



Legislative Assembly of Alberta

The 30th Legislature  
Second Session

Standing Committee  
on  
Public Accounts

Executive Council

Tuesday, November 17, 2020  
8 a.m.

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**Legislative Assembly of Alberta  
The 30th Legislature  
Second Session**

**Standing Committee on Public Accounts**

Phillips, Shannon, Lethbridge-West (NDP), Chair  
Gotfried, Richard, Calgary-Fish Creek (UCP), Deputy Chair

Barnes, Drew, Cypress-Medicine Hat (UCP)  
Dach, Lorne, Edmonton-McClung (NDP)  
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## **Standing Committee on Public Accounts**

### **Participants**

Ministry of Executive Council

Heather Collier, Executive Director, Federal/Provincial Relations and Social Policy

Dana Hogemann, Executive Director and Senior Financial Officer, Finance

Christopher McPherson, Deputy Clerk of Executive Council and Deputy Secretary to Cabinet, Cabinet Coordination and Ministry Services



8 a.m.

Tuesday, November 17, 2020

[Ms Phillips in the chair]

**The Chair:** All right. Good morning, colleagues. It's 8 o'clock, and I would like to call this meeting of the Public Accounts Committee to order, welcoming everyone in attendance.

I'm Shannon Phillips. I'm the MLA for Lethbridge-West and the chair of this committee. Ordinarily we would go around and introduce ourselves, but what we'll do is note for the record that the following members are present via video conference or teleconference. I have Jason Stephan, Red Deer-South, via teleconference; Roger Reid from Livingstone-Macleod via video conference; Peter Guthrie, Airdrie-Cochrane, on video conference; Drew Barnes, Cypress-Medicine Hat, on video conference; and the Auditor General, Doug Wylie, is joining us via video conference as well. If there are any other members who are, in fact, present via video or teleconference, please just send us a note, and we'll make sure that your attendance is noted for the record.

We have members present in the committee room, and I'll just allow them to introduce themselves now. We'll go around the table for folks who are in the room.

**Mr. Gotfried:** Richard Gotfried, MLA, Calgary-Fish Creek and deputy chair.

**Mr. Rowswell:** Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

**Ms Hogemann:** Dana Hogemann, senior financial officer.

**Mr. McPherson:** Christopher McPherson, deputy clerk of Executive Council and deputy secretary to cabinet.

**Ms Collier:** Heather Collier, executive director of federal/provincial relations and social policy for Alberta Executive Council.

**Mr. Schmidt:** Marlin Schmidt, Edmonton-Gold Bar.

**Ms Renaud:** Marie Renaud, St. Albert.

**Mr. Dach:** Lorne Dach, MLA for Edmonton-McClung. Good morning.

**Dr. Massolin:** Good morning. Philip Massolin, clerk of committees and research services.

**Mr. Roth:** Good morning. Aaron Roth, committee clerk.

**Ms Rosin:** Miranda Rosin, MLA for Banff-Kananaskis.

**The Chair:** Well, very good. A few housekeeping items just for everyone's awareness. Let's try to keep the appropriate distance between ourselves and meeting participants. Also, we have a memo in hand from Speaker Cooper to remind everyone that there are committee room protocols that we require. Outside of individuals with an exemption, those attending a committee meeting in person must wear a mask at all times unless they are speaking. With most of the masks, if you want to keep it on, if you elect to do that, the sound is fine. So that is also an option open to you if the donning and the doffing become too much. I would ask all members participating via video conference or teleconference to mute yourselves. *Hansard* will operate your microphones for you, for those of you who are in the room. Everything that is said and done today is available on the Legislative Assembly website, on Alberta Assembly TV, and all proceedings are live streamed on the Internet.

Moving on to the agenda, are there any changes or additions to the agenda, hon. members? All right.

Seeing none, would a member like to move that the agenda for the November 17 meeting of our Public Accounts Committee be approved as distributed or as amended? Moved by Member Rowswell. Any discussion on this motion? Please unmute your microphones. All in favour? Any opposed? All right. Thank you. That motion is carried. Members, please remute, for those of you who are joining us virtually.

Now moving on to the minutes, friends, we have the minutes in hand from our last meeting. Do any members have any errors or omissions?

If not, would a member move that the minutes of the October 27 meeting be approved as distributed?

**Mr. Gotfried:** So moved.

**The Chair:** Moved by the deputy chair. Any discussion on this motion? All in favour? All right. Are there any opposed? That motion is carried. Thank you.

We will now move on to Executive Council and welcome our guests, who are here to address the office of the Auditor General's outstanding recommendations and the ministry's annual report from 2019-20. Please, I will now turn it over to officials to provide some opening remarks not exceeding 10 minutes.

**Mr. McPherson:** Thank you, Madam Chair. Good morning. My name is Christopher McPherson. I am the deputy clerk of Executive Council and the deputy secretary to cabinet. With me at the table are Executive Council senior financial officer Dana Hogemann and Heather Collier, executive director of federal/provincial relations and social policy at intergovernmental relations.

I'm pleased to discuss the ministry's 2019-20 annual report and the outstanding Auditor General recommendation. The 2019-20 fiscal year was a challenging year for Executive Council. The fiscal year began at the midpoint of a provincial election and ended with the province and the world working through a pandemic. Against this backdrop Executive Council delivered on its commitments as stated in our business plan.

I will briefly set out what Executive Council does and some of its accomplishments in 2019-20 and then turn to the Auditor General's recommendation. As stated in our business plan, Executive Council supports the Premier, the cabinet, and ministries as they deliver and implement the government's agenda. Executive Council offers cabinet and its committees advice on legislative, regulatory, and policy issues and works with ministries to ensure that cabinet decisions are implemented in a timely and effective manner. Executive Council, specifically its intergovernmental relations division, also helps ensure Alberta's priorities are advanced in Canada and internationally. The office of the Premier provides strategic and functional support for the Premier and is a crucial link in applying the principle of responsible government to the Ministry of Executive Council. The office is led by the Premier's chief of staff, Jamie Huckabay.

Executive Council's deputy minister is Ray Gilmour. He is also the secretary to cabinet and head of the Alberta public service, or APS. As head of the APS Deputy Minister Gilmour provides leadership and oversight to the Deputy Ministers' Council and all APS staff. In the first weeks of 2019-20 the Deputy Minister of Executive Council's office provided strategic leadership and direction during the transition to a new government. Since then this office has discharged its role of overseeing the ministry, providing strategic advice and monitoring operational priorities, and ensuring that the cabinet decision-making process works effectively.

The associate deputy minister of Executive Council for operations is Coleen Volk. Deputy Minister Volk is also the deputy minister of intergovernmental relations, or IGR. IGR is responsible for supporting the Premier's intergovernmental agenda, missions, and meetings. This means advancing Alberta's interests at intergovernmental forums, including the Council of the Federation, first ministers' meetings, the Western Premiers' Conference, and bilateral meetings with the Prime Minister and other Premiers. IGR works with all ministries to ensure a co-ordinated and consistent approach to intergovernmental relations. IGR also reviews and approves all of Alberta's intergovernmental agreements to ensure they are consistent with Alberta's goals and objectives; 2019-20 was a very busy year for the internal trade branch at IGR, with Alberta announcing the removal of 20 Canada free trade agreement party-specific exceptions. This is approximately an 80 per cent reduction. Alberta now has the lowest number of exceptions of any parties to the agreement.

Alberta hosted the Western Premiers' Conference on June 27, 2019, which was attended by Premiers from British Columbia, Saskatchewan, Manitoba, Yukon, Northwest Territories, and Nunavut. IGR also supported the July 9 to 11, 2019, summer meeting of the Council of the Federation in Saskatoon, Saskatchewan. At both meetings the Premiers had productive discussions about strengthening the economy by reducing barriers to internal trade, improving the quality and sustainability of Canada's health care systems, and supporting effective labour market mobility and foreign qualification recognition processes.

The policy co-ordination office, or PCO, is led by Deputy Minister Mark Cameron. In the first weeks of 2019-20 the PCO provided central co-ordination support to the transition team working with deputy ministers' offices across government to co-ordinate the development of transition briefing material for use with a new or returning government. The PCO then worked in collaboration with the Premier's office, the Deputy Minister of Executive Council's office, and my office to establish the cabinet decision-making process and brief ministries on it.

Additionally, the PCO provides secretariat support to cabinet's policy committees. These committees are the jobs and economy committee, the community and families committee, the resource and sustainable development committee, and the Legislative Review Committee. The PCO supports the development and review of the government's legislative, regulatory, and policy agenda. Finally, the PCO plays an essential quality assurance or challenge function for ministries. This helps ensure that cabinet and its committees consider high-quality decision documents.

**8:10**

The office of the Lieutenant Governor provides administrative and functional support for Alberta's vice-regal. In 2019-20 this was the Hon. Lois Mitchell as she represented our Queen.

I lead the cabinet co-ordination and ministry services division. The division consists of four branches. The cabinet co-ordination office is the secretariat for the cabinet, the Priorities Implementation Cabinet Committee, or PICC, and, as required, the Emergency Management Cabinet Committee, or EMCC. The operations and machinery of government branch works with all ministries to monitor programs and projects and identify emerging operational issues across government.

The protocol office supports official and working visits to Alberta. It serves as the point of introduction for diplomats and other key visitors and works with ministries to enhance Alberta's profile on the global stage. Internally the protocol office supports the Alberta Order of Excellence program and co-ordinates ceremonial occasions. In 2019-20 these included the swearing-in of

the new government and two Speeches from the Throne. Finally, the protocol office manages the conference facilities at the Edmonton Federal Building and at Government House and at McDougall Centre in Calgary.

Ministry services supports the day-to-day operations of the ministry, including recruitment, training, and employee relations; finance and administration services, including financial planning, financial reporting, and business planning; management of the ministry's accountabilities under the Freedom of Information and Protection of Privacy Act; and records management and information and technology support and services.

Turning to the Auditor General's recommendations, I am pleased to report that Executive Council has no outstanding audit recommendations from the Auditor General. In 2016 the Auditor General repeated a recommendation for Executive Council to improve its contracting processes by documenting the rationale for entering into sole-source contracts, assessing whether proposed contract rates are reasonable, and ensuring contracts are authorized and in place prior to receiving services. Since then the ministry created new processes, including a procurement approval form, to address the recommendation. We also updated the terms of reference for the ministry's Contracts Review Committee. The Auditor General deemed this recommendation implemented in August 2020.

As part of its regular cycle of audits the Auditor General's office also completed an audit of the travel, meal, and hospitality expenses incurred by the office of the Premier for the period May 1, 2019, to November 15, 2019. The Auditor General examined 100 per cent of expenses incurred by the Premier's office during that period, and no recommendations for improving the ministry's expense system were made.

As I noted earlier, the 2019-20 fiscal year ended with Executive Council and all ministries working together to mitigate the health and economic effects of COVID-19. This work included establishing an Emergency Management Cabinet Committee in February 2020, which met 11 times before the end of the fiscal year. To put that into context, that's approximately three months of decision-making condensed into just a few weeks; 2019-20 was an extremely challenging year. I'm proud of the dedication and commitment to excellence every staff member in Executive Council demonstrated in the service of Alberta.

I'm happy to take any questions you may have.

**The Chair:** Thank you.

I'll now turn it over to the Auditor General for his introductory comments. Mr. Wylie, you have five minutes.

**Mr. Wylie:** Thank you, Chair and members. Good morning. Yes, Mr. McPherson summarized it well. We have no outstanding recommendations respecting this ministry. We completed our follow-up work on the one that was outstanding, and we reported publicly in our November report that there are no outstanding recommendations relating to this ministry.

Thank you, Chair.

**The Chair:** Thank you.

We'll now proceed to questions from the committee members. The questioning rotation is that the Official Opposition and the government have 15 minutes each. Then, after that, it's 10 minutes each for three rotations, and after that there is a period of time when members may read questions into the record from each side.

We will begin now with the Official Opposition and their first rotation of 15 minutes. Please, Member Renaud.

**Ms Renaud:** Thank you, Madam Chair, and thank you, all, for being here this morning. While I appreciate that it would be extremely rare for the Premier and the head of Executive Council to attend this meeting, I am actually concerned that the ministry appears not to have taken this meeting seriously. I actually would have expected the Deputy Minister of Executive Council, Ray Gilmour, to be here in the Premier's absence, and if there were exceptional circumstances – we are in a pandemic; I certainly understand that – then at least the associate deputy minister of Executive Council and deputy minister of government operations would be here and, I suppose, in the very most exceptional circumstances, then the deputy minister of the policy co-ordination office in Executive Council. These are obviously very large titles, and this is a complex system that is in place and rightly so. I think this is an area that oversees billions of dollars and, you know, the management of government. This is the first time during the term of this government that when a minister wasn't present, the deputy minister did not attend, and in Executive Council there are three deputy ministers. I will get into my questions now, but I suspect that the officials present won't have the answers. That is certainly not a reflection on the expertise or professionalism of the people here. I just don't believe that there are the correct people here.

It is the tradition of this committee that if officials present don't have the requisite information, they follow up in writing within the prescribed time frame, which is 30 days, so I'll likely be asking you to follow up in writing on a number of these questions.

I'll begin. My first question. The Premier noted on page 7 of his annual report: "Executive Council worked closely with all Alberta government ministries to mitigate the devastating impacts of the pandemic." I would like to ask you about this work. At a previous meeting of Public Accounts we learned that on February 11 the Deputy Ministers' Public Safety Committee convened to focus solely on planning and preparation for the pandemic. Can you please tell this committee when the Deputy Minister of Executive Council, Mr. Gilmour, or the deputy minister of government operations, Ms Volk, first briefed the Premier on the emerging threat of the pandemic?

**Mr. McPherson:** I understand that the Premier was first briefed on the pandemic formally in January of 2020.

**Ms Renaud:** Do you have a time frame within that month? It's my understanding that on January 2 the chief public health officer of Canada did send notification to all the ministers of health across Canada. So I'm wondering: can you tell us where within that month, or do you know? Would you please follow up in writing within 30 days? Thank you.

The Premier receives a daily operational briefing. When did the pandemic start making it into the daily briefs provided by or coordinated by the officials in Executive Council?

**Mr. McPherson:** I am not entirely sure when that began. The Premier, as you noted, does receive daily briefings on the COVID pandemic.

**Ms Renaud:** Okay. In your opinion, which official would be best suited to be able to answer a question like that?

**Mr. McPherson:** I'm happy to take your question away, and we can follow up in writing.

**Ms Renaud:** Okay. Will you follow up in 30 days?

**Mr. McPherson:** Mm-hmm.

**Ms Renaud:** Thank you very much.

Can you please table with this committee all briefing notes, briefing materials, including presentations and memoranda, provided to the Premier or used to brief the Premier on the COVID-19 pandemic up until the period ending March 31, 2020?

**Mr. McPherson:** I will take away the request. When the Emergency Management Cabinet Committee began to meet – that is a committee of cabinet, and those materials would be covered by the same cabinet privilege that would apply to cabinet itself and other cabinet committees.

**Ms Renaud:** Are there any decision documents, in your opinion, that would be useful for this committee to be able to, I guess, further explore the annual report? Obviously, the report focuses on the pandemic – I think we're all focused on that – and all of the things that have happened as a result of that, and for us to be able to understand the decisions that were made, I do think it's important that we have access to at least some of the "high-quality decision documents" that were used by executive committee. Will you be able to bring any of that information back to this committee so that we can examine those documents?

**Mr. McPherson:** Well, what I would say is that I will happily take away the request to explore which documents could be made available, but, as noted, particularly, anything that went to cabinet or its committees would have been captured by cabinet confidentiality.

**Ms Renaud:** Can you also table with this committee all briefing notes, briefing materials, including presentations and memoranda, that were provided to the Deputy Minister of Executive Council and the deputy minister of government operations related to COVID-19 up until the period ending March 31, 2020?

8:20

**Mr. McPherson:** I believe a similar answer would apply, particularly when the Emergency Management Cabinet Committee began its work. The briefings that those individuals would have received would have been in the form of documents bound for cabinet.

**Ms Renaud:** When was the Emergency Management Cabinet Committee first briefed on the pandemic, and on what further days were they briefed up until March 31, 2020?

**Mr. McPherson:** The Emergency Management Cabinet Committee first met on March 9. It had been established in February, and in the remainder of that fiscal year it met 11 times.

**Ms Renaud:** That's right. You said that in your opening statement. When was the full cabinet first briefed on the pandemic, and on what further days were they briefed up until March 31?

**Mr. McPherson:** I would have to check on the exact dates, but cabinet was regularly briefed as part of a report in from the Emergency Management Cabinet Committee.

**Ms Renaud:** Okay.

Go ahead.

**Mr. Schmidt:** Sorry. Just in response to the question on the meetings of the Emergency Management Cabinet Committee, could we get a list of the dates on which that cabinet committee met?

**Ms Renaud:** I'd like to ask about Executive Council's decision to inform the public about the emerging threat of COVID-19. We know from the government's annual report that internal planning and preparedness started on February 11. However, the first real public comments from the Premier came in the second week of March, and we went into lockdown on March 17. Many businesses weren't ready, and many went bankrupt. I want to know why you didn't alert the public earlier, and why did you not say, "The government of Alberta is in full crisis planning; we have been in this full crisis planning for weeks, and you should get ready as well just in case"?"

**Mr. McPherson:** Executive Council's role generally is to provide a platform for informed strategic legislative decision-making by the Premier, and that happens whether we're in an emergency situation or in the normal course of business. Part of our work in both cases is contingency planning. I would characterize the work that was under way in January and February as contingency planning, which is done by us and by other ministries. Contingency planning, in this case, is precautionary. What would we do if this kind of thing happened? It's done with varying levels of intensity based on perceived risk at the time. It's the kind of thing you do when you're looking a little ahead. Crisis management, in the alternative, is: what are we going to do today and tomorrow and next week given what we know is happening?

I think it's fair to say that in the early part of 2020 Executive Council and other ministries and governments around the world were in the contingency planning phase. I'd say that – it seems incredible now – in January and February we still didn't really know what the threat posed by coronavirus was and . . .

**Ms Renaud:** If I could just interrupt for a sec. Sorry. I don't have much time. We knew that there were cases of COVID in December of 2019. The chief officer of health for Canada let health ministers know in very early January. The Premier's first public comments came out the second week of March. We went into lockdown March 17. As a result, we saw a lot of disruption, obviously, but businesses that were unable to manage went bankrupt, closed, all of those things. So I guess, you know, if you cannot share the documents that were used for the decision-making, is it possible to get a summary of the advice that was used to give such a short period of time for the public, for Albertans to understand what was coming?

I guess what I'm getting at is: if cabinet is receiving the information, why was that not translated to Albertans with enough time for them to be able to react accordingly? If you're unable to answer that question, which I expect you're not, which is fine, if we could get that in writing within 30 days, that would be great.

I'd like to ask about intergovernmental affairs work of the ministry as it relates to COVID-19. We know that the government of Canada was providing information to the provinces based on their own assessment and what they got through our country's shared intelligence. When was the government of Alberta first warned from Ottawa to get ready for a potential pandemic?

**Ms Collier:** Thank you. I can't personally speak to when the government itself was warned as those would have been conference calls that I perhaps wasn't on, but I can say that on March 16 we began having daily calls with the federal government at the deputy minister level. Those persisted for quite a number of weeks. As well, later that week we began having both Premier-level calls, so all Premiers from all the provinces and territories having those calls weekly, as well as calls with the first ministers, so all provinces, territories, and the Prime Minister. I don't have a list of specific dates at this time.

**Ms Renaud:** Would you be able to provide the committee with a list of those dates?

**Ms Collier:** Yeah.

**Ms Renaud:** Thank you.

Between January 1, 2020, and March 31, 2020, who did the Deputy Minister of Executive Council consult with in Ottawa, and can you please provide the dates of those discussions and what information generally was shared?

**Mr. McPherson:** I'd be happy to explore that.

**Ms Renaud:** Okay.

I am going to turn it over to my colleague.

**Mr. Dach:** Thank you very much, Chair. I will follow up with more questions, but I'd like to move away and change focus for a while from the pandemic and focus on the Auditor General's November 2020 report and the work of Executive Council. On March 31, 2020, the last day of the fiscal year, the Premier announced a \$1.5 billion equity stake in the KXL pipeline, a further \$6 billion in loan guarantees. We learned from the Auditor General that by March 31, 2020, the deal was more than signed, sealed, and delivered; the government had already made a \$100 million payment, which does not align with the Premier's public remarks to Albertans. Let me start at the beginning. On what date did the government start working with TC Energy on a deal, and on what date was the first time Executive Council got involved?

**Mr. McPherson:** I do not have that information. The question about the pipeline specifically may be better directed to the Ministry of Energy or the Ministry of Treasury Board and Finance.

**Mr. Dach:** All right. Well, I imagine that the TC Energy deal had the highest level of approvals, so any information that does satisfy my request, please respond to us in writing, provided it's available through your ministerial documentation, within 30 days.

Secondly – I'll move on – in your capacity as the ministry supporting the Premier, can you please table with this committee a list of all the meetings the Premier had on the KXL deal, with whom he met, and the specific issues addressed at the meetings? Could you also please table this within 30 days? We want to get a clear record of the pattern of events leading up to the signed deal. Would you please commit to obtaining those documents and filing them with us, with the committee, within 30 days?

**Mr. McPherson:** We'll explore that, sir. Thank you.

**Mr. Dach:** All right. Explore or actually be able to provide? I'm not sure what you mean when you say "explore."

**Mr. McPherson:** I can commit to going back and finding what's responsive to your request and then tabling it within the 30 days as requested.

**Mr. Dach:** Okay. Those things that you might except from tabling would be just things that were subject to cabinet privilege: is that what you're saying?

**Mr. McPherson:** Well, cabinet privilege would be the primary lens I would look through, yes, sir.

**Mr. Dach:** All right. Thank you for that.

I'm wondering if this would also include a list of all the meetings held by the Deputy Minister of Executive Council on the KXL deal, with whom he met, and the specific issues addressed at those



meetings. Would those documents be included as well in your endeavour to research and provide?

**Mr. McPherson:** We'll take that back.

**Mr. Dach:** Okay. Sounds good.

Now, there were a lot of risks with this KXL deal, and I want to ask about due diligence as this was a major transaction and it was focused upon by the Auditor General. I know that the government is sensitive to this. Albertans are concerned.

**The Chair:** Okay, thank you, Member.

We will now move over to the government caucus for the 15-minute rotation, please. Yes, Member Stephan.

**Mr. Stephan:** Hi. Can you hear me okay?

**The Chair:** Yes.

8:30

**Mr. Stephan:** Great. Thank you, Chair, and good morning. Page 15 of the annual report of Executive Council states that key objective 2.1 is to "build and maintain strong relationships with federal, provincial and territorial governments, advocating for Alberta's interests on issues of importance to Albertans." Many Albertans feel they are not getting a fair deal in Canada, that Alberta's interests are not cared about, and that their freedom and prosperity are even undermined. Can the department describe what actions have been taken to get a fair deal in Canada for Alberta families and businesses?

**Mr. McPherson:** Thank you. I will ask my colleague Heather Collier to respond to that question.

**Ms Collier:** Thank you for that. I'm happy to respond. The government has taken a number of actions to secure a fair deal for Alberta and Albertans. Included in those are the launch of the Fair Deal Panel on November 9, 2019, and the subsequent tabling of the Fair Deal Panel's report in the following fiscal year. As well, there have been a number of other avenues that the government has taken to support Alberta's place in the federation such as undertaking a mission to Ottawa on key issues such as pipelines, equalization, federal legislation such as Bill C-48 and Bill C-69, the federal carbon tax. The provincial government has also launched legal challenges against a number of pieces of federal legislation and has also built a number of alliances with key jurisdictions on major issues such as with Saskatchewan on market access issues for Albertans.

Thank you.

**Mr. McPherson:** Madam Chair, if I may add, intergovernmental relations also looks at every issue and meeting through the lens of Alberta's priorities. I just wanted to make sure that was clear.

**Mr. Stephan:** Thank you.

We've talked about the actions taken to get a fair deal in Canada. Can you, then, talk about the results that these actions have, I guess, yielded in getting a fair deal for Alberta in Canada and helping to advance our interests?

**Mr. McPherson:** Again I'll ask Heather Collier to answer that question.

**Ms Collier:** Sure. Thank you very much for that question. There are a number of key results that I could point to, but I'll highlight a few in the interests of time. One is securing the agreement of all provinces and territories to make fundamental and retroactive

changes to the fiscal stabilization program that would net Alberta approximately \$2.4 billion in returned revenue to the province if these changes were made.

I'd also like to point out that intergovernmental relations and Premiers were also able to secure the agreement of 12 out of 13 jurisdictions to pursue work on pan-Canadian economic corridors and the concept of what those may look like, and further work is currently being undertaken. We have also been able to secure alliances with other jurisdictions on key issues such as working with British Columbia on LNG development and, as I mentioned previously, working with Saskatchewan on key issues around market access.

Thank you.

**Mr. Stephan:** Just a follow-up question: do we have a timeline for when we're going to actually get the \$2.4 billion?

**Ms Collier:** The update from Finance ministers went to the federal Finance minister earlier this year, and we are waiting for a response. This is something that Alberta will continue to pursue through all intergovernmental forums.

**Mr. Stephan:** And just in terms of a critical path on the pan-Canadian economic corridor, what are the outstanding steps to achieve that important outcome?

**Ms Collier:** At a high level, there is still some additional work that needs to be done crossjurisdictionally to ensure everyone is working on the same priorities and the same outcomes. That work is currently being undertaken at the official levels' tables. Additional work would be led out of the departments of Energy and Infrastructure, and I would direct you to them for very specific answers if you're looking for them.

Thank you.

**Mr. Stephan:** Right. I do want to look at how we measure success in the annual report, being subjective. On page 15 we talk about Alberta's priorities being advanced, and the performance measures relating to this on page 17 don't seem to measure the progress of advancing priorities but instead focus on perceived satisfaction of the ministries and the ability to meet deadlines and the number of intergovernmental meetings supported. These are long-standing performance measures that have been around, certainly, prior to this government. But these measures seem to be focused on activities and not results. How adequate do you feel these measures are at evaluating progress made on this important item?

**Mr. McPherson:** Thank you for the question. What I would say is that, you know, it's not for officials to give a qualitative judgment about whether these are the right indicators or to make qualitative judgments about progress being made on specific issues. What we are focused on and what these indicators measure is the role that the department plays in supporting client departments and a co-ordinated government approach.

Heather, do you want to pile onto that?

**Ms Collier:** Sure. I might just note that one of the measures of success that intergovernmental relations uses is the quality of the relationships that have been built internally within our client ministries to ensure that we're able to provide adequate and accurate advice to advance Alberta's priorities, so the satisfaction measure helps us address whether or not we are achieving that end. As well, we look at the success of our external relationships that we have built with our other governments across the country and what we're able to achieve by partnering and working with them.

**Mr. Stephan:** Thank you.

I'll now turn the time over to one of my colleagues. Thank you.

**Ms Rosin:** Okay. Thank you. Nice to see you all here. Heather, it's nice to see you again.

My first question will be around some of the work that our Fair Deal Panel did and more focused, I guess, on agreements that are signed between provinces. On page 16 of the annual report it mentions that "IGR reviewed 184 agreements between the Government of Alberta and other governments that proceeded to signature." Now, I assume that some of these are the ones that you just mentioned, being the corridors, the fiscal stability, and others. I'm wondering. We reviewed 184 agreements this year, and those proceeded to signature. What is the average number of agreements that are signed in other years, and is this number higher or lower than that average?

**Ms Collier:** Typically we sign around 300 agreements per year, so this is a slightly lower than average number of agreements. That doesn't inherently mean that less was accomplished. It just may mean that the agreements were of a different nature.

**Ms Rosin:** Okay. Thank you.

Then how many agreements were reviewed this year that did not proceed to signature?

**Ms Collier:** That is a metric we don't actually track. There are a number of agreements that are in process at any given time. While we track signed agreements through an annual inventory that is published, we don't track the ongoing negotiations in that same fashion. Some of those will not proceed because of complications that have arisen, and some will not be signed simply because they were signed in a separate fiscal year than they may have started negotiations in.

8:40

**Ms Rosin:** Thank you.

My next question will be around internal trade barriers. I know this is something that our Fair Deal Panel talked a lot about in the report and that our government has put quite a strong emphasis on removing over the past year and a half. On page 12 of the annual report it discusses the goal of reducing red tape and barriers to internal trade within Canada. We've heard time and time again from businesses that internal trade barriers are oftentimes worse than external ones and that it's one of their biggest hindrances to expanding their business in Canada. Page 12, again, states that our goal is reducing red tape and barriers to internal trade across provinces, stating that our province "announced the removal of 21 Canada Free Trade Agreement... party-specific exceptions, representing an 80% reduction" of overall exemptions. I'm wondering if you can elaborate on those 21 exemptions that were removed in the 2019-20 year and if you can tell us more about what those party-specific exemptions were.

**Ms Collier:** For sure. Thank you for that. The majority of the exceptions that were removed were related to government procurement exceptions, so how government gets goods and services in. Most of these were around, you know, say, the Legislature and related offices, Alberta Innovates, the Alberta Energy Regulator. The reason that we focused predominantly on procurement exceptions is that it makes for more competitive contracts. Ultimately, the intent is to lower the cost for Albertans as we do that.

Other exceptions address matters such as Crown land, alternative energy, granted the disposition of Crown land, and granted Alberta

the ability to take retaliatory measures in reaction to other CFTA parties' measures that negatively affected Alberta energy and alcohol purchases. There is a list of the 21, but that's predominantly where most of them fall into.

**Ms Rosin:** Thank you.

Then to follow up – and, granted, this year has been a little bit different than a normal year of business – I'm wondering if you could also explain any results we've seen, after removing those exemptions, on our market and the overall Alberta economy, whether that's in terms of jobs, in terms of trade numbers or revenue. I'm just curious if we have any results to show from the removal of those exemptions.

**Ms Collier:** Sure. Perhaps I'd just start by noting the overall costs that internal trade barriers place on our economy writ large. It's estimated that internal trade barriers cost the Canadian economy about \$130 billion every year, which is a significant economic burden, so every action that we can take to remove those trade barriers addresses that \$130 billion issue, I would say. At this time, because the removal is so new, we don't have quantitative data, but as data becomes more available, we'll be able to assess the true impacts of these specific exception removals.

**Ms Rosin:** Do we have any estimates as to how long the time frame will be until we have enough quantitative data to show what the results have been?

**Ms Collier:** I don't have a time frame, but I would say that, based on past experience, it takes a number of years of a normal cycle of government in order to be able to assess true impacts as opposed to impacts that may have been skewed based on, say, a significant factor that is outside of government's control such as a pandemic.

**Ms Rosin:** Thank you.

Then one final question. As we know, the removal of those 80 exemptions was our government acting. As we know, a lot of the other governments have not followed suit yet. I'm just wondering if you can comment on what overall progress has been made alongside other provinces to achieving reciprocity in terms of dropping trade barriers against Alberta as well.

**Ms Collier:** Sure. Thank you. Alberta continues to lead the internal trade fight at all Premier-level intergovernmental meetings. We did see some other jurisdictions, in response to us, remove some of their own exceptions and open up their markets more freely. Most notably, Manitoba did a full-scale review. In fact, we have been able to, through part of the Council of the Federation communiqué process, have all jurisdictions agree to doing a review of their party-specific exceptions, so we were able to get some traction on moving forward on those reviews.

We also continue to look at other methods, that we can take internally, that can demonstrate a path forward for other jurisdictions, so we can lead the way, as it were, in terms of...

**The Chair:** Thank you.

We'll now move on to the 10-minute rotations – we have three of them – beginning with the Official Opposition. Your time starts when you begin speaking.

**Mr. Dach:** Thank you, Madam Chair. I'll continue with my lines of questioning. I would like to continue asking about the recent KXL deal and the analysis that led up to it because Albertans are, I think, rightly concerned about how the government came to the decision to proceed with the commitment of up to \$7.5 billion to

this transaction. It has been recently noted that the Premier said that much of the work happened out of Executive Council. As an overview, Mr. McPherson, could you explain and tell us about that work? Focus your answer to Albertans who are at home in their living rooms and at their kitchen tables right now, wondering exactly what the government did to examine the details and what analysis they used to go forward. Out of Executive Council, what work could you tell Albertans was done to come to the decisions to move forward?

**Mr. McPherson:** Thank you. I'll speak generically about the work of Executive Council. Executive Council is in lots of ways a clearinghouse. As mentioned in my opening remarks, it's a platform for decision-making. One of the things that it does is work with departments that have proposals, which this could be one, to assess whether it's in the best interest of Albertans. Executive Council doesn't do this alone. Policy, legislative, regulatory, business experts are in all of the departments. Treasury Board and Finance also plays a very, very significant role, as does the Treasury Board Committee, which is a cabinet committee, all of which examine proposals, again, for them being in the best interests of Albertans, you know, sharpening recommendations and then providing a platform for the Executive Council as a group, specifically the cabinet, to make a decision about it.

**Mr. Dach:** Thank you for that. I want to specifically drill down a little bit into one of those functions of analysis that Executive Council, you say in your remarks, has immersed itself in and that is to get a better understanding of the challenge function of the PCO. I'm sure many Albertans who've been listening were wondering exactly what that meant. Can you explain a little bit about the challenge function? First of all, give a reference for Albertans who may be listening and provide all evidence that the PCO provided for the challenge function for the KXL deal. Is there a possibility that we can have a very transparent answer so that Albertans understand and perhaps a waiver of privilege so that we really get a sense of how these decisions are made and how this challenge function is applied? First, maybe just explain to Albertans this challenge function concept.

**Mr. McPherson:** Executive Council works with departments, as I mentioned, on policy and legislative regulatory concepts. Priorities are set by the government at various times in the year and then transmitted to those departments. Ministers work towards achieving those priorities. Where PCO, policy co-ordination office, comes in is that it takes the proposals that departments have, goes through them in fine detail, often working with the experts at Treasury Board and Finance, and reviews them through a variety of lenses. One would be the clarity of the proposed decision to expected stakeholder reaction or interest in things. If it's a program, how the program could be stood up or as a matter of legislation, whether the legislation as drafted is correct. Those are the basic lenses.

In terms of the challenge function what it does really, though, is work with departments to refine thinking. It'll go through something called a memorandum to cabinet, which is the proposal document, and really stress-test the ideas with the sponsoring departments.

**Mr. Dach:** All right. Now I want to find out about individuals who may have been instrumental in that whole process. What was David Knight Legg's role in the TC Energy deal and working out of Executive Council?

**Mr. McPherson:** I don't have an answer to that. I'm not sure what his role was, sir.

8:50

**Mr. Dach:** Can you please find out and report to us within 30 days? All right. Thanks so much.

I'm going to return to a question that I started to ask when I was questioning earlier and say again that the KXL deal is fraught with risk in the minds of Albertans, and the due diligence that the government and Executive Council did, of course, in this major transaction is something that Albertans are really focused on, and the Auditor General is focused on it as well. Presumably, the government of Alberta did retain some outside organizations to gain analysis that would allow them to make decisions on this transaction. Who did the government hire? Who did Executive Council hire to consult with on the analysis of this transaction?

**Mr. McPherson:** I'm not sure what external parties would have been involved in this.

**Mr. Dach:** All right. Well, I think that would probably be a matter of record. Would it not?

**Mr. McPherson:** I would assume so.

**Mr. Dach:** Okay. Please provide that information, if you would, within 30 days so we know who the Alberta government consulted with to come to their decisions and who they sought analysis from. Also, I'd like to know how much you paid for that analysis on a \$7.5 billion transaction. Please table all that information for the committee and the benefit of all Albertans to understand exactly how government arrived at the decision to move ahead.

Next I'd like to ask about the Canadian Energy Centre, otherwise known as the war room. Now, while this is formally an undertaking of the Ministry of Energy, the Premier and his ministry was by his own admission playing a role to set it up. The war room and its behaviour was also a key focus of the Auditor General's most recent report. Can you please table with the committee all the records, documents, briefing materials, and presentations that passed through Executive Council related to the creation of the Canadian Energy Centre and its operations up to March 31, 2020?

**Mr. McPherson:** I will commit to reviewing all of the material and providing what we can if it wasn't subject to cabinet confidence. As you noted just a moment ago, the Canadian Energy Centre is not an Executive Council office.

**Mr. Dach:** Correct. But it's also a matter of public record that the Premier has indicated he was inscrutably involved in the set-up of that, so I imagine that the Executive Council would have some documentation to reflect that involvement, so if I may ask that that be provided to the committee in writing within 30 days.

**Mr. McPherson:** Well, as I mentioned, we'll look at the request.

**Mr. Dach:** All right. I'd also like to ask about some of the accounting issues outlined in the Auditor General's November 2020 report. The Deputy Minister of Executive Council was also the Deputy Minister of Finance, and during his tenure in Finance we never saw \$1.6 billion in accounting errors. In fact, I think the deputy had a multiyear track record of zero errors. Now, what direct action is the Deputy Minister of Executive Council taking in his capacity as the head of the civil service to ensure that proper procedures are being adhered to?

**Mr. McPherson:** I'm not certain which accounting errors you're referring to, sir. There are none, as far as I know, within Executive Council.

**Mr. Dach:** Well, there is a \$1.6 billion accounting error that's been publicly alluded to. I think we can get further clarification from you about that.

I'll tell you what. I'll move on for the moment to the annual report, page 10. We have a write-up of the office of the Deputy Minister that outlines its roles and its obligations on page 10. I'd like to ask about concerns with financial reporting in Treasury Board and Finance. For the first time in living memory we saw them break the law by failing to table the heritage fund's annual report on time. I've been on this committee for coming on six years, and that's something I've never seen before. We saw the ministry fail to prevent a fudge-it budget strategy on AISH payment changes. We also saw the ministry stop its regular reporting on the heritage fund because, as the Deputy Minister of Finance put it, it might confuse the public.

Now, this isn't normal in Alberta. What advice or measures, sir, is the Deputy Minister of Executive Council taking to clean up financial reporting in Treasury Board and Finance and return that department to its historically high standards? Put another way: what is the head of the civil service doing to clean up the glaring problems identified . . .

**The Chair:** Thank you, hon. member. The time has elapsed, and we will now move over to the government side for 10 minutes of questioning.

**Ms Rosin:** Okay. I'm just going to go very quickly. I just have two follow-ups to my last line of questioning. Before we got cut off by the bell, you mentioned that we had seen success with Manitoba tangibly in potentially dropping some of those trade exemptions. I'm just wondering if you could elaborate on what exemptions Manitoba has dropped or has agreed to drop.

**Ms Collier:** Unfortunately, at this time I don't have the list of the exceptions that they dropped, but they did a thorough review and dropped a number of party-specific exceptions from the Canada free trade agreement as well, following Alberta taking the lead in doing so.

**Ms Rosin:** Sorry. Those were in relation to procurement again, or were those in relation – you mentioned some other areas such as Crown land.

**Ms Collier:** I don't have the specific areas that they took them in, so I would hate to speculate and be wrong.

**Ms Rosin:** Okay. Could we get those in writing as a follow-up?

**Ms Collier:** Yeah. For sure.

**Ms Rosin:** Thanks so much.  
That's everything for me.

**The Chair:** Go ahead, the next member.

**Mr. Guthrie:** Okay. Yeah. Good morning, I guess, first. Looking at Alberta's priorities, so key objective 2.1 on page 15 again, building and maintaining strong relationships and advocating for Alberta's interests on issues of importance to Albertans, naturally a key driver for jobs and the economy in Alberta and Canada, for that matter, is tied to the energy sector. Can you go into detail about how IGR works with other governments to promote Alberta's energy sector and update us on progress being made on egress related to pipeline, rail, and energy corridors necessary to move Alberta products?

**Ms Collier:** Thank you. I'm happy to respond. Alberta has worked collaboratively and co-operatively with all jurisdictions, as I mentioned before, in researching and advancing work on the pan-Canadian economic corridors concept, we also continue to work closely with the federal government on advancing the Keystone XL pipeline in light of the recent U.S. federal election, and we continue to work with our provincial partners on areas of common interest such as pipelines with Saskatchewan or Ontario as well as on LNG developments with both Quebec and British Columbia. For specific updates on pipelines I would direct you to the Department of Energy.

**Mr. Guthrie:** Okay. Alberta's energy sector: obviously, we are world leaders in that environmental, social, and governance, placing us in the top three. It doesn't matter what ESG metrics one examines. Yet for some reason that message is not getting through to other countries, including the U.S. but also right here at home in Canada. So what is IGR doing to improve messaging around ESG, and how are other provinces like B.C., Ontario, and Quebec responding and reacting to that messaging?

**Ms Collier:** As you note, Alberta has a strong ESG message to share with Canada and the rest of the world. Work has continued on sharing that message across the country and the world. It's imperative that it include also a strong economic message about the importance of the Alberta energy industry to not just Alberta's economy but to the Canadian economy. While there is still work to be done on sharing our ESG message across the country, we do continue to build alliances with provinces, as I mentioned before, on focusing on areas of common interest such as LNG development with B.C. and Quebec. So there are areas of commonality where we can continue to work. But I would just point out that for ESG the lead is the Department of Jobs, Economy and Innovation on that, so any further specific questions on the work of ESG I might direct you to that department.

**9:00**

**Mr. Guthrie:** Okay. Well, I'm going to continue on here, I guess, with energy. Maybe you can help me out a little bit more here. The energy sector in Alberta: I mean, we've made tremendous strides, reducing emissions and carbon intensity. Many achievements globally have come from technological innovation developed right here in Alberta. That investment in R and D gets a little tough when conditions decline and regulation widens and the overall cost of doing business increases. We have federal initiatives that are coming forward like the clean fuel standard, net zero, meeting Paris criteria, and these kinds of things will further erode the balance sheets of Alberta businesses and could cause irreparable damage to this industry. So can the IGR sort of provide an update on our government's positions on [inaudible] future measures but as far as working with the federal government on those that have been announced up till the end of this fiscal year?

**Ms Collier:** Thank you. The government of Alberta and intergovernmental relations specifically continue to work closely with the federal government in the interests of protecting Alberta's interests and Albertans' interests. We are continuing to push back against intrusive federal policies and legislation that harm our energy sector and that layer on regulations and that dampen our ability to attract investment into our province. For example, we've undertaken some legal challenges on significant pieces of federal legislation that are intruding in areas of provincial jurisdiction, and the Alberta Court of Appeal agreed that the federal carbon tax does violate the Constitution. We will continue to pursue legal action on other issues as necessary, but for specific positions on key federal

initiatives such as the clean fuel standard or meeting Paris criteria, those would be the purview of the Department of Environment and Parks.

**Mr. Guthrie:** All right. Thank you.

I'll cede my time to Member Barnes and come back later. Thank you.

**Mr. Barnes:** Okay. Thank you, MLA Guthrie.

Can everyone hear me?

**The Chair:** Yes.

**Mr. Barnes:** Thank you. Thanks to the government people and everyone for your time today and your work for Albertans. On page 12 of the annual report it states, "The Policy Coordination Office and the Cabinet Coordination Office focused on administrative efficiencies aimed at achieving an ambitious policy agenda and using the Premier's and ministers' meeting time to [maximized] effect." I'd like the department to go into a little more depth, please, first of all, about the ambitious policy agenda details; secondly, what changes were made to achieve this; and thirdly, if you could take some time and please comment on how you're measuring the success of these changes. What metrics are you implementing, and how are you communicating them?

Thank you.

**Mr. McPherson:** Thank you for the question. The current government, during the election, brought forward a campaign platform with 375 commitments. Internally the policy co-ordination office, the cabinet co-ordination office, and all ministries have geared themselves to implement those commitments.

In terms of process changes there have been a few made to the cabinet decision-making process. The first one is the way that cabinet itself runs. We have created what's known as a consent agenda. The consent agenda is a list of things, items that cabinet itself will not consider in a meaningful way during a meeting and will deem approved if members consent. What makes this work is that the cabinet policy committees that I outlined earlier review all of these items in depth, and if they're satisfied that sufficient work has been done and the item is ready for approval, then it'll go on the consent agenda.

**The Chair:** Thank you.

We will now move on to our third rotation of 10 minutes, with the Official Opposition. Member Schmidt.

**Mr. Schmidt:** Thank you. I just want to go back and follow up on some of the questions that my friends here were asking, particularly around the role that the policy co-ordination office and the cabinet co-ordination office played in analyzing the KXL deal. Now, you know, you'd spoken very broadly about the challenge function and gave a very process-oriented answer around the work that the PCO and the CCO do in analyzing general suggestions from government departments. I know, from my own experience, Chris, that the PCO often does its own analysis of suggestions that are coming from government departments, briefs cabinet members on the analysis that the PCO does, because you've given me some of those briefings in the past.

With respect to the KXL deal, who prepared briefings that were analyzed by the PCO? Which government departments and agencies?

**Mr. McPherson:** I would have to return with an answer on that.

**Mr. Schmidt:** Okay. I would appreciate it if you could commit to tabling answers to that, as to who provided analysis on the KXL deal to the PCO for analysis. Thank you.

Can you tell us what specific analysis the PCO provided, then, on different elements of the KXL deal?

**Mr. McPherson:** I can't tell you specifically what the PCO would have done in terms of analysis because that is something that I wouldn't have seen up close in my current role.

**Mr. Schmidt:** Okay, but presumably somebody in Executive Council has seen that analysis. Is that correct?

**Mr. McPherson:** Yes. The cabinet would have considered the analysis brought forward and made a decision on that basis.

**Mr. Schmidt:** Okay. Would you commit to tabling the analysis that the PCO did on the different pieces of work that the government departments did on the KXL deal?

**Mr. McPherson:** Well, what I can commit to is going back and working with the PCO to look at the analysis, but as I mentioned, this was a decision that the cabinet would have made, so that analysis and those inputs would be covered in the normal course by cabinet privilege.

**Mr. Schmidt:** So tell me about cabinet privilege. It is possible for cabinet privilege to be waived in certain circumstances. Is that correct?

**Mr. McPherson:** Cabinet can make decisions about the disposition of its own documents.

**Mr. Schmidt:** So if we made a request to cabinet to consider waiving privilege around the documents related to the KXL deal, would you carry that request back to cabinet on behalf of this committee?

**Mr. McPherson:** I would carry that request back, and then cabinet could make its decision.

**Mr. Schmidt:** Okay. Thank you.

I just want to reiterate the importance of full transparency around the KXL deal, particularly because the Premier has touted this \$7.5 billion as the bulk of the pandemic response, the fiscal response that the government has provided to the people of Alberta for the pandemic, and we've seen surprisingly little detail about the deal. So I would appreciate it if you considered that request for waiving cabinet confidentiality.

Now, with respect to confidentiality and transparency around the pandemic, my friend Ms Renaud asked a number of questions around briefings that cabinet received, that the emergency committee of cabinet received, that different officials provided from different agencies to cabinet. Would you also consider waiving cabinet confidentiality, waiving the privilege so that the people of Alberta can see all of the information that cabinet used in its decision-making processes around the response to the COVID-19 pandemic?

**Mr. McPherson:** As I mentioned, cabinet is entitled to make decisions about the disposition of the things that it considers.

**Mr. Schmidt:** Okay. Thank you.

Again, I just want to reiterate the importance of transparency around how cabinet has made decisions with respect to its COVID-19 response, you know, early on. Again, the government of Alberta

has promised full transparency around its COVID pandemic response, and I would certainly appreciate it if cabinet lived up to its commitment and waived privilege so that the people of Alberta could see clearly what information was provided to them in making decisions related to its COVID-19 response.

**9:10**

Now, I do want to go back to a few questions that my friend Mr. Dach posed around the accounting errors related in the Auditor General's report of a couple of weeks ago. I notice that when he flagged these errors, you were uncertain as to which errors were being referred to. Of course, I don't have a complete list, but one of the errors was related to the Petroleum Marketing Commission's failure to re-analyze the Redwater refinery contract. I'm just wondering. What role does Executive Council have in making sure that Treasury Board and Finance and Energy have the proper accounting procedures in place to avoid that particular error in the future?

**Mr. McPherson:** What I would say is that Treasury Board is responsible for the government's books, so to speak. In respect of the questions that you've asked, I believe that the Auditor ultimately gave the government clear books for this fiscal year.

**Ms Hogemann:** For Executive Council.

**Mr. McPherson:** For Executive Council.

Specific questions about the Alberta Petroleum Marketing Commission and its own books: I'd suggest that's best referred to the Ministry of Energy.

**Mr. Schmidt:** So it's my understanding that Executive Council has no role whatsoever in analyzing accounting practices of the government of Alberta and making sure that the proper guardrails are in place? The Auditor General, you know, identified, particularly with the Sturgeon Redwater deal, that there were no guardrails in place to prevent this kind of accounting error from happening. Executive Council is silent on that matter?

**Mr. McPherson:** I can't speak to that specific issue. I can refer you to Treasury Board and Finance or the Ministry of Energy specifically on guardrails, as you put it.

**Mr. Schmidt:** I would be interested, Chris, if you could table any documents related to Executive Council's involvement in analyzing what went wrong specifically with the accounting in that deal.

Now, another issue that the Auditor General raised was the analysis of the crude-by-rail contracts, that a number of those accounting entries were done incorrectly. Can you speak to the role that Executive Council would have played in making sure that the responsible government department accounted for those expenses correctly?

**Mr. McPherson:** Again, those questions are best posed to the ministries of Energy and Treasury Board and Finance.

**Mr. Schmidt:** Can you commit to tabling any documents that may exist in discussing the potential guardrails or any corrective action that Executive Council may have provided to Treasury Board and Finance on how they booked the crude-by-rail deals?

**Mr. McPherson:** I will take that back.

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

I think I'll turn it over to Mr. Dach to continue his line of questioning.

**Mr. Dach:** I think Mme Renaud will be continuing.

**Ms Renaud:** Okay. Sure. Well, I'm going to change topics a little bit. My colleague has talked about some of the accounting errors that have been noted by the Auditor General, and certainly I'm not asking questions about that report. Instead, I'm asking, really, about the role of Executive Council in 2019-2020, so some of that decision-making.

On changing of the AISH payment dates, we got confirmation on the obvious from the Auditor General in his November 2020 report. The ministry was trying to hit a budget target, and to do so, they disrupted the lives of over 70,000 vulnerable Albertans in a veiled ploy to pull off an illegal accounting trick. I'd like to ask about this in-year savings strategy. Did Executive Council play any role in that decision, and . . .

**Mr. Gotfried:** Point of order, Madam Chair.

**The Chair:** Okay.

**Mr. Gotfried:** The scope of the meeting specifically references OAG outstanding recommendations and the ministry annual report. I believe the Auditor General's report was referenced here, which is out of scope.

Thank you.

**Mr. Schmidt:** Thank you, Madam Chair. You know, I don't think that this is a point of order. We've clearly established that Executive Council plays a critical role in these types of decisions, as do many members of this committee and the public, so I think it's entirely within the rights of Public Accounts to ask Executive Council about this issue and wait for the answer. I mean, we've clearly asked some questions around the possible role of Executive Council in other decisions. I think this is only fair, to allow the member to continue this line of questioning with respect to these payments.

**The Chair:** I mean, there have been a number of queries around the policy co-ordination role, the challenge function, which is in the annual report, which is in the opening remarks, the structure of the ministry. So as long as the member is ensuring that her questions are within the March 31 timeline and refer back to the role of officials within Executive Council, I think that it's essentially in order given the broad role of the Deputy Minister of Executive Council as head of the civil service.

**Ms Renaud:** Thank you.

My questions are: did Executive Council play any role in that decision, and when was the Premier first briefed on the AISH payment date change strategy? To that I would also add: in response to another question earlier you talked about the stress test of a decision, the role Executive Council would play in stress testing and checking out the decision, what the risks are. So I'm wondering if you could talk to me a little bit about that in terms of the timeline and what the work was that was presented.

**The Chair:** That time period has elapsed, so we are now going to move on to the government side for 10 minutes, beginning with Mr. Barnes, right? Yeah. Okay. Very good. Member Barnes.

**Mr. Barnes:** Thank you, Madam Chair, and thanks again to the officials. You were in the middle of answering my earlier question when time ran out, so if you have anything more that you would like to add to what your policy agenda is for administrative efficiencies, I would appreciate it. But the part that was cut short was: what metrics are being used to measure the success of these changes? Please comment on those two things.

**Mr. McPherson:** Thank you. I'll pick up where I left off and elaborate just a little bit more about the cabinet decision-making process. I've discussed already the creation of a consent agenda, which allows quite a bit of government business to be pushed through cabinet, again with significant oversight by the cabinet policy committees and the ministers and MLAs who sit on them.

One of the other changes is in respect of how legislation and regulations are reviewed. In the current structure legislation only comes to cabinet once, and then after cabinet it's reviewed by the Legislative Review Committee. The Legislative Review Committee has been given authority to be the final sign-off of legislation and regulations. From there it can either go into the House at the call of the Government House Leader or be published as orders in council.

In terms of metrics of success, we measure the amount of time that it takes for a proposal at cabinet committee to make it through the balance of the process. On average, it takes about 11 business days for an item to obtain final approval, again, once it has its cabinet policy committee date and then moves through cabinet or Legislative Review Committee.

9:20

**The Chair:** Member Barnes, you may be muted.

**Mr. Barnes:** Oh.

**The Chair:** Yeah. There you go.

**Mr. Barnes:** Madam Chair, I accidentally was. Is that better?

**The Chair:** That's fine.

**Mr. Barnes:** Thank you. And thank you for that answer.

COVID, of course, was a game changer publicly, privately in so many ways. Can you please comment on how this may have impacted your ambitious policy agenda for efficiencies, and what did it do to your budget? Did it cause some increases? Were you able to save? How did the fiscal review part go?

Thank you.

**Mr. McPherson:** Thank you for the questions. In respect of the legislative and policy agenda, committees continued to meet. Cabinet continued to meet. As I think all members are aware, the Legislature continued to meet. So, you know, I would say that the government continued moving forward with its policy agenda.

In terms of the Executive Council budget and the impact of COVID on it in 2019-20, because COVID was so late in the year, we didn't see a particular impact in that respect. I think I'll end my answer there.

**Mr. Barnes:** Okay. Thank you.

On page 10 of the annual report it outlines the general structure of Executive Council. It's a little unclear, though, whose specific responsibilities and work are carried out by various areas of your ministry such as the office of the Premier and the deputy minister's office. Can you fill in areas of specific responsibilities and work carried out by each area and each individual, please?

**Mr. McPherson:** Okay. I'm happy to go back and go through this. As I mentioned in my remarks, the office of the Premier supports the Premier in terms of his role as the Premier of the province but also in terms of leading cabinet and how it interplays with the government caucus.

The Deputy Minister of Executive Council's office, as noted, is the chief deputy and leads the deputy minister's council. The Deputy Minister of Executive Council is also the Premier's deputy

minister and, as such, is accountable for the overall running of Executive Council. The Deputy Minister of Executive Council is also the head of the Alberta public service, or APS, and so in that respect is responsible for the work of all of the Alberta public service, 27,000 members of it.

The policy co-ordination office, as we've discussed at various points during this meeting, is the secretariat for the cabinet policy committees and works with the Premier's office and departments to set the legislative policy and regulatory agenda for the year.

We've already discussed the challenge function. What they do in addition to that is what we internally call push and pull. They help work with departments to make sure that priorities that are set by the cabinet get executed. They also bring forward from departments for consideration by the cabinet key machinery elements, you know, making sure that policies' expiry dates in regulations are addressed in a timely fashion.

The cabinet co-ordination office is the secretariat for the cabinet, the Emergency Management Cabinet Committee when it is activated, and the Priorities Implementation Cabinet Committee. As such, it provides a variety of functions, but it co-ordinates the briefings of the Premier and also the development of minutes.

The Lieutenant Governor's office supports her and the many functions that she does on behalf of Albertans. One thing it also does is work with the cabinet co-ordination office on getting orders in council signed in a timely way so these reflect the decisions of cabinet and making sure that those happen.

Then the cabinet co-ordination and ministry services division, as I mentioned, is responsible for that kind of day-to-day management of Executive Council in terms of financial services, hiring, and the like.

I hope that answers your question.

**Mr. Barnes:** It does. Thank you very much.

I'd like to go to the Fair Deal Panel again for a second. Tens and tens of Albertans went to the mic over our many meetings and contacted the government electronically as well and expressed a great deal of concern about the federal government and Alberta's inconsistency and the layers and layers of regulation when it comes to the environment. Many, many Albertans were greatly concerned about, of course, the tanker ban, C-48, C-69, you know, referred to as the end-all-pipelines bill, the double carbon tax, and those kinds of things. Albertans were looking, of course, for certainty. Albertans are looking for a chance to go to work and support their families and their friends and their communities, and there's a lot of uncertainty.

Of course, we've got the Supreme Court decision coming soon on Ontario and Saskatchewan's challenge of the federally imposed carbon tax. I'm wondering, please, when you're expecting the Supreme Court decision, if the response to it and Alberta's policy going forward will be your department's responsibility, and if you've done any preliminary work.

Thank you.

**Ms Collier:** Sure. Thank you for that question. We don't yet know when the Supreme Court decision is expected. The decision docket has not been prepared or made publicly available at this time, so we continue to watch for that. The lead response would presumably come from Energy and Justice together as they work on that.

Thank you.

**The Chair:** If there's anything to add there, because Member Barnes had about a minute, just go ahead, and we'll just give you . . .

**Ms Collier:** No. I'm actually . . .

**The Chair:** Okay. Very good.

All right. We'll move back for our fourth rotation, then, with the Official Opposition for 10 minutes. I believe it's Member Renaud.

**Ms Renaud:** Thank you, Madam Chair. Okay. I'm just going to go back to the questioning that I had before the little alarm went off. I am talking about a change that was made within one of the ministries. Obviously, Executive Council has a role to provide advice and support to ministries. I'm specifically talking about an issue that was about a second-quarter fiscal update, so that would have been November 2019. Treasury Board and Finance forecasted that CSS would exceed the annual budget appropriation. Then we saw a decision sort of come out after that, and that was a change in payment dates. My question is about Executive Council's role in that decision. My question is: what role did Executive Council play in the decision to change the AISH and income support payment date?

**Mr. McPherson:** I'll go back to kind of my earlier answer. Executive Council will look at proposals from departments, make assessments, and then put them forward to the cabinet for a decision on that. You know, I can't speak specifically to that issue. I will note, though, that my understanding is that the Auditor General provided an unqualified audit for the government's books.

**Ms Renaud:** If I could ask, throughout that process could you tell me if there would have been, like, a risk assessment or a risk mitigation strategy put forward? Again, this is a decision, a large decision, a financial decision but also a decision that impacts the lives of 70,000 AISH recipients and about 60,000 income support recipients. If you could describe that for me, what that process would have been around identifying risk and then potentially identifying risk mitigation strategies.

**Mr. McPherson:** Again, I kind of outlined already the role of the policy co-ordination office in assessing these kinds of things. You know, generally speaking, departments will, when they're putting forward documents for consideration by cabinet and its committees, set out its recommendation and give a view on what the positives of that are but also the kind of consequences. All of those would be folded up and considered by the cabinet.

9:30

**Ms Renaud:** Would you be able to give the committee a timeline of when those documents or when that advice would have been given, the dates and sort of what committee they were coming from and who they were presented to? Also, could you tell me when the Premier was first briefed about the AISH payment date strategy? If you could respond in writing within 30 days to the committee, that would be most appreciated.

Okay. I'd also like to ask if you could table all correspondence, briefing notes, memorandums, presentations on the AISH payment date change that passed through Executive Council to either the Deputy Minister of Executive Council, the deputy minister of government operations, the deputy minister of the policy co-ordination office, the Premier, or any of the Premier's political staff. This is important as the committee looks into the Auditor General's most recent report.

**Mr. McPherson:** I will take that back but again note that that decision would have gone to cabinet, and most if not all of the things that you've outlined would be captured by cabinet privilege.

**Ms Renaud:** Okay. I just wanted to make a quick note. Page 7 of the annual report – and this is a message actually from the Premier.

He says that "Executive Council is responsible for strategically coordinating the government's implementation of our common sense plan," and there are three points: "get Alberta back to work, make life better for Albertans, and stand up for our province." I think we've explored a couple of those points, but the one that I'm interested in in this line of questioning is to "make life better for Albertans." I would really like to know if there are any documents or advice or what date was that passed on, and what was outlined for that decision-making to occur? How would that make life better for Albertans, keeping in mind that this was outlined by the Premier? If you could report back to the committee with that information, that would be appreciated.

Thank you. I'm going to turn my time over to my colleague Member Schmidt.

**Mr. Schmidt:** Yes. I just want to follow up on, again, this troubling role. My friend Ms Renaud talked about the accounting mistakes that happened with respect to the AISH payment. I want to know if you can speak to the Deputy Minister of Executive Council's role in ensuring that the proper accounting functions are followed, you know, making sure that deputy ministers perform their job adequately. When the Deputy Minister of Executive Council evaluates the job performance of other deputy ministers that he oversees, what role do these kind of accounting errors play in the job performance review that is conducted, let's say?

**Mr. McPherson:** I can't speak for how the Deputy Minister of Executive Council assesses other deputy ministers and their relative performance beyond saying that, you know, the current Deputy Minister of Executive Council, like, I believe, all of them, takes very seriously operational excellence. To the extent that that's found wanting, then deputy ministers of Executive Council would move to correct that.

**Mr. Schmidt:** Is accuracy in presenting financial reports one of the metrics for performance for a deputy minister?

**Mr. McPherson:** Again, I can't speak for how the current Deputy Minister of Executive Council would assess the performance of his colleagues other than to state that, you know, yes, operational excellence is something that's valued by this deputy minister and across the government of Alberta.

**Mr. Schmidt:** Can you commit to tabling to us – sorry. When do deputy ministers have their performance reviewed by the Deputy Minister of Executive Council?

**Mr. McPherson:** I believe it's annually.

**Mr. Schmidt:** Say again? Sorry.

**Mr. McPherson:** I believe it's annually.

**Mr. Schmidt:** Yes. It's annually, but what time of the year, I guess? Forgive me for not being clear enough in my question. What time during the year is their performance reviewed?

**Mr. McPherson:** I can't speak for all of my colleagues. In my own case it was in June.

**Mr. Schmidt:** Okay. I guess we would like to ask you if you can commit to tabling to us some of the performance evaluation criteria that deputy ministers are evaluated against in their annual review because we are interested in knowing whether or not following generally accepted accounting is part of that evaluation criteria. Can



you commit to tabling that information, that evaluation criteria, to us?

**Mr. McPherson:** I will take that back. Again, you'll note that I understand that the Auditor gave an unqualified opinion on the 2019-20 books.

**Mr. Schmidt:** And I have to push back on this because, yes, the Auditor General did give an unqualified opinion only after he pointed out \$1.7 billion worth of errors in the accounting of the government of Alberta that they then had to go back and correct. That's never happened before, in my memory. I think the people of Alberta want to know that somebody has to pull up their socks when it comes to making sure that the books are accurate when they're presented to the Auditor General in the first place.

I do want to go way back to one of topics that you talked about. This is with respect to public land sales and removing restrictions on public land sales with respect to Canadian free trade agreements. Can you tell us what consultation was done with the public before the decision to remove those exemptions was made?

**Ms Collier:** At this time I don't have that information at hand.

**Mr. Schmidt:** Would you be willing to table documents related to all of the briefings that were provided, the information that was provided to the Deputy Minister of Executive Council with respect to exempting public land sales or removing the exemption, I guess, from the Canadian free trade, including the consultation processes that were undertaken?

**The Chair:** Okay. Moving now to the final rotation, 10 minutes, government side. I believe we will lead off with Barnes or Guthrie. Member Guthrie, please.

**Mr. Guthrie:** Thank you. On page 11 of the annual report it states that the policy co-ordination office

works with all ministries across government to support the development of policy options that align with the government's agenda and coordinates the system to review and approve government regulations.

Can you just give us and highlight some of the policy co-ordination office's, you know, successes for 2019-2020?

**Mr. McPherson:** Thank you for the question. Yes. The policy co-ordination office had a busy year, as I mentioned in my opening remarks. Off the top I had mentioned their role in co-ordinating the development of briefing material that would be used postelection by a new or a returned government. That was a very significant undertaking that they led.

In addition to what I had mentioned before about reshaping the decision-making process used by cabinet to allow for higher throughput, I would note that the policy co-ordination office also did quite a bit of work, or a huge volume of work, in terms of the government's legislative agenda. I believe that over the course of 2019-20 the policy co-ordination office supported the development of 41 different pieces of legislation in addition to supporting, you know, dozens of cabinet policy committee meetings and serving as the secretary at the same.

**9:40**

**Mr. Guthrie:** Thank you.

On page 13 of the report it states that the policy co-ordination office supported the development of those 41 government bills that you just mentioned. You know, can you sort of give us a little bit of an explanation of how the co-ordination office – the role you play in that formulation of those policies?

**Mr. McPherson:** Certainly. I had mentioned in a previous answer that the policy co-ordination office has both a push and a pull function. The push function is to take the direction of cabinet in terms of its interests for, say, legislation or policy priorities over a set period of time and make sure that ministries are aware of the expectations, schedule things for consideration by cabinet policy committees accordingly. This is what's known as routing, so making sure, you know, working with the ministries, the cabinet co-ordination office, the Premier's office, and so forth, that a clear path for consideration and approval of these things is established; working with ministries to make sure that everybody is hitting their timelines in respect of these meetings and decision-making; and then providing feedback to them coming out of the cabinet policy committee meetings and also before to make sure that the best possible products are brought forward.

In terms of the pull function, as I mentioned, there are all kinds of usual government business I'd mentioned previously. Expiry dates for regulations: some regulations are time limited and lapse unless they are specifically extended, so they bring forward that business. Ministry priorities, operational priorities also emerge throughout the year, so what will happen is that departments will signal to the policy co-ordination office that they need a decision about this or that item. The policy co-ordination office will assess it in the context of other priorities from a time management perspective, and then if it's deemed as necessary, it'll be put on the similar track to the one that I explained earlier.

That's a very brief overview of the kind of work that policy co-ordination does in that respect.

**Mr. Guthrie:** All right. Thanks.

You know, has the ministry examined why the satisfaction rates have gone down on how it provides policy development advice? It's gone down, I think, 10 per cent over the last two fiscal years. Have you looked into that and the reasons for that decrease?

**Mr. McPherson:** We always look at these kinds of things. I would say that any time that there is a transition from one government to another, there is a considerable amount of change management that takes place. I'd mentioned in my remarks that, you know, the fiscal year began in the middle of an election, so it's difficult to discern whether the change in satisfaction was related to just the kind of general churn that was going on at the time or whether it's something deeper.

I will say that, you know, the policy co-ordination office has changed its approach to working with other departments in addition to the products that I mentioned that are now required to go through cabinet. They are taking a somewhat different approach to client management, much more in-person coaching than had previously been the case. I'm sure they hope that that will be reflected in higher satisfaction scores in the future.

**Mr. Guthrie:** Okay. Good. Actually, that kind of addresses the next question I had on it, so thank you for that.

Back to page 12. It states that the "Executive Council is committed to the ongoing review of programs and services to ensure that the best possible outcomes are being achieved for Albertans" and "this includes reducing regulatory burden and unnecessary processes to encourage economic growth and job creation." Now, earlier MLA Rosin discussed trade barriers, for instance. In what other ways is the department working to reduce red tape?

**Mr. McPherson:** Thank you for the question. One of the things that Executive Council and specifically the policy co-ordination office did earlier in the 2019-20 fiscal year as part of the establishment of

a revised decision-making process was establish a specific decision-making process for red tape review, working with the red tape secretariat, which is based in the Department of Treasury Board and Finance. In this case those offices worked together on expedited routing of red tape reduction items.

Again, with, you know, the appropriate analysis done from a policy perspective, I know that IGR has made great strides in terms of reducing barriers to internal trade, which has been set out by my colleague Heather. I've discussed in my own right the changes to the cabinet policy decision-making process, which was designed to speed up internal approvals, again, with appropriate consideration and challenge function applied.

I hope that answers your question.

**Mr. Guthrie:** Yeah. Thank you. Much appreciated.

I will cede my time to, I believe, MLA Stephan.

**Mr. Stephan:** Great. Alberta workers and businesses contribute each year billions more in CPP premiums than Alberta retirees get in return. The fair deal report asked Albertans about the merits of an Alberta pension plan. Could you share how this may advance the interests of Alberta businesses and families in the Canadian federation?

**The Chair:** We have run out of time. If there is a written response at all because Member Stephan had a bit of a delay, that is fine.

That concludes the question-and-answer period. Now each side has three minutes to read subsequent questions into the record for written follow-up. This is a three-minute sort of lightning pace.

We will begin with the Official Opposition. Go ahead. Your time starts when you begin speaking.

**Ms Renaud:** Okay. Thank you. I'd like to know: when specifically was Executive Council fully briefed on the risks related to the AISH payment date change strategy? Also, a yes-or-no question: was Executive Council briefed on the risk mitigation strategies related to the AISH payment date change?

Thank you.

**Mr. Dach:** Hi, Mr. McPherson. I'd like to know when you were told that you were going to attend this meeting rather than the deputy minister and who told you and on what date that had happened. Same question to the other attendees. When were they told that they would be attending this meeting instead of the more senior officials that normally attend this type of meeting, and who informed them that they would be attending? Was there any explanation given to you as to why the senior officials wouldn't be attending, as is the normal case, before Public Accounts?

**The Chair:** Any more?

Seeing none, we will move over to the government side for their written question requests.

**Mr. Gotfried:** Thank you. Page 14 of the annual report notes that Visits to the policy development and coordination website are lower than the target because PCO reduced the reliance on the online resource by moving to a more client-oriented delivery model.

Could you please elaborate on the measures taken to make the delivery model more client oriented?

Follow-up question: given this information should performance measure 1(b) remain part of the annual business planning process, and should a new performance metric be developed to better reflect EC delivery model objectives?

Finally, performance measures 1(a) and 1(c) are slightly below target. How is EC planning to improve performance to meet these targets?

Moving over to my colleague Roger Reid.

9:50

**Mr. Reid:** Thank you, and thank you for your presentation today. We've talked a lot about intergovernmental relations within Canada, but obviously we have pushed to strengthen relationships with governments outside of Canada, with Alberta establishing trade offices all over the world. In addition to establishing these offices, can the department elaborate on what steps have been taken to strengthen our intergovernmental ties with our neighbours to the south and other countries across the world?

The second question is regarding reducing barriers to internal trade on page 12 of the annual report. What has the Executive Council done so far in encouraging other provinces and territories to join the New West Partnership trade agreement? What sorts of partnerships have we garnered with B.C., Saskatchewan, Manitoba in committing to the New West Partnership trade agreement? What are the barriers or concerns that provinces and territories have expressed in this partnership, and how does the overall partnership benefit Albertans?

I'd like to cede to Member Stephan, I believe.

**Mr. Gotfried:** I just have one more question . . .

**Mr. Stephan:** Maybe I'll just read in the question I had from . . .

**Mr. Gotfried:** Go ahead, Jason.

**Mr. Stephan:** Prior to the fair deal release Alberta workers and businesses over a long period of time have contributed each year billions more in CPP premiums than they get for Alberta retirees in return. The fair deal report asked Albertans about the merits of an Alberta pension plan. Could you share how this may advance the interests of Alberta businesses and families in Canada and advise on the status of this initiative?

Thank you.

**The Chair:** Okay. Last chance. All right.

We will now move on. Thank you. Oh. Yeah?

**Mr. Dach:** If there's time I just have one more quick question.

**The Chair:** No. That was the government's time. There are three minutes and three minutes, so now we're good with that portion of our meeting.

Thank you very much to the members of Executive Council for joining us. On behalf of all Albertans I would like to thank you for making the transition of government as boring as possible. That incredibly important work we're now seeing is foundational to democracy, so thank you. I think I speak for all Canadians in that, too.

**Mr. Gotfried:** Madam Chair, can I just comment, please?

**The Chair:** Hmm?

**Mr. Gotfried:** May I please make a comment?

**The Chair:** Yeah. Sure.

**Mr. Gotfried:** Yeah. Thank you, Madam Chair. I just wanted to thank the officials for joining us today. I recognize that you are senior and seasoned, so I just want to put that on record, that we appreciate you being here today, representing Executive Council,

and that we recognize the seniority and the valuable time that you've brought to us here today.

Thank you.

**The Chair:** Wonderful. So we've heard from officials, and thank you very much. There's a 30-day request from the Public Accounts Committee in terms of follow-up in writing for the requests that came, so I thank you to forward those to the committee clerk, Mr. Roth, who sits here.

We'll now move to the committee business and to item 5(a) on our agenda this morning. The subcommittee on committee business met on November 13 in relation to two matters. The first of these had to do with scheduling meetings of the committee. The Official Opposition caucus has provided a proposal for modifying the fall 2020 schedule of the committee. The deputy chair also provided a proposed revised schedule for the committee. Both of these documents are on the committee's internal website for us to review, and the subcommittee also discussed a proposal from the Official Opposition to invite the Auditor General to attend a meeting of the committee at the earliest practical time after issuing a report so that the committee might review it.

I would like to open the floor now to discussion on this matter of scheduling. I see Mr. Schmidt.

**Mr. Schmidt:** Thank you, Madam Chair. I would like to move that the committee adopt the meeting schedule proposed by the Official Opposition and circulated to the committee. I can read that out for clarity and then provide some reasoning for proposing this schedule. We're proposing that on November 24, 2020, the Ministry of Indigenous Relations 2019-2020 annual report and outstanding recommendations be presented to the committee; on December 1, 2020, the Community and Social Services 2019-2020 annual report and outstanding recommendations be examined by the committee; and on December 8 the Ministry of Culture, Multiculturalism and Status of Women 2019-2020 annual report and outstanding recommendations; and, further, that the committee meet as soon as practical on the record to discuss the report released by the office of the Auditor General.

**The Chair:** Okay. Friends, we have a motion, then. This is a motion, correct? I'm to understand this is a – it's being drafted. Okay. Very good. When that is up on screen, I believe it will be moved.

Mr. Schmidt, if you might have a look at that motion just to see if it meets the intent of what was just read. I think it does.

**Mr. Schmidt:** Yeah. This is a bit like reading the eye chart.

**The Chair:** There's one over here. Moved by Mr. Schmidt that the Standing Committee on Public Accounts adopt the proposed revised schedule provided by the Official Opposition to the committee for the 2020 fall session.

**Mr. Schmidt:** Yes.

**The Chair:** Okay. That motion has been moved. So it is a motion on the floor. I have a speakers list, beginning with Mr. Gotfried.

**Mr. Gotfried:** Thank you, Madam Chair. I appreciate the proposal from the Official Opposition. In further discussion, of course, at subcommittee we'd had some conversations regarding the urgency that was brought forward by the chair with respect to bringing the office of the Auditor General forward, which in the initial discussion at subcommittee we were not keen on. But in conversation with my members we want this committee to function as best as it possibly can as a bipartisan committee, hence we have

made another proposal, which is here as well, which I think meets the requirements and the priorities which were put forward to us of getting the office of the Auditor General in front of this committee as soon as possible.

We're recommending that that be brought forward on November 24, next Tuesday, and that we then follow it with Indigenous Relations and Culture, Multiculturalism and Status of Women. My suggestion, because of the likelihood of or potential for a December 8 meeting, which may or may not transpire, is that at the December 1 meeting we then create a list going through into 2021, in consultation with the subcommittee, which includes the clerk and the Auditor General's office and research services, to come up with a reasonable and well-reasoned plan based on outstanding recommendations and other input from those individuals.

I'm going to speak against this particular motion because we have another option on the table, which I would like this committee then to take a look at. My suggestion is that we actually deliver what was noted as a priority in subcommittee of the Official Opposition, allowing for the Auditor General to come forward in a very timely manner – i.e., next week – and that we move ahead with that as an option, with the proposed schedule as put forward by the government caucus. In respect and with all due respect to the proposal made, we want to make sure that we are following reasonable schedules but also collaborating here to do our best nonpartisan or bipartisan work in representing the people of Alberta.

Thank you.

**Mr. Schmidt:** If I could respond, I want to take Mr. Gotfried's offer of nonpartisan work and just ask him to apply it, then, to the schedule that he has proposed. I think we all agree that having the office of the Auditor General appear before committee as soon as practical is important to the correct functioning of this committee. Our proposal would see the office of the Auditor General come as soon as practical to appear publicly before the committee, so we would propose that we poll members for a meeting time. It's certainly my hope that we would be able to have the Auditor General come to present his findings publicly to the committee on Friday of this week so that then we can move into the schedule as we've proposed. What's critical in the schedule that we proposed is that Community and Social Services remain on the committee's agenda on December 1.

10:00

Certainly, I would challenge Mr. Gotfried and his government caucus members that if they are genuinely committed to bipartisan work on this committee, then surely they will agree that the issues that the Auditor General highlighted in the Community and Social Services annual report, some of the financial dealings with the AISH program and income support program and a whole host of other things, are critical matters of public interest and that we cannot afford to delay this committee's examination of that report. That's why I ask the members to actually live up to the public statements that they're making about nonpartisan work on this committee and adopt the committee schedule proposal that we have and withdraw the committee proposal that they've put forward here this morning.

**The Chair:** What we have right now is a motion on the floor. I just want to make sure – the revised schedule provided by the Official Opposition is the motion that is on the floor – that all the members understand what it is. Then we can either – the options open to us are to amend that motion or continue to discuss it or proceed to a vote. Those are the options in front of us right now. Is there any

further discussion on this motion? How would the committee like to proceed on this now?

I have Gotfried, and then I have Dach.

**Mr. Gotfried:** Thank you, Madam Chair. I think, actually, we maybe have two motions on the table here in that the schedule actually has a motion embedded into it. Sorry. The schedule proposal has a motion embedded into it. Maybe we are conflating things here because you've actually got a motion within the motion. One is a schedule, and one is a motion with respect to the timeliness of getting the Auditor General in front of this committee for various things. If I recall correctly, the proposal originally, in a letter received from the opposition members, was for us to have the Auditor General in today, so in a very timely manner. Our proposal gets him in next week.

I'd just like to note that many of us have extremely busy schedules. I make commitments on Fridays. In fact, I have a facility-based continuing care review panel that will preclude me from participating this Friday. That is of top priority to me, addressing continuing care issues in this province. I'm sure many members will have commitments to their constituents, which we all take very seriously. So we are proposing that we do so in a very timely manner, which really actually suits the scheduling that was originally proposed, which was immediately into the next rotation. We are going to do that in that we did not have an opportunity to make that adjustment for this meeting here today.

Again, we are having both a schedule motion made here but also a longer term commitment with a motion embedded in that schedule, which I think is conflating the issue. I can't support this motion because it's just too conflated for me. It's trying to address some issues which I think need to be separated. I will not be supporting this motion but will be proposing that we bring forward the other motion as recommended, and I will probably make a suggestion that we take the last part of your scheduling. Perhaps we may take a look at that as a separate motion.

Thank you.

**The Chair:** Member Dach.

**Mr. Dach:** Thank you, Madam Chair. I think what we need to do is get down to the crux of the matter and deal with the motion that is on the floor at the moment; that is, with respect to our Official Opposition's motion to adopt our meeting agendas. I think we can, if possible, at some point put forward an amendment to add an additional meeting so the Auditor General might appear on Friday, as Member Schmidt has proposed. Let's get down to the crux of the matter here and quit dancing around. What the government members want to do is to avoid having Community and Social Services come forward and present the Auditor General's very damning remarks about what indeed has taken place in that ministry with their decision on AISH, whereby the move to change the payment dates was made simply to make their account look better, to make their books look better. That's what the government wants to do by taking this ministry off the table and scheduling in a way that disallows this committee to bring to the public the very, very damning tales that the Auditor General has told about Community and Social Services and the AISH payments rescheduling. That's the whole crux of the matter.

I'm very, very adamant that I want to keep this meeting on the table as proposed within our schedule of meetings, and if Member Schmidt wants to add an additional meeting to accommodate the government side to hear the Auditor General, I suggest we do that on Friday, as suggested. Let's definitely, in a spirit of bipartisanship, not be afraid to, you know, face the music and hear

from the committee that the public is very much interested in knowing the truth from that department – that's Community and Social Services – about this accounting change so that the payments were made on a different date to make the government's books look better, according to the Auditor General. That's the crux of the matter. That's what the government is trying to avoid by rescheduling this, so let's quit fooling around and deal with it and get this department before us so we can have these issues on the floor.

**The Chair:** Okay. There is a process clarification on the motion within the motion that I just want to make so that everyone is aware of how we're going to proceed. Then we'll move on to the next step after we get the process clarification.

Mr. Clerk, can you just clarify for the committee what is meant within this and how we might proceed in terms of the AG proposal and how this motion is structured right now?

**Mr. Roth:** Well, thank you, Chair. I mean, as far as intent, I can't really comment on that piece. In relation, you know, to this motion it deals specifically, as Mr. Schmidt had indicated, with the 2020 fall session revision. The additional piece, with regard to additional reports down the road, may be outside, a separate piece.

**The Chair:** Then there would have to be a separate motion around when the AG comes. That is what I am to understand in terms of the process here.

We have this motion on the floor right now. Are there any further speakers to it? I have Member Gotfried.

**Mr. Gotfried:** Okay. To clarify, then: that last box on the proposal from the Official Opposition is not forming part of this motion. Am I correct on that, Chair?

**The Chair:** I think so. That would have to be an additional motion.

**Mr. Gotfried:** Thank you for the clarification on that. That changes things somewhat.

However, it's interesting. Member Dach noted how adamant he was when just a few days ago we received from the members how adamant they were to get the Auditor General. So I take exception to his comments regarding us trying to avoid anything because, in fact, we are delivering what exactly he wants to do, which is to put the AG in front of us, the Auditor General's office, so that they can address specifically what's in the November 2020 report, which we are now suggesting you can do, and you can cover any of the ministries referenced in that report. I take exception to that, Member Dach, and for you to make that kind of a casting an aspersion against us or our members or our government is despicable, in my mind. Quite frankly, we are saying: bring in the Auditor General; make sure that this committee has a full meeting to address that across all ministries. If you want to focus on one, that is at your discretion, Member Dach. We are saying that we would like to do this.

Again, now that we are only voting on the schedule, I will not be supporting this motion, and we will be providing an alternative motion that this committee can vote on. Thank you.

10:10

**The Chair:** Is there any more discussion on this motion?

**Mr. Schmidt:** Yes. Just as far as process goes, would it be possible, then, to present an amendment to the motion?

**The Chair:** That is in order, I believe. You can't do it, Mr. Schmidt. Someone else can.

**Mr. Schmidt:** What's that?

**The Chair:** You have moved the original motion.

**Mr. Schmidt:** I have moved the original motion, so I can't amend my motion?

**The Chair:** Yeah. That's right. One can withdraw. Well, there are a number of options.

**Mr. Schmidt:** Obviously, I would assume that I would never make mistakes, and here I am admitting that perhaps I've made a mistake and the committee won't allow me to make that admission. This is remarkable.

I guess, in comment to my original motion, then – and I will float this as a potential amendment if any of my colleagues wish to take it up – I take at face value Member Gotfried's sincere wish to see the office of the Auditor General appear before this committee on November 24, and I think my colleagues would also potentially agree to having that motion. I would float this as a potential amendment – if any of my colleagues want to take this up, please do so – that we replace the November 24 Indigenous Relations with the office of the Auditor General to meet the schedule of all committee members, that we retain Community and Social Services on December 1 and Culture, Multiculturalism and Status of Women on December 8, and find an alternative date for Indigenous Relations at some point in the future.

The reason that I'm suggesting this as a potential amendment is that we all agree that having the Auditor General appear before committee is critical to the public interest and having Community and Social Services appear before the committee is in the public interest. A potential amendment like this is our attempt to seek some sort of compromise with respect to the scheduling issues that the members opposite have raised yet still achieving what we think is in the public interest for Albertans and the work that we're doing here on this committee.

**Ms Renaud:** I'd be happy to move an amendment. I can't repeat it word for word.

**The Chair:** Yes. I believe that the clerk is finding a way to capture the moving of an amended motion.

An amendment moved by Member Renaud, just to kind of capture that, then, would be:

November 24, office of the Auditor General; December 1, CSS;  
December 8, Culture; moving IR to a future meeting.

If we are, in fact, still in the House, December 15 might suffice if we are still sitting. If not, when the subcommittee circles back up for the resumption of meetings, it would then be put to them. We'll just get the amendment up there, we'll vote on the amendment, and then we'll go back. That's what we'll do.

**An Hon. Member:** Hello?

**The Chair:** Yeah. Sorry to folks who are not in the room. We are just waiting for the committee clerk to write down the amendment and put it up on screen. I guess that everyone else in the room understood that that was what was happening but not the folks on video conference.

**Mr. Roth:** Does that capture the intent, Chair?

**The Chair:** Yes, I think so. And the 8th and 15th with the understanding that we are still in the Legislature, I think, but that's always understood unless we've explicitly said that we're having out-of-session meetings, right?

That is the motion as amended, so I am looking to the floor for any other discussion on the amendment. I believe I have heard Member Gotfried. Are you calling the question on this?

**Mr. Gotfried:** I can call the question, but it's up to the chair.

**The Chair:** All right. Okay.

It appears that, seeing no further discussion on this proposal, we will now proceed to a vote. All in favour? Okay. All opposed?

The amendment is defeated.

Do we go back to the main? We go back to the main. All in favour of the main motion? All right. All opposed? Okay.

That motion is, then, defeated.

I'm recognizing Member Gotfried.

**Mr. Gotfried:** Thank you, Chair. In the spirit of co-operation here, we have another: as posted on the committee website, a fall meeting schedule proposal, as referenced earlier. Obviously, it actually recognizes those past meetings, that have already transpired, including today's meeting. Going forward, the three meetings noted would be the office of the Auditor General on November 24, Indigenous Relations on December 1, and Culture, Multiculturalism and Status of Women on December 8 if the Legislature is still sitting.

Just as a matter of note, I would suggest that we make time on December 1 to determine our schedule and, in the event that we don't sit on December 8 and that meeting is pushed forward, that we also take that into consideration in putting forward a schedule for this committee for a possible out-of-session meeting and then into the new session so that we have a runway of ministries that we can see, including any ministries at the discretion of the committee, and that we do that accordingly.

Clerk, I guess my motion is that

we accept the proposed meeting schedule as put forward by government caucus, as noted and attached in the committee portal, and move forward accordingly.

Thank you, Chair.

Correct. Thank you, Clerk.

**The Chair:** Member Gotfried, if you could for the record just make sure that the members are clear, then, that November 24 would be the OAG.

**Mr. Gotfried:** That's correct. The special insertion of the office of the Auditor General specifically to review the report of the Auditor General, November 2020.

**The Chair:** Then on December 1 . . .

**Mr. Gotfried:** Indigenous Relations.

**The Chair:** Okay. So replacing Community and Social Services we have IR. Then on December 8 . . .

**Mr. Gotfried:** December 8 would be Culture, Multiculturalism and Status of Women . . .

**The Chair:** Oh, it's up on the screen.

**Mr. Gotfried:** . . . which is the cancelled meeting from the past, so we'll insert that there. Then, again, what I'm suggesting: on December 1, at the discretion of the chair we perhaps hold a little longer meeting, if practical on that day, so that we can determine a schedule as perhaps recommended by the subcommittee going forward into 2021.

**The Chair:** Okay. We have a motion on the floor, friends. Any discussion on the motion?

**Mr. Schmidt:** I would like to propose an amendment, and in fact this is in response to Member Gotfried's adamant position that they are in no way trying to avoid having Community and Social Services appear before this committee. I'm going to move that the motion that Member Gotfried proposed be amended such that Indigenous Relations be removed from the meeting on December 1 and rescheduled to a date at some point in the future, to be decided by the committee, and replaced with having Community and Social Services appear before the committee.

**The Chair:** I have an amendment that has been moved. The clerk will now put that up for our consideration, and then we'll get . . .

**Mr. Gotfried:** Could I just speak briefly?

**The Chair:** Sure. Let's open up to speakers now.

**Mr. Gotfried:** Thank you, Chair. I know that we're in tight timelines here. Just with respect to that, I think, again, as noted earlier and stated earlier, that by having the Auditor General here next week, we have an opportunity to address – and if the Official Opposition would like to focus their attention on one particular ministry, they can do so at their discretion. However, we have an opportunity here to address that entire report as meets the needs of Albertans to the best possible outcomes that we can. I think that that's a reasonable compromise at this point in time, and I'm sure that the subcommittee and the chair and myself can come to reasonable scheduling for 2021 to ensure that we get all ministries in front of us, particularly those with outstanding recommendations.

Thank you.

10:20

**The Chair:** We are just going to put the motion up for consideration, but I have Member Renaud in the meantime.

**Ms Renaud:** Yes. Thank you, Madam Chair. I just wanted to make a comment about why – and I don't think that Indigenous Relations is any less important than Community and Social Services. However, I am talking about timing, and I think that if you look at the work that has been done by the government in terms of pandemic response, a lot of the resources have come from Community and Social Services. That's what they are: social services, the safety net that is picking up a lot of the slack in all kinds of areas. Now, we see blatant errors, that have caused all kinds of hardships, through the Auditor General's report. I'm glad we're going to deal with that. But I think it's imperative not to blow it off or kick it down the road so that at a later date we come back and look at the Ministry of Community and Social Services. I think it makes perfect sense, if it's a committee that wants to be nonpartisan and do the best work possible, to have those two as close as possible. For that reason, I will support this amendment.

**The Chair:** I just want to confirm with Mr. Schmidt that the amendment meets his intent.

I'm seeing Member Dach.

**Mr. Dach:** Thank you, Madam Chair. Once again, regardless of the resentment that might be felt by Member Gotfried, the whole reason for the government, in my view, not to want Community and Social Services to appear is to avoid controversy over their decisions to change the payment dates for AISH, amongst other things that were highlighted by the Auditor General. Let's be absolutely clear that this is exactly why the government members are attempting to once

again eliminate Community and Social Services from the agenda and hoping to punt it down the road, when the issues might be less hot for them. I know that this particular type of an issue caused former Premier Ralph Klein unending misery when he dealt with similar types of decisions, and the government, I think, is hoping to avoid that. But the public is very interested in hearing how the government's books were altered to make them look better on the backs of people who were receiving AISH payments. So let's get this on the agenda, and if the government wants to vote it down and decide that they want to hide from the public on this matter once again, that's up to them.

**Mr. Gotfried:** Point of order.

**The Chair:** Okay. We have a point of order.

**Mr. Gotfried:** Thanks. He's implying, making imposition on here, that we're trying to hide something. In fact, we are trying to ensure that this committee and Albertans have full access to the Auditor General's report and that they can follow any line of questioning they want on that. I suggest we just call the question on that because I'm not going to stand for any more implications and assertions from this member.

Thank you.

**The Chair:** All right. In response to the point of order?

**Mr. Schmidt:** I don't think this is a point of order. In fact, if the member's feelings are hurt, then vote for our amendment.

**The Chair:** All right. We will move, then, to the vote on the motion as amended. That is to say, that the amendment, then – it is moved by Mr. Schmidt that

the government motion be amended by adding “with the exception that the Ministry of Indigenous Relations be replaced by the Ministry of Community and Social Services for December 1 on the proposed schedule” after “government caucus.”

Okay. That is the amendment to the motion, by adding “with the exception that the Ministry of Indigenous Relations be replaced by the Ministry of Community and Social Services.” We have an amendment on the floor. Is there any further discussion on the amendment?

Seeing none, we will now move to the vote on the motion as amended.

**Some Hon. Members:** No.

**The Chair:** Sorry. The amendment to the motion: that's what I meant. Thank you for catching that.

We are voting on the amendment now, hon. members. All in favour of this amendment? All opposed?

The amendment to change December 1 has been defeated, hon. members.

We are now on the main motion.

**Mr. Schmidt:** Thank you, Madam Chair. I would like to propose another amendment, then, to the schedule that was brought forward by the government caucus. You know, I'm giving them a second chance to recognize the mistake that they are making in voting down having Community and Social Services appear before this committee in the next couple of weeks. I would propose that the motion brought forward by the government caucus be amended so that Culture, Multiculturalism and Status of Women not appear before the committee on December 8 and that, instead, Community and Social Services appear before the committee on December 8 so that we can address a number of the

issues that Community and Social Services – and I just want to respond to some of the things that Member Gotfried has raised in arguing against having Community and Social Services appear before this committee.

He's saying that we have access to the Auditor General and the opportunity to discuss the Auditor General's report before this committee, and that is true. We will get the Auditor General's opinion on what went on with Community and Social Services and the AISH accounting errors that were made, in his view. We will get the Auditor General's opinion on what went on there. But I think it's incredibly important for the public of Alberta to understand what Community and Social Services did with respect to AISH payments, income support payments, and all these other things that have been identified so that we get both sides of the story. Members obviously don't want to have Community and Social Services share their side of the story and only want to hear from the Auditor General. I don't think that's what the public wants. They want to hear both sides of the story as close together as we can.

That's why I'm going to propose that December 8 be the meeting in which Community and Social Services appears before the committee and that Culture, Multiculturalism and Status of Women be asked to appear before the committee at a later date.

**The Chair:** We have an amendment, and we are very close to adjournment, so I'm just going to – well, actually, the clerk has it here. Moved by Mr. Schmidt that

the motion be amended by adding “with the exception that the Ministry of Culture, Multiculturalism and Status of Women be replaced with the Ministry of CSS on the proposed schedule” after “government caucus.”

That is the proposed amendment. I am going to call for discussion very briefly here.

Am I seeing none? Okay. We have an amendment on the floor. All in favour of this amendment to have the Ministry of CSS come

on December 8, replacing the culture and multiculturalism ministry? All opposed? Okay. All right. Got it.

That is defeated.

**Mr. Stephan:** I'd like to call the question.

**The Chair:** Yes.

**Mr. Stephan:** I'd like to call the question on the main motion.

**The Chair:** Yes, Member, you have been heard.

We have a motion on the floor. I will now call for a vote on the schedule, which, to review, then calls the office of the Auditor General, Indigenous Relations, and culture and multiculturalism on November 24, December 1, and December 8, respectively, with no consideration of Community and Social Services. That is the proposed motion in front of us right now, hon. members. All in favour? All opposed? All right.

I believe the ayes have it.

We will now proceed with this schedule for the November 24, December 1, and December 8 meetings on the office of the Auditor General, Indigenous Relations, and the ministry of culture, with the Community and Social Services ministry to appear at a later time, likely at least after the resumption of normal business in the new year.

That concludes, then, colleagues, our meeting of the Public Accounts Committee. We will see one another on November 24.

**Mr. Dach:** I move that we adjourn.

**The Chair:** Yes. A motion to adjourn from Mr. Dach.

**Mr. Roth:** It's 10:30, so you can just adjourn.

**The Chair:** Oh, I can just adjourn. Yes.

Thank you very much, everyone.

[The committee adjourned at 10:30 a.m.]











