



Legislative Assembly of Alberta

The 31st Legislature  
First Session

Standing Committee  
on  
Public Accounts

Jobs, Economy and Trade

Tuesday, February 25, 2025  
8 a.m.

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**Legislative Assembly of Alberta  
The 31st Legislature  
First Session**

**Standing Committee on Public Accounts**

Sabir, Irfan, Calgary-Bhullar-McCall (NDP), Chair  
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Deputy Chair  
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Cyr, Scott J., Bonnyville-Cold Lake-St. Paul (UC)  
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Lunty, Brandon G., Leduc-Beaumont (UC)  
McDougall, Myles, Calgary-Fish Creek (UC)  
Renaud, Marie F., St. Albert (NDP)  
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\* substitution for Scott Cyr

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Rob Driesen	Assistant Auditor General

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## **Standing Committee on Public Accounts**

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Tanis Liebreich, Assistant Deputy Minister, Child Care Strategy and Policy

Laura Lowe, Assistant Deputy Minister, Child Care Delivery

Christopher McPherson, Deputy Minister

Myles Morris, Assistant Deputy Minister, Safe, Fair and Healthy Workplaces

Andre Rivest, Assistant Deputy Minister and Senior Financial Officer, Financial

Services Liam Stone, Assistant Deputy Minister, Economic Strategy and Investment



8 a.m.

Tuesday, February 25, 2025

[Mr. Sabir in the chair]

**The Chair:** Good morning, everyone. I would like to call this meeting of Public Accounts Committee to order and welcome everyone in attendance.

My name is Irfan Sabir, MLA for Calgary-Bhullar-McCall and chair of the committee. As we begin this morning, I would like to invite members, guests, and LAO staff at the table to introduce themselves.

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

**Ms Armstrong-Homeniuk:** Good morning. Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville.

**Mr. Lundy:** Good morning, everyone. Brandon Lundy, MLA for Leduc-Beaumont.

**Mr. McDougall:** Good morning. Myles McDougall, Calgary-Fish Creek.

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

**Ms de Jonge:** Chantelle de Jonge, Chestermere-Strathmore.

**Ms Liebreich:** Good morning, everybody. Tanis Liebreich, assistant deputy minister of child care policy and strategy.

**Ms Lowe:** Good morning. Laura Lowe, assistant deputy minister, child care delivery in Jobs, Economy and Trade.

**Mr. McPherson:** Chris McPherson, Deputy Minister of Jobs, Economy and Trade.

**Mr. Rivest:** Andre Rivest, assistant deputy minister, financial services and senior financial officer.

**Ms Harbottle:** Suzanne Harbottle, assistant deputy minister, labour and workforce strategies.

**Mr. Wylie:** Good morning. Doug Wylie, Auditor General.

**Mr. Driesen:** Rob Driesen, Assistant Auditor General.

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

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

**Mr. Ellingson:** Court Ellingson, Calgary-Foothills.

**Ms Robert:** Good morning. Nancy Robert, clerk of *Journals* and committees.

**Mr. Huffman:** Good morning. Warren Huffman, committee clerk.

**The Chair:** Thank you. For the record I will note the following substitution: hon. Mr. Hunter for Mr. Cyr.

A few housekeeping items to address before we turn to the business at hand. Please note that microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcript of the meeting can be accessed via the Legislative Assembly website. Please set your cellphones and other devices to silent for the duration of the meeting, and comments at all times should flow through the chair.

Approval of agenda. Hon. members, are there any changes or additions to the agenda?

**Mr. Schmidt:** Mr. Chair, given that this is a three-hour meeting, I would like to propose a five-minute break between the end of the Ministry of Jobs, Economy and Trade section, on agenda item 4, and item 5, the subcommittee on committee business report.

**The Chair:** Thank you, Member Schmidt. I think for that agenda, it doesn't need to be amended, but if no one is opposed to it, we will take that break anyway. Thank you.

Would a member move that the Standing Committee on Public Accounts approve the proposed agenda as distributed for its Tuesday, February 25, 2025, meeting? Moved by MLA Rowswell. Any discussion on the motion? Seeing none, all in favour? Anyone opposed? Thank you. The motion is carried.

We also have minutes from the Wednesday, January 8, 2025, meeting of the committee. Do members have any errors or omissions to note? If not, I would like someone to move a motion that the Standing Committee on Public Accounts approve the minutes as distributed of its meeting held on Wednesday, January 8, 2025. Moved by MLA Ellingson. Any discussion on the motion? Seeing none, all in favour? Any opposed? Thank you. The motion is carried.

Now I would like to welcome our guests from the Ministry of Jobs, Economy and Trade, who are here to address the ministry's annual report 2023-24, responsibilities under their purview during that reporting period, and relevant reports from the Auditor General. I would like the officials from the ministry to provide opening remarks not exceeding 10 minutes.

**Mr. McPherson:** Thank you, Chair. It is a pleasure to appear before the committee this morning and present the Ministry of Jobs, Economy and Trade's 2023-24 annual report. It was an eventful year for the ministry and one that was filled with accomplishments.

It was also a year of change. Most of the ministry started that year as jobs, economy, and northern development. Following the 2023 election and subsequent reorganization of government, the ministry added the international trade and investment functions and became the Ministry of Jobs, Economy and Trade, or JET. Late in the fiscal year the child care delivery and child care strategy and policy divisions were transferred to the ministry from Children and Family Services.

The ministry is now responsible for workplace health and safety; employment standards; labour relations policy and legislation; workers' compensation policy and legislation; workforce development and training; regional and northern economic development and business supports; economic strategy and analysis; investment attraction; international trade; licensing, monitoring, and funding of regulated child care programs; the transformation of Alberta's early learning and child care system; and implementing the joint federal-provincial child care agreement. JET had approximately 1,300 staff deployed in locations throughout the province to carry out these responsibilities.

The ministry also includes four public agencies that operate independently of the department: the Alberta Labour Relations Board, the Workers' Compensation Board, the Appeals Commission for Alberta workers' compensation, and the Northern Alberta Development Council.

I will now take a few minutes to highlight some of the ministry's significant achievements in 2023-24. One of the ministry's key outcomes was that Alberta's economy prospered, and we undertook several activities to help make that happen and to keep it happening. Economic diversification generally happens in two ways, more diversity in what you make or do and more diversity in where you sell it. Domestic-focused efforts included providing wayfinding and investment concierge services and easily accessible data through Alberta's economic dashboard. These services helped attract new

investment, encouraged businesses to either start up or relocate to Alberta, and promoted economic diversification.

Diversification helps our province's economy become more resilient and remain strong during shifts in the economic climate. It also supports greater productivity and ensures the highest and best use of Alberta's resources. A signature achievement in this vein is Dow Canada choosing to build its Path2Zero project in Fort Saskatchewan. At \$11.6 billion this project represents one of the largest private-sector investments in Alberta's history and will create approximately 6,000 temporary jobs during construction and roughly 400 to 500 permanent operating jobs once completed. This project will enhance Alberta's reputation as an environmentally responsible producer of energy and related products. The ministry also provided northern and regional economic development grants in support of 74 projects to drive regional economic development and diversification.

Speaking of diversification, Alberta continues to be a sought-after destination for film and television production. Between its launch and the end of 2023-24 172 productions were authorized to participate in the film and television tax credit program, which supported more than 12,600 jobs and injected roughly \$1.3 billion into the province's economy. In addition to the direct jobs and economic activity, film and television production showcase our province to the world and show people around the world that Alberta is a great place to visit.

Promoting Alberta's trade and investment interests was another key outcome for the ministry, and several activities supported this outcome in 2023-24. The ministry helped businesses and industries access global markets for their products and services through 295 export expansion grants. More than 92 per cent of those assisted by these grants were small and medium-sized enterprises. The ministry supported Alberta's government to ensure that our province's interests are represented to the federal government when negotiating international trade agreements.

Speaking of international trade, the ministry led 31 trade missions all over the world to help Alberta businesses secure new markets and promote our province as a great place to invest. More than 450 Alberta businesses accompanied us on those missions. To close the deal with investors, the ministry provided funding to four projects through the investment and growth fund. Between its launch and the end of 2023-24 the investment and growth fund leveraged \$20 in private investment for every \$1 from the fund, helping create jobs and opportunities for Albertans. One example of this success is Fortinet's new facility in downtown Calgary, which will create 85 permanent jobs in the cybersecurity sector and 80 temporary jobs.

It is vital that the province has a skilled and resilient labour force to support Alberta's businesses and further grow our economy. The northern Alberta development bursary program supported 324 Alberta students in 2023-24 with over \$2 million in bursaries to live and work in northern Alberta. Funding for this bursary program is shared between the ministries of Jobs, Economy and Trade, Education, and Advanced Education, with JET contributing more than \$1 million in 2023-24.

The ministry also provided workers and employers with investments of \$113 million in skills training and programs, workforce development, and labour market information. For example, the ministry used grants to invest nearly \$6.5 million in the aviation sector to support the growth of more high-skilled jobs in this area. Training for work programs provided opportunities for Albertans to gain critical skills and improve their employment situations. In 2023-24 more than \$24 million was invested in these programs to help 4,000 unemployed or underemployed people join the workforce. We continue to work with the federal government through various agreements to help women, newcomers, youth, and Indigenous people who face barriers to employment.

8:10

The ministry also launched the third phase of the Alberta Is Calling campaign by offering a moving bonus to eligible workers from other parts of Canada. The goal of the moving bonus is to attract skilled trades workers who are citizens or permanent residents to help fill critical labour shortages. These workers are needed to build the homes, schools, and health facilities Alberta needs to support a growing population and economy.

In addition to helping them find jobs, the ministry worked hard to ensure that Albertans had safe and healthy environments and were treated fairly in the workplace. The ministry conducted approximately 16,000 occupational health and safety inspections or reinspections during the year to ensure compliance with workplace health and safety laws, and we continued to respond efficiently to employment standards complaints, enforcing the rules and helping protect vulnerable workers from being exploited.

As mentioned earlier, our ministry assumed responsibility for the child care portfolio in 2023-24. Having an affordable, sustainable, and high-quality child care system enables parents and caregivers to participate in training, education, or the workforce so they can enhance their personal success. For 2023-24 the system was able to add nearly 15,000 new licensed child care spaces and provide wage top-ups and professional development opportunities for nearly 28,000 early childhood educators. Parent fees for children up to kindergarten age were reduced to an average of \$15 per day in January 2024 through grants provided to child care providers, and Alberta and Canada also signed a \$53 million infrastructure funding agreement that will support the creation of child care spaces in underserved regions and communities.

I will now touch on the E coli outbreak that occurred in a number of child care facilities in Calgary in September 2023. To help families cope with the situation, Alberta's government issued a compassionate payment of \$2,000 per child. This incident also led to the formation of a review panel chaired by former Calgary police chief Rick Hanson, which recommended actions meant to reduce the chance of this unfortunate situation from happening again. I understand the formation of the review panel was discussed in Alberta Health's 2023-24 annual report, which is appropriate because they are the lead on health matters in Alberta.

While the panel's recommendations were released after the 2023-24 fiscal year ended, I can assure committee members that the ministry has already begun implementing the recommendations it is responsible for. We introduced amendments to the Early Learning and Child Care Act, aligning it with food safety regulations so that child care operators understand food safety and handling requirements. Additional amendments passed in late 2024 give the department more authority to enforce safety standards and establish a more robust penalty framework to encourage compliance by operators. We also continue to work closely with Alberta Health and Alberta Health Services to inform and implement the remaining recommendations.

To close, I will touch on the three outstanding recommendations from the Auditor General from the 2023-24 fiscal year. These relate to Indigenous training and employment programs, the small and medium enterprise relaunch grant, and the critical worker benefit program. We have implemented all three recommendations and are ready to have the Auditor General conduct an assessment.

Thank you for the opportunity to present JET's 2023-24 annual report to the committee. My team and I are happy to answer your questions.

**The Chair:** Thank you.

I will now turn it over to the Auditor General. You have five minutes.

**Mr. Wylie:** Thank you, Chair, members. We will follow up on the recommendations. Just for the benefit of the committee, though, I will go over the nature of our work and our findings. As the deputy said, they have asserted it's implemented, and as part of our process we'll do the follow-up and report publicly on that.

I'll highlight those three recommendations that the deputy referred to. All three reports were issued on the COVID-19 support programs, and as the deputy indicated, those were the small and medium enterprise relaunch grant program, the critical worker benefit program, and the Alberta jobs now program. While Albertans can be confident that the COVID-19 funding was provided quickly under these three programs, my office did note areas for improvement relating to postpayment eligibility, verification, and accountability reporting to Albertans. The combined budget funding for these three programs was about \$1.5 billion. Without strong controls and transparent reporting, the risk of public funds being misused or program objectives not being effectively met persists.

Taking a look at the small and medium enterprise relaunch grant program, while we concluded that the department had effective systems to design and deliver the program, improvements were needed to be made to monitoring and reporting systems. At the conclusion of our audit the department could not conclude that the majority of program recipients were eligible for the program as it had only checked the eligibility of about 1,000 of the 100,000 approved applications, and half of those that were checked were ineligible. We recommended the department complete processes to verify the eligibility on the remaining benefit programs.

I'll move to the critical worker benefit program. That program was designed to recognize the demands placed on low-income workers in essential sectors such as those in the front-line health, maintaining food supply, or providing essential retail services to Albertans and workers in selected critical sectors. The program was to pay a one-time benefit of \$1,200 to low-income front-line workers, as I mentioned, in health care, social services, education sectors, and the private sector such as truckers, critical retail services such as food, and certain manufacturing.

Employers applied to and received benefit payments on behalf of their employees. Processes were not completed to obtain supporting documentation that employers actually passed the benefits on to their employees. We recommended the department perform spot audits to verify payments were properly received by the employees and the workers who were intended to receive them.

In December of 2023 we reported on the Alberta jobs now program. This program provided funding to help employers recover from the pandemic and assist employees hardest hit by the pandemic to quickly re-enter the workforce. Like the other two programs, we analyzed whether the department had effective systems to design, deliver, monitor, and report on the program. We found that the department had adequate processes to design, deliver, and monitor, but the department's annual reporting provided little interim program reporting to Albertans on the effectiveness and how the program has been and if the program desired outcomes would be met. This was consistent with the lack of program effectiveness reporting identified on the small and medium enterprise relaunch grant program and the critical worker benefit programs.

Now, we did not make a recommendation to the department on this lack of reporting at that time because we still had an outstanding recommendation related to improving performance reporting to Albertans that was directed at the Department of Treasury Board and Finance. Subsequent to this work, we have been told by Treasury

Board and Finance that a recommendation that was previously accepted would not be implemented, so in our fall report you see we have a new column there on the outstanding recommendations, and it's now included on that category on pages 4 and 5. That column is headed up recommendations Not Implemented, and it will reside there.

Finally, I'd like to speak to our report examining whether the department had effective processes in place to assess and report on the results of their programs designed to support Indigenous economic participation in Alberta's economy. We concluded that the department had processes in place, but not all were found to be effective, and improvements could be made. With robust reporting processes the ministry may better demonstrate how their programs support economic self-reliance and increase participation by Indigenous peoples in Alberta in the economy.

Thank you. That concludes the opening comments.

**The Chair:** Thank you, Mr. Wylie.

We will now proceed to questions from committee members, and we will begin with the Official Opposition. You have 15 minutes.

**Mr. Schmidt:** Thank you, Mr. Chair. My first set of questions are related to the issue of the E coli outbreaks at daycares in Alberta that the deputy minister referred to in his opening remarks. We know that in August and September of 2023 there were 448 cases of E coli infections that were reported and related to a number of daycares in Calgary. Now, the review panel that the deputy minister referenced in his opening comments identified on page 16 of that report that 38 children and one adult were hospitalized and that some children will have persistent health issues that will require indefinite care. I'm wondering if officials here at the committee this morning can tell us how many of the victims of this outbreak have persistent health issues, what they are, and whether or not they'll be fully expected to recover.

**Mr. McPherson:** I'll ask my assistant deputy minister Laura Lowe to respond.

**Ms Lowe:** Thank you very much, through the chair, to the committee. Alberta's Early Learning and Child Care Act provides the authority to license, inspect, and monitor child care programs. It is a condition of every facility-based child care licence that the licence holder must comply with all applicable zoning, health, and safety requirements. While Alberta's Early Learning and Child Care Act requires a licence holder to adhere to health requirements, Alberta's Early Learning and Child Care Act does not set out health requirements since the responsibility for public health legislation is held by the Minister of Health, as set out in the designation and transfer of responsibility regulation.

**8:20**

Alberta's Early Learning and Child Care Act sets out the parameters around inspections and monitoring licensed child care programs for the purpose of ensuring compliance with Alberta's Early Learning and Child Care Act. To give the committee a sense of what is within the parameters of Alberta's Early Learning and Child Care Act:

All providers of child care programs shall take into consideration the following matters as well as any other matter the provider considers relevant:

- (a) children should be encouraged in having care and play experiences that support their development and learning;
- (b) the child is to be protected from all forms of physical punishment, physical and verbal abuse and emotional deprivation;
- (c) diversity in

- (i) the background and circumstances of children in the program and their families, including those who may be experiencing social or economic vulnerability, and
- (ii) the abilities of the children in the program is to be respected and valued;
- (d) the child's [familiar] and Indigenous or other cultural, social, linguistic and spiritual heritage are [to be] central to the child's safety, well-being and development;
- (e) care of the child must be appropriate to the child's mental, emotional, spiritual and physical needs and stage of development;
- (f) involvement and engagement of parents and guardians supports accountability of child care program providers, monitoring of child care programs and maintenance of good quality child care programs.

Alberta's Early Learning and Child Care Act does not provide authority related to public health matters, nor does it govern and regulate access to and the collection, use, or disclosure of health information. Therefore, there is no authority for Jobs, Economy and Trade to collect or disclose information related to the health of children for any purpose.

**Mr. Schmidt:** Thank you very much for that very carefully scripted answer.

The kitchen that was involved in this E coli outbreak had multiple violations of the health code. I'm wondering. Parents who were sending their children to these daycares that were served by this kitchen: how were they made aware, or were they made aware at all, that the kitchen that was serving them food had repeatedly violated the health code? Would the department have had any role in notifying parents of that case?

**Mr. McPherson:** I'll ask Assistant Deputy Minister Lowe to respond.

**Ms Lowe:** Through the chair to the committee, a condition of every facility-based licence under the Early Learning and Child Care Act is that they comply with applicable zoning, health, and safety requirements, which include food safety and preparation. A child care licence applicant must provide written evidence of zoning, health, and safety requirements in order for a child care licence to be issued. In the case of health requirements a child care applicant needs to have a letter from public health confirming satisfactory health inspection. Once a child care program is licensed and operating, if any issues arise that compromise existing health approval throughout the term of the licence, child care licensing would learn about that from public health or from the program disclosing it themselves as it's a requirement under their licence to comply. In the 2023 E coli outbreak in Calgary all affected child care programs had health approvals in place, which satisfies the health requirement under the Early Learning and Child Care Act.

The decision to close child care programs and issue exclusionary orders relating to an E coli outbreak was a decision made by public health. Public health also oversaw the protocols and conditions to allow the child care facilities to reopen. Any questions about health inspections and how public health officials determine if a child care program is in compliance with public health requirements should be directed to the Ministry of Health since Alberta's chief medical officer, on behalf of the Minister of Health, is accountable to monitor the health of Albertans and make recommendations to the Minister of Health and regional health authorities on measures to promote and protect the health of the public and to prevent disease and injury, and the Minister of Health is designated under the designation and transfer of responsibility regulation as the minister responsible for public health.

**Mr. Schmidt:** Thank you to the assistant deputy minister for that answer. So if I understand what the ADM had said correctly, if a child care provider is violating the health care requirements, it is in violation of its operating licence. Is that correct? Can you confirm that's the case?

**Ms Lowe:** Through the chair to the member, did you ask that if a child care facility is violating requirements under public health, is that a violation of their licence?

**Mr. Schmidt:** That's right.

**Ms Lowe:** Okay. If public health determines that a child care facility cannot operate, that they are shut down, and they continue to operate without their health approvals in place, that would be a violation. If public health determines violations under their regulations that public health warrants do not necessitate a reason for the child care facility to close for public health reasons, then they have maintained their public health approvals. Therefore, they have not . . .

**Mr. Schmidt:** Okay. So is there any kind of warning system? In this case, it seems like public health had issued some notifications to the kitchen that was being operated by this child care provider to improve its practices. Now, would children's services at the time have been notified that these issues are ongoing? Like, is there an early warning system, or is it only when public health says, "We have to close this facility down" that children's services was made aware that there were issues going on? I just want to know: at what point did your staff know that there was a potential risk to serving contaminated food to these children?

**Ms Lowe:** Through the chair to the committee, there is a requirement, as I mentioned, under the Early Learning and Child Care Act that safety and health requirements must be in place. If Health has deemed that the child care facility can be operating, then that is the only level of information that needs to be shared, and the onus is actually on the operator, once they are licensed, to not be operating if they do not have those approvals in place.

**Mr. Schmidt:** Okay. Thank you very much. Children's services had no role, then, in informing parents that something was going on, that there may be a risk here. Children's services was completely unaware at the time that the kitchen was violating the health code repeatedly.

**Ms Lowe:** Through the chair to the committee, children's services or Jobs, Economy and Trade, wherever the child care licensing function lies, relies on the Early Learning and Child Care Act for its authority. Providing any information would be misleading, and they would not have the authority to do that when it's under areas that they do not regulate. There is no authority in the Early Learning and Child Care Act to regulate kitchens. There is no authority in the Early Learning and Child Care Act to regulate or even determine the level of public health safety in any facility. That is all within the Ministry of Health as that is a Health function.

**Mr. Schmidt:** I see. Okay. And it's not like, you know, other government initiatives work to break down silos. That's something that bureaucrats love to say. There was no attempt in children's services and health care to work together so that everybody was jointly aware of all of these issues at the same time? You were just working merrily in your silos, completely isolated from one another, in this case?

**Mr. McPherson:** Chair, through you to the member, as ADM Lowe has stated, public health is the kind of purview of Alberta Health, Alberta Health Services.



You know, this event was very unfortunate and, as I mentioned in my opening remarks, led to the creation of a review panel led by former Calgary police chief Rick Hanson which looked at this issue and made recommendations about how things could improve. As I also mentioned during my opening statement, Jobs, Economy and Trade has begun to act on the recommendations as they pertain to us in this department and our kind of licence here and monitoring of licensed child care facilities.

8:30

What I would say is that, you know, as part of our work in the time ahead, which I think you will see is reflected in the 2024-25 annual report, one of the key things that we're focused on is creating a culture of food safety within child care facilities. Part of that will be strongly encouraging child care operators to ensure that if they are bringing in third-party food, they're monitoring the status of those providers from a public health perspective very carefully. But, again, Jobs, Economy and Trade is not the public health regulator in the province in the same way that we wouldn't regulate restaurants or other kinds of communal food production facilities.

**Mr. Schmidt:** Thank you. Anyway, not an answer to my question. It sounds like children's services at the time was working in silos and not co-operating with public health.

Now, the panel's report, that the deputy minister keeps referencing, identifies that this was not the first case of an E coli outbreak in a child care setting in Alberta. It mentions on page 64 of that report that nine children were infected in 2022, and the footnote to that statement says that information was provided to the panel by Alberta Health Services. I'm wondering: what work did children's services at the time do to review that incident?

**Ms Lowe:** Through the chair to the member: to clarify, you're asking about an incident from 2022?

**Mr. Schmidt:** That's right. What work did children's services do to review that incident?

**Ms Lowe:** Okay. What incident, what page on the annual report are you referring to?

**Mr. Schmidt:** Well, this is the problem. The Hanson report, that the deputy minister references, identifies on page 64 that nine children were infected in 2022. Now, I can't find any reference in this annual report, the previous annual report to this E coli incident. It's odd that E coli keeps coming up and the departments keep refusing to reference it in their annual reports. I'm just wondering what work children's services did to review that E coli poisoning incident at a child care setting in 2022.

**Mr. McPherson:** Chair, I may be wrong here, but I believe we're here to talk about the 2023-24 annual report.

**Mr. Schmidt:** Well, did you do any work in 2023-24 to review that incident?

**Mr. McPherson:** Well, Chair, as mentioned earlier, we . . .

**The Chair:** Member Schmidt, try to make your question relate to the year under discussion. So that will be . . .

**Mr. Schmidt:** Well – and thank you, Mr. Chair – I did. What work did children's services or Jobs, Economy and Trade do in '23-24 to review this incident of E coli poisoning of nine children that happened in 2022?

**Mr. McPherson:** Mr. Chair, I'll just kind of go back to something I said earlier. There was the creation of the Hanson panel report, which looked at . . .

**Mr. Schmidt:** Deputy Minister, it's a simple question. What did your department do or the people who were responsible for reviewing this incident: what did they do to review that incident?

**Mr. McPherson:** Chair, as I was saying, we reviewed the Hanson report very carefully and have started . . .

**Mr. Schmidt:** I'm not asking about the Hanson report. I'm asking about the 2022 incident. Did the department do anything before the Hanson panel was struck to review that incident?

**Mr. McPherson:** Well, Chair, again, if the incident happened in 2022, then . . .

**The Chair:** Thank you, Deputy.

We will now proceed to questions from the government members. You have 15 minutes.

**Ms de Jonge:** Thank you, Chair. Good morning. Welcome back. It's good to see all of my colleagues on the committee and to have the DM and his team here today. I look forward to a productive meeting.

I'm just going to jump right in. Page 14 of the 2023-24 annual report highlights that the Ministry of Jobs, Economy and Trade made some pretty significant strides towards attracting investment and supporting innovation across Alberta, certainly a promise kept from the 2023 to 2026 ministry business plan. I just want to start with some good news that I think all members of the committee can celebrate and highlight, the first point made there, the ministry's diligent work on the Path2Zero project, which attracted an \$11.6 billion investment in Alberta's economic future. Through the chair, can the deputy minister explain to the committee how the ministry, in collaboration with our Alberta government and Dow Canada, was able to successfully secure what I believe is the largest private-sector investment in Alberta's history?

**Mr. McPherson:** Chair, I'd like to ask Assistant Deputy Minister Liam Stone to come to the podium. It is actually Assistant Deputy Minister Stone's team who was the concierge squad for this project.

**The Chair:** Thank you.

You can introduce yourself for the record again.

**Mr. Stone:** Liam Stone, assistant deputy minister for economic strategy and investment at Jobs, Economy and Trade. Through the chair to the committee, working in collaboration with Dow Canada, the ministry successfully co-ordinated crossministry investment concierge services that contributed to a positive final investment decision for the Path2Zero project by Dow's United States based global board on November 28, 2023. JET worked with partners, including regional economic development agencies, other government departments, and the federal government, to engage Dow to promote Alberta's advantages as a location for petrochemical investment, access and address challenges to Alberta's competitiveness as an investment location relative to other North American jurisdictions, and facilitate timely access to information, analysis, and decision-makers that could support Dow's final investment decision.

JET established a crossministry co-ordinated concierge service approach to ensure issues that could present barriers to a positive final investment decision were addressed as they arose. These included analysis of specific areas of risk to the project and identifying potential risks, mitigation measures, identifying funding sources in

areas for cost containment, monitoring progress on regulatory approvals, and engagement and advocacy to the federal government. JET also supported the Premier and cabinet's meeting with Dow's global board in Fort Saskatchewan, the first time Dow's global board had met outside of the United States.

Alongside Dow Canada JET's investment concierge service co-chaired two working groups with crossministry partners that addressed transportation and workforce planning related to the project. The working groups led to exploration of postsecondary apprenticeship opportunities and addressing transportation facilitation and heavy haul issues. JET also engaged actively with the federal government to advocate for federal support for the investment.

**Ms de Jonge:** Thank you. Great work.

Through the chair, I know that this historic investment, as I like to say, further cements Alberta's position as the economic engine that keeps Canada running. I believe it's expected to complete construction by 2029. Just looking at some of the details again on page 14 of the annual report, can the ministry further expand on how this project will support not just the local community, which I believe is situated in my colleague's riding here, but also Albertans at large?

**Mr. McPherson:** Thank you, Chair. The project, as noted, is expected to create 6,000 temporary jobs during peak construction and approximately 400 to 500 permanent jobs once fully operational. These are the jobs created directly by the project. JET hasn't analyzed the spinoff job creation related to the kind of effect on the local economy directly. What we would say – and I think it stands to reason – is that this is a lot of economic activity that is going into a very specific part of the province. I think it's fair to say that if you look at potential housing construction, school construction, the kind of retail and other spinoffs that would derive from that, also the kind of attraction of population – one of the things that ADM Stone had referenced but I'll elaborate slightly more on is the kind of influx of skilled workers earning very good salaries over an extended period of time. We believe that that will have, obviously, a very positive economic impact in that area of the province.

Thank you.

**Ms de Jonge:** Thank you.

Switching gears here, now, to another topic, I represent a constituency that has many newcomers to Alberta. I know one of the big selling points of Alberta is one's opportunity to establish themselves in a rapidly growing labour market. The ministry's training for work programs plays a big role in that, in equipping unemployed and underemployed Albertans with skills needed to establish that long-term employment. On pages 44 to 45 of the annual report I read that 4,000 individuals participated in these programs, and more than 74 found employment or pursued further training within 90 days. Through the chair to the deputy minister, what are some key aspects of those training for work programs that you found to be most effective in driving those strong outcomes for Albertans?

8:40

**Mr. McPherson:** Chair, I'll ask ADM Suzanne Harbottle to respond to the question.

**Ms Harbottle:** Thank you, through the chair, to the member. As you may be aware, the department has a broad range of skills training programs. Training for work is one of them. I'll try to focus my comments on the training for work program. As well, it's the activities that occurred in '23-24. My department funds training for work, which is an umbrella suite of programs that provide short-term

training for unemployed and underemployed Albertans to get back to work quickly in the jobs that are available in their local communities. One of the success factors is its regional responsiveness, which is an important feature of the program.

Different parts of our province have unique local economies and, therefore, local labour markets and opportunities. We work very closely with our training providers and job creators to ensure the skills and training opportunities available to Albertans meet the needs of the labour market and provide secure employment. Local labour market information is used to determine the type of training required, including gathering input from employers and industry on the skills in demand, using tools such as our short-term employment forecast and labour market survey.

We also use pay-for-performance contracts and focus on employment-related outcomes, so the department's suite of short-term skills training program supports are designed to address talent needs of local employers across the province. Training for work is available in over 65 communities in the province, and they are reviewed and renewed on an ongoing basis through open, competitive procurement processes to ensure they remain responsive to evolving labour market conditions. As the member has indicated, in '23-24 over 4,000 unemployed or underemployed Albertans, including youth, older workers, and newcomers, accessed the training for work programs in Alberta.

Another aspect of training for work is that it has a number of subprograms that can respond to very specific labour market challenges. That includes transition to employment services, integrated training, self-employment training, workplace training, and immigrant bridging. We also have targeted programs for underrepresented groups in the labour market such as Indigenous Albertans. The Indigenous employment training partnership program provides tailored, Indigenous-led projects that lead to employment for Indigenous people both on- and off-reserve through partnerships involving Indigenous organizations, government, industry and training institutions, and employers.

As I mentioned, training for work falls under a broader group of programs funded through the labour market transfer agreement, which is an agreement that the federal government and Alberta hold. The LMTA includes a portion that's funded from the EI account under the labour market development agreement. PTs, provinces and territories, have primary responsibility for workforce training for EI recipients.

I wanted to highlight for the committee that in 2023-24 Alberta received, in total, \$214.7 million through the LMDA, which served 56,400 clients. Within six months of receiving training and employment supports, approximately 71 per cent of active claimant clients were employed, resulting in an estimated \$199 million savings from the unpaid EI benefits.

Those are my comments.

**Ms de Jonge:** Thank you. These are great programs. I've spoken with a number of my constituents that have benefited directly from that, helping them develop skills needed to find the long-term employment.

Through the chair, our labour market is rapidly evolving. It's always changing, so I'm wondering what the plans were in the 2023-24 reporting period to adapt to those changing workforce or labour shortages through those particular training for work programs.

**Mr. McPherson:** Chair, I'll ask ADM Harbottle to respond.

**Ms Harbottle:** Thank you.

Through the chair to the member, jobs and economy: as I mentioned, they deliver a number of training initiatives for our

labour market programs. I'll mention a few that were conducted in '23-24. Certainly, the intent of these programs is to position Albertans in the labour market, and that includes the changing dynamics of the labour market in Alberta.

A few of the examples are that the Alberta at work initiative was a provincial investment, which was a crossministry and multiyear investment in education and job training to give Albertans the skills they need for today's job market and our future economy. Under the umbrella of the Alberta at work programs Jobs, Economy and Trade implemented a number of different initiatives, including the workforce strategies grant, which supports organizations with innovative solutions that will help Albertans develop new skills and assist employers in industry to grow their workforce. This included 10 skills development projects which have been in operation for the past two fiscal years and which are concluding in March of 2025.

An example of one of these is the culinary skills training program that was delivered by the Edmonton Newcomer Centre. This project provides unemployed Albertans, including those not eligible for other programming, with essential and occupational skills training to focus on food service, including a work practicum. The program has been highly successful with over 80 per cent of program completers securing related employment in businesses, at local restaurants and long-term care facilities.

The workforce strategies grant supported organizations to develop solutions to help Albertans develop new skills and assist industry to grow their workforce. Between March of 2023 and March of 2025 10 workforce strategies grants focused on delivering skills training and employment assistance to Albertans.

Another example is the Canada-Alberta job grant, which has been used by employers to access training to equip their employees with the knowledge and skills to help businesses grow and diversify. In '23-24 Alberta supported more than 3,700 employers to train over 12,000 employees. The Canada-Alberta job grant is mainly used by small- and medium-sized employers.

The aviation skills grant is another program that helped employers in Alberta's aviation and aerospace industry to train and reskill workers. The program supports the growth of the sector and job creation in Alberta. The aviation skills grant funded training such as providing maintenance and safety services, specialized flight training, and flight instructor training.

Finally, I would like to comment a little bit about LMI, labour market information. Alberta also invested in enhancing the collection and assessment and dissemination of labour market information in Alberta. To address demographic challenges such as slower population growth and an aging workforce, Alberta needs to ensure stakeholders effectively use labour market planning to help make workforce decisions. Jobs, Economy and Trade provides up-to-date, detailed, user-friendly labour market information on our public website to aid decision-making for students, employers, employees, policymakers, and educational institutions. We also funded the Alberta Centre for Labour Market Research at the University of Alberta, which is a consortium of 26 researchers from across the province's postsecondary institutions, which will be focused on research affecting priority labour market issues.

In 2023 Alberta also conducted the first barriers to employment survey targeting youth, women, visible minorities in long-term unemployment to better understand the challenges that these groups face and solutions to support their employment needs.

Finally, Alberta funds workforce partnership grants programs. They're provided to organizations such as economic development groups, industry associations, employee organizations. Projects funded by workforce partnership grants support organizations to have a strong understanding of their workforce challenges. For

example, one of the studies we undertook was in the commercial driver area.

Those are my comments.

**Ms de Jonge:** Thank you very much. I don't know if I'll have enough time to get to another question and answer here, but maybe I'll just close with commenting on the aviation grant programs. Very relevant right now. I know there is another big investment announced at the Calgary airport and, within the last reporting period as well, work done on the investment of De Havilland Canada in Wheatland county, which is in my constituency. We're very excited about that and the opportunities that brings to Alberta. Fantastic work.

With that, I'll cede the last 30 seconds of my time.

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

We will now move to the second rotation and proceed to questions from the Official Opposition. You have 10 minutes.

**Mr. Schmidt:** Thank you, Mr. Chair. I'm operating under a hypothesis here that had children's services done its due diligence correctly, it could have reviewed this 2022 incident where nine children were infected in a child care setting from E coli and prevented the '23 outbreak. Can the department tell us what work children's services did to review that 2022 incident in an attempt to prevent this '23 incident from happening?

**Mr. McPherson:** Chair, again, the incident was in 2022-23. I can't speak to what Children and Family Services did in 2022-23. As noted, JET received responsibility for the child care file in 2024.

What I do know is that JET staff as well as Alberta Health staff, who can ultimately speak for themselves, supported the Hanson panel, which I outlined earlier, and took the recommendations very seriously and have acted, you know, in response to that as outlined in my opening statement.

8:50

**Mr. Schmidt:** Thank you very much, Deputy Minister. I guess the deputy minister is refusing to take accountability for anything that his department did prior to his arrival on the scene.

I want to move on then to the next question. Now, 11 of the sites that were involved in the outbreak: according to children's services records, not Alberta Health Services records, most of them had not been inspected the two times per year that the panel report indicated was usual practice for the department. Four sites were subject to complaints; one had a critical incident report; one was subject to enforcement action, all prior to the outbreak occurring. Why didn't this send up any red flags for the department?

**Mr. McPherson:** Mr. Chair, I'll ask ADM Lowe to respond.

**Ms Lowe:** The department inspects thousands of facilities every single year. It's part of the work and the authority under our area of responsibility. We are not inspecting for health-related issues. Through the chair: I mentioned that health-related inspections are done through the Ministry of Health, and provided that they are provided permission through public health to operate, then that would not play into the inspections that children's services officers or child care licensing officers would be looking at.

**Mr. Schmidt:** Right. Thank you, ADM, for that answer. Now, you know, in other areas of compliance and enforcement you generally have a ladder or something like that, right? If you have an operator who is repeatedly violating codes, you know, you put them on warning, that kind of thing. Was there anything like that in place in children's services at the time?

**Ms Lowe:** Through the chair, I'd be happy to share what our inspection and investigation process is.

**Mr. Schmidt:** No. I just specifically want to know whether or not there's any kind of ladder of enforcement system in the children's services inspection system.

**Ms Lowe:** Through the chair to the member, if you're asking about a ladder of enforcement, that would be taken through our inspection program, correct?

**Mr. Schmidt:** Well, can that be provided? Is that available on a website, then?

**Ms Lowe:** Yes.

**Mr. Schmidt:** Okay.

**Ms Lowe:** Through the chair to the member, our inspection process is available on alberta.ca. There's also a licensing handbook that provides detailed information to licence holders and to any member of the public interested in learning more about the rigour that is behind our regulatory . . .

**Mr. Schmidt:** Thank you very much. Was Fueling Minds and Fueling Brains under any additional scrutiny because of the number of issues that had been reported?

**Ms Lowe:** The child care facility was not under a probationary licence, which is one of the measures that we have in place if there is a reason to believe that it is . . .

**Mr. Schmidt:** Thank you very much. So no problems as far as children's services were concerned.

**Ms Lowe:** The lack . . .

**Mr. Schmidt:** No. I got an answer to my question. Thank you very much.

Now, the panel that the deputy minister has referred to a number of times was given a number of tasks, including reviewing the AHS outbreak investigation report. That report basically concluded that uninspected meat had been prepared and served to the children in Fueling Minds and Fueling Brains, and that's what caused the E coli outbreak. Now, even though there was evidence to suggest that Fueling Minds had purchased and used uninspected beef in its kitchen, the panel's mandate explicitly prohibited reviewing Alberta agriculture and government of Canada food inspection legislation. Can the deputy minister tell us who made the decision to limit the scope of the panel's work so much that it couldn't fix the problem that it was trying to solve?

**Mr. McPherson:** Mr. Chair, through you to the member, the member is asking a question about Alberta Health Services and their inspection protocol.

**Mr. Schmidt:** No. Sorry. The deputy minister seems to not have understood my question correctly. Who made the decision to limit the scope of the Hanson panel's work so that it was explicitly prohibited from looking at government of Canada and Alberta agriculture food inspection systems?

**Mr. McPherson:** Mr. Chair, through you to the member, the Hanson panel had been established before the responsibility for the child care program was assumed by Jobs, Economy and Trade.

**Mr. Schmidt:** So you didn't know anything; you didn't see anything. Understood. The deputy minister refuses to take responsibility again for any action.

**Mr. Lundy:** A point of order, Mr. Chair.

**The Chair:** Go ahead.

**Mr. Lundy:** Thank you, Mr. Chair. We've given this member opposite quite a bit of latitude this morning. This is clearly a point of order, Standing Order 23(j). It's probably also a point of order under 23(h) and (i) as well, but we'll start with point of order (j), using inappropriate language that would certainly border on abusing or insulting to the deputy minister. The deputy and his team have been providing answers to the questions, I would comment, with some grace, and I would expect them to receive the same response from this committee.

Thank you, Mr. Chair.

**Mr. Schmidt:** Thank you, Mr. Chair. I just want to remind the committee that the subject under discussion here today was the worst E coli outbreak in a child care setting in Canadian history. Four hundred and forty-eight children and a number of adults were infected with E coli, 38 children were hospitalized, one adult was hospitalized. Some of these children will never recover from their illnesses. This department was in charge of a system that was responsible for this colossal failure to protect our children. I don't think . . .

**Mr. Lundy:** The member is continuing the debate. He's not speaking to the point of order.

**Mr. Schmidt:** No. I am speaking to the point of order. The least the deputy minister could do is respect the people that his department failed to protect enough to give us a straight answer. I'm not abusing the deputy minister. I'm not using insulting language. I am simply laying out in direct language exactly what the deputy minister is doing here at the committee this morning. This is not a point of order.

**Mr. Hunter:** The words that were actually used, if *Hansard* has it correct, is that "the deputy minister refuses to take responsibility" for this. That is definitely a point of order, 23(h).

**The Chair:** Help me understand how it's abusive language or insulting language. That's the point of order raised.

**Mr. Hunter:** Makes allegations against another member, 23(h). He said: (h), (i), and (j).

**The Chair:** He said particularly (j). He said it could be (h) and (i). General direction to all members. In a point of order state the provision that you are relying on and make the case how that provision is offended.

In this case what I was trying to figure out as well – I can ask for clarification from the DM. Was that panel struck in the reporting period? Was it in '23-24 that the panel was established?

**Mr. McPherson:** Yes, it was.

**The Chair:** So any question relating to that panel, how it was established, if it was not established by you, you can answer the way you choose, but if something happened in that reporting period, that's a fair question.

I will caution members to stick to the report and activities in the reporting year. It's not a point of order.

**Mr. Schmidt:** Thank you.

To the deputy minister. Either do you know who limited the scope of the committee to specifically exclude government of Canada food inspection legislation and Alberta agriculture legislation, or do you not know? One or the other.

**Mr. McPherson:** Chair, what I would say is that the terms of reference of the panel would have been set in collaboration with the panel and by the department at the time, Children and Family Services, and Alberta Health.

**Mr. Schmidt:** So nobody ultimately held responsibility. I get it. The deputy minister does not want to take responsibility for the worst E coli outbreak in Canadian child care history.

I'm going to pass it now to my colleague Marie Renaud for a few minutes.

**Ms Renaud:** Thank you, Mr. Chair. On pages 44 and 45, as some of the members have noted, you talk about training for work programs for unemployed and underemployed Albertans. Now, I'm certain that you've heard that one of the other ministries is looking at kind of decimating AISH, which is assured income for the severely handicapped, creating a new program that is for people with disabilities to become employed. Now, AISH already had the ability to do that, but this will be a new program. So I'm assuming that there was some work in this fiscal year to prepare for an influx of tens of thousands of disabled workers that are unemployed or underemployed. I'm wondering what investments the ministry has made to prepare for the influx of new ADAP recipients who need to find employment. I notice that there are a lot of metrics for the Black community, Indigenous people looking for work, but there's no mention of people with disabilities, so if you could explain that.

9:00

**Mr. McPherson:** I think I'll ask ADM Harbottle to respond.

**Ms Renaud:** Just for clarity, there are over a million people with disabilities, and they're unemployed at twice the rate as their nondisabled peers. I'm just making the case that this is a significant portion of the target I expect that these programs would be looking at, while you're getting ready.

**Ms Harbottle:** Thank you, through the chair to the member. For Jobs, Economy and Trade our focus is – the AISH program, obviously, sits in another department, so the labour market information I have today is primarily focused on training programs delivered by Jobs, Economy and Trade.

**Ms Renaud:** My question, then, is very simple: why are people with disabilities not included in the marginalized communities that JET is targeting?

**Ms Harbottle:** Jobs, Economy and Trade programs would be offered to people with disabilities. I don't have the statistics available to me today.

**Ms Renaud:** Could you tell me which page the targets would be on or the outcomes, so I could read about your success in that area?

**Ms Harbottle:** For our programs, they are not specifically targeted to persons with disabilities. They would be participants in our programs.

**Ms Renaud:** There's no outcome specifically for unemployed workers with disabilities?

**Ms Harbottle:** For Jobs, Economy and Trade programs: not specifically.

**Ms Renaud:** So there's been no discussion from adjacent ministries about a potential influx of disabled people. Okay.

**The Chair:** Thank you.

We will now proceed to questions from the government members. You have 10 minutes. Mr. Lundy.

**Mr. Lundy:** All right. Thank you, Mr. Chair. I would echo the comments of my colleague, thanking our department officials for joining us today and for providing us with such fulsome answers.

I'd like to talk about the film and television tax credit program. A little bit exciting; I know, like a lot of Albertans, I was watching with interest when *The Last of Us* came on and what a dystopian future of Edmonton looked like. That was very exciting to see. Obviously, this is a great program. Through the chair, specifically on page 14 of the annual report we can see that "172 productions have been authorized to participate in the Film and Television . . . Credit program." Could the deputy minister please explain to this committee the ways that the film and television tax credit has encouraged growth, sustainability, and competitiveness across Alberta? And if you could also take some time to highlight some of the economic impacts of the program.

Thank you.

**Mr. McPherson:** Mr. Chair, through you to the member, since the launch of the FTTC in 2020 Alberta's film and television industry has grown rapidly, provided a significant economic impact while also contributing to the diversification of the province's economy by supporting a range of employment opportunities.

In addition to direct investment in the sector, the industry supports indirect investment in skilled trades, construction, retail, accommodations, and food services. Every \$1 provided through the film and television tax credit is expected to generate approximately \$4 in associated Alberta expenditures, again, supporting thousands of jobs across Alberta while also putting Alberta on display. According to Statistics Canada's 2019 multiplier \$1 million spent in Alberta by the motion picture industry would have a total impact of about \$583,000 in GDP, of which \$273,000 would be direct and \$310,000 indirect. Communities where filming occurs benefit not just from the production itself but also from increased foot traffic and demand for services.

The province also gets to showcase its diverse landscapes and in many cases helps rural communities thrive. In terms of major attractions in recent years, these include *My Life with the Walter Boys*, *Wynonna Earp*, *Fargo* season 5, and, obviously, *The Last of Us* season 1, which was a marquee project and one of the largest television series in Canadian history, as well as *Fraggle Rock* and the 17th season of CBC's *Heartland*.

The sector has grown significantly in the last four years and continues to be that economic driver. The value of foreign film production in Alberta grew 291 per cent from \$49 million in 2022 to \$192 million in 2023-24. Again, this is due in part to several American television series coming to Alberta, including *The Last of Us* but also *The Abandons* and *My Life with the Walter Boys*.

I think I'll leave it there.

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

Through the chair, I'm wondering if the deputy could maybe please explain the criteria for productions to be accepted into the film and television tax credit program and maybe comment on why

so many productions have decided to invest in Alberta and to support our local economies.

Thank you.

**Mr. McPherson:** Chair, through you to the member, Alberta's government supports the film and television sector through both Arts, Culture and Status of Women and Jobs, Economy and Trade. Alberta's film and television tax credits, you know, support medium- and large-scale productions with total estimated production costs. That's the sum of Alberta and non-Alberta costs of over \$499,999. To be eligible, production must also have a portion of principal photography or key animation completed in Alberta. The program offers then a refundable tax credit of 22 or 30 per cent on eligible Alberta production and labour costs to corporations that produce films, television series, and other eligible screen-based productions; now, for example, game shows.

To be eligible, the applicant must have a valid commercial distribution plan for the final project and have secured at least 50 per cent of its production financing before applying. Productions meeting certain additional criteria are eligible for the 30 per cent tax credit, including at least 50 per cent of the project must be owned by eligible individuals – for example, an Alberta-based producer, whether as individuals, members of a partnership, or voting shareholders of a corporation – and at least 60 per cent of the total Alberta production costs must be eligible or at least 70 per cent of the total labour costs must be made up of eligible Alberta salary or wages. Productions can also be eligible for a 30 per cent tax credit if at least 75 per cent of Alberta filming takes place in rural and remote areas as defined by the maps in the program guidelines. Eligible productions can apply to the film and television tax credit up to 120 days after commencing principal photography in Alberta to obtain an authorization letter.

One of the attractive features of Alberta's film and television tax credit is that most production costs are eligible whereas many other jurisdictions provide a tax credit on labour-based costs. One example of that would be British Columbia. While incentives remain an important consideration in selecting a film destination, much of Alberta's competitiveness stems from other factors, including our scenery, climate, lower production costs, and the fact that this is a low-tax environment.

Members may be interested to learn that to enhance the competitiveness of the film and television tax credit program, the Alberta government introduced changes to the program in June 2024 that would widen the program's application window, create greater administrative flexibility, enable productions to get their tax credits earlier, and clarify program rules and ensure that the levels of oversight are appropriate and that there is less red tape.

The film and television tax credit has evolved since its creation in response to feedback from stakeholders, and you know those things that I just set out a moment ago kind of reflect the government of Alberta's interest in making sure that its tax credit regime is very competitive.

Thank you.

9:10

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

I think I'll switch gears a little bit here and ask about an increase in child care spaces, which we see on page 33 of the annual report. As always through the chair, the annual report shows that during the '23-24 reporting period the number of licensed child care spaces increased overall by 9 per cent, which is a new record for growth over the last five years. Could the deputy minister please explain to this committee how they are able to continue building on their

successes and further expand the number of available child care spaces year over year?

Thank you.

**Mr. McPherson:** Mr. Chair, I'll ask ADM Tanis Liebreich to respond. Thank you.

**Ms Liebreich:** Thank you for the question. Alberta has made considerable progress on our space-creation targets. One major contributor to space growth was the space-creation grant. The space-creation grant was part of our commitment under the Canada-Alberta Canada-wide early learning and child care agreement to make child care more affordable for Alberta families. Through the child care space-creation grant child care providers were able to access up to \$6,000 per space to create new spaces or start new programs in areas of high need, so that's child care deserts or communities where there's little or no child care and high demand. That's communities that require more licensed child care spaces to meet the demand. This grant funding was intended to support applicants to create new and affordable spaces.

In 2023 the grant was expanded to include new or existing family day home agencies. As you know, family day homes are an important strategy in rural and remote parts of Alberta, where facility-based programs may not be a viable option. In October 2023 the space-creation grant also became available to applicants wishing to create for-profit spaces.

As of March 31, 2024, the government provided just over \$35 million in space-creation grant funding to 126 successful applicants, supporting the creation of approximately 9,000 full-time licensed spaces. As of March 31 about just over 5,000 space-creation spaces were open and already serving Alberta families.

**Mr. Lundy:** Great. Thank you so much for that information. I know that's certainly an important part of the ministry's mandate now, and we look forward to you guys continuing that great work in the years ahead.

Thank you.

**The Chair:** We'll move back to the Official Opposition for 10 minutes of questions.

**Mr. Ellingson:** Thank you. Through the chair, I would like to start out with some questions about the REDAs. Just for disclosure I want people to know that I did used to sit on the board of Economic Developers Alberta. I notice page 22 notes that agreement in place for two more years of operating income for them to become self-sufficient. In contrast to the NRED programming in the report, this report doesn't include any information on the work conducted by the REDAs or the outcomes that they might be achieving with their ministry funding. I'm curious why not.

**Mr. McPherson:** REDAs are not government entities.

**Mr. Ellingson:** You do fund them. Do you not ask them to report back to you on what they accomplished with that funding?

**Mr. McPherson:** One of the things that we do and one of the things that drove some of the changes that we are applying to the REDAs is that we do monitor what successes they do have. That, frankly, did lead to some concerns about how well some of them were operating, and it led Minister Jones to make a decision to change the way that the government of Alberta interacts with and funds regional economic development agencies.

**Mr. Ellingson:** So considering we weren't seeing any successes from those REDAs, which is – our choice is made to defund them.

**Mr. McPherson:** Chair, through you to the member, I did not say that we did not see successes. What I did say was that we were kind of concerned about relative progress with some of the regional economic development agencies. You know, I'd also note that the government of Alberta does not provide operating funding to other kind of economic development agencies, including Calgary Economic Development, for example, or Edmonton Global.

One of the goals of the reforms is to ensure that REDAs . . .

**Mr. Ellingson:** Yeah. And I do understand you don't provide operating funding to Calgary Economic Development. I was an employee of Calgary Economic Development. You do provide grant funding to Calgary Economic Development for specific programs. Can you tell us maybe what ROI might have been achieved from some of the REDAs? Let's say SouthGrow; did we see any ROI from the work of SouthGrow?

**Mr. McPherson:** I'm not in a position, Mr. Chair, to speak to the work of a nongovernment organization.

**Mr. Ellingson:** Thank you.

Through the chair, I'll maybe ask a different kind of angle of question then. Does the ministry still believe that there's value in supporting on-the-ground collaborative efforts in economic development in communities across the province?

**Mr. McPherson:** Mr. Chair, I would say that the ministry does support regional economic development activities in a variety of ways, not just through grant funding. We have created what we call a hub-and-spoke model. That involves regional economic development specialists, workforce consultants, industry workforce partnership specialists, workforce partnership grants, the creation of the Alberta economic dashboard that I mentioned during my opening remarks, the northern and regional economic development program, the Alberta export expansion program.

**Mr. Ellingson:** Through the chair, Deputy Minister, do you believe that the employees based in Edmonton for your hub-and-spoke model are kind of in the best position to understand the stakeholders on the ground in the regions across Alberta? The ability to bring those stakeholders together to deploy collaborative projects: are those employees based in Edmonton through your hub-and-spoke in the best position to do that?

**Mr. McPherson:** Mr. Chair, I would note that we have regional economic development specialists who reside in regions.

**Mr. Ellingson:** Sure. Can you tell me who's based in Medicine Hat?

**Mr. McPherson:** Mr. Chair, not by name; I have 1,300 employees.

**Mr. Ellingson:** Thank you.

I'll also say, Mr. Chair, that I'm a big fan of outcome measures. I like to know what a fund achieved from the funds that we spend, which is why I was happy to see on page 14 the ministry reporting the success of Dow's investment and the question earlier about that Dow investment. I am curious, though, whether the ministry or the government of Alberta provided incentives to secure this investment. I see on page 21 that we were competing against the Gulf coast – I guess we're arguing today about the name of the Gulf – but the U.S. is notorious for their incentive packages. I'm just curious whether or not we needed to put any money on the table.

**Mr. McPherson:** I believe that program will be the recipient of the Alberta petroleum investment incentive program funding, which is not a JET program. It's operated by Energy and Minerals.

**Mr. Ellingson:** Thank you.

I'll pivot to some of the ones that you are directly responsible for, the four investment and growth fund investments noted on page 37. I have a couple of clarifying questions for those. On page 15 it notes that these four projects are expected to unlock \$95.5 million in capital expenditures, but then on page 37 it says that it's expected to unlock \$421 million in capital expenditures. I'm wondering which of these two is correct.

**Mr. McPherson:** Mr. Chair, I don't have that reference in front of me, so I would have to write back to you on that.

What I will say is that the investment and growth fund has been very, very successful in terms of job creation and investment attraction and locking it in. Since its inception . . .

**Mr. Ellingson:** Yeah. Thank you, Deputy Minister. I did see some of those results in the report, so I want to thank you for reporting that.

I see the details of the four projects and that only one of the four projects shows the capital spend of \$30 million, from Fortinet. I'm wondering what the capital spend is expected from the other three that are specifically identified in the report.

**Mr. McPherson:** Mr. Chair, I'll have to return with the expected capital spend, which I don't have at my fingertips.

**Mr. Ellingson:** Thank you.

I also noted, Mr. Chair, to the Deputy Minister, with the four projects it notes, nearly 1,000 permanent jobs are expected, but in the details provided of the four projects when I add up those numbers for permanent jobs, I come up to a number less than 200. Again, I'll ask about the inconsistency and which number is correct.

**Mr. McPherson:** Mr. Chair, I'll have to return with a reconciliation of that.

**Mr. Ellingson:** Thank you.

I'm wondering, through the chair, if we can ask: what was the allocation for each project? We know the overall allocation. Do we know the allocation for each individual project from the IGF?

9:20

**Mr. McPherson:** I don't have the individual allocations. The total for the four was \$7.7 million.

**Mr. Ellingson:** Okay. The report says six.

**Mr. McPherson:** Again, we'll have to kind of reconcile that. I have \$7.7 million, as I understand it.

**Mr. Ellingson:** It does say that \$6 million was spent in the 2023-24 reporting period, so I'll ask you to reconcile that, too.

Through the chair, can the deputy minister tell us whether or not any matching funds from the federal government were leveraged for any of these four projects, and how much?

**Mr. McPherson:** I don't track what federal funding goes into projects.

I would note that my senior financial officer does have a response on the \$6 million that you just asked about.

**Mr. Rivest:** Yeah. Thank you. Just to be clear, the \$6 million figure: that's how much the ministry expensed in the '23-24 fiscal year. The \$7.7 million figure was actually the total of the four projects. We didn't expense the value of those four projects. The way we account for the program is that we expense based on eligibility criteria having been met and milestones being achieved during the year, so there was a different set of projects that related to the \$6 million versus the \$7.7 million.

**Mr. Ellingson:** Versus the \$7.7 million. I think you already kind of segued into my next question. The report talks about the invoices being submitted, and I'm curious. The invoices being submitted for capital expenditures: is that the trigger for the government to issue the funds through the IGF?

**Mr. McPherson:** Mr. Chair, I'll ask ADM Rivest to respond.

**Mr. Rivest:** The grant agreements that are in place: there are different milestones. One of the initial milestones is the actual execution of the agreement, and it sometimes accompanies an announcement that takes place announcing the project. Then the next payment is typically after the milestone has been met for a specific number of the capital expenditure, and it's typically over 50 per cent. And then the third milestone is then on completion, that all of the other eligibility requirements and parameters of the agreement have been achieved.

**Mr. Ellingson:** Thank you for that.

Now I'll ask about the table that is provided for prior year results. There's a table providing prior year results, and it also shows projected results for the next two years.

**The Chair:** Thank you, Member Ellingson.

We will move back to the government for 10 minutes.

**Mr. McDougall:** Good morning, and thank you for coming. On page 14 of the '23-24 annual report we can see that the Ministry of Jobs, Economy and Trade is heavily focused on continued health and well-being of small- and medium-sized enterprises across the province through the Alberta export expansion grant program. This program took applications from "Alberta businesses, municipalities, Indigenous communities and industry associations" in order to "expand their in-market intelligence and establish valuable relationships in new or existing export markets." According to the '23-24 annual report, 295 Alberta export expansion program grants were awarded to enterprises across Alberta. Could the deputy minister please expand upon the recipients of these grants and touch on the criteria for why these enterprises were chosen in order to support the economic landscape for Alberta?

**Mr. McPherson:** Mr. Chair, with a \$1 million annual budget the Alberta export expansion program, or AEEP, which is a terrible acronym, provided funding to export-ready small- and medium-sized businesses and nonprofits to travel to global markets, promote their products, make business connections, and find new buyers. You know, in 2023-24 210 Alberta organizations received funding through 295 AEEP grants. More than \$835,000 was allocated to Alberta organizations through the program.

The top sectors supported by AEEP were oil and gas products and services, life sciences and health technology, and information and communications technology. By helping Alberta businesses increase their exports, Alberta's government also supported job creation and revenue growth and a more resilient consumer base for Alberta companies. To support the diversification of Alberta's economy, AEEP was opened to for-profits and not-for-profits from across all sectors in 2023-24. The for-profit organizations that

received AEEP funding in 2023-24 had annual sales of between \$50,000 and \$25 million Canadian, had a minimum of one full-time employee in Alberta, employed fewer than 500 full-time equivalent employees, were incorporated legal entities in Alberta, operated and had permanent establishment in Alberta, applied for preapproval prior to undertaking their trade mission, and submitted market entry plans describing their trade objectives and value proposition for their market interest.

The nonprofits that received AEEP funding in 2023-24 had slightly different criteria than the for-profits given the scope of their operations, including being a recognized legal entity for a minimum of one year and having a permanent establishment in Alberta. Funding these enterprises via AEEP is part of how our ministry supports Alberta companies to promote our province to the world, showcasing our companies and sector strengths and why international buyers should buy from Alberta. This is one of the many ways our department has supported a strong and prosperous economic landscape for Albertans.

Thank you.

**Mr. McDougall:** Thank you. While 92 per cent of the AEEP – I agree; it's a terrible acronym – grants were awarded to small- and medium-sized businesses, am I correct in assuming that the remaining 8 per cent are nonprofit organizations? Or what is the remaining 8 per cent?

**Mr. McPherson:** Mr. Chair, through you to the member, that's correct. They are nonprofits. This primarily included economic development organizations and industry associations such as Calgary Economic Development and the Edmonton Screen Industries Office Society as well as the Alberta Biotechnology Association, the Book Publishers Association of Alberta, and the Petroleum Technology Alliance Canada. These organizations play a direct role in supporting and promoting Alberta companies and their exports, and their participation in international missions strengthens both the mission and collaboration within the province in terms of how we promote export development and sell Alberta products and services to the world.

**Mr. McDougall:** Thank you. Continuing my line of questions on the AEEP program, performance indicator 1(a) on page 39 of the annual report shows in-depth information pertaining to this program. I'm pleased to see that the program fully exceeded its target for the year, more than doubling the previous year's results at 210 unique businesses, municipalities, Indigenous communities, and industry associations supported through the program. Can the deputy minister please speak to the factors that led to the program strongly outperforming its target?

**Mr. McPherson:** Mr. Chair, through you to the member, the increase in the number of organizations supported through AEEP in 2023-24 over 2022-23 is partly due to the continued return of normal business practices, including in-person international events, following the COVID-19 pandemic. This meant that after a couple of years of decreased travel and limited in-person engagements, Alberta exporters saw a resurgence in demand for their products and services and a need to conduct business face to face once again. This also meant that Alberta exporters saw value in AEEP and that we gave Alberta companies the boost they needed to get their products out into the world.

Additionally, prior to the AEEP review applicants were, frankly, frustrated by the process as approvals and reimbursement payments were admittedly way too slow. The two-stage approval process required an application and approval prior to travel, which may have led to last-minute approvals and often led to higher costs if the applicant was waiting for confirmation before they booked. This



process caused a delayed administering of the grants, which meant that the preapproval requirement applications in 2022-23 were not processed and accounted for until 2023-24. We found this to be an unacceptable practice, so in spring 2024 Alberta's government made changes to AEEP which have resulted in significantly faster payments to eligible Alberta companies and less time completing the applications.

I would say that we've seen additional kind of improvement of uptake and also satisfaction among organizations that want to go on the road with Jobs, Economy and Trade. You know, I will foreshadow something that I'm sure will be in our '24-25 report. When we went to ADIPEC, which is one of the biggest oil and gas trade shows in the world, in the United Arab Emirates in 2023, we took about 40 Alberta companies. Last year we took 75, and that was a significant change. Again, I think it is a recognition both of the improved processes through AEEP but also the kind of elevated level of client service that we're trying to affect within Jobs, Economy and Trade.

Thank you, Mr. Chair.

9:30

**Mr. McDougall:** Thank you very much. Glad to see all the improvements that have taken place and that, as a result, a lot more companies are being supported.

Can you expand and give a breakdown by category of the organizations that are supported by these grants? I'm thinking: business, municipalities, Indigenous communities, or industry associations. Is that kind of breakdown available?

**Mr. McPherson:** Mr. Chair, through you to the member, the breakdown of applicant type for small and medium enterprises was 193; economic development organizations, there were four of them; industry associations, that was five; and nonprofits were eight. Taken altogether, 92 per cent of the recipients were Alberta companies, with the rest of the recipients, as mentioned, being nonprofit organizations who directly serve Alberta companies and export promotion.

**Mr. McDougall:** Thank you. On page 58 I took an interest in the proactive occupational health and safety programs. The report notes that these targeted programs "contribute to safe and healthy workplaces, but also support Alberta's competitive advantage in attracting investment to the province." It goes on to explain that "OHS officers take a risk-based approach to regulatory compliance and enforcement, starting with an education-based approach." Can the deputy minister unpack how focusing on employers that need the most support is the best use of OHS resources and the best opportunity to affect change, and how this approach can save employers and others on their WCB rate group costs over the long term?

**Mr. McPherson:** Well, in fact, Mr. Chair, through you to the member, while factors considered for setting rates and classifying rate groups reside with the Workers' Compensation Board and are outside the purview of OHS, it is widely known that claim rates and direct costs associated with injuries and fatalities are key drivers. JET's OHS group uses a data-driven and evidence-based approach to proactively design initiatives that focus on sectors, employers, or types of work activity that are shown to have lower rates of compliance with OHS legislation or shown to pose a higher likelihood to result in an injury, illness, or fatality.

**The Chair:** Thank you, Deputy.

We will move back to the Official Opposition for 10 minutes.

**Ms Renaud:** Thank you, Mr. Chair. On page 30 the ministry discusses supporting inclusion. The ministry notes a \$5.4 million investment

spent on inclusive child care coaching and capacity-building supports. Based on this, just after this \$5.4 million investment, how many new inclusive spots were created? And how does the ministry decide who gets an inclusive designation?

**Mr. McPherson:** Mr. Chair, I'll ask ADM Liebreich to respond.

**Ms Liebreich:** The inclusive child care program is not space-based. What it does is . . .

**Ms Renaud:** Coaching?

**Ms Liebreich:** It's coaching, yeah.

**Ms Renaud:** As a result of this \$5 million investment there must be some sort of measure for the department to know that it's working. How many new inclusive spaces are . . .

**Ms Liebreich:** Ninety-five per cent of child care programs showed improvement in implementing inclusive strategies.

**Ms Renaud:** Can you give us a number of how many inclusive spaces? As you know, there are a lot of child care desert spaces for kids with disabilities.

**Ms Liebreich:** Yep.

**Ms Renaud:** So how many new spaces for a \$5 million investment were created?

**Ms Liebreich:** This program is not meant to create new spaces.

**Ms Renaud:** But you coach people to create them.

**Ms Liebreich:** Actually, it's not necessarily to create them but to expand existing spaces to make sure that they are also inclusive.

**Ms Renaud:** So how many of the existing spaces that were not inclusive are inclusive now?

**Ms Liebreich:** I don't have that figure.

**Ms Renaud:** So there's a \$5 million investment but the ministry doesn't have any sort of measure to let us know – this is an important investment, of course, so we just want to know: what was the improvement? Maybe the ministry could think about that and get back to us, table something if you can find something.

**Ms Liebreich:** What I can say is that there were 469 programs that participated in the ICC program, with 95 per cent showing improvement in implementing inclusive practices.

**Ms Renaud:** Any idea about, say, 490 . . .

**Ms Liebreich:** Four hundred and sixty-nine.

**Ms Renaud:** . . . 460, whatever, facilities? Would they have created one or 10 or – I just don't have an idea of the scale.

**Ms Liebreich:** Yeah. Inclusive practices through the ICC program are about making all of the spaces in that child care inclusive.

**Ms Renaud:** Right, but it doesn't really work that way. What I'm getting at is if there is a family with a child with a disability looking for an inclusive space that might have a designation of inclusivity, but an inclusive space – right? – requires ratios for staffing and all kinds of things; physical barriers are dealt with. So how many spaces exist now for kids with disabilities that didn't exist before, after a \$5.4 million investment?

**Ms Liebreich:** Again, the inclusive child care program is about coaching.

**Ms Renaud:** I'm going to move on. I'm going to actually stop there and pass it to my colleague, my remaining time.

**Mr. Ellingson:** Thank you, through the chair. So I'll ask a few questions about page 15 in supporting 33 international trade missions, that Minister Jones led two of those missions, one to the U.A.E. and one to Japan. You've spoken about the U.A.E. mission already. Page 38 gives us some information about the industries targeted and the number of companies that participated in the two missions led by the minister. What did the ministry spend on these 33 missions, particularly the two missions led by the minister?

**Mr. McPherson:** Overall, the budget for all of the ministry missions is about a million dollars. The kind of particular missions led by Minister Jones, specifically U.A.E. and Japan, we would have to get back to you specifically on what those missions cost, but as I said, the entire budget is about a million dollars.

**Mr. Ellingson:** Okay. Thank you. I'll look forward to you tabling that.

Have any of the companies that were participating – you talked about the event that was happening in the U.A.E., more companies this year than last year. Have any of those companies participating reported any deals? Have they reported increased revenue from participation? Have they increased employment for Albertans because of participating in those trade missions?

**Mr. McPherson:** I don't have kind of the specific company outcomes as expressed by dollars and bodies at my fingertips. What I would say is . . .

**Mr. Ellingson:** Do we ask them to report outcomes?

**Mr. McPherson:** Excuse me?

**Mr. Ellingson:** Do we ask them to report outcomes? Like, do we follow up at any point in the future to say: hey, what can you tell us about the benefit of that mission?

**Mr. McPherson:** We're always in contact with companies that come on mission. We have very high satisfaction rates, and they come back on mission because they do meet success over there when we go on the road with them. I think, you know, a metric of success is their kind of rate of continued participation.

**Mr. Ellingson:** Yeah. I don't consider continued participation in a mission a rate of success. I guess what I would ask: is that company generating employment for Albertans? I would consider that a measure of success for a mission. I hope that maybe it's possible to table any information that is available for that.

**Mr. McPherson:** We can take that under advisement, Chair.

**Mr. Ellingson:** For those missions, how do we select the companies, and where do we find a list of companies that were participating in the missions?

**Mr. McPherson:** In terms of companies selected, some self-select. We have calls for mission participation. We publish a missions list at the beginning of our year on JET's website, and then, you know, we kind of walked through the criteria for the Alberta export expansion program. That's one way of doing it.

**Mr. Ellingson:** Great. Okay. Thank you for that.

I will conclude with just one final question. If Invest Alberta and the overseas trade offices are the responsibility of Executive Council and the Premier's office, what benefit do we get directly from the minister's trips? And maybe you can tell us exactly the role of the ministry on those trips.

**Mr. McPherson:** Well, there are many players in the economic development space in this province, and, you know, Invest Alberta is one of them. We have a very close, collaborative relationship with them. You know, we often work with them when we are overseas on missions. Invest Alberta also, though, has a specific role in cultivating investment attraction.

**Mr. Ellingson:** And your role is?

**Mr. McPherson:** Well, Chair, if we're talking about investment missions, those tend to be . . .

**Mr. Ellingson:** I apologize, Mr. Chair. I'm going to just call that, and I'm going to cede my time to Member Schmidt.

9:40

**Mr. Schmidt:** Thank you very much. I want to get into sole-source contracts. On June 1, 2023, the department sole-sourced a company called GSMA Limited, located in Atlanta, Georgia, to build the Alberta booth as part of the Canada pavilion at MWC Barcelona 2024. How is it that an American company was sole-sourced to build an Alberta booth at a trade fair in Spain?

**Mr. McPherson:** Mr. Chair, when we go on some missions, particularly ones where Canada is the anchor client, so to speak, we are obligated to use their vendors. That typically is why our booth vendors are sole-source contracts.

**Mr. Schmidt:** That's not the reason that was listed for sole-sourcing the contract. I'm just wondering what efforts the department made to make sure that an Alberta-based or even a Canadian-based vendor was used to build the Alberta booth at a trade fair in Spain rather than an American vendor.

**Mr. McPherson:** Mr. Chair, as I said, typically, when we go on the road with Canada and they are the anchor client, we use the same vendors that they do, and that leads to the sole-source contracts for booth contracts.

**Mr. Schmidt:** We're just throwing money away at the Americans to tell Alberta's story. I get it.

Now, a final point on the sole-source contract database. There's a listing for multiple vendors, in quotes, for services listed as FDH agencies overseeing FDH educators, and that value is listed as \$6.1 million. What are FDH agencies and educators?

**Mr. McPherson:** Those are family day home agencies and educators.

**Mr. Schmidt:** Okay.

Why would all of those sole-source contracts be rolled up into one line item in the sole-source contract database? Doesn't that violate the spirit of the purpose of the database, to provide transparency into who's being given sole-source contracts?

**Mr. McPherson:** ADM Rivest will respond to this question.

**Mr. Rivest:** On sole-source contract disclosure, we of course work with service Alberta to meet all the requirements of the information being released. When it comes to family day home agencies, the

historic practice has always been to group those together and to provide the one figure that we use for those specific agencies each year.

**Mr. Schmidt:** Okay. Has any consideration been given to expanding that practice so that Albertans get more transparency?

**Mr. Rivest:** Not that I'm aware of in terms of expanding on that practice, but in terms of . . .

**The Chair:** Thank you, ADM.

We will go to the government side for 10 minutes of questions.

**Mr. Hunter:** Thank you, Mr. Chair. The occupational health and safety prevention initiative, as outlined on pages 58 and 59 in the annual report. It indicates in the report that "the initiative supports the use of best practices for an effective OHS system through outreach and education campaigns based on user-centred design and knowledge translation principles." On page 59 the report notes "the initiative focuses on three priority injuries and diseases: [being] musculoskeletal disorders due to repetitive use, overexertion and heavy lifting; slips, trips and falls; and psychosocial hazards, including workplace violence, harassment and mental health." How were these three priorities selected?

**Mr. McPherson:** Mr. Chair, I'll ask ADM Myles Morris to respond to the question at the podium.

**Mr. Morris:** Thank you. Myles Morris, assistant deputy minister of safe, fair, and healthy workplaces. Through the chair, thank you to the member for the question. The goal of the prevention initiative is to continuously monitor and highlight areas where workers are most effective or have the greatest risk and to allow the OHS system as a whole to work in a collaborative manner to address those.

The desired outcomes of aligning the OHS system to these priority areas and workforces are to have a measurable influence on them. The priority areas mentioned by the member were selected based on a retrospective review of 10 years' worth of available WCB data, a review of both national and international published, peer-reviewed literature on OHS priorities for provincial and national jurisdictions as well as validation of these priorities among interested parties in the province, including employers, labour organizations, health and safety organizations, and certifying partners. Additional rationale and further detail for each of the priority area's inclusion are listed in the prevention initiative itself. The prevention initiative also has a landing page on our website which provides updates on what has been happening for each priority area since the launch of the initiative. As an example, musculoskeletal disorders were selected because they are consistently the primary cause for lost time and disabling injury claims and account for roughly 2 in 5 WCB claims, so about 40 per cent of claims.

**Mr. Hunter:** Thank you.

I'll cede my time now to my colleague MLA Armstrong-Homeniuk.

**Ms Armstrong-Homeniuk:** Thank you. Chair, through you to the department I'd like to take a moment to look at penalties and noncompliance. On page 64 of the '23-24 annual report I read that "administrative penalties encourage compliance with employment standards legislation." As outlined in the report in 2023-2024, "employment standards issued one administrative penalty in the amount of \$1,500." I also see that the standard penalty amounts begin at "\$500 and are issued in a progressive manner for repeated contraventions." Why was the one administrative penalty for 2023-24 set at \$1,500 with no penalties issued in 2022-2023?

**Mr. McPherson:** Mr. Chair, I'll ask ADM Myles Morris to respond.

**Mr. Morris:** Thank you. Again, it's Myles Morris, assistant deputy minister of safe, fair, and healthy workplaces. The employment standards legislation enables our officers to use administrative penalties. There is some discretion in terms of the amounts, but through operational procedures the starting amount is normally \$500. However, it's not a one-size-fits-all approach and we do assess kind of the relative severity of the contravention, and in the matter that's noted in the annual report, that was what we categorize as a level 3 contravention, which is on the more serious side. Operationally, we start that at \$1,500. Contraventions are assessed on a case-by-case basis to determine whether an administrative penalty is warranted, and there can be a fair amount of variability year over year in terms of why one was assessed one year and one wasn't. It's dependent on what we might be seeing at that particular time.

**Ms Armstrong-Homeniuk:** Thank you.

Chair, through you again I have another question. Staying on the issue of penalties and noncompliance, I would also like to look at chronic noncompliance. I see the process is outlined in the annual report, but I would appreciate a bit more context on how the issue of noncompliance is resolved and what a successful completion of the process looks like for the ministry.

**Mr. McPherson:** Chair, I'll ask ADM Morris to respond.

Thank you.

**Mr. Morris:** Thank you again. Myles Morris, assistant deputy minister of safe, fair, and healthy workplaces. Employers are chronically noncompliant within our employment standards program when they have five substantiated complaints within the previous two years, a previous noncompliant inspection in the last year, employers currently under investigation who have failed to provide employment records or failed to comply with the direction of an officer or who have an active judgment filed at the Court of King's Bench for previous contraventions of the Employment Standards Code.

Chronically noncompliant assignments are assigned to our special investigations unit, and they utilize their investigative tools such as inspections and follow-up inspections to guide and educate chronically noncompliant employers with their responsibilities. Where required, employment standards will utilize additional enforcement tools such as orders of officers, either employer audits or officer-directed audits, and administrative penalties to bring employers into compliance. A successful completion of the process leads to employees receiving their rightful entitlements under our legislation and the employer coming into full and continued compliance.

9:50

**Ms Armstrong-Homeniuk:** Chair, through you again, page 65 of the report highlights how occupational health and safety laws are there "to ensure workers return home safely at the end of their shift" and "compliance starts with education and ensuring that all . . . parties are able to follow the rules." There's an interesting chart of OHS field activities and lost time claim rate. As per the report I read that the 2023-2024 actual number of the OH and S field activities amounts to 24,565, which is up from the almost 22,000 from the previous year. Can the ministry provide an overview of what is encompassed in field activities and why this year's numbers are higher than the previous years'?

**Mr. McPherson:** Mr. Chair, in the interest of time I'll answer this. OHS field activities refer to inspections, investigations, reinspections, meetings, presentations, and the delivery of publications. In 2022-23 OHS implemented a number of structural changes to its operations and business practices designed to streamline our processes. This resulted in increased efficiency and provided OHS services with additional capacity to engage in more inspection activity per officer. This additional capacity has been directed at increasing the number of proactive inspections conducted by OHS. These activities are able to target identified areas where there is the greatest need and where OHS can have the largest impact on workplace safety in the province.

As these initiatives tend to focus on areas where deficiencies and contraventions are more likely to be present, the likelihood of OHS compliance activity being required is higher. These compliance activities tend to require additional field activities such as reattendance to verify compliance with orders or reinspections to monitor sustained compliance.

**Ms Armstrong-Homeniuk:** Thank you.

Chair, I believe that, with 44 seconds left, I will pass it down over.

**The Chair:** If you want to use them, they're all yours.

**Ms Armstrong-Homeniuk:** I guess I could probably sing a song, but we would all run out here. Actually, I could just thank the department and ministry for all the hard work you do. You do a really good job, and thank you for all the work you do, again.

**The Chair:** Thank you.

For this final rotation members will have three minutes to read questions into the record, starting with the Official Opposition.

**Ms Renaud:** Thank you, Mr. Chair. On page 14 I note a \$10 million commitment in grant funding to the aviation sector and \$6.5 million in grants, I think, spoken for, so maybe there's a little adjustment. According to the report the skills grant was meant to support highly skilled jobs in aviation and aerospace. I note that on page 20 the ministry highlights challenges the aviation industry is having filling positions. Would the ministry please table a list of the grant recipients?

Next: what's the overall targeted job creation number for this particular investment? Next: how many of those highly skilled jobs in aviation and aerospace will be accessible for disabled Albertans? As we know, very skilled and educated Albertans, many of them disabled, require DEI initiatives to secure work. Any plans for that in this particular area?

And then, finally, which 10 regional airports received a portion of the \$1.1 million improvement grant? How were they chosen, and were any of the funds directed on improving accessibility?

Next.

**Mr. Ellingson:** In reviewing the REDAs, what were the challenges to success noted that led to the decision to defund the REDAs? What were the outcomes of the IGF? Just looking for clarity again on the anticipated cap ex expenditure. Was it \$95.5 million, or was it \$421 million? Was it 1,000 permanent jobs, or was it 200 permanent jobs? And on page 40 why does the table not include the cap ex for the years that have already passed? There are three years in that table where it says "N/A," and I'm just curious why they were left blank.

On page 14, the AEEP program supported 295 grants. Are those companies reporting back on employment outcomes? Will you know whether or not they're going to generate any employment for Albertans from those grants?

**Mr. Schmidt:** Thank you. According to the Alberta grants database *Western Standard* received \$54,669.58 from the Alberta jobs now program. Can the department provide details on how that money was spent?

Secondly, the *Western Standard* was the only media company to receive grants from the program, and it's well known that it's a friend of the UCP government. Did the Premier, the minister, or any political staff direct the department to dole out this grant to its friends?

Finally, the *Western Standard* was recently running an advertisement that said: "Tell Danielle! Let's join the USA! AmericaFund.ca." Is it the policy of this department to subsidize platforms that support Alberta separatism?

Thank you.

**The Chair:** Thank you.

We will move to government members for three minutes.

**Mr. Rowswell:** Okay. Thank you. On page 19 of the 2023-2024 annual report I wanted to highlight the northern Alberta development bursary program, a program which encourages students to train for a wide range of in-demand jobs across northern Alberta to help fill job vacancies in our rural and mid-sized communities. In the 2023-24 reporting period there were 669 applicants to the NADB program across northern Alberta. With \$2.35 million in bursaries approved, could the deputy minister please explain to this committee how these numbers compared to year-over-year expectations for the ministry and how the ministry measures success in terms of this program?

I see on page 19 of the annual report that the northern Alberta development bursary program has a return of service component as a condition of support and that the return of service rate across all bursary programs in the '23-24 reporting period was 75.3 per cent. Could the deputy minister please explain to the committee what exactly the return of service component entails for students entering the northern Alberta job market and how this return of service is encouraging strong investment in our northern Alberta communities?

On page 41 of the annual report under performance indicator 1(d) there is a breakdown of the value of Alberta's export products. It shows a decrease of about 14 per cent, which is a result of a hard-hit energy sector, largely due to lower oil prices. I note that this hasn't stopped growth in other areas of exports such as motor vehicles at 36.1 per cent and industrial machinery, equipment, and parts at 33.9 per cent. Can the deputy minister explain the factors behind the decline in the price of oil and some of the barriers in the energy sector in relation to the increase in exports I mentioned before? Can the deputy minister expand on the factors that led to the success in areas related to motor vehicles and industrial machinery, equipment, and parts?

I want to bring to your attention the Indigenous employment training partnership program, which is outlined on page 45 of the annual report. This incredible program plays a crucial role in supporting Indigenous-led training and employment, helping participants secure long-term employment and experience tangible career growth. Among the participants that completed the program, 67 per cent of them found employment. This is an incredibly positive sign. Given that roughly two-thirds of all participants end up finding jobs after completing the program, can the deputy minister please expand on the key aspects that have shaped this program's success?

Thank you.

**The Chair:** Thank you.

I would like to thank officials from the Ministry of Jobs, Economy and Trade and the office of the Auditor General for their

participation here today. We will ask that any outstanding questions be responded to in writing within 30 days and forwarded to the committee clerk.

At this point we will take a five-minute break.

[The committee adjourned from 9:58 a.m. to 10:05 a.m.]

**The Chair:** We will get started.

We do have a report on subcommittee business. The subcommittee met on January 27 to review recent audit reports of the Auditor General and make recommendations for the two audit-focused meetings planned for the spring session as well as the committee's review and reporting process when reviewing those audit reports. The subcommittee report from the meeting was posted on the committee's internal site. It includes several recommendations for the members to consider. I will remind members that the decision to hold audit-focused meetings this spring and fall is being done on a trial basis, and we will review the process at the end of the year to determine if we want to continue with it and, if so, whether we want to refine the process.

The subcommittee recommended that for the first audit-focused meeting on April 29 the committee review the July 2024 Auditor General report entitled Surface Water Management and that officials from the Ministry of Environment and Protected Areas and the Alberta Energy Regulator be invited to speak to the report as it contains recommendations made to both entities. It further recommended that the invited entities be advised to prepare to respond to questions related to the implementation of the Auditor General's recommendations and to present their respective action plans if available.

Because the 2025 spring session is scheduled to end before the second audit-focused meeting would have been called, at this time the subcommittee has not recommended a report to the committee to review. The subcommittee suggested that the committee choose whether that meeting should be held out of session prior to the fall session or at the beginning of the fall session.

The subcommittee recommended that the committee hold premeeting briefings with the Auditor General and the LAO to prepare for each audit-focused meeting. It noted that if the committee chose to make a request for any research to be included in briefing materials for that meeting, that request should be received well in advance of the premeeting briefing. Members were asked to be prepared to bring requests forward today for the committee's meeting on April 29, which we'll get to a bit later.

The subcommittee also made recommendations related to the format of audit-focused meetings. It's recommended that the review begin with the Auditor General providing opening remarks on his report, followed by an invitation for the ministry and other invited entities to respond to the report. This would be followed by a question-and-answer period, during which a member may ask a main question and a follow-up question. The chair would alternate between caucuses as much as possible while recognizing members to ask questions.

Following the question-and-answer portion of the meeting, the subcommittee recommended that up to 15 minutes be allocated to decide whether to schedule a meeting to deliberate on its observations, comments, and recommendations with respect to the audit-focused review. If it chooses to hold a deliberation meeting, the subcommittee recommendation is that this meeting be scheduled shortly after the audit-focused meeting for at least an hour. At that meeting, the committee could decide if deliberations should be conducted in camera before returning to the record to move motions with respect to any recommendations it has agreed to make and discuss reporting to the Legislature.

Finally, the subcommittee recommended that the committee table a report to the Assembly after its first audit-focused meeting to inform the Legislature that it is engaging in some audit-focused committee meetings on a trial basis.

I will now ask the deputy chair if he has any comments to make or wants to add something to it.

**Mr. Rowswell:** Yeah. I'll just be short. I appreciated the process we went through to get this part going and how we've communicated, and I'm really looking forward to the first one that we do and to see how it goes and any improvements we can make as we go through the process. I think this could be really good. We've seen this done in different parts of the country. The Auditor General does a lot of work, and it should be reviewed from time to time. I'm really looking forward to the process that we're advancing here.

Thank you very much.

**The Chair:** Thank you, Deputy Chair.

We will get into the discussion about the recommendations under the next agenda item, but if members have any general questions or comments about the subcommittee report itself, they can make those comments now.

**Mr. Schmidt:** Sorry. Just a point of clarification, Mr. Chair. You said that we'll be dealing with the recommendations of the subcommittee's report on agenda item 6. Is that correct?

**The Chair:** Yes.

**Mr. Schmidt:** Okay. So right now we're just discussing the content of the report. Is that correct?

**The Chair:** Yeah. Content of the report, some general observations or comments.

**Mr. Schmidt:** Well, I do have a couple of comments with regard to the subcommittee's report. You know, like Member Rowswell identified, these audit-focused meetings are something that other public accounts committees undertake in other provinces, and I'm glad that the government is willing to undertake this process here at this committee. However, I am beginning to get the sense that their commitment to delving into the Auditor General's recommendations is wavering somewhat when I review the subcommittee's recommendations.

I will note that at the last meeting of the Public Accounts Committee it was government members who highlighted in particular Health and the senior services and housing ministry, particularly the housing recommendations that the Auditor General recommended in one of his previous reports, and said that they had heard concerns from their constituents about the state of housing, particularly for seniors, and that they were welcoming the opportunity to dig into this. Now we have a subcommittee report that doesn't make any mention at all of the seniors, housing, and community service – I can't remember what the ministry is – recommendation report.

Moreover, we have a report that looks at recommending that we delve into the surface water management audit that the Auditor General undertook, but I note that the Environment and Protected Areas ministry is also reviewing its Water Act specifically to look at surface water management practices. My fear is that, should we adopt the recommendations that this subcommittee is reporting, we're going to have a meeting with Environment and Protected Areas and the Alberta Energy Regulator where we'll ask a series of questions and the answer will be: that matter is already under review, and we'll have something to present to the committee and to Albertans at some point in the future.

My point is that the stated intent, that we dig into issues that are important to our constituents and concerns that the Auditor General has identified as being serious concerns, is not being met here.

Furthermore, it's incredibly concerning to me that the subcommittee is recommending that we defer the decision on a date set for the second audit committee. Now, I would put it to the members of the committee that if this is important work, we shouldn't waste any time in setting a date for the second audit meeting. I will also note that the previous reason that government members have given for not scheduling past the 13th of May – I think that is the last scheduled meeting for Public Accounts – is because the session will have concluded by that time. However, just yesterday at his press conference the Government House Leader himself talked about how ambitious the agenda is of the government, so we have no guarantees that the session will end by the date set on the calendar. It's very likely that we'll run past the scheduled end date given in the calendar right now. So given that this is such an important piece of work that the government members have said that they want to undertake and given that it's highly likely that the session will extend beyond the scheduled date for sitting right now, I'm very concerned that the subcommittee is recommending that the second audit-focused meeting not be scheduled at this time.

Those are a couple of the comments that I would like to make on this report.

10:15

**The Chair:** Thank you, Member Schmidt.  
Anybody else?

**Mr. Hunter:** Just a point of clarity, Mr. Chair. I'm not on this committee; I'm just in for Mr. Cyr. Now, from what I understand, though, the subcommittee is made up of yourself, which is a colleague of Member Schmidt, and our colleague. Is that correct?

**The Chair:** The subcommittee consists of myself as chair of the committee and the deputy chair.

**Mr. Hunter:** Okay. So in this situation I'm not sure I'm understanding Member Schmidt. He is concerned with your ruling on this or your direction?

**The Chair:** It's not my ruling on it. It's for the members to decide what they want to do, so members are well within their right to disagree with the subcommittee's recommendations.

**Mr. Hunter:** But your recommendation is this, though?

**The Chair:** The subcommittee's recommendation.

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

**The Chair:** Anybody else?

Well, we have a few items to discuss. As I said, that audit focus review process is being done on a trial basis, and once we have a better idea of which process worked and what didn't, we can determine if we want to continue with the audit focus meetings and, if so, whether to modify the practice for future meetings.

The choice members of the committee have: if they are in favour of accepting all the recommendations that subcommittee has made, the committee could move one motion to adopt all of the recommendations contained in the subcommittee report. To be clear, this would include selecting the Auditor General Surface Water Management report for review on April 29 and inviting the Ministry of Environment and Protected Areas and Alberta Energy Regulator to participate as well as accepting the OAG briefing, the meeting format, and the reporting process as outlined earlier by me and contained in the report. Secondly, the committee could also

discuss and adopt recommendations separately, and they can move, I guess, to choose to discuss each recommendation individually. That will be up to the members, so I'm looking for members' direction or their preference. Member Schmidt.

**Mr. Schmidt:** Thank you, Mr. Chair. I do have a motion to make with respect to the audit focus meetings if I can.

**The Chair:** So we are voting on the subcommittee's recommendations, then, individually. Is everybody okay with that? Okay. Just to confirm that what I am hearing is that the committee would deal with each of the subcommittee recommendations individually, and our committee clerk has drafted some proposed wording for several motions based on the subcommittee's recommendation. However, members can of course choose to craft their own motions as well.

First the committee should decide which Auditor General report it would like to review and which entities to invite for its April 29 meeting. After review and discussion of the reports with the Auditor General the subcommittee's recommendation is the Surface Water Management report and that the officials from the Ministry of Environment and Protected Areas and the AER be invited to participate in the review. I will open the floor to the committee members for discussion, but if the deputy chair wants to add anything on this one, that will be your opportunity.

**Mr. Rowswell:** Okay. So we've accepted the report, then? Oh, we haven't. Okay. All right.

**The Chair:** No. We are proceeding to discuss recommendations individually.

**Mr. Rowswell:** Okay. So the recommendation on surface rights: is that the one we are talking about now?

**The Chair:** Yes.

**Mr. Rowswell:** Okay. Is that something we would move at this point or just to discuss it?

**The Chair:** I think you can move that, too.

**Mr. Rowswell:** I can make a motion, then, and then we can discuss it. Okay.

I would like to move that

the subcommittee has agreed to review the report of the Auditor General entitled . . .

Do you have that on the screen? There we go.

. . . Surface Water Management released in July 2024 at its April 29, 2025, meeting and (b) invite officials from the Ministry of Environment and Protected Areas and Alberta Energy Regulator to speak to the report, present their respective action plans if available.

And (c) if that comes up there. There's no (c). Okay. All righty.

**Ms Robert:** Do you have a (c)?

**Mr. Rowswell:** I do have a (c) here.

**Ms Robert:** All right. You can read it. It's fine. Yeah. This is just the suggested wording.

**Mr. Rowswell:** Okay. Well, I guess we'll go with that. Per your questions about – yeah. We'll go ahead.

**The Chair:** No. That's okay. I'm just confirming. So that's the entire motion?

**Mr. Rowswell:** Sure. We'll go with that.

**The Chair:** Okay.

Any discussion? Member Schmidt.

**Mr. Schmidt:** Yeah. Thank you, Mr. Chair. Perhaps I cut off Mr. Rowswell before he had a chance to explain his rationale for this motion, but when I made my comments on the subcommittee's recommendations, I did note my concern that this may not be the best time to dig into the Surface Water Management report that the Auditor General released given the fact that Environment and Protected Areas is undertaking a review of the Water Act and all of its associated regulations. I'm just wondering if Mr. Rowswell or any of the other government members would indicate why this is a priority now given that the ministry is already undertaking a review, why this is a priority over looking at a bunch of the other reports that the Auditor General has released.

**Mr. Rowswell:** Yeah. We felt in the subcommittee that it was a good one to start with, to be honest, and you know water is critically important. We've increased the irrigation land. There are reservoirs being proposed. Like, there are things that are being talked about, and it's just a good one to start with and get our feet wet and then move on to the next ones. As good as any, you know? So that's the main one.

The one that you've talked about: we're aware of that one, and that one could come up, and I've got no objection to doing something like that, but we just need to do – and, again, it was proposed to have two in the spring, and now it's just the one this spring because of when we're projected to be finished sitting. That's why we suggested maybe an out-of-session one prior to the fall, so we don't disrupt what we're planning on doing in the fall with the ministries and departments that we want to review at that time, because we do want to get as many of those in as possible, you know. So the doing one out of session, just to make sure that's – then we can know when we're going to do it. That's the logic behind it.

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

I'm just wondering, Mr. Chair, if Mr. Rowswell or any of the other government members share our concern that we won't really get meaningful answers given the fact that this is under review. I mean, we've all been in Public Accounts for a very long time. We know that even under the best of circumstances departments are reluctant to provide fulsome answers. Especially given that this is under review right now from the department, what's the government's plan for getting around the stock answer that this is under review and this is not the right time to talk about this? How will we get meaningful answers to the questions that the Auditor General has raised in his report?

10:25

**Mr. Rowswell:** Well, I think the ministries and departments: we'll communicate to them that we need you to take this seriously. This is a great new thing we've added to Public Accounts, and you know in the end it's learnings. In talking to the Auditor General, what do we try to do here? Well, we're trying to get learnings from what the review has said and where the problems are. So hopefully we'll get the answers that we want and that's not what winds up happening, what your concerns are. Like, those are legitimate concerns, but hopefully we'll work our way through them and we'll do a good job and they will as well.

**Mr. Schmidt:** Well, I mean, it's our role in opposition to be ever skeptical about the government's assurances without a concrete plan.

I'm going to put the Auditor General here on the spot. I mean, the Auditor General often works with departments to review the recommendations, understand when they're ready for review, that kind of thing. I'm wondering if the Auditor General can give us his perspective on the surface water management recommendations that he made, the undertaking of the department of environment to review the Water Act, and whether or not he thinks that this is the right time to ask these questions or if it would be better addressed once the government has finished its review of that act.

**Mr. Wylie:** Well, let me start with just an overarching comment that I think this is a great process. A significant role of the Public Accounts Committee is to bear down on the Auditor General's report. As I said to the subcommittee, this might seem innovative here in Alberta. We're going to do it as a trial basis. This is happening on an ongoing basis in other jurisdictions. I mean, the majority of the time that the PACs spend is bearing down and asking management what they're doing, and those interactions generally happen right after an auditor releases the report. Now, in Alberta the history here has been somewhat a little broader in the sense that we include a review of all of the ministry annual reports and that has been a great focus of the discussion, just like today. There were no questions, not one question, about the outstanding recommendations at this particular ministry. As I said, I'm mentioning this to give the committee assurances that I'm very pleased with the direction it's going, and even any question, no matter the timing, of the committee to management is progress from my perspective.

How do I answer the question on timing? I hope that there is progress on the recommendations. I hope that the government and management are working to address the recommendations. I think that part of the issue, to deal with the challenge that you're raising, is that it's not just the one question. If the response is, "Well, we have a committee" or "We have something," what's behind that? Where are you going? And how will you know, to management?

I take your concern, but I think there's always going to be some level of progress that will be going on that the committee will have to deal with. A number of recommendations take much longer than others, and I don't know how long it will take before these recommendations are completely implemented. I mean, there's obviously work ongoing. Is it going to be within a year, two years, three years? I don't know. Some recommendations we make, think will take a very short period of time, and then they last for eight years while work is ongoing. So I take your concern.

I guess my point is: let's get it started. Let's get the committee focused on asking management and holding management to account for the action that they are taking and push forward with those questions to them. It's a committee decision who you bring. I'm just happy that you're moving in this direction and looking at some of our recommendations and not just the focus on the annual reports all the time.

**The Chair:** Thank you, Mr. Wylie.

**Mr. Schmidt:** Mr. Chair.

**The Chair:** Go ahead.

**Mr. Schmidt:** Yeah. I appreciate the comments from both the government members as well as the Auditor General on this. I appreciate both their perspectives. I think my colleagues here in the Official Opposition and I also support the process that we are undertaking but really take issue with the things that are the priorities, right? We have a limited amount of time here at this committee. We

want to really focus on those things that we've been hearing most from our constituents. Certainly, we've been hearing a lot from our constituents about the concerns related to housing, the state of housing, and those kinds of things.

For that reason, Mr. Chair, I have a motion to amend, then, this motion that's before us. I want to amend the motion by saying that the Standing Committee on Public Accounts (a) review the report of the Auditor General but then strike out "entitled Surface Water Management, released in July 2024" and replace that with "entitled Audit of the 2023-2024 Consolidated Financial Statements of the Province of Alberta, released in November 2024."

**The Chair:** Go ahead, MLA Schmidt.

10:35

**Mr. Schmidt:** Okay. I had moved an amendment in part (a) to strike out "Surface Water Management, released in July 2024," and replace that with "Audit of the 2023-2024 Consolidated Financial Statements of the Province of Alberta, released in November 2024" and then strike out all of section (b) and replace that with "invite officials from the Ministry of Health, Alberta Health Services, and Executive Council to speak to the report and present their respective action plans if available."

**The Chair:** I would ask Nancy to provide us direction on this because it appears that that's the only motion on the floor, and your amendment may not be in order.

**Ms Robert:** Thank you, Mr. Chair. All I would say is that our advice, Parliamentary Counsel and myself, to the chair and the committee would be that from what I'm hearing, the intent of the amendment is to completely replace the motion. The full intent of this motion is to invite a particular set of entities to discuss a particular thing, and the amendment would remove both of those elements. The only remaining element would be the date, and parliamentary procedure is such that that type of amendment, that basically removes the main intent of the motion, changes it, is not in order.

What our advice would be is that this motion should be debated and voted on. If this motion is defeated, then a new motion could be made asking for what the member is asking for.

**The Chair:** I would like to hear from members.

**Mr. Schmidt:** Just a question, then. If this motion is to determine the content of the April 29, 2025, meeting – I understand Parliamentary Counsel's advice on changing the meaning of the motion and that that may not be in order. However, if we take the advice of what Parliamentary Counsel has provided us and we vote on this motion, then the agenda of the April 29, 2025, meeting has already been set. So if we were to bring forward another motion to reset the agenda for the April 29 meeting, that would also be out of order. Is that correct?

**The Chair:** Yes. Once this motion is passed, then I think there won't be any motion on the floor for this particular meeting because the committee already decided that that's the report they want to review.

**Mr. Schmidt:** So I would ask the chair, then: what opportunity does a member have to present an alternative agenda for the April 29 meeting? If we can't amend the motion to set the agenda and we can't bring forward another motion to set the agenda, here we are just discussing a government motion, and we don't have an opportunity to present an alternative.

**The Chair:** Anybody else?

**Mr. Rowswell:** What I would suggest is that you could try to defeat this motion. That's the alternative. And if you don't, then we go with this. That's the process that would have to happen.

**The Chair:** Well, that's the advice I'm getting from the parliamentary staff, but give me, I think, five minutes. Let me talk about it. We will recess while I discuss this.

I think we can reconvene in the interest of time. I said five minutes, but I think we have some advice. I think changing this will change the motion in its entirety and will not be in order, but I will give some latitude here. If Member Schmidt wants to talk about why he wanted a different ministry, he could. Otherwise, that's the motion on the floor, and it cannot be amended in its entirety.

**Mr. Schmidt:** Okay. I appreciate that answer to that question.

My second question, Mr. Chair, was then on the issue of, again, proposing an alternative agenda for the April 29 meeting. Is my understanding correct that once this motion is voted on and if it's passed, then I will not have another opportunity to offer an agenda for the April 29 meeting? Is that correct?

**The Chair:** Correct.

**Mr. Schmidt:** Okay. Yeah. Well, all I will say is that I disagree with the member's priorities, with the government's priorities. I don't think that surface water management is where we should start our work, and I recommend to all members of the committee that we vote against this motion.

**The Chair:** Anyone else?

We will move. I'll ask the question. All those in favour of this motion? Anyone opposed?  
Motion is defeated.

**Mr. Schmidt:** Can we get a recorded vote?

**The Chair:** And we've got a recorded vote. The process for the recorded vote is similar to the process for the division in the House. I will first ask those in the room who are in favour of the motion to raise their hands, and the clerk will record the vote, and same will go with those opposed.

Those in favour of the motion?

**Mr. Huffman:** Mr. Rowswell, hon. Ms Armstrong-Homeniuk, Mr. Lundy, Mr. McDougall, hon. Mr. Hunter, Ms de Jonge.

**The Chair:** Those opposed?

**Mr. Huffman:** I have Mr. Ellingson, Ms Renaud, and hon. Mr. Schmidt. For the motion, six; against, three.

**The Chair:** Thank you.  
Motion is carried.

The subcommittee recommended that the Auditor General and Legislative Assembly Office provide a briefing to the committee on the relevant report to help it prepare for its audit-focused meeting. This briefing will be provided off the record, as we have done with our other briefings. I would note that if the committee plans to request specific areas of research, members will be asked to prepare a motion to make the research request at a specific meeting prior to the premeeting briefing. Do members have any comments or questions about receiving these briefings?

**Mr. Rowswell:** I did have a request. It was suggested to me to bring it up in other business relative to research. Should I wait till then?



**The Chair:** You can bring it now.

**Mr. Rowsell:** I can bring it now? Okay. I'd like to move that the Standing Committee on Public Accounts direct the Legislative Assembly Office to provide information on government of Alberta negotiated water sharing agreements in Alberta since 2019 for the committee's briefing on April 29, 2025.

**The Chair:** So there's a motion before the committee to request that information. Any discussion?

10:45

**Mr. Schmidt:** Sorry, Mr. Chair. It's my understanding that we were taking the recommendations from the subcommittee line by line. Can the chair provide us with some clarity as to why we're dealing with this motion now and not at some other point in the agenda?

**The Chair:** I think the motion is that the subcommittee is recommending that the Auditor General and LAO provide a briefing to the committee, and if the committee has any specific area of research, members are asked to prepare a motion and request that so it's in line with the subcommittee's recommendations.

**Mr. Schmidt:** Sorry. Can you direct me to where in the subcommittee report that this is a particular recommendation that we need to deal with right now?

**The Chair:** A recommendation there is that the committee maybe have a premeeting briefing with the office of the Auditor General and Legislative Assembly Office to prepare for its audit-focused meeting and that the committee, where practicable, provide direction to the Auditor General and Legislative Assembly staff on areas of audit in which it is entrusted and on which it wishes further information well in advance of the premeeting briefing. It will be in line with that one that they are requesting this additional information.

**Mr. Schmidt:** Sorry, Mr. Chair. You were reading out that information. I'm trying to follow along in the subcommittee's report. What page and which section of the report of the subcommittee?

**The Chair:** Page 5, under 4.2, bullet point 5.

**Mr. Schmidt:** Okay. Sorry. I think we're jumping the gun here, then, because we're not finished with the recommendations from 4.1. There's another recommendation. The subcommittee deferred making a recommendation on the second audit-focused meeting.

**The Chair:** I think that's one of the subcommittee's recommendations, so we can deal with any of the recommendations.

**Mr. Schmidt:** We don't have to take them in order? We can go back to – okay. Understood.

**The Chair:** Yeah. Do you have anything to discuss on this one? Members, anything? Any discussion on this?

I will put the question. All those in favour of this motion? All those opposed? Seeing none,  
the motion is carried.

If there are no others, Member Schmidt.

**Mr. Schmidt:** I have another motion to move, then. I propose the following, that

the Standing Committee on Public Accounts (a) hold its second audit-focused meeting on May 20, 2025, and (b) determine which audit report to review at the committee's next meeting.

**The Chair:** We will get that on the screen. That's the motion on the floor. Any discussion on the motion?

**Mr. Schmidt:** Thank you, Mr. Chair. Again, in my comments on the subcommittee's recommendation we all agree here at this table that it is incredibly important to undertake the work to dig into the Auditor General's reports and review his recommendations for a number of departments. It was disappointing for me to see that the subcommittee had recommended deferring making a decision on the date of the second audit-focused meeting because according to the 2025 sessional calendar the spring sitting will conclude by the date set for the committee.

We know, of course, given the Government House Leader's press conference yesterday, that the government is proposing an ambitious agenda. We have many pieces of legislation to discuss. It's therefore very unlikely that the session will conclude before the 20th of May. I think that it's well within the realm of this committee, then, especially since the session will be likely continuing. But even if it weren't, Mr. Chair, the Public Accounts Committee can continue to have meetings whenever it likes. It doesn't have to conduct its business only when the Legislature is in session.

As far as the timing for the preparation for the meeting, I know that this is a common concern that the government members bring forward, that ministries need to have additional time to prepare and so forth. I'll note that all of these Auditor General reports were generated and published last year and that by May 20 it will have been at least six months since the ministries have been made aware of the Auditor General's recommendations if not longer. So, you know, this idea that they need to have time to prepare is reflected in choosing the May 20, 2025, date. I don't think there's any reason to delay the work of this committee to some point in the fall. I think it's important to the people of Alberta that we get on with the business of this committee and dig into a second Auditor General's report at the May 20, 2025, meeting of the committee.

**The Chair:** Thank you, Member Schmidt.

Anybody else? Member Ellingson.

**Mr. Ellingson:** Yeah. I would just like to reinforce the comments of Member Schmidt. I think it's premature at this date to determine the legislative session, knowing we've already heard from the Government House Leader that this is an ambitious legislative session. I think it's premature now to say that that legislative session will be complete and that we won't be here to have another meeting in May. I agree; I think it's disappointing to Albertans that we're not prepared to roll up our sleeves and keep doing this committee work, this incredibly important committee work. I think the Auditor General has expressed that he's very interested in us pursuing the work of digging into the recommendations and those reports. I really think that we should be moving forward and not kicking the can down the road, to use euphemisms.

**The Chair:** Any other comments?

**Ms Renaud:** Thank you, Mr. Chair. I'd just like to also echo and support what my colleagues have put forward. I actually didn't watch the presser, but I believe what my colleague said, that the Government House Leader talked about how ambitious the legislative calendar is and the schedule. I'd just like to point out, too, that over the last few years we are sitting fewer days, and I think that doesn't have to impact the work of PAC. So I think for us to look at – you know, let's get ahead of ourselves a little bit and let's get this work done. I think the comments from the Auditor General earlier about focusing on recommendations and the state of the recommendations is important for us to do this work.

I'd also like to comment on, you know, the subject matter that we're talking about. I think you probably have to live under a rock not to know what's happening in Alberta in terms of health and

health care. It's like almost the reporting every day just uncovers something new, so I think that it would go a long way for the people of Alberta to know that there's an all-party committee that's willing to do the hard work and maybe extend it a little bit even if we do rise before the date that we're talking about, that we demonstrate that this is an all-party committee, regardless of politics and what's going on with government in terms of health and AHS, that we're willing to put that aside and really plan something for even if we do rise.

I do think it's really important. Yeah, let's take a stand. I mean, if you want to establish a new path forward, Mr. Chair and Deputy Chair, I think this would go a long way to establishing that.

10:55

**The Chair:** Thank you.  
Any other comments?

**Mr. Schmidt:** Mr. Chair, I do have a question for the committee. I understand that the subcommittee has deferred making a recommendation on the second audit-focused meeting because the sessional calendar is scheduled to end before the meeting will be held and that the subcommittee indicated that the committee could decide whether the second audit-focused meeting should be held out of session or during the committee's meetings during the 2025 fall sitting. So if we don't make a decision here today on the next date of the second audit-focused meeting, then when will the committee make a decision about the date of the second audit-focused meeting and the subject matter of that audit-focused meeting?

**The Chair:** I think that will be decided in some future subcommittee meeting, which hasn't been scheduled yet. It will be decided in that.

**Mr. Schmidt:** Has the subcommittee undertaken to set a date for setting that? You know, it's my concern that we are not going to get this on the agenda again before the session rises, and then we will be left not knowing when the date of the second audit-focused meeting will be and what the subject matter is. So I think it's incredibly – if it's not May 20, when will it be?

**The Chair:** It was under other business on what we were going to talk about in the next subcommittee meeting, and certainly there will be an agenda for the next subcommittee meeting to decide when and which ministry or which report that we want to look at. I am also looking at time, and we are quite short on time.

On this one, if there are no other comments, I am prepared to ask the question. All those in favour of this motion? All those opposed?

**Mr. Schmidt:** Can we get a recorded vote on that, Mr. Chair?

**The Chair:** Sure. All those in favour of this motion, please raise your hands.

**Mr. Huffman:** Mr. Ellingson, Ms Renaud, and hon. Mr. Schmidt.

**The Chair:** All those opposed?

**Mr. Huffman:** Mr. Rowswell, hon. Ms Armstrong-Homeniuk, Mr. Lundy, Mr. McDougall, hon. Mr. Hunter, and Ms de Jonge.

**The Chair:** Thank you. I think you're supposed to say how many defeated.

**Mr. Huffman:** Sorry. Yeah. For the motion, three; against, six.

**The Chair:**

This motion is defeated.

We are back to the recommendation of the audit-focused meeting. Before I ask and move to the next, I do want to seek unanimous consent if the committee wishes to extend the meeting time past the scheduled time. I will ask one question. Is anybody opposed?

**Mr. Rowswell:** I have other meetings to go to.

**The Chair:** Okay. The meeting will end at the scheduled time.

There is a motion about the format of the audit-focused meeting. If any member wants to move that portion?

**Mr. Rowswell:** Yeah. Okay. That

the Standing Committee on Public Accounts adopt the following format for its audit-focused meetings: (a) that officials from the office of the Auditor General provide opening remarks on the audited report, (b) that officials from the invited entities respond to the report of the Auditor General, (c) that the question-and-answer portion with the officials allow members to ask questions and follow-up questions and that the questions alternate between caucuses as much as possible, and (d) that the committee allocate an additional 15 minutes after the question-and-answer portion concludes to determine whether to hold a meeting to conduct deliberations on its review of the audited report.

**The Chair:** Thank you, Mr. Rowswell.

That also concludes our time for today's meeting. The meeting stands adjourned.

[The committee adjourned at 11 a.m.]



