the cut came from the Ottawa office. I'm interested to know where this cut comes from. How does the addition of international partnerships and relations to Executive Council translate into that \$100,000 cut?

You know, I'm curious because right now we have a lot of things going on in the United States. As you know, we have a new President there. We have negotiations in relation to the softwood lumber situation, which has obviously expired – and that is our third-largest industry or thereabouts; it's extremely important to the people of Alberta – and, of course, other issues going on with NAFTA, cattle, our beef industry, being extremely important as well. You know, with chapter 19, the dispute mechanism appears to be on the chopping block, so to speak. I'm very concerned that you would see a cut on this particular front, which is so important at this stage.

I'd like to know, first of all, the two questions I asked. But, also, what's your intention relating to softwood lumber? How are you going to protect that industry, in particular beef and that industry, because we're so tied with the United States?

Ms Notley: Just in answer to the first question with respect to the cut, essentially, what you see there is a \$107,000 cut. The decrease results from a \$71,000 transfer out to operations and machinery of government, referred to as OMG, interestingly, so a vacant position was transferred to add a policy position into OMG. Then there was \$36,000 in savings identified during the Budget 2016 savings exercise, primarily through reduced contracting within that division. So the significant bulk of the resources for intergovernmental affairs remain intact, and they do so for the very reasons that you identified.

We're lucky to have – you know, our deputy minister has been in this business for a very, very, very long time. We have to do work both intergovernmentally as well as work with respect to promoting trade. So my Minister of Economic Development and Trade and I will be making an announcement fairly soon about additional work that we'll be doing to expand our markets outside of the U.S. and to engage in that effort.

7:30

But, meanwhile, you're quite right. We need to work very hard on the softwood lumber agreement. I mean, that's an agreement that is difficult no matter what administration you're dealing with, quite frankly. We are co-ordinating very closely with the federal government, also B.C., and also Quebec because all three of us have a significant amount of skin in the game, as they say. At this point we're working very carefully to make sure that we co-ordinate with one another because, of course, negotiators south of the border look hopefully at the prospect of being able to split the Canadian position to their advantage.

So we're trying to take a very co-ordinated approach. [interjection] I don't think we've announced that, though, yet. That's the thing. That's my issue, yeah.

Mr. Jean: But I want to know now. You can slip it off the table. It's okay.

Premier, I'm just wondering . . .

Ms Notley: Anyway, so we're doing that. Then on beef we have an announcement that is forthcoming. But then also, as you know, we met with people from the four sectors before we went off to the U.S. and then . . .

Mr. Jean: Announcement coming? You can write that on the paper and slide it over this way, too.

I did have a chance to go to Washington and New York just actually a week before you went, and I have to tell you that I was surprised at the knowledge about what's going on, not just in our economic world here in Alberta but our political world, by investors and other people. I do understand that as far as that goes.

Madam Premier, according to your fiscal plan it shows that you're estimating an additional eight staff for Executive Council. I have a few questions on that if you don't mind. I'm wondering if you could tell what positions those are, what vacancies they're going to fill, how they affect the budget, obviously. How many staff are currently seconded from other ministries is something that I'm very interested in in relation to Executive Council because they would be paid by other ministries. I think they're seconded to your Executive Council, and that's important.

Why don't I stop there, and then I'll go on with my other questions after you've finished, if I could, please.

Ms Notley: Okay. Well, I will say that this is a bit of a complicated thing because we've been going through a process the last few days of trying to suss out the comparison of apples, oranges, and artichokes that has occurred over the last few years in terms of the reporting of this. I guess the first thing is that you're identifying the eight new positions because you're comparing what I believe is something like – is it 178 to 186? In fact, if you go back to estimates, neither of us were here for obvious reasons the last time that we had estimates, but at that estimates the Deputy Premier reported to your House leader that in fact the number effectively should have been 179, not 178, because the budget was printed as we were adding an FTE.

Mr. Jean: So seven instead of eight new employees?

Ms Notley: That's right. So that was what happened there.

Then in my office we've been doing some reorganizing. What has happened this time around is that we ended up reporting both the outcome of that reorganizing as well as the vacancies that have existed for a while that it is not our intention to fill. So it's not actually seven new positions; it's three new positions.

Mr. Jean: Thank you, Premier.

Ms Notley: And the other four will not be filled. That's an important thing. So those . . .

The Chair: Sorry to cut you off just for a moment. That's your first 20-minute allotment. Would you both like to continue going back and forth and sharing your time?

Ms Notley: Sure. That's fine. Yeah.

The Chair: Okay. Please proceed.

Mr. Jean: Premier, thank you for that.

I do want to go back just for a moment, if I could, to the issue in relation to softwood lumber. Something just occurred to me. I know that we're, I think, the third-biggest jurisdiction as far as exports out of Canada. I think it's B.C., Quebec, and then Alberta. I think we represent about 20 to 23 per cent of the marketplace. Of course, right now they're intentionally trying to negotiate a quota system of, I think, somewhere – we currently do 31 to 35 per cent of the U.S. market. They're trying to negotiate us down to 28.

Ms Notley: It's at 23, I think.

Mr. Jean: What is your position, first of all, in relation to the quota system with the U.S. – obviously, it's important – but also our other quota, in essence, with the other provinces that have softwood? Obviously, B.C. will be arguing for their quota as will Ontario even and Quebec, I think, to a degree, and the Maritimes.

Ms Notley: Well, generally speaking, what we want to be able to do is maintain as much of a market share as we can. Now, what we do know from the forestry folks themselves is that as B.C. becomes more successful at shipping their forestry products west, to what we traditionally refer to as the east, to the Asia-Pacific markets, that actually displaces market space for our product into B.C. We're focusing on collectively trying to grow the overall export market because when more B.C. lumber gets to the Asia-Pacific, then more Alberta lumber can be sold in B.C. There's a common understanding of that, and that's what industry folks are telling us, too. That's why we can sort of work together.

Generally speaking, of course, what we want to be able to do is maintain our practice. As you probably know, we've traditionally produced over our quota, and right now other jurisdictions, neither B.C. nor Ontario, don't do that. We're actually over quota, and then we pay a small fee for that. Again, I mean, industry would love not to have that fee. But if we had that kind of model, that would work for us because status quo has been very positive for the Alberta industry. The Alberta industry is growing and, in fact, competing very well relative to the other two big players.

That's what we'd like. That's certainly our starting point. But when you're negotiating against a country like the U.S., which has the ability to withstand a two- or three-year-long legal battle, the question becomes, you know: even if you think you're going to get the right answer once it's adjudicated, what do you do about those smaller industries while you're waiting to get the right answer? That's what kind of holds you over the barrel when you're negotiating. That's, I think, what all the negotiators know.

That being said, we're looking at how we can do this in a way to protect the small producers and also to make sure that we come out of it with the ability to continue to grow our industry because, as I say, we're very good at it.

Mr. Jean: I think it's fair to say, then, that you're going to stand up for our industry and fight for the softwood lumber industry with the United States and other provinces.

Ms Notley: That's great. Thank you.

Mr. Jean: I'm glad to hear that.

Following that up, then, how many current staff and officials do you have in Washington that represent Alberta?

Ms Notley: We have two there right now. We are considering additional resources potentially being allocated to that on the issue of softwood lumber, but we've not come to a final outcome on that.

Mr. Jean: In relation to those officials, have you given them any specific directions in relation to pipelines and supporting the pipeline activity that comes out of Alberta?

Ms Notley: Absolutely, and that is exactly what they are doing. I mean, you probably know that their office is in the Canadian embassy, and they're working very closely with the Canadian ambassador and with their other colleagues. It's us and Quebec and Ontario that have those people in the Canadian embassy, so we have exceptionally close relationships with them and are able to sort of leverage that influence that comes from the federal government into ensuring that we know exactly what's going on.

Mr. Jean: I understand, Premier, that you've given them instructions. What have been the instructions, to encourage pipeline development? If so, all pipelines, or is that advice and instruction restricted to specific pipelines?

Ms Notley: No. We're just basically talking about telling them to engage at all levels – governors, Congress, the administration staff – to focus on the value of the more efficient way of getting our product to the market that they already rely on.

Mr. Jean: Okay. Engage at all levels: to do what?

Ms Notley: To promote the value of . . .

Mr. Jean: Building pipelines for Alberta oil?

Ms Notley: Indeed. Yeah.

Mr. Jean: Okay. And there are no restrictions on their ability to convince the Americans that pipelines out of Alberta are good in every direction, that every pipeline is good?

7:40

Ms Notley: No. They're off there – I mean, their job is to build relationships with the U.S. Their job is not to pick and choose other strategies outside of their purview that might have more value or less value or whatever. So that's what they're doing, their job.

Mr. Jean: I'm going to go back to staff for a minute, if I may, Madam Premier. How many staff were there two years ago? Are you aware?

Ms Notley: Two years ago, so you're talking about '15-16?

Mr. Jean: That would be fine; '14-15 would be better.

Ms Notley: Are you talking about Washington?

Mr. Jean: Yes, please. Washington to start. Then I'm going to go back to the . . .

Ms Notley: We think it was still two, but they're all under the Ministry of Economic Development and Trade, and I don't come here with the two-year-old staffing complement in my hand.

Mr. Jean: I know I gave you a lot of questions – it wasn't really fair to you – all at once, but I did ask two specific ones. How many people are seconded from other ministries into the Executive Council? That's one that wasn't answered.

Ms Notley: Well, on that one we'll have to get back to you after this meeting. The term itself is not really clear. The Auditor General tells us that we have to, based on certain criteria, identify who they work for and what they do based on the work that they do. So, yes, we'll have to get back to you on that because there are obviously – there's a lot of crossministerial work that goes on.

Mr. Jean: Thank you.

Since I'm on the topic of staff again, could we go back to line 1.3 on Executive Council, the additional eight staff that we talked about? Who are they going to report to, and what are they going to do? That's quite a bit of staff.

Ms Notley: Well, as I've said, you have to reduce the number by one because it's compared to an inaccurate number that was actually corrected in estimates last year when Minister Hoffman corrected upwards from 26 to 27 in my office.

Mr. Jean: I understand.

Ms Notley: Then, as I've said, in fact, at this point all but one of them are vacant. We have 28 right now in my office, and then the other six are vacant. The two additional ones that will likely be hired are the director of my correspondence unit and a tour co-ordinator in my office. It's likely that the rest, those vacancies, will not be filled, and you won't likely see them in next year's budget.

Mr. Jean: Well, I'm relieved to hear that because that's almost a 5 per cent increase in staff, and I don't think that's appropriate, just as a comment, during times when so many Albertans are unemployed and seeking opportunity.

Ms Notley: Neither do I, so it's not going to happen.

Mr. Jean: Are you looking at any opportunity to reduce your staff and maybe amalgamate some of the duties that they have or not replace the positions once they leave? I do understand that anywhere from about 14 to 17 people may leave your office this year. Would you consider those positions redundant?

Ms Notley: Sorry. I didn't realize – what do you know that I don't about 14 to 17 people leaving my office?

Mr. Jean: That's the average in the public sector. Up to 10 per cent through attrition leave every year, 8 to 10 per cent.

Ms Notley: Oh, I see. You're talking about all of Executive Council.

Mr. Jean: Would you consider freezing positions?

Ms Notley: Well, you know, every year we look at how we can save money in all different parts of Executive Council, just as every ministry does. Marcia can speak to it in more detail. The people that are running the various sections of Executive Council know that it is our desire to exercise restraint, stay within budget, and, if possible, come in under and look for savings. We will be looking for savings over the course of the year. We have to. I can't tell you exactly where they will be, but it is absolutely something that's on our mind.

Mr. Jean: Well, it's absolutely critical to lead by example, and I'm glad to hear that, Premier.

I'm just wondering if, just to save time, we could ask for – since the Deputy Premier was able to provide us with a departmental breakdown of the full-time employees with Executive Council and the Public Affairs Bureau, could you provide that information to us in the future if it's not readily at hand?

Ms Notley: Sure. I mean, I think . . .

Mr. Jean: Just the number of FTEs in both Executive Council and the Public Affairs Bureau.

Ms Notley: For the rest of them in addition to what we've been talking about?

Mr. Jean: Just a breakdown per department if that would be possible.

Ms Notley: Right. So we've talked about my office. Deputy minister and cabinet co-ordination: we're at 20. The PCO: we're at 22. Protocol is at 9. Office of the Lieutenant Governor is 5. Corporate services is 21. Intergovernmental relations is 27 – we talked about moving that one FTE out – and PAB goes from 44 to 48 although on that one I can tell you what's actually happened there. It's not actually a net increase to government. The Auditor General, having looked at our books, said that people that do something called e-Clips, who have historically done that and lived in those jobs for years but were in other ministries because they do it crossministry, needed to be attributed to our office and to PAB. It's not actually new people. They're just being reported there at the advice of the Auditor General, but it's exactly the same resources.

Mr. Jean: How many staff would be with your issues management team or considered to be issues management?

Ms Notley: Basically, in my office there is a director and a deputy director and an administrative position, and they work with two researchers and six issues managers who work for the various ministries. These staff have a dual reporting relationship with the minister's office with whom they work and the Premier's office.

Mr. Jean: Okay. Would that be considered seconded, then, paid for by the department?

Ms Notley: I wouldn't call them seconded because they actually work in the ministries.

Mr. Jean: Are they paid by the department?

Ms Notley: They're paid by the department, and they have a dual reporting relationship.

Mr. Jean: Okay. But they are seconded. They're obviously working out of your office.

Ms Notley: If they were seconded, we'd be paying for them, and we're not paying them.

Mr. Jean: So how many people would be working out of your office from ministries, then, that wouldn't be paid for? Five? Six?

Ms Notley: Pretty much that group. This is what the Auditor General is saying. We have to because they work with the ministries, specific ministries. They're not crossministry.

Mr. Jean: Okay. Thank you.

Now, recently you had a change in chief of staff, and I know you moved from Brian Topp to John Heaney. Now, Mr. Topp's contract was for \$225,000, and that was, in fact, very comparable to Stephen Carter's during his tenure as chief of staff. But now you've hired somebody new, and it's almost \$300,000, \$294,000. It's actually a 30 per cent increase in position salary for that chief of staff. You know, when you compare it to other chiefs of staff, it's actually very close to Premier Wynne's, which is obviously the biggest province in Canada by quite a bit and has quite a responsibility, and is actually higher by quite a bit than that of the chief of staff of the White House, to be honest. I'm just asking: what extra experience, skills, and strengths are required by your chief of staff to have a higher salary than the chief of staff of the White House and very, very close to that of Premier Wynne's chief of staff.

Ms Notley: First of all, what I would say is that, as you know, because you've asked about Mr. Heaney in the past, he was working as a deputy minister in the PCO, and in that role he earned the lowest amount that a deputy minister could earn.

Mr. Jean: How much is that, Premier?

Ms Notley: Whatever he's earning now, whatever it was you said, \$290,000 or – what is it? – \$287,600.

When he moved over, we maintained his salary, essentially, so that he didn't suffer a salary loss by changing his position, and he still earns less than previous chiefs of staff. There was a chief of staff that was a longer term chief of staff in former Premier Redford's office who earned significantly more than Mr. Heaney. The experience that he brings is wide, varied, and very beneficial to the government.

Mr. Jean: I think his contract is actually for \$294,976 approximately.

Ms Notley: That's an allowance that's added to it. The base is \$287,000 plus.

Mr. Jean: Okay. Also, I believe his current salary is actually \$20,000 more than he received as deputy minister of the policy co-ordination office according to my records. And I might be wrong, Madam Premier. I'm not questioning your facts based upon the information you have. It's just that mine differ, and I have to point that out. But I appreciate that very much.

Ms Notley: I think you might have been looking perhaps at a partial year or something. I don't know. That's all I can imagine. It was very clear.

Mr. Jean: Well, if he's making \$294,000 for part of a year, I'd like to have that job.

7:50

Ms Notley: No, no. I'm looking at the other one. What I'm trying to say is that it was very clear. It was a lateral move.

Mr. Jean: I appreciate that.

Now, are you concerned, Premier, in relation to what's happening with unions in Alberta, public-sector unions in particular, what message you're sending to those negotiating teams? This is a 30 per cent increase over a previous chief of staff salary, and it seemed to be quite in the range. I mean, \$226,000 seems to be something that your previous chief of staff was making. I still haven't heard any reasons why you'd pay this particular gentleman more. Just because he was earning more in a different job doesn't seem to really indicate that to be a good argument, to my way of thinking.

Ms Notley: Well, I invite you to try doing some recruiting sometime in the future and see how that works.

Mr. Jean: Take my word for it, I have less of a budget than you, and I do a lot of recruiting.

Ms Notley: Nonetheless, that being said, it seemed like a fair thing, and I think, actually, that unions would probably see maintaining a current level of salary as a fair thing. But I think it's also important to understand that all political salaries have been frozen since we came into office, and there's no grid movement, so no increases and no grid increases. The same, of course, is the case for all senior public servants in the direct employ of the government of Alberta.

Of course, the other message, which I know you guys don't talk about a lot, is that our government came in and significantly changed the way we look at agencies, boards, and commissions. It was quite a revolutionary move. We passed legislation that enforced transparency, which had never been in place before, and then also allowed us to roll back significantly salaries that were out of step with the norm across the country and in relation to those particular positions.

So I think, actually, that the message that's been sent is pretty clear, that we're going to look at some common-sense compensation schemes, and then we're also going to respect issues of fairness and the integrity of the contracts that are in place. That's what we're doing.

Mr. Jean: Common-sense, practical decision-making: I like it, Premier. I'm just wondering, though. I did catch that you said that no movement in salary with the union contracts that are coming up is fair. Can I count on that position? I think Albertans would appreciate that position, that a zero increase to the status quo would be fair. Can we count on you to take that position in and confirm that that will be the outcome of it for Albertans?

Ms Notley: You can count on me to do the best negotiating job that I can for the people of Alberta, and part of doing that means that you respect the negotiating process and that you table your positions at the table, not in places where ultimately those positions get tabled in the media.

Mr. Jean: I understand. But you did say that it would be fair if they didn't receive an increase, and I want to count on that going in, obviously, with so many Albertans out of work.

Ms Notley: Actually, what I said is that people should not be losing salary.

Mr. Jean: No movement in salary was the exact quote, and no movement means zero.

Ms Notley: What I meant was fair – exactly – and not rollbacks.

Mr. Jean: Absolutely. So we can count on that position, Premier?

Ms Notley: What I said when you asked that question was that I was referring to the fact that asking people to roll back their salaries in the majority of cases unless they were incredibly out of line with common compensation practices, as I was referring to with respect to what we introduced with the ABC salary review, would not be fair. That was what I was saying.

You know, even though I'm hedging on the specific answer to your question, you can also expect that the government of Alberta will negotiate on behalf of the people of Alberta, who are also taxpayers and who are also worried about our fiscal situation, and we will do so by respecting the bargaining process.

Mr. Jean: Thank you, Madam Premier. I think that's very important as well. Albertans need signals from this government that they're going to be able to get the fiscal finances back under control, that they're so worried about.

The Chair: You're down to your final 10 minutes. I just want to confirm that you want to maintain the same format. Okay? Proceed.

Mr. Jean: I just wanted to ask about Bob Hawkesworth, who used to work in the southern Alberta office. He left his position at the end of last year, and I'm just wondering how long he was on the job and what kind of severance he got when he left.

Ms Notley: I will have to get you that information. I think these are things that would normally get posted. I'm sorry. We'll have to get back to you.

Mr. Jean: Actually, it would be fine if you could: just how long he was on the job and what severance he received. Thank you, Madam Premier.

I'd like to move now to the Public Affairs Bureau, estimates line 3, outcome 3, and I do have some questions relating to how much money is being spent on advertising and communication, in particular around the Fort McMurray fire. I would just like a total number and a rough breakdown of the amount spent on various activities: types of advertising, communications, that kind of thing. I'm looking outside of the basic support that I know the government gives as well but more along the lines of advertising and communication to the citizens.

Ms Notley: What we can show here, what I'm told here, is that with respect to the wildfire essentially the additional costing was about \$370,000, and I believe that that was mostly as a result of the telephone town halls. I think there was other advertising, too. I'm trying to remember, but I can't remember offhand all the different advertising that we did. Certainly, I think the telephone town halls were the majority of the cost in terms of communicating directly with victims of the wildfire.

Mr. Jean: Thank you.

Anything else that would be related to communication during that period of time just generally? Can you think of anything specifically that would have been focused on the citizens there in particular?

Ms Notley: During the wildfire?

Mr. Jean: Yeah.

Ms Notley: Well, I mean, there was obviously information on the website. There was social media work that was done. There would have been the staff costs associated with that stuff. I don't think we did any big advertising buy, but we certainly were ramping up the standard modes of communication quite extensively in terms of all the work around getting the cards out first, asking people to delay going to get their cards initially if they didn't need them, then telling them where to get them. That was a big thing. Then the housing stuff was big, and then the timing of re-entry was big.

Mr. Jean: Even if you want to provide me with that – if there's nothing more, that's fine – I'd appreciate that.

I am curious, though. The PAB is asking for an increase in the budget, and I'm just wondering: why does the PAB need another increase? Is the government planning on another advertising campaign such as for the carbon tax or the climate leadership plan? Like, is there some sort of other expected allocation for advertising?

I just want to let you know, Premier, that the Deputy Premier was asked last year, and she had no specific number allocated for advertising for the climate leadership plan. Again, that cost, you know, \$9 million, is a lot of money, so with that unbudgeted, it seems kind of interesting that we have an increase again this year.

Ms Notley: What that increase is: the budget increased by \$123,000, but as I was explaining before – and this is what we were talking about before – this is not an overall government spending increase. The \$350,000 is transferred in from all ministries to fund four FTEs in the e-Clips unit. No new funding was required or provided for this purpose. So e-Clips is a service within PAB that provides daily news summaries to all ministries. Previously all charges incurred for e-Clips were charged back to the ministries, and now the Auditor General has told us that they need to be charged to PAB for the reasons that I identified before. So that came in.

Then in the meantime we transferred out to establish a contracting position in corporate services – and this was designed as part of creating a more centralized contracting area, just to make sure that we're more consistent with that – and then another \$97,000 decrease, representing savings identified through the Budget 2016 internal savings exercise. So it nets out to \$123,000. That's what that's about.

Mr. Jean: I appreciate that.

Last year we didn't have that specific breakdown, but I am interested, again, in a rough breakdown of the amount spent on different mechanisms of communication such as the theatre, TV, radio, print ads if that could be provided to me. I'm not sure if the breakdown is there, but I would appreciate it just on different media and how much was spent on each one, just on the categories that I mentioned in particular.

Now, I'm just kind of curious. You have to know, obviously, that I'm from Fort McMurray, and spending \$370,000 on communicating to the 90,000 citizens that fled the largest disaster in Alberta's history compared to \$10 million advertising the climate leadership plan, that nobody in Alberta wants and everybody keeps rejecting – I just don't understand. How do you feel justified doing that?

It seemed to me, from my perspective, based upon my feedback from citizens, that they got most of their news off my Facebook page and that the communication from the government at that time was missing. I can't imagine a more serious time. You did a good job on some things, and I can give you a compliment for that. My mom wants to thank you for changing the location of Willow Square and for listening to Tany Yao and myself. She really appreciates that. She wanted me to make sure I gave you that message.

8:00

But my own message is: how can you justify spending \$10 million on the climate leadership action plan when \$370,000 was spent while 90,000 people were out of their homes for more than a month? The communication during that period of time was not sufficient, Premier.

Ms Notley: Well, I would say, first of all, that in terms of the money that we spent on the wildfires, there was also the additional advertising and conversations with Albertans that were done for free. We had a lot of free advertising in the news. It was incredible in terms of pretty much having an update every day and making sure that that information was provided. There was actually an exceptionally high level of communication that was done without

having to buy advertising to do it. That is what I would suggest is the first thing.

In fact, you know, buying sort of random TV advertising to get to a specific population within one day or two days to give them the information in a very fast-changing environment was probably not the most focused or refined either given the timelines around how long it takes to put together an ad and do advertising and all that kind of stuff. We had a tremendous level of public service advertising support from the traditional media venues, so that was something that really helped. Certainly, as you know, we were able to give regular updates to Albertans through the news pretty much every day over the course of about 14 or 15 days, I think it was. It was covered across the board through all those different news agencies, so that was helpful as well.

That's how that was done, and I'm sorry that you feel that the communication was not as good as it could have been. We were working very hard.

Mr. Jean: I think we all learned something from that fire, Madam Premier.

Ms Notley: We did. We did, and we're going to have some . . .

Mr. Jean: I hope we don't have that again.

Ms Notley: Yeah. Let's hope so.

Mr. Jean: I can assure you that you did some good things. I just really believe that the protocol on advertising and communication with people is not up to snuff, and I've heard that consistently from people.

Ms Notley: Right.

Mr. Jean: Can I have the final number on how much it's cost to advertise the climate leadership action plan?

Ms Notley: I believe it's just a little over – it is, in fact, \$7.4 million. And on that issue, quite frankly, that was an advertisement that was built around what I would suggest is the single biggest public policy initiative of the government of Alberta in probably a decade or more.

Mr. Jean: I will be sure to carry that message to the 90,000 people of Fort McMurray that were displaced during that period of time, Madam Premier.

Ms Notley: You know, actually, I really have to take issue with the notion that you are comparing the two. What I'm trying to explain is that they're not comparable.

Mr. Jean: I would agree.

Ms Notley: Throughout that extremely difficult time of the fire we had support from agencies and from traditional forms of communication where we were able to flood the airwaves with information about what was going on in that fire in a way that ensured that accurate information, by the way, was being communicated to people in a way that was responsible, to help them make the best choices that they could and to support them as they went through that very traumatic time.

Mr. Jean: Are we talking about the climate leadership action plan or the fires?

Ms Notley: I'm trying to take this very seriously, and I take issue with the notion . . .

Mr. Jean: I'm taking it very seriously, too.

Ms Notley: . . . that you're comparing one versus the other or joking about comparing one to the other. Neither one is particularly helpful.

Mr. Jean: I'm talking about your advertising campaign.

The Chair: I hesitate to interrupt here at this time, but the allotted time for the Official Opposition has expired.

We will now move on to the third party. I will use this opportunity to remind all committee members and all people present to direct their comments through the chair.

Mr. McIver, do you wish to share your time with the Premier?

Mr. McIver: If it's okay with the Premier, I'll share time.

Ms Notley: Yeah. Absolutely.

The Chair: Okay. Please proceed.

Mr. McIver: Okay. That's the way we'll go, then. Thank you.

Well, Premier, I've got some other questions, but I have to pick up on something you just said on the climate change program, the single biggest policy announcement in a long time. You said something along those lines. I was going to ask you along the way: have you backed off from that? The reason I would ask that is that it was only mentioned once in the throne speech. I thought that maybe you were running away from the climate change plan, because you hardly talked about it at all in the throne speech.

Ms Notley: No, not at all. We are moving forward, as you know. We are moving forward with the Energy Efficiency agency. We just announced a very credible and exciting selection for the chair of that agency. We're moving forward with the programs that I believe a lot of folks on your side of the aisle haven't necessarily been in support of but that we think Albertans are. We're moving forward with a number of different elements of the climate change leadership plan, and I'm sure that you'll have a chance to talk more about that with the minister of environment when her estimates come up. But far from it. We think that it's an important initiative, as you've heard us say before, but it bears repeating because, you know, it's right from the horse's mouth.

It contributed significantly to our ability to get the federal government to approve the Kinder Morgan pipeline to west coast tidewater, something which is fundamentally important to renewing the confidence in our oil and gas sector from investors because, at the end of the day, as much as people understand that the price of oil is a problem right now, long-term investors in the oil sands understand that they can actually make money at a much lower rate of the oil price over the long term. The real concern was that as a country we couldn't get our act together to find a way to get that product to the markets that those people, that were investing on behalf of that, are interested in accessing.

So getting that pipeline to tidewater is absolutely critical, and it's very clear from the Prime Minister of the country, who approved that pipeline, that it wouldn't have happened in the absence of our climate leadership plan. We remain very committed to that plan and very committed to that principle.

Mr. McIver: Thank you. It's unfortunate that they chose to cancel the Northern Gateway as a trade-off for doing that. That is unfortunate.

Now, the other thing that I have to ask you about, too, is that you called it a levy instead of a tax. It occurs to me that if you called it a tax, which it is, then you would have saved Albertans several

million dollars in GST that they have to pay now. Of course, the federal government doesn't tax a tax, but since you've called it a levy, my understanding is that it's cost Albertans very many millions of dollars. That, of course, is a concern, and I can assure you that the Albertans that I talk to are in no way in favour of the climate tax, the climate change plan that you've foisted upon them.

Mr. Chair, I'd like to ask the Premier about the Public Affairs Bureau. I heard the exchange between the Leader of the Official Opposition and the Premier, and the Premier mentioned along the way about \$97,000 in savings. Premier, I'm just going to take it on good faith that you didn't lay off any teachers or nurses to get that \$97,000 in savings. Is that a fair assumption?

Ms Notley: No. That's not our MO. No.

Mr. McIver: Actually, it's your MO to accuse everybody else that wants to save money. You and your ministers often say that the only way to save money is to lay off teachers and nurses, so I guess I could assume that you won't be saying that anymore. Is that correct?

Ms Notley: No. I would suggest that there's a difference in quantum of a \$97,000 savings versus a \$4 billion cut to annual operating, which I believe is what was presented in your caucus's alternative budget, which amounts to a little bit under an 8 per cent cut.

Mr. McIver: It was actually an increase, Premier, respectfully. It just wasn't as fat an increase as what you would put on in the next few years. So you may call it a cut, but we actually increased every department every year.

Ms Notley: It was a \$4 billion cut in operating expenditure.

Mr. McIver: Yeah, as compared to the huge increase that the Premier had, Mr. Chair.

Ms Notley: All I'm saying is that it's significantly different.

Mr. McIver: On the Public Affairs Bureau, getting back to the questions here, what advice to the department was provided to Executive Council by the DDB Canada public relations firm on the sole-source contract of April 8 for \$44,000?

Ms Notley: Right. DDB, as you probably know, is the government agency of record. As a result of that, to some degree they don't have to necessarily have their contracts tendered as they do the work as agency of record. Now, in this particular case the work was a bit different, so that's why it's shown that way. It was in relation to what I will refer to simply as a very time-sensitive contract negotiation matter. For that reason, we need to keep it somewhat confidential.

8:10

Mr. McIver: So you can't say what the matter was that the taxpayers paid \$44,000 for?

Ms Notley: It was a time-sensitive matter that needs to remain confidential in the best interests of taxpayers. Yeah.

Mr. McIver: Interesting. Okay.

There's a \$26,580 contract with Ontario-based Canadian mental health network dated July 25, 2016. What did that achieve, please? The contract was for air quality health index outreach in medical office waiting rooms, which is pretty interesting. What was achieved by that, please? I'm trying to help you out here by giving you as much detail as I can, Premier.

Ms Notley: Is that Executive Council? I don't think that's ours.

Mr. McIver: Okay. I will keep moving on, then, if you don't have that one.

Ms Notley: Sorry. It's not ours. It was probably OH and S, I would expect, or Labour. You can maybe ask them.

Mr. McIver: Okay. I don't know, but you're the ministry, quote, for helping ministries communicate with and engage Albertans, so I thought you might have an idea.

Now, with your Public Affairs Bureau how strict are you, and what things have you put in place to make sure there's no blurring of the lines between political propaganda and government work informing the public?

Ms Notley: Well, we are very clear that their job is to inform the public on matters that the government of Alberta has decided on that are clearly within the purview of Executive Council and the government of Alberta's work. I think it's fairly clear. The end, really. I think the definition is pretty clear.

Mr. McIver: Okay. So they haven't been giving AIMCo any instructions on what to invest in or what not to invest in?

Ms Notley: Absolutely not. They have not, as we discussed today in question period, nor would anyone ever suggest they did.

Mr. McIver: At 8:13 p.m. Thank you for that answer, Premier.

Now, Premier, you talked to the Leader of the Official Opposition about reducing school fees, and you made comments that you didn't want to reduce school fees for richer areas or something to that effect. Are you planning on income-testing school fees? That was kind of the suggestion you made, that you don't want to cut school fees for people of high income. How would you not do that unless you income-test, or do you have some other method for sorting who's rich enough to pay school fees and who's not?

Ms Notley: No. Quite the opposite. In fact, that's why we're saying that the matter is very complex. When we did the 25 per cent reduction, everyone got the benefit of the 25 per cent reduction regardless of their income and regardless of the amount in fees they were previously paying. But the point that we're making is that the school fee practice around the province has been allowed to develop, as you probably know, under your watch previously, for years so that (a) it's developed very unevenly across the province and (b) it's developed way out of control such that we have these crazy-high school fees. It's developed unevenly, though, and all I'm saying is that . . .

Mr. McIver: Well, respectfully, it developed unevenly because we allowed duly elected school boards to make decisions on that, which was within their purview of being duly elected.

Ms Notley: Well, and because you allowed them to do that. You probably didn't hear – and maybe that's why you are where you are now – that the fact of the matter is that Alberta families and Alberta parents were getting increasingly frustrated and angry at how much money they had to pay out of their pocket every September simply to be able to send their kids to a public school and participate fairly and equally in that public school experience with their schoolmates. Parents were feeling that school was becoming, actually, inaccessible to them in some cases because the school fees had gotten so out of control. So now we're trying to undo that, but it's complicated.

Mr. McIver: Okay. So, Premier, in terms of making it more accessible, is there a line item in the budget somewhere where you replaced the \$50 million that schools are no longer able to collect?

Ms Notley: Well, I would suggest that you raise this in more detail with the Minister of Education in his estimates.

Mr. McIver: Well, you've just talked at great length about this issue, but you don't want to answer my question on it. I'm a little disappointed.

Ms Notley: I did because it's a key issue as it relates to my government's forward focus . . .

Mr. McIver: So there's no line item where you replaced the \$50 million, Premier?

Ms Notley: Okay. Well, did you want me to finish the answer, or did you want to just keep doing this?

Mr. McIver: I'm just kind of hoping that if you talk at length, you might give me a simple answer.

Ms Notley: It's hard when you keep interrupting me.

The Chair: Mr. McIver, the response that you're seeking, you could seek from the Ministry of Education. It's not a line item within this.

Mr. McIver: Sorry. You know what, Mr. Chair? I've got little time, and if I'm a little short, I apologize to both you and the Premier.

The Chair: Okay. Yeah.

Mr. McIver: But I've only got nine and a half minutes left, and I plan to make the most of it.

Ms Notley: Okay. I would suggest that you let me give you the answer. First of all, as I've said, the Minister of Education can give you the detailed breakdown, but it was in fact found through in-year savings, through the end of certain grants that were in place, and through changes in terms of internal savings, in-year savings found in the Ministry of Education. There is no extra line item. It was found internally, and the Minister of Education can give you more detail around how that happened.

Mr. McIver: Okay. Mr. Chair, I'd like to ask the Premier about how many individuals out of the new hires in Alberta have come in from other provinces this year, and how many during 2017 do you expect to hire from outside of Alberta?

Ms Notley: I'm sorry. This is in terms of the jobs created in Alberta?

Mr. McIver: I'm talking about the new FTEs that are added to the government's overall payroll.

Ms Notley: Actually, I have no idea. We don't ask people those questions. Historically speaking, Alberta has had a practice and a history of being able to attract people from all over the country to move here and to get jobs here, so I can't tell you in terms of the specific FTEs because we don't actually hire on that basis.

Mr. McIver: If only that were so.

Mr. Chair, let's talk about the business plan and the targets for satisfaction of ministries with services they receive from Executive Council. The target was 90 per cent for 2016-17 and all future years,

and in this year's business plan it's actually dropped from 90 per cent to 85 per cent. Is there any reason why you're expecting less performance satisfaction this year than you were hoping to have last year when you did your business plan? They're both targets, Premier. One was last year's target for 2017-18, and the other one is this year's target for 2017-18, which has dropped from 90 to 85 per cent.

Ms Notley: All right. I'm being told that it was adjusted based on the actual results that we received in the previous year.

Mr. McIver: Okay. Are there any strategies that you have to increase the disappointing results, then?

Ms Notley: Indeed, I have asked officials to review, generally speaking, our performance standards as well as the means of improving the outcomes.

Mr. McIver: Okay. In consideration of your key strategy 1.1, how many items of advice and support were given to ministries in 2016, and how many do you anticipate providing in 2017?

Ms Notley: Items of advice and support?

Mr. McIver: Page 74, key strategy 1.1 of the business plan.

Ms Notley: We don't actually measure items of advice and support. We measure the satisfaction. Performance measures report on ministerial activity over a period that saw four Premiers since these measures were last reported, and it does not meaningfully capture changes in ministerial direction or focus. Okay? PAB is working on a new and more effective set of performance measures that will more properly reflect both internal as well as public interactions with Executive Council. Most provinces do not, for all of these reasons, report on performance in this way for their Executive Councils. They don't actually report on it, really, at all.

Mr. McIver: Okay. One of your priorities is having good relations with outside parties, governments outside of Alberta. In that line, are you going to have a truce with Saskatchewan soon and stop taking whacks at the Saskatchewan Premier and government so that you can actually have those good relationships and maybe even get co-operation from them on the Energy East pipeline and a whole raft of other issues that we have? The war you have with them right now seems inconsistent with your priority.

Ms Notley: We have a very excellent working relationship with our colleagues across the country. We will continue to do that, and we will work with them on the issues on which there is some strategic alliance.

I will grant you that it was not my plan to issue a letter of congratulations to a Premier that engaged in a process of trying to steal business from our province when people are suffering from job losses and the worry and anxiety that that causes. It was also not my plan to encourage any Premier to breach the New West Partnership. Those things were things that were not part of my plan and will not be part of my plan.

8:20

Generally speaking, moving forward, I always remain open to trying to have productive relationships as much as we possibly can. As you probably know, I'll be chairing the Council of the Federation this summer, and I look forward to being able to work with all of our partners across the country in a productive way.

Mr. McIver: Good. That's good.

It leads into my next question. What's the status, please, of implementing the modernized agreement on internal trade after the Premiers' meeting last July? Any progress that you can share with us?

Ms Notley: I believe we are just about – yeah, it's pretty much ready to go, and ministers will be getting together . . .

Mr. McIver: So no hope or no good news for Albertans that you can share?

Ms Notley: I believe that April 7 is the signing date, and I believe it will show an excellent process forward where Alberta's interests have been protected while at the same time moving forward on advancing good trade opportunities.

Mr. McIver: Okay. Thanks, Premier.

What will the Executive Council's priorities be for preparing Alberta for the implementation of the Canada-Europe comprehensive economic and trade agreement in 2017? What are you planning to do to get ready for that or to move that forward?

Ms Notley: Right. I mean, certainly, there are some good opportunities for Canada there and particularly for Alberta. I believe that Alberta beef, particularly, has some good opportunities there. I would however refer you to our Minister of Economic Development and Trade as he's more directly involved in working on the follow-up to that trade agreement.

Mr. McIver: Okay. I appreciate that you've got a minister there, but I'm going to ask: what kind of work and consultation are you and Executive Council leading with in respect of the upcoming discussions on equalization and transfer payments, which will have crossministerial impacts in Alberta? How are you getting ready for those discussions?

Ms Notley: I'm told that it's a federal review. It's not a set of negotiations at this point, so they are currently . . .

Mr. McIver: So you're not making any preparations?

Ms Notley: . . . in the process of reviewing it. Certainly, as there is an opportunity for the provincial governments to engage, like all provincial governments, we will look at ways in which we can improve Alberta's position relative to other provinces. Again, I know this won't come as a new thing to you, but we are just coming off almost a decade where we had a Conservative government in Alberta and a Conservative government in Ottawa . . .

Mr. McIver: A beautiful thing.

Ms Notley: Well, except that we failed to make a lot of progress on that issue, so any concerns that people might have around equalization or around the fiscal imbalance are concerns that one might have seen addressed by previous Conservative governments at one of the two levels.

Mr. McIver: Okay. Premier, you are the minister responsible for planning on the UNDRIP. Are there any significant efforts that you're going to make for First Nations people in 2017?

Ms Notley: Well, as you know, we were very proud that one of the key things that we were able to introduce in this budget was our significant infrastructure investment with respect to ensuring clean water for all of the First Nations that currently don't have access to it because, let me tell you, that was something that should have been fixed a long time ago. I'm very proud that we're going to do it.

Mr. McIver: Okay. Thank you.

On those things . . .

The Chair: Sorry. I hesitate to interrupt, Mr. McIver, but the allotted time for the third party has expired.

We will now move on to government caucus. MLA Fitzpatrick, would you like to share your time with the Premier?

Ms Fitzpatrick: Thank you, Mr. Chair.

The Chair: Sorry. For clarification, would you like to share your time?

Ms Fitzpatrick: Yes, please.

The Chair: Okay. Please proceed.

Ms Fitzpatrick: And I'll wait until you complete your answer before I move on to my next one. First of all, I want to thank everyone from the department for all of the hard work that you've done on the budget.

My first question. On page 145 of the estimates it looks like the forecast for 2016-17 is actually around \$400,000 below the amount budgeted. What savings did Executive Council find?

Ms Notley: Well, as you know and as we talk a lot about whenever we can, we are as a government taking very prudent and what I would think is thoughtful action to reduce the deficit across government. So across the government as a whole, as you would know, we, you know, amalgamated or cut 26 ABCs; we reduced salaries and supplies last year by 2 per cent, saving \$121 million; we froze salaries for cabinet ministers, MLAs, political staff, and management in the civil service; and we, of course, cut excessive salaries, are working to cut excessive salaries, golf club memberships, and other perks for some of the highest paid CEOs at those government agencies. In Executive Council itself some of the savings that we found include savings achieved by limiting IT replacement for noncritical assets and in some cases – in PAB, for instance – by decreasing contract services and training.

Ms Fitzpatrick: Thank you very much.

I'll pass it on to my colleague.

Ms McPherson: Thank you. Thanks, Mr. Chair. I know that over the past year the government has put a lot of work into advancing Alberta's priorities across Canada, and it's mentioned on page 75 of the business plan. Can you tell us how the government is working with the federal government to advance the province's priorities?

Ms Notley: Well, you know, as you know, there are a number of different issues that we've been working with the federal government on. Of course, as you know, probably the single biggest focus of work with the federal government began with getting approval for the Kinder Morgan pipeline. That work began in April 2016, right before the fire, when I was asked to speak at the federal cabinet retreat in Kananaskis. To my knowledge, this was actually the first time that any Premier in Canada has been asked to speak to the entire federal cabinet.

In May, following the wildfires in Fort McMurray, the Prime Minister came to Alberta. We had the opportunity to discuss recovery efforts, and he also announced the expansion of EI benefits to Edmonton-area residents, which our government had been advocating for for some time. That actually was a bump in access to EI not only for the people of Edmonton and other parts of Alberta but for significant groups of people in Saskatchewan,

interestingly, who had been previously unable to access those EI benefits.

In November 2016 I was in Ottawa with the Prime Minister – well, actually, we met in Calgary in July, during the Calgary Stampede, and we had additional discussions at that time around the issue of the pipeline. In November I was with the Prime Minister in Ottawa, of course, when the Prime Minister announced that he had approved the Kinder Morgan Trans Mountain pipeline and Enbridge line 3.

Then, of course, in December the Prime Minister and Premiers held a first ministers' meeting, and we released the pan-Canadian framework on clean growth and climate change. The framework is a collaborative document that seeks to reduce greenhouse gas emissions and encourage economic growth. At the end of day, I'm hopeful that we'll get additional support from the federal government on some of the initiatives that we began here in Alberta with respect to our climate change plan.

We've been successful working with them so far. We, of course, did some work with them pursuing the orphan well issue as well, and you'll be hearing more from us on how we move forward on that issue. Well, Albertans will be hearing more from us on how we move forward on that issue in the next few days or weeks. So far so good, and there's more to do.

Ms McPherson: Thank you. It certainly shows that a good working relationship can be fruitful.

How has the government worked with other provinces to support our priorities like the approval of the two pipelines?

Ms Notley: Well, you know, as I mentioned in my previous conversations very briefly, at the first Council of the Federation that I was at, in July 2015, we worked very hard to get the other Premiers to approve the Canadian energy strategy and to get their approval for the principle in there, to start talking about the clear need for us, for all Canadians to have infrastructure in place to move oil and, frankly, to get access to tidewater.

8:30

So that was something and, frankly, something that I raise at every Council of the Federation meeting. It's something that I think is having greater resonance for people because – I'll tell you – there's nothing like watching the price of oil drop and watching the amount of international capital investment in Alberta drop the way it did in 2015 and 2016 to show the rest of Canada how much they need Alberta. I will tell you that that was seen by my colleagues across the country. Quite frankly, watching what happened with the fire in Fort McMurray and what that did to the national GDP just as a result of the shutdown in production that we saw for a period of time also made a very clear case to Canadians that Alberta is a critical engine of the national economy. So it's easier, then, for me to make that case. I've had 11 bilateral meetings with other Premiers, three multilateral Premiers' meetings, the Council of the Federation, as I've talked about, as well as meeting with all the Premiers along with the Prime Minister.

We'll continue to do that work, establish open lines of communication. Generally speaking, in the absence of a Premier coming directly at Alberta in an aggressive way, my view has been to try to work past issues of disagreement, to try and find higher levels of consensus. Certainly, we'll continue to do that with those key provinces whose decision-making authority has a big impact on our ability to grow our economy in Alberta.

Ms McPherson: Thank you. Speaking of the Council of the Federation, it's meeting in Alberta this summer, July 17 to 19. The

19th is my daughter's birthday. How will that funding support this meeting, and what are the anticipated outcomes?

Ms Notley: Well, of course, to begin with, we're very proud to be able to host the Council of the Federation this summer and to highlight Edmonton to Premiers across the country and, of course, the media across the country who otherwise only come to Edmonton about, you know, once every two weeks, maybe a little bit less. Nonetheless, we're superexcited to be able to do that, to bring together the provincial governments. The focus of the Council of the Federation is still to be determined. The payments for it will be paid out of the COF budget, so there's no additional cost to the government of Alberta as a result of hosting. It's something that happens as we take our turns through there. I believe that likely one central focus of the conversations will be Canada-U.S. relations. So that's something that will be important to us.

I will continue to also push for us to do some work on adaptation issues and as a council continuing to make the case to the federal government that we need more support on adaptation as we deal with the consequences of climate change. You know, from something like the massive investment that we're making in the Springbank – that's really an adaptation investment, and it's a large one. We need to start working more collaboratively with the federal government on these issues.

Other areas that may come up would be labour market training, early childhood learning, housing, and infrastructure. Then we'll continue our work with respect to health care, productivity and innovation, and, well, internal trade although I'm hopeful that we'll have signed the agreement by then. That actually will not be a huge focus at this meeting.

Ms McPherson: Thank you for that. It actually brings up something else that I'd like to ask a question about. In the budget on page 146, line 2, it says that the Executive Council budget includes \$4.1 million for intergovernmental relations. We know the changes in government south of the border could have a big impact on our province. How is the government working with the federal government to address Alberta's priorities that could be impacted by the new U.S. administration?

Ms Notley: Well, you know, we've started doing a lot of work on that already. I didn't get a chance to really describe it in as much detail in answer to the Leader of the Opposition's questions. As a reminder – and you would know, being in Calgary because, well, at least half these meetings were in Calgary – we quickly pulled together round-tables with representatives from the agricultural industries, from forestry, from manufacturing, and from oil and gas. We got them together, and were able to receive some really helpful advice from them and also for us to fill them in on what our plans were and just generally to come up with a plan to co-ordinate more closely together with these key industries as it relates to work going down in the U.S. and the change in administration and maintaining those strong trade relationships.

It was very helpful, and in fact it was helpful because during the trips that we subsequently took, we were able to work with some of the folks that those industry leaders had recommended to us, and we had better insight into some of the issues that were driving their decision-making because in some cases with certain members of the industry they actually come at it in a very sophisticated way already. They know the issues. They just need someone with the title Premier to go down there and emphasize the important piece. So there was really a lot to be gained from working together with them. That's what we've done.

Of course, country of origin labelling: you know, we thought we had that worked out, and we hope we do, but every now and then that starts to perk up a little bit in the political scene down there, so we're keeping an eye on that.

Energy infrastructure, as we've already discussed, is something that we're working with them on and, of course, highlighting to the U.S. how any kind of crossborder tariff or anything would actually significantly impede their ability to – it would impede the U.S. economy as much as ours. It would cause a lot of problems.

Also highlighting for a lot of different lawmakers how in the manufacturing sector we actually have items that might cross the border three or four times before they're finally ready to be sold. They love us, but they take us for granted down there. They don't know, necessarily, the details of how integrated they are and how many of their constituents and their jobs are dependent on that very close relationship with Canada. We're able to have that conversation and to work with the federal government on that.

Then, the final thing, of course, which has been mentioned is softwood lumber. We know that there are some pretty tough headwinds coming with that. You know, there's a window within which we might be able to see some progress. If that doesn't happen, then we're – it's in tight, and then we have to look at, you know, how we support the industry during that period or if we can or, you know, all that kind of stuff under the trade rules and that. We'll continue right now to just try and negotiate as effectively as we can. As I said, we're looking at some strategies to improve our opportunities in that level, too.

Ms McPherson: Thank you for that.

Did you have more questions you wanted to ask?

Ms Fitzpatrick: Yes. Okay. I want to start by saying thank you for getting the approval for not one but two pipelines.

Now I'll get to my question. I actually have two questions. The province's agencies, boards, and commissions play an important role in managing public money and providing important services to Albertans. Given that outcome 1 in the department's business plan relates to defining a central agenda, how has this government changed the appointment process to these ABCs across departments?

Ms Notley: I think the key thing that we did and what we learned very quickly was that if you simply rely on – and this is no disrespect to the hard-working Albertans that are part of these agencies, boards, and commissions – the members of the agencies, boards, and commissions to recommend their replacements, then the group of people that serve in these important positions remains very similar and continues to look like itself, and it remains very insular. The fact of the matter is that Albertans from all walks of life don't necessarily see themselves as people who can sit on the boards of universities or on the boards of, you know, foundations or on the boards of, you know, the kinds of important work that these bodies do, so they don't even put their name forward.

8:40

One of the key things that we decided we needed to do was really go out there and say to Albertans: listen; if you are younger, if you are a person of colour, if you are a woman, heaven forbid, if you look like and are like the people of this province in the way they are looking now, you should see yourself as someone who is on these boards and agencies. The boards and agencies should not just look like one sector of the population. It's not just all about appearance, of course, but, you know, it's about just making sure that we don't constantly replicate that.

Of course, we're always looking for the most skilled people, but we need to make sure that we don't come up with qualifications that are not related to the job that people are being asked to do and using those qualifications as a means of restricting access to boards where, in fact, people can contribute significantly to those boards by virtue of other life experiences.

Sure, if it's a highly complex financial board that's making huge investment decisions, no question. Your qualifications need to reflect that. But if it's a board where simply what you're doing is governance and you're being informed on the governance, generally speaking, in a way that's more traditional and you've been given the advice by the people who are, you know, secretariats or whatever to that board, well, then, sometimes your experience that you have problem solving in your community is worth while. Sometimes the experience you have volunteering as a hockey coach is worth while. I mean, you know, problem solving on the playground.

There are just so many types of experiences that contribute to the ability to be a really important player on a board, and that was not reflected before. We really, really felt that it was important to change that and also to tell Albertans, young Albertans, that we need their voices on these boards. We absolutely need their voices on these boards, too.

So we launched a new way to advertise to people. We're trying to change the pool of people that apply to let them know that they're welcome. We'll still, of course, appoint on the basis of qualifications, but we're going to make sure those qualifications are aligned with what the job really needs.

Ms Fitzpatrick: Thank you.

My final question, through the chair: can you speak to any other changes that have been made to Alberta's agencies, boards, and commissions across our departments?

Ms Notley: Well, as I've said before, in addition to amalgamating or dissolving the 26 agencies, boards, and commissions, we also recently announced changes to the compensation for top executives in these organizations. These changes set salary bans for CEOs at 23 of Alberta's agencies, boards, and commissions, bringing their pay in line with public-sector equivalents. The salary bands themselves were determined by going to objective third-party compensation experts and having them make recommendations based on cross-Canadian benchmarks. Once we came up with those bands – they're in place.

The changes also mandate eliminating executive bonuses, eliminating executive market modifiers, which is added pay over and above the regulated salary, capping executive severance pay at 12 months, ending benefits like private health care services, and eliminating – and I won't even call these benefits; they're just perks like golf club memberships and housing allowances. We really felt it was time to bring Alberta into line with the rest of the country on these things – it's long overdue – especially at a time, as members of the opposition have identified, when people are suffering and we all need to be more prudent with our money. This work was long overdue and something that had been raised to the previous government repeatedly, and no action had been taken.

Ms Fitzpatrick: I can certainly say that my constituents are happy that you did that, so thank you.

Back to my colleague.

Ms McPherson: Thank you.

So the outcome . . .

The Chair: Sorry. I hesitate to interrupt. The allotted time has concluded.

I will now revert to the members of the Official Opposition. Would you like to continue sharing your time with the Premier?

Mr. Taylor: Yes, I would, please. Thank you.

Through the chair, of course, Madam Premier, I want to go back to the advertising a bit. You've had a lot of this advertising going around with the so-called free light bulbs. What is the budget for your advertising for these so-called free light bulbs?

Ms Notley: I think that is actually in the climate change budget under Environment and Parks.

Mr. Taylor: So there is no number that you've identified for that?

Ms Notley: When that program was announced, we had a press conference, and it was really quite something. I think we had a press conference, and we put out a press release that day. Within 10 or 11 days we had something like 70,000 people signed up for it. We did no additional advertising except to put it onto the website, that already existed. It was such a tremendous – without even advertising it, we had 70,000 households responding to one press conference. It was amazing.

Mr. Taylor: Okay. Well, thank you.

Madam Premier, what was the cost associated with changing light bulbs in your office?

Ms Notley: I am not sure. We'll have to get back to you in writing.

Mr. Taylor: If you can get that back to us, that would be great.

Ms Notley: That would actually be Infrastructure, you know. If you could ask Infrastructure.

Mr. Taylor: I guess I could. Thank you for that.

How much money is earmarked in this budget for advertising campaigns on the yet to be determined issues?

Ms Notley: Well, as we identified last year, we don't actually put those matters into our budget. PAB co-ordinates these things, but these are actually things that come from within the ministries, so each individual ministry will have money allocated in their budget for these kinds of advertising. Certainly, we've asked PAB to be careful and cautious when ministries come to them and, you know, sort of maybe push back and say: do we really need to spend that much money on this or that? But it's not in the PAB budget; it comes from within the ministry, so you'll find those numbers in the individual ministry budgets. It's something that sometimes comes over the course of the year, so we don't have a specific line item.

Some of the examples of the kinds of things that would come from these ministries would be above and beyond the one that irritates you, which is, I understand, the climate leadership one, which has already happened. Other ones would be – you know, government ads respond to some in advance. Recent examples would be the aquatic invasive species issue, chronic wasting disease, fire bans, and area closures. Government ads also respond to cyclical events like award nominations, back-to-school driver safety, highway cleanup.

Mr. Taylor: Thank you, Madam Premier.

What are you budgeting to spend on advertising changes to labour legislation?

Ms Notley: Again, we have no specific budget around that because we have not concluded that process at all.

Mr. Taylor: Okay. I would like to go over to the Executive Council, questions in that regard. What role did the Executive Council play in identifying and selecting members of the oil sands advisory group?

Ms Notley: I think that there were recommendations that came forward from the ministers of Energy and Environment and Parks. They brought forward recommendations, and we looked at them to ensure that we were satisfied that they represented a broad range of interests and groups and stakeholders that were concerned about that issue. That's generally the way it went forward. Then it was ultimately, as you would know because it was a product of OIC, determined by the cabinet.

Mr. Taylor: Could you tell me then, please, how the OSAG members were compensated?

Ms Notley: It's publicly available online. I don't think it would be anything beyond an honorarium. It's apparently \$601 per day that they meet, and it's online.

Mr. Taylor: How much has been spent on the OSAG in total? What's the total number, not just the \$601 per day?

Ms Notley: I think you'll have to ask the Department of Environment and Parks. They're the ones who manage that. It's through them because they're advising on the implementation of the emissions cap, which is a piece of legislation that's under the authority of the environment minister.

8:50

Mr. Taylor: How much is being spent on expenses?

Ms Notley: Again, it would be through Environment and Parks, and I believe it would ultimately also be available online.

Mr. Taylor: There's been a lot of controversy around several members of the OSAG and their passionate opposition to Alberta's oil sands and the creation of pipelines. It's interesting to note that while you have forbidden your caucus and staff to campaign for the B.C. NDP, who vehemently oppose pipelines, you have not made the same demand of the people on the advisory group. Is it fair to say that Karen Mahon, who moderated a group on March 29 about how to resist pipeline tankers, is being paid to advocate against pipelines and Alberta oil sands?

Ms Notley: Well, first of all, the people that are on the advisory committee are not employees of mine, so that's probably the first thing that we should note. I can't remember some of the names of the oil and gas representatives, but I think if I tried to tell them what they could and couldn't do, that wouldn't go very far.

The key thing that I have said on a number of occasions: the oil sands advisory group is constituted to do a very specific limited mandate, and that is to come up with recommendations for how the space under the emissions cap is distributed in a fair way. They have nothing to do with promoting or not promoting pipelines. In fact, that's what our government has been doing, and I think we've been doing a pretty good job. I know you probably haven't heard this, but we have not one but two pipeline approvals. So the point is that the members of that advisory group are not by this government being asked to promote pipelines. They are being asked to be part of a representative group to come up with a viable plan for how we

distribute the remaining room under the cap, so that's what they're doing.

Mr. Taylor: Okay. Thank you.

You mentioned the focus on stimulating economic growth and building a strong future for our province. The budget speech referred to pipeline approval. Only 10 days ago, on March 24, President Trump approved the Keystone XL pipeline. This means that the pipeline has the necessary Canadian and American approvals although some work on agreements still needs to happen. I'm going back to the strategic context on page 73. How will your government advocate for the Keystone XL and collaborate with President Trump and TransCanada in ensuring that the project moves forward and Alberta jobs are created?

Ms Notley: Well, we've been working quite closely with TransCanada all along on this issue. Obviously, one of the things that's critical to make sure that this continues to be a worthwhile project is ensuring that we don't get a border tax or border tariffs imposed on products coming in and out of Canada. You know, the whole trip down to Washington was almost entirely focused on making the point that it would be bad for the U.S. for them to throw a tariff on Canadian products crossing the border, including Canadian products crossing the border in pipelines, talking to them and reminding them of how many jobs are being created in Texas as a result of the increased capacity. That was what we were doing, so working with them, advocating for continued open trade relationships between Canada and the U.S. Then, of course, we know that it's good news. It looks like we could get about 5,000 jobs in Alberta during the construction phase, and I think that's good news for everybody. We're hoping that they can move forward as soon as we can.

We're keeping an eye on the other issues that you referred to that might ultimately still impinge, so we're in close consultations with TCPL, the government of Canada, and our representative in Washington to see if there are any other places where we can strategically engage to move it along.

Mr. Taylor: Okay. Thank you.

On March 24 you identified that you will continue to work to get our resources to Canadian tidewater. Will this be done with equal priority for the Keystone XL pipeline?

Ms Notley: Well, I think that what we have to remember is that as much as it was worth while to be down in Washington – and it really was – we have a little bit less influence in Washington than we do in Ottawa.

The Chair: I hesitate to interrupt. The allotted time for the Official Opposition has concluded.

Mr. McIver, you have the remaining five minutes.

Mr. McIver: Okay. I'll just ask questions. I know I'll have to wait later for my answers. Okay?

The Chair: Please proceed.

Mr. McIver: Okay. Thank you. Premier, I heard you tell one of the members of your own party that the international investment will come back when the oil price goes up, but that's clearly not true. Shell, Statoil, Murphy, Total are not going to jump back in just because the oil price has gone up after they've stranded very expensive assets. What do you plan to do to bring back to Alberta the international investment that you've driven out during your time in office?

Also, how do you plan to prevent the credit-rating agencies from further downgrading Alberta in the face of the massive deficits and debt that your government is racking up with no repayment plan in the next five-plus years?

Performance measure 3(a), called "public satisfaction with government communications," had a last actual in '14-15 of 71 per cent and targets of 75 per cent going forward. The '15-16 actual dropped to 61 per cent, a big loss in performance, and the '17-18 target has been revised down to 65 per cent. Why is Executive Council so confident about its lack of ability to communicate with the public?

Also, next question. Performance measure 3(b), public satisfaction with the government of Alberta home page, had an actual satisfaction rating of 85 per cent in '14-15, which dropped to 80 per cent in '15-16, with the '17-18 target being revised down from 90 per cent to 85 per cent. I understand that making information harder to find kind of fits, but when are you going to seek help to actually push back up the satisfaction with the government's home page?

Along the lines of communication, how many Albertans did you consult last year about the effectiveness of your communications? Last year on page EF-334 in estimates the Deputy Premier said that Executive Council learned about how to consult effectively, yet there remains widespread dissatisfaction with the lack of progress on the standard-setting consultations for Bill 6. Since your government didn't effectively address that in 2016, how do you plan to fix that in 2017?

On page 76 of your business plan it states: "The ministry will conduct regular analysis of its outward facing services and materials to identify issues and meet the [demands] of Albertans." Who have you been listening to for the last two years since it was not regular Albertans?

Also on that area, there are 10 key strategies and five performance measures. Why are there still no significant new performance measures this year to show progress on all the key strategies and desired outcomes that went unmeasured last year?

Moving on, which performance measures are you using to show that Executive Council is providing high-quality leadership in decision-making support? The goal is stated in your ministry overview. For example, how are you measuring the clarity of how you are communicating decisions and policies to ministries and front-line staff?

Next, the strategic context of your business plan refers to last year's second jobs plan, another failed one. How many of the promised 100,000 jobs have been created, where have they been created, and how does this budget support Executive Council's leadership of the ministries to create the 100,000 jobs rather than having another failed jobs plan?

Moving on, can you quantify the impacts of last year's decision to extend EI benefits for Edmontonians, and will that plan be extended for Edmontonians once it runs out in July of this year? How many Albertans do you expect to still be unemployed at that time?

Moving on, page 74 of your business plan refers to "coordination and communication of policies and initiatives identified by ministries." Could you please provide a breakdown of the number of policies and initiatives originating from each ministry and the number of those policies and initiatives that Executive Council has supported?

Moving on, page 74 of your business plan mentions that "Executive Council shares in the strategic risks identified by ministries due to its coordination and policy role." Which specific other ministry strategic risks did Executive Council help to mitigate in 2016, and which strategic risks will Executive Council help to mitigate in 2017?

Also, missing from your business plan is your supposedly comprehensive climate leadership plan. Does that plan not need government-wide leadership, or is it a green slush fund? If it's not an unaccountable green slush fund, I'm sure, Premier, you can provide this committee with the details about how Executive Council has directed ministries on the use of revenues from the carbon tax. When can we expect to see those details?

Premier, thank you for the performance measure 3(a). No; actually I covered that one.

The other thing that I wanted to cover with the Premier, knowing that time is tight here, is that the Premier talked about . . .

The Chair: I apologize for interrupting. Mr. McIver, I'll allow you to catch your breath here.

I must advise the committee that the time allotted for the item of business has concluded.

I'd like to remind committee members that we are scheduled to meet next on April 5, 2017, at 9 a.m. for the consideration of the estimates for the Ministry of Advanced Education.

Thank you, everyone, for joining us. The meeting stands adjourned.

[The committee adjourned at 9 p.m.]

