



Legislative Assembly of Alberta

The 30th Legislature
First Session

Standing Committee
on
Alberta's Economic Future

Ministry of Executive Council
Consideration of Main Estimates

Thursday, November 7, 2019
8:30 a.m.

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Standing Committee on Alberta's Economic Future

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Standing Committee on Alberta's Economic Future

Participants

Ministry of Executive Council
Hon. Jason Kenney, PC, Premier
Ray Gilmour, Deputy Minister
Shakeeb Siddiqui, Executive Director, Financial Services

8:30 a.m.

Thursday, November 7, 2019

[Mr. van Dijken in the chair]

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

The Chair: Good morning, everyone. I would like to call the meeting to order and welcome everyone here. The committee has under consideration the estimates of Executive Council for the fiscal year ending March 31, 2020.

I'd ask that we go around the table and have all MLAs introduce themselves for the record. Premier, please introduce the officials that are joining you at the table. I am Glenn van Dijken, MLA for Athabasca-Barrhead-Westlock and chair of this committee. We will continue, starting at my right.

Mr. Dang: Good morning. I'm Thomas Dang, MLA for Edmonton-South and acting deputy chair of this committee.

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

Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.

Mr. Reid: Good morning. Roger Reid, MLA, Livingstone-Macleod.

Mr. Horner: Nate Horner, MLA, Drumheller-Stettler.

Mr. Barnes: Good morning. Drew Barnes, MLA, Cypress-Medicine Hat.

Mr. Toor: Good morning. Devinder Toor, Calgary-Falconridge.

Mrs. Allard: Good morning. Tracy Allard, MLA, Grande Prairie.

Mr. Jones: Matt Jones, MLA, Calgary-South East.

Ms Issik: Whitney Issik, Calgary-Glenmore.

The Chair: Premier, you may introduce yourself for the record and the officials that join you at the table.

Mr. Kenney: All right. Jason Kenney, President of Executive Council. I'm joined by Coleen Volk, associate deputy minister, who also assists in the office of the Deputy Minister of Executive Council and who is my deputy minister for intergovernmental relations; Deputy Minister Ray Gilmour, who is the clerk to Executive Council; and Shakeeb Siddiqui, who is executive director of financial services.

Ms Gray: Good morning. Christina Gray, MLA for Edmonton-Mill Woods. Very happy to be here to join everyone.

Ms Notley: Good morning. Rachel Notley, Leader of the Official Opposition. Happy to have made it.

The Chair: Good. Thank you.

Please note that the microphones are operated by *Hansard* and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

Hon. members, the standing orders set out the process for consideration of the main estimates. Standing Order 59.01(6) establishes the speaking rotation while the speaking time limits are

set out in Standing Order 59.02(1). In brief, the Premier will have 10 minutes to address the committee. At the conclusion of his comments we begin a 50-minute speaking block for the Official Opposition, followed by a 20-minute speaking block for the government caucus.

The rotation of speaking time will then alternate between the Official Opposition and the government caucus, with individual speaking times being set to five minutes, which, when combined with the Premier's time, make it a 10-minute block. Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the Premier's time. If members have any questions regarding speaking times or the rotation, please feel free to send a note or e-mail to either the chair or the committee clerk.

A total of two hours has been scheduled to consider the estimates of Executive Council. The scheduled end time of today's meeting is 10:30 a.m.

Ministry officials may be present and at the direction of the Premier may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to the two hours, the ministry's estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Points of order will be dealt with as they arise, and the meeting clock will continue to run. However, the timer for the speaking block will be paused.

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

The vote on the estimates and any amendments will occur in Committee of Supply on November 19, 2019. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

I now invite the Premier to begin with his opening remarks. Premier, you have 10 minutes.

Mr. Kenney: Thanks very much, Chair. Members, I appreciate it. As I mentioned, I'm here with deputy ministers Gilmour and Volk and the executive director of financial services, Shakeeb Siddiqui.

As you know, Executive Council works with ministries to implement the government's agenda. It provides leadership to Alberta's public service and all of the ministries and leads strategic planning, policy development, and co-ordination across government while assisting me as Premier and President of Executive Council and the entire cabinet as we make decisions.

Executive Council also leads interaction and partnerships with other Canadian governments, and that is particularly Coleen's role as DM at intergovernmental relations. It plans and manages state, official, and working visits involving government of Alberta representatives through the protocol office – today we have the Korean consul general visiting us – and it does all of this with a budget that has remained flat from the fiscal year 2018-19, the exception being a \$1.4 million one-time item to support severance costs associated with the recent change in government. Executive Council has an ambitious mandate that involves many legislative changes and, again, is doing so without funding increases.

Executive Council includes my office here in the Legislature and down at McDougall Centre in Calgary.

The budget for Executive Council, Chair, is effectively unchanged at \$18.2 million. That includes the office of the Deputy Minister of Executive Council – that's Ray, the head of the public service – which provides policy advice and operations and issues management, with a budget of \$1.4 million; the cabinet co-ordination office, which is responsible for providing organizational and administrative support to cabinet, with a \$1 million budget; the policy co-ordination office, which works in partnership with the cabinet co-ordination office to support delivery of the government's legislative and policy agenda, with a \$3 million budget; operations and machinery of government, which works with ministries to track programs, projects, and issues across government, with a \$575,000 budget; and finally, we also have intergovernmental relations, as I've mentioned, which has a \$4.8 million budget, and the protocol office, with \$1.2 million. Finally, we support the office of the Lieutenant Governor, which is staying flat at \$624,000, and that provides support to ensure that the vice-regal representative is able to fulfill her duties as Her Majesty's representative. It all adds up to a total annual budget, as I've said, of \$18.2 million, factoring out the one-time postelection severances.

Now, Executive Council's budget is slated to decline to \$16.7 million in the next fiscal year, 2020-21, and to drop further to \$16.5 million by 2022-23. That's a total projected decline of \$1.7 million, a 9.4 per cent decrease, demonstrating that, just as I've given up a 10 per cent pay cut – or, rather, it was taken from me, I guess, by Members' Services but with my encouragement – and recognizing that MLAs have given up 5 per cent, we're also trying to lead from the top with a 9.4 per cent reduction in the Executive Council. We're looking for further savings and hope to achieve them.

The whole ministry is focused on two outcomes. The first is the implementation of the government's agenda together with all the ministries', and that agenda is, of course, getting Albertans back to work, making life better for Albertans, and standing up for Alberta. The second outcome is advancing Alberta's priorities nationally; in other words, as I say, standing up for Alberta. In the first outcome we rely on Executive Council for advice and support to align policy and legislative proposals, to also help government implement policies, programs, and deliver services. We channel advice and information to cabinet to support informed decision-making.

The second outcome involves building and maintaining strong relationships with federal, provincial, and territorial governments. We've done significant and intentional outreach as a government to get our products to market, to work with like-minded Premiers and officials on matters of mutual interest, including presenting a strong, united front to Ottawa on those issues. I think it's no secret that I've prioritized strengthening our relations with other provincial governments to help us to stand up to a, shall we say, problematic political reality in Ottawa right now. That is one of the reasons that I visited most of the provincial and territorial capitals and hope to get to the rest in the months to come. We are creating a consistent approach to policies affecting other jurisdictions, reviewing intergovernmental agreements, planning key visits by officials, and also growing Alberta's export markets and reducing internal trade barriers. All of this is about meeting Alberta's expectations.

A few months ago, Chair, Albertans voted for change. They voted for a government focused on getting people back to work, making life better for everyone, and standing up for Alberta. Executive Council is key to translating those priorities into action as we put our province on track.

8:40

That starts with addressing chronic overspending. Dr. Mackinnon's panel made the problem crystal clear, that we are paying far too much for substandard results in Alberta. We're spending 20 per cent more per person than the average amongst Canadian provinces, but we're getting often worse outcomes, from postsecondary enrolment to life expectancy to infant mortality to surgical wait times and on and on. So government must become more efficient and transparent for taxpayers. We must stop borrowing, stop running the province on a credit card, so that eventually we can begin bringing our debt back down and spending less on interest payments and more on services.

Alberta's well-being depends on it, and Budget 2019 was a first big step in that direction. It does protect front-line services and support for the vulnerable, with, as we committed to, no spending reductions in Health and Education, in fact increases in the Health budget, small increases in the Education budget. But it also protects support for the vulnerable, with increases, significant increases, in child services, social and community services, supports for persons with disabilities.

It charts a path back to balance through targeted reductions and reallocations from wasteful and unnecessary spending, overall a 2.8 per cent reduction in program spending spread over four years. Just to put that in context, I think members recall that from 1993 to '95 there was a 20 per cent reduction over two years. So it's a spending reduction that's almost one-tenth the size spread over twice as much time. It lays the foundations for sustainable economic growth, good jobs for Albertans, and long-term prosperity while finding efficiencies in operations and, of course, red tape reduction across government and public services as a big part of these changes. Executive Council is essential to maintaining efforts in every ministry. Regular reviews will be conducted by Associate Minister Hunter and his team to ensure progress happens on that front.

Of course, Executive Council helps with the legislative agenda, which is mainly about good fiscal management, changes to dedicated funds, reform of tax credit systems, and rethinking delivery of programs and services. Those are the budget implementation bills currently before the Legislature. The policy co-ordination office and the cabinet co-ordination office have been invaluable, working with ministries to shepherd legislation through the cabinet process.

Putting Alberta on the right path means working hard on external relations, another area where I really believe I'm getting tremendous support from officials. We are facing a serious challenge from a well-funded, organized campaign to land-lock our energy, effectively to blockade Alberta. There is a concerted federal effort, I believe, to damage our energy industry with projects like Bill C-48 and Bill C-69, and we will not accept these things lying down. It is time, Albertans have told us, to fight back.

Executive Council's intergovernmental relations branch has already proven invaluable. We organized the Western Premiers' Conference, which, amongst other things, embraced the concept of energy and resource corridors, including explicitly oil and gas pipelines. We managed to get nine of the provinces and two territories to agree to the same language at the Council of the Federation, I think nine provinces to oppose C-69, and several provinces to join with us in challenging the imposition of a federal carbon tax. We look forward to more action on that front.

Let me just close by saying, Chair, that I am deeply impressed by the support the new government has received from the public service through the transition period and in the implementation of a very detailed and ambitious agenda. Our government ran on 375 specific platform commitments in the most detailed platform, I

believe, ever presented to Albertans in an election, and it's a challenge to the public service, in a time of diminishing funding, to implement such a robust agenda. I cannot thank our public servants enough for their hard work in that respect.

I'm looking forward to taking your questions.

The Chair: Thank you, Premier.

For the 50 minutes that follow, members of the Official Opposition and the Premier may speak, with the timer to be set for two 20-minute intervals and then one 10-minute interval so that you are aware of the time. During this speaking block no member may speak longer than 10 minutes.

I will now recognize the Leader of the Official Opposition. I would ask: do you wish to combine your time with the Premier's?

Ms Notley: Yes, absolutely, I would like the opportunity to combine the time. I'm assuming that the Premier is good with that.

The Chair: Please proceed.

Ms Notley: Thank you very much. As I used to say back in the day when I did this before – it seems like time has just flown by, and I'm right back here – as I begin these, if I find that maybe you're starting to talk about things that aren't directly focused on the question I asked, I will, with the greatest of respect, try to interrupt because I only have a very short period of time . . .

Mr. Kenney: Absolutely. I'm sure you never did that as Premier, Ms Notley.

Ms Notley: . . . to gather information. Please don't take it personally.

Let me begin, of course, by also acknowledging the public service in the room and offering my appreciation on the part of our caucus for the work that the public service does. We know that they work very hard to put in place the policy directions of the government of the day. I'll have a few questions about that in a moment.

Maybe just some of the more obvious ones arising from the estimates. If we could really quickly move to 1.1 in your estimates on page 109. I might have missed it, but do we have an explanation for what that \$25 million capital expense is in Executive Council?

Mr. Kenney: Sure. I understand that – sorry. What page?

Ms Notley: Page 109 of the estimates, item 1.1, capital acquisitions.

Mr. Kenney: I do recall a \$25,000 cap ex.

Ms Notley: Oh, sorry; \$25,000.

Mr. Kenney: All ministries without a capital investment vote were provided with a nominal amount as part of Budget 2019 that allows these departments the flexibility to make a capital acquisition if required. The \$25,000 is an increase from the 2018 budget. It includes the potential purchases of equipment with a multiyear useful life that is required to achieve the mandate of the department. It's an accounting line, effectively, that is not so far allocated.

Mr. Siddiqui: That's correct.

Ms Notley: Right. Okay. We didn't have that before, so I'm just curious what that \$25,000 was designed to purchase. Do you have any examples?

Mr. Kenney: Deputy?

Mr. Gilmour: The majority of it would be for IT-related issues.

Ms Notley: All right. Okay. In relation to, under the operating expenses, item 1.1, the office of the Premier, I just would like to go a little bit through that as it relates to the folks in your office and the folks that you've hired and the positions that they are filling. This is in the Premier's office, not in either PCO or CCO or IGR. We'll get there. Now, through the posting of contracts, we obviously have a list of the folks that work in that office who earn more than I believe it's \$111,000, but I'm wondering if you could just confirm for me the number of folks in total who are in your office. I believe you've got 25 or 26, but I'm not sure.

Mr. Kenney: Correct. I believe it's the same number as in the previous office. It's right now 30. Sorry. Thirty.

Ms Notley: It is 30. Can you provide us with a list of the positions that make up that 30 as well as a job description for each of them?

Mr. Kenney: Yes. Mr. Chair, I could table that. We have an org chart, but if you want a more detailed set of job descriptions, we'll have to furnish that to the committee later.

Ms Notley: Yes. We understand – we had FOIPed them, and we were told that they were actually available on open data. Then we got the job description of your director of digital strategy, but we didn't get the job description of any of the others, and we've been backing and forthing. So if we could get those.

Mr. Kenney: I'd be happy to table that with the committee as soon as possible, Chair.

Ms Notley: Yeah. Now, just with respect to a couple of them, I see that you have a person who is in the role of what we might refer to as the director of talent, and I understand that this is probably someone who provides input in terms of appointments to . . .

Mr. Kenney: Oh, yes. Correct. This is basically . . .

Ms Notley: . . . boards and agencies.

Mr. Kenney: Sorry. Yeah. That individual is responsible for overseeing the hiring and management of political staff within the government.

8:50

Ms Notley: Do they have anything to do with the appointments to boards and agencies?

Mr. Kenney: Not that individual, no.

Ms Notley: So where is that done through, then?

Mr. Kenney: There's somebody else in our office who's tasked with working with the public service on appointments to agencies, boards, and commissions. That's Ms Rajic.

Ms Notley: And what's her title?

Mr. Kenney: I believe it is special adviser.

Ms Notley: Special adviser. Okay.

We had, when we were in government, put a lot of work into trying to overhaul the process for appointments to boards and agencies. We developed quite an aggressive external advertising process. We did outreach in order to not simply rely on, "Hey, I'm stepping down from this board, but here's my friend who maybe you should replace me with," you know, that kind of process, in

order to increase the representational nature of these boards and agencies as well as to shake up the skill set a bit – for instance, we were very pleased to actually get these boards and agencies at one point to have gender equity – and, more to the point, just to ensure that Albertans could see themselves in these boards and agencies, because so often they had no idea that it was actually a place that they might consider volunteering or, in some cases, receiving nominal honorariums and things.

I'm just sort of wondering, you know, what kind of competency matrixes, what kind of reviews have been in place because I see that since then, for instance, we've appointed a defeated UCP candidate in Edmonton-Meadows to the AGLC, we've appointed a UCP defeated candidate from Edmonton-City Centre to the NorQuest College, we've appointed a UCP defeated candidate in – from another nomination we've appointed former Conservative MLA Janice Sarich. So it does kind of look to me a little bit like what your special adviser there is essentially doing is just checking off your candidate list as they go through the nominations.

I'm just wondering. Do you have written policy or procedures or mechanisms that you check off against as you did this? Of course, the other thing that most people do understand is that, contrary to when we took over government – we allowed people's terms to end, and then when there were vacancies, new people were put in place. We didn't do a wholesale firing of currently sitting board members and replace them with defeated candidates. So I'm just wondering if you can provide us with any kind of documentation or policy or, as I say, competency matrixes, those kinds of things, to give us a sense of how you set about getting so many of your former candidates into these positions so quickly.

Mr. Kenney: Sure. Thank you, Ms Notley. Through the chair, as you know, the Public Agency Secretariat, which is part of the Public Service Commission: Minister Toews, Minister of Finance and President of the Treasury Board, is responsible. There's a centralized approach and policy. Applicants may complete a voluntary – I should say that that's on diversity. But to track gender and diversity, we're ensuring that there is an appropriate reflection of diversity in appointments; 52.5 per cent of the ABC appointments to date have been women.

I approved in August the establishment of a centralized recruitment approach for all ABCs to be led through the Public Agency Secretariat. On September 1 the new recruitment approach was implemented, and a number of direct appointments have been made to ensure that boards have the knowledge, experience, and skills to effectively govern their organization. Competence is the number one criterion, of course, with relevant experience. I'd be happy to table the Public Agency Secretariat's full list of criteria and written procedures.

I can tell Ms Notley, Mr. Chair, that while it's true that some people who have been appointed have been supporters of the party that I lead, the vast majority have, as far as we can tell, no ostensible partisan background, and we are making an effort pointedly to include in the agency, board, and commission appointments folks who have affiliations with other political parties, including former Energy Minister McCuaig-Boyd, who was recently appointed to the credit union deposit insurance corporation, including Mr. Stephen Mandel, who was appointed to the AHS Board, including – I think it's to be released today – Greg Clark, former MLA, who's been appointed chair of the Balancing Pool, to which he brings tremendous expertise in electricity policy.

There will be many more to follow, so I would not discount people who also happen to have a Conservative affiliation. Mr. Rhodes, for example, who is now chair of AGLC, has 30-plus years of executive leadership, board experience, chairmanship of over 20

nonprofit, charitable, and corporate boards, and 10 years of experience in the alcohol business, which is regulated by AGLC, and most recently was, of course, CEO of the Edmonton Eskimos. There will be the odd person that has affiliation with our party, but they'll be eminently qualified for the job, as are those with other party affiliations.

Ms Notley: Maybe, then, if you could just walk through, when you provide that information – you talked about percentage of appointments. If you could just identify the percentage of failed UCP candidates or former PC MLAs.

Mr. Kenney: Well, I think you listed them all right now. I'm sure you have a very good research department on that.

Ms Notley: I haven't, actually. But if you could just do that with the rest of your information.

Mr. Kenney: Sure. What I'm going to say is that we're not going to exclude people who happen to be Conservatives, nor will we exclude people with different partisan backgrounds. The vast majority of them have no partisan affiliation.

Ms Notley: Well, you did just terminate the service of 30 or 40 people in the middle of their appointed terms, so you did kind of just do that. I wouldn't say that they were necessarily partisan backgrounds.

Mr. Kenney: It sounds like you just said that, Ms Notley . . .

Ms Notley: They just happen to have been appointed . . .

Mr. Kenney: . . . but I guess you must know something about them I don't.

Ms Notley: . . . by our government. To be clear, that was an unprecedented thing, to terminate people in the middle of their terms and to replace them, in many cases, with UCP candidates. That's a thing that happened, so we just need to see the policies and procedures and criteria that might have been used by anyone in the public service to justify what was an unprecedented series of terminations within our agencies, boards, and commissions.

I'd like to move on to another member of your staff quickly, your director of issues management – now, I'm sure you're not surprised – a bit of a well-known and somewhat controversial figure. Now, you fully know, of course, that just on the eve of the election we saw the release of documents that show that he spent quite some time providing talking points, writing speeches, giving advice on when exactly Mr. Callaway should step down from his candidacy in your party's leadership race. At the time when that information came out, you responded by saying: oh, it's just quite normal for one campaign to talk to another. Now, we'll have to agree to disagree on the depth and breadth of that conversation between the two because it did look like he was actually providing quite substantive resources to the Callaway campaign as opposed to just occasionally co-ordinating what was going on.

Since then, we've seen the Callaway campaign, certainly not yours, be subject to an unprecedented, first-ever, historic level of penalties and fines for breaking the law as it relates to election rules. We have clear evidence – perhaps there is more; perhaps this is all there is – of a very, very strong working relationship between your director of issues and management and that campaign, a campaign that has clearly been established to have been subject to, as I say, unprecedented fines and penalties for breaking the law. Do you think it's really appropriate to then elevate somebody with that kind of connection to such a senior role? I mean, interestingly, the

accumulated amount of the fines that have been applied to Mr. Callaway's campaign just recently exceeded the salary of Mr. Wolf, but only recently. Is it appropriate to have someone with that obvious connection to a campaign that clearly, according to an officer of the Legislature, broke the rules in a position that is as sensitive as the one to which you appointed him?

9:00

Mr. Kenney: First, Mr. Chair, if I could just quickly respond to the assertion that removing OIC appointees is without precedent. That was asserted by Ms Notley, and that's manifestly untrue. I would just point out that in many cases public body heads with whom we consulted asked for board directors who would have more relevant business experience to help them manage the challenges of change.

With respect to Mr. Wolf there's been no investigation that I'm aware of on the Callaway campaign. With respect to Mr. Wolf he's not been found to have done any wrongdoing. Perhaps Ms Notley believes in guilt by association. I don't. I think most Albertans are fair-minded, and I am absolutely confident that Mr. Wolf complied with the requirements of the Election Act in his work on my leadership campaign.

Ms Notley: Well, I think we'll just have to agree to disagree on that.

With respect to Mr. Wolf and matters around communications, because I see you also have a director of digital strategy, does it seem appropriate for you that while in your office Mr. Wolf would actually engage in communications where he identifies a member of the public by name, shows her picture, and then makes allegations about her? Not anyone that's in a particular position; yes, someone, a citizen who disagrees with you and Mr. Wolf, but other than that, just a citizen. Do you think that's appropriate behaviour, to use the weight of your office and the breadth and depth of the authority and the power that you have in your office to single out a young woman and highlight her opinions in a way that, as you know, generated a good deal of hostility and a lack of safety for her? Is that an appropriate thing?

Mr. Kenney: No, I don't know. Mr. Chair, I don't know what Ms Notley is referring to. All I can say is that it's not at all unusual for political staff to engage in politics from time to time and that when Ms Notley was Premier, her political staff were known to engage in an ongoing and highly co-ordinated online campaign. They seemed to spend a disproportionate amount of their time involved in trolling and swarming on Twitter. I'm pleased to say that that's not the case with our office, but some political staff from time to time are obviously going to comment on political issues online.

Ms Notley: Well, I think that commenting on political issues is absolutely within the scope of what's to be expected, but I think that identifying individual citizens and publicizing them and showing their picture, I would suggest, goes beyond the pale.

Let's talk a little bit about online participation. The Twitter account Unite Alberta was originally run by Mr. Wolf before you were Premier, and then when you became Premier, there was a period of time when it was described – I can't remember what the exact quote was – as basically being the voice of, you know, Jason Kenney, the office of the Premier of Alberta, leader of the UCP, blah, blah, blah. I'm just curious as to who in your office actually had access to that account and was running that account.

Mr. Kenney: I'm not certain. I must confess, Chair, that I'm responsible for a government with a \$54 billion budget. I don't spend a lot of time obsessing over Twitter accounts.

Ms Notley: Well, the thing of it is that it actually had the moniker of your office on it for some time, and it went beyond commenting on political issues to engaging in extensive partisan issues. It was run by your director of issues management before you were Premier. You now have a director of digital strategy as well in your office. Then at a certain point, maybe a month or two ago, the description of the account moved back to simply being promoting the objectives of the UCP. So there was a period of time where it was in your office. It referenced your position as the Premier, and the person who originally ran it clearly was working in your office. I would just like to know: was Mr. Wolf running that account?

Mr. Kenney: I don't believe so, Mr. Chair, not recently. I believe that account was established during my first leadership campaign, in 2016.

The Chair: That comes to the end of the first 20-minute block, but I do have to interject.

I'm sorry to interject, but we are here to deliberate on budget estimates, and expounding on who's running a Twitter account or not: I'm having difficulty putting that together with how that's relevant to our budget estimates. I have allowed a certain degree of latitude with regard to the questioning, but I would caution members to focus on budget estimates of Executive Council at this meeting.

With that, you may proceed in your next 20 minutes.

Ms Notley: I will carry on.

This is about the appropriate use of public dollars that are clearly paying the salary of a person in the Premier's office that is expected to operate within a certain set of parameters with respect to avoiding that which is partisan; i.e., fundraising, membership selling, campaigning, those kinds of things. That's why it's squarely within the parameters of what we are here to talk about, but I will move on pretty quickly here because I do have other questions to ask.

I just wanted to ask if you could tell me with respect to social media – we know that's an incredibly growing area through which people communicate. That is fine. It just is what it is, and no one is criticizing that, but I'm just curious. Does your office, through your director of digital strategy or through Mr. Wolf or through others – we know that with social media, whether it be Facebook, whether it be Twitter, that money can be expended in the amplification of the message through those by boosting, by buying advertising, all those kinds of things. Where does the money for that kind of work that is done through your office – where do we see that paid for? Is that CPE?

Mr. Kenney: Sure. My understanding, Chair, is that any messages that are branded as coming from the government of Alberta – for example, off my own Facebook page – I will post sometimes personally, I will sometimes post as leader of my party, and I'll sometimes post as Premier of Alberta. On the latter, if it's a message that's clearly marked as a government of Alberta message, there may be amplification through the government advertising budget. I don't think we do a lot of that, but there was around – for example, I gave an official address on the night before the budget to present the fiscal choices before Albertans. There was a budget to promote that on Facebook and social media, I believe, YouTube and other platforms. But, obviously, if there were messages that are of a partisan nature related to the party that I lead, those would be amplified by the political party. I think – no, I'm confident – that we're observing any rules with respect to online advertising in this respect.

Ms Notley: Would you – just because this is a growing area and, you know, we're going to probably talk about this forever, and had I won the election in April, you would be asking me these questions because this is a very dynamic area – please undertake to provide, through the committee chair, a listing of the costs associated with and the spending that has been dedicated towards amplifying any social media accounts that you perceive to be GOA-based, associated personally?

Mr. Kenney: Yeah. I would be happy to table the policy of CPE.

Ms Notley: No. I'm looking for the actual numbers.

Mr. Kenney: Oh. Well, obviously, that will be subject to disclosure in Public Accounts. We'd be happy to provide the estimates for – advertising would be presented by the Department of Finance and Treasury Board.

Ms Notley: I'm just looking, though, for yours because you have a director of digital strategy in your office and because you clearly have people in your office who are engaged in social media, yourself included. I would just like to know how much of that, what the cost is of any additional investment for those people.

Mr. Kenney: Mr. Chair, I undertake to do our best to provide an answer, but my hunch is that CPE does not allocate social media promotional budgets based on each department but that, rather, there's a global budget. I know there's a budget for . . .

9:10

Ms Notley: I'm pretty sure they do.

Mr. Kenney: If I could just finish.

I think there's a budget for projects like, for example, promoting the budget, and I think that was, if I'm not mistaken, in the range of a quarter of a million dollars.

Ms Notley: You know what? Why don't you just look? I will tell you from my experience that CPE did have that ability, so I would just ask that you take a look at that.

Mr. Kenney: Sure. We'll see what we can find. Absolutely. I'm happy to table any relevant information with the committee chair.

Ms Notley: Okay. I'm going to just switch gears a little bit. You had talked about your work with the western Premiers, and you mentioned COF. There are a few things with respect to COF and your conversations with western Premiers that I want to touch on. I want to just, I guess, start with the most basic element of that, which is sort of the to-ing and the fro-ing to the western Premiers. You mentioned flying out to meet with other Premiers and all that kind of stuff. I think I know the answer to this because I've actually been on the plane with you on occasion. I suspect that, like me, you enjoy the benefit of not needing as much leg room, so I assume that you don't fly first class when you fly.

Mr. Kenney: Yeah. I think the rule is that the government only pays for economy tickets. My standard is to fly in economy. I think once or twice I've gotten complimentary upgrades that I didn't ask for, which I used, especially for red-eye flights so I could actually get a couple of hours of sleep. But I believe the government does not pay for business class seats.

Ms Notley: All right. Can you just walk me through a little bit the policy that you have with respect to flying commercial flights versus charter flights?

Mr. Kenney: Well, we fly commercially wherever possible. I believe the only time I've used a charter flight since becoming Premier was a couple of times to go up north to visit the wildfire situation in the summer, when there were no commercial flights available, and in one instance where we offered to provide transportation assistance for several Premiers and officials flying from Calgary to Saskatoon to go to a Premiers' meeting that I hosted, to the Council of the Federation. I'm not sure what exactly the criteria are under policy, but we've complied with those criteria.

Ms Notley: Right. That's actually a little bit what I wanted to talk about, that flight from Calgary to Saskatoon, where we saw a number of Conservative Premiers, their staff, and indeed their wives flown to Saskatoon after they joined you in Calgary for the Premier's pancake breakfast. Now, we know that when you flew back from Saskatoon, the cost of your flight was just under \$400, and the same for the people who were with you. I believe you had four other people, so it amounted to just under \$2,000. But your flight there was \$16,000. You flew there on a private charter for \$16,000. Did any of the Premiers refund the province of Alberta for the fact that we flew them from Calgary to Saskatoon?

Mr. Kenney: I don't know the answer to that question, Chair. I'd be happy to look into that, get back to Ms Notley. But I do know that we arranged that partly because we wanted to invite a number of Premiers who shared our concerns about resource issues, economic growth, and we wanted to have essentially an opportunity to meet with them before the Council of the Federation, host them in Alberta, and the only way to make that happen then, with their visit to the Council of the Federation and particularly a full day visiting a First Nations community, was to get them to Saskatoon because the commercial flight schedules did not work. We thought this was an expression of hospitality by Alberta, to help arrange the logistics on that. I think, all together, something like 25 people were travelling on that charter.

Ms Notley: No. I think there were about 16 people on that charter. I think it cost Albertans about \$16,000. Had you flown the same way that you flew back, it would have cost Albertans just under \$2,000, and we spent the money to fly those Premiers. Why are we paying for other Premiers to fly around the country? I'll tell you that in the four years that I was Premier, in the whole many, many meetings that I had with Premiers, it never occurred to me that I would need to be the one in the middle of the party going: hey, guys, I've got a plane; hop on. Like, why did we think that was a thing that we would do?

Mr. Kenney: Mr. Chair, I was absolutely explicit in our election campaign and before it that it was essential that Alberta build alliances with like-minded provinces. Under the previous government Alberta was largely isolated in the federation. Now, I'm pleased to say, we had nine of the 10 Premiers agree at the COF to call for energy and resource corridors, including oil and gas pipelines; nine of the 10 Premiers to speak out against Bill C-69; a majority of the Premiers to speak out against the imposition of the federal carbon tax; and we have established very strong relations.

You know, Ms Notley, you don't establish relations by sitting here in isolation; you do it by building relationships. Part of that was the Premier's Stampede meeting that we hosted, where we had six Premiers, representing over 60 per cent of the country's population, expressing solidarity with Albertans on the need for resource access, for pipelines, and for fairness in the federation, so I make absolutely no apologies.

I'll tell you, Mr. Chair, and I'll just say it right now, that I'm going to be spending more on travel expenses to get around the

country – to St. John's, to Halifax, to Iqaluit, Yellowknife, Whitehorse, to Ottawa – to strengthen those relationships. This is a promise made and a promise kept.

Ms Notley: No. I think that the promise made was to be careful, actually, with the resources of Albertans.

Let me just back up a little bit there because, you know, what we saw was only Conservative Premiers invited to this little Calgary breakfast. What we saw afterwards, frankly, coming out of the COF, I'm going to tell you, was that you got some of them to agree on C-69 and C-48, and that's great. But what came out of the COF was no stronger, no more definitive than what we got out of the COF in 2015, when we got all the Premiers there to sign on to the Canadian energy strategy. The language was almost no different, and that's fine. I mean, you got them to reaffirm the position that they'd already taken before. That is great, but I don't think you needed to bribe them with a free flight after your pancake breakfast to do that. That's not building relationships. You build relationships not by yelling at people, and quite frankly there's been a lot of that going on, with respect, between you and national leaders who are not members of your party. But, in addition, you can do that by just going to a meeting and having a conversation. I appreciate that the COF meeting came out with some nice statements, but almost none of it was new.

Are you seriously saying that in order to get people to sign off on communiqués that look a great deal like the communiqués that had been written previously, you need to pay for them to fly around the country and drag them out to a party at the Calgary Stampede?

Mr. Kenney: Mr. Chair, there was no party. There was a meeting of Premiers representing governments with like-minded interests in part to express support for Alberta. It wasn't just limited to Conservative Premiers. Former Premier McLeod of the Northwest Territories, who is nonpartisan, attended. Premier Legault, who is not a Conservative, was invited to attend. So this was not based on partisanship; it was based on relationship building. Albertans are famous for our hospitality. I make no apologies for offering Alberta's hospitality to Premiers who have our back on a series of issues, not just in rhetorical commitments and communiqués.

I am very pleased, Mr. Chair, to inform the committee that after my visit to Quebec City and my meeting with Premier Legault, for example, his government announced it would join several other provinces in challenging the imposition of the federal carbon tax at the Supreme Court of Canada, a tax that the NDP government here ...

Ms Notley: He also announced that never in a million years would he support a pipeline going east, so come on.

Mr. Kenney: Well, I'm also pleased to say that after my meeting in Quebec he announced his support for liquefied natural gas export opportunities. It's true that with Quebec we don't agree on every issue, but it's great to have Quebec also offering ...

Ms Notley: Quebec already agreed on those things, Premier. This is not as a result ...

Mr. Kenney: Excuse me. If I could just finish the answer.

Ms Notley: ... of you spending a whole bunch of money flying people around.

9:20

Mr. Kenney: It's also great that Quebec has offered to support us in our fight against the federal intrusion in our exclusive

constitutional authority to produce our resources under 92A of the Constitution, which is being invaded by Bill C-69.

Mr. Chair, again, offering some logistical support to several Premiers representing 60 per cent of the population is what a mature government does when it's trying to build relationships.

Ms Notley: Okay. Well, I think we'll have to agree to disagree, because a \$14,000 differential for a flight solely to Saskatoon, including the wives of Premiers, is not something you do if you literally are trying to tell Albertans that they need – you know, we talked yesterday about Albertans with severe disabilities who will have \$30 less a month to pay their rent. It's their job – according to you, it's not onerous for them to chip in to help deal with the fiscal challenges that you suggest that we face, but it's okay for us to offer Premiers, who have access to their own travel budgets, to get from point A to point B. I think we will simply have to agree to disagree and suggest that we have a different version of what is a responsible discretionary use of so-called hospitality funds, as you have about your meeting with your Conservative Premiers.

Mr. Kenney: On this point, Mr. Chair, effectively the rules around using charter flights are that they can be used where commercial schedules do not work. In that instance, there are not a lot of direct, nonstop flights. It would have been impossible for me to have chaired the meeting we had in Calgary and then get to Saskatoon for the beginning of the COF without chartering. Since I would have had to charter anyway to fulfill those obligations, we thought it was sensible to invite other Premiers on the same flight.

Ms Notley: I mean, that's an interesting new explanation for it, Premier. That is lovely. I don't think you would have had to charter a plane that costs \$16,000 to do that. I've been through those processes before. You have flexibility. But can I just say: thank goodness the COF wasn't in New Brunswick, or we would have been paying \$40,000 instead of \$16,000.

Mr. Kenney: Well, we wouldn't have scheduled a Premiers' meeting in Calgary around a New Brunswick COF.

Ms Notley: Well, who knows? Who knows?

Mr. Kenney: They were going to Saskatoon, Mr. Chair, so it made sense to do this on the same day.

Ms Notley: Anyhoo, I think we're going to have to agree to disagree on what is the appropriate use of funds for your discretionary provision of hospitality to like-minded Premiers, to use your own words.

I'm wondering if we could move over a little bit to the issue of – how are we doing for time here?

Mr. Bilous: Two and a half minutes.

Ms Notley: Two and a half minutes. Okay. Maybe I'll try to do something a little bit faster, then, before we get that break.

In the business plan last year we talked about the focus of our government on ensuring that we got TMX over the finish line. I see that all reference to that has been removed from the business plan this year. I'm just wondering if you could tell us why and maybe tell us a little bit about the specific things that you have done as Premier in terms of meeting with the Prime Minister, meeting with the Premier of B.C., and continuing to ensure that we actually do get TMX over the finish line. I appreciate you've yelled at the Prime Minister a lot. You campaigned politically against the Prime Minister a lot. You did a lot of name calling with respect to the Premier of B.C., who maybe at times deserved it, you know, but not

so much these days. But I'd like to know what you're actually doing to ensure that we get that project done.

Mr. Kenney: Well, Mr. Chair, first of all, it was the very first issue I raised with the Prime Minister when we spoke the day after Alberta's election, the first issue I raised with him in Ottawa during our first meeting three days after I became Premier. It's the first issue I raised with him in our conversation two and a half weeks ago following the federal election. It has been the number one priority in all of our communications with the federal government and, obviously, with other provincial governments as well.

For us, Mr. Chair, the game changer here to get TMX done is to demonstrate real buy-in, literal buy-in, by indigenous people. That is why one of the most important elements of our platform is the Alberta Indigenous Opportunities Corporation, backstopped by a billion dollars of the faith and credit of the Alberta Crown to facilitate aboriginal co-ownership and financial participation in major resource projects. We have been working closely with the three indigenous consortia that are exploring possible financial participation in TMX because we really believe that is a meaningful role that we can play that would be a game changer in increasing the probability of the completion of that critical project. [A timer sounded] I'm taking that was my time?

The Chair: There's a 10-minute block that's remaining for the Official Opposition.

Ms Notley: Sorry. I was confused. I thought I only had two minutes, not 12, so I thought we could go there.

So just the fact that it's not appearing in your business plan as a priority anymore: is that just an oversight, then?

Mr. Kenney: The business plan, that governs my activities and that of the government, is the platform we ran on, and it appears repeatedly throughout the platform, throughout the throne speech, throughout all of our communications as government. It's implicit in the Executive Council business plan, outcome 2, "Alberta's priorities are advanced across Canada."

Ms Notley: Okay. Well, we had that before as well, but we also had a whole strategic context that talked about TMX. But fair enough.

Mr. Kenney: What matters are results, and we saw what the results were under the last government in this respect, Mr. Chair.

Ms Notley: Well, we still have a pipeline that's under construction, so I'm just going to go with that. But I don't want to debate that right now.

I'd like to talk a little bit again with respect to your key objectives 2.1 and 2.2 in the business plan, and that refers to what you just referred to in terms of promoting Alberta interests across Canada and all that good stuff. On October 22 you said, "This Alberta government will put on the ballot, in the form of a constitutional referendum, the principle of equalization by seeking the approval of the people of Alberta to delete section 36 . . . from the Canadian Constitution." Now, I know the answer to this, but I would like it if you could just really quickly walk me through what the amending formula is for the Constitution of Canada.

Mr. Kenney: It depends. There are several amending formulae. In this respect it would be, I believe, 7-50, which is why I've always been clear with Albertans that this referendum would not in and of itself change the equalization formula, nor would it guarantee a constitutional change to remove section 36, the principle of equalization, from the Constitution Act. But what it

would do is elevate our demand for fairness in the federation to the top of the national agenda by putting a huge spotlight on the fundamental unfairness that Alberta suffers from. It is a way of moving our fight for fairness from the margins to the centre of the national debate.

Ms Notley: Okay. So when we talk about I think you called it the 7-50 formula, can you tell me any formula or any version of that where you see a path to success? Like, tell me who the provinces are that you're going to get onside with there. Walk me through your potential path to victory there once you've put this in the centre stage of Canadian consciousness.

Mr. Kenney: Well, Mr. Chair, when it comes to negotiating sensitive matters with other provinces, I'm not going to do that in public.

Ms Notley: Excuse me. You're just talking about doing a referendum to the whole province of Alberta.

Mr. Kenney: When it comes to approaching other governments on a sensitive matter, I can tell Ms Notley that we are engaged in conversations on a number of issues that would not be well served by disclosing those publicly. But I have said repeatedly – Ms Notley thinks she stumbled on a revelation here – that it would be difficult to amend the Constitution.

Ms Notley: Far from it. It's pretty obvious.

Mr. Kenney: I have been absolutely explicit from day one that passing a referendum like this does not in and of itself amend the Constitution, but what it does according to the Quebec secession reference of the Supreme Court of Canada from 1998 is to oblige the federal government to engage in good-faith negotiations with the province if a clear majority votes in favour of a clear question on a constitutional amendment regardless of the amending formula. That is what we seek to do, which is to force the federal government to the table in good faith, to create political facts, to take a page in this sense out of Quebec's playbook, where they've been so effective at asserting their interests in the federation by highlighting them, including in this way.

Ms Notley: Okay. I think we all know that Quebec has been most successful at asserting its way in the federation by having not one but two very serious separation crises.

9:30

Now, you claim that you're a federalist, but do you honestly think it is responsible to ask Albertans to cast their ballot and to get worked up over an equalization provision in the Constitution – and I'll talk about the formula in a minute – when you know that the likelihood of being able to amend that Constitution is about zero? Do you think it is responsible as the Premier and also a minister who has an obligation as a member of this federation to put to the people of Alberta that they vote on something that you know you cannot deliver and then turn around and speak out of the other side of your mouth about how you're worried about concerns around western separatism?

Mr. Kenney: First of all, Mr. Chair, I must respond to Ms Notley's implication that I may not actually believe in a united Canada when she says that I claim – sardonically, she says – to be a federalist. I resent the Leader of the Opposition casting aspersions on my loyalty. I've always been, through my entire life, clear that I am and always will be a proud Canadian.

By the way, Mr. Chair, the way to address the deep – deep – frustration in this province is not to diminish or ridicule those who increasingly feel like they are not at home in their own country . . .

Ms Notley: Let me be clear, Mr. Chair.

Mr. Kenney: . . . and that's the approach that the NDP takes.

Ms Notley: In no way, shape, or form did I do that. I challenged the Premier's strategy. I in no way, shape, or form did that, and I find it offensive every time . . .

The Chair: The Chair hesitates to interject. I will call the meeting to order. I will call the meeting to order and encourage both participants in this conversation to respect each other's time and also to engage in amiable conversation.

Mr. Kenney: Mr. Chair, I think if a legislator challenges someone's patriotism, they have a right to respond to that, as I just did.

Ms Notley has then alleged that I'm, quote, irresponsibly working people up over equalization. Mr. Chairman, again this demonstrates that Ms Notley does not understand Albertans. I didn't have to work them up into a sense of unfairness in this federation . . .

Ms Notley: Could I get an answer? I didn't get an answer, and I'd like to be able to get back into this. Do you think we could do that?

Mr. Kenney: . . . and Albertans know, Chair, that we are contributing \$23 billion net to the rest of the federation when we have several governments trying to block pipelines.

The Chair: Thank you, Premier. This is the member's time, and we need to respect that and also cede the floor to the Official Opposition.

Ms Notley: Can I get back in?

The Chair: Absolutely. Proceed.

Ms Notley: Thank you. I'm fully aware of the very real frustrations that Albertans feel. I've spoken about them myself on the national stage in Ottawa, in almost every province. I fully am aware of the frustration, and I agree with you, actually, in many respects, about what seems to be a double standard on almost every front that we confront as we try to maintain and grow our economy. I get that, and in no way am I undermining or underestimating the strength and depth of that frustration on the part of Albertans. To me, it seems that it is leadership to respond with an actual path to victory, not to do what it appears that the Premier is doing.

Let's talk about equalization for a moment. If I quote your former boss Stephen Harper, the national equalization program falls under Ottawa's jurisdiction, and none of the provinces can dictate how the money collected from taxpayers gets divvied up. Now, that is your former boss's characterization of equalization. It's probably accurate. Interestingly, the last time the equalization formula was changed was in 2009, under Mr. Harper's government, when you were in the cabinet. As you fully know, the change there with respect to the GDP growth rate rule resulted in a situation where the taxes that Albertans pay to Ottawa – more of that money is going to other provinces than it would have otherwise. This year alone that amount is roughly to the tune of \$1.2 billion. Now, we know that that is happening. We know there is frustration about our equalization formula. We know that the equalization formula was made less fair to Albertans under the leadership of the Conservative government, of which you were a part, in 2009.

What exactly is your strategy to convince the federal government, which, according to your former boss, is actually the place where the decisions will be made, to undo the damage that your government did to Alberta when they changed the equalization formula the way they did in 2009?

Mr. Kenney: Well, Mr. Chair, in fact, the changes that were made then created greater fairness for Alberta under the formula, and that is why . . .

The Chair: I apologize for the interruption. We've come to the conclusion of the 50-minute speaking block for the Official Opposition.

We now will begin a 20-minute speaking block for the government caucus, and I recognize MLA Barnes. You may proceed. Do you wish to combine your time with the Premier?

Mr. Barnes: Yes, please. Premier, can we combine our time? Thank you.

Thank you, Mr. Chair. Premier, my thanks to you and all your staff in the public service here for all the work you do for Alberta and all the work you do for Cypress-Medicine Hat. We appreciate it.

For my 20 minutes I want to focus on the jobs, economy, and enhancement of interprovincial trade, that will benefit all Albertans and all Alberta families. I want to start with parts of your business plan. On page 80 of the Executive Council business plan performance metric 2(c) shows a sharp decline in the number of intergovernmental meetings under the prior government. The number of meetings in 2015-16 was 176, and then in 2018-19 it was down further to just 110. You spoke in your opening remarks quite a bit about your outreach and your work with other Premiers and your department's outreach and work with other Canadian provinces to enhance trade for all Albertans. Can you please expand on the number of meetings you're expecting for 2019-20 and going forward and your goals for success?

Mr. Kenney: Sure. Thanks, Chair. If members would like me to respond to the last question from Ms Notley at some point, I'd be happy to do so.

Thank you, Mr. Barnes. Yes. One of the central commitments on which our government ran was to fight for Alberta in part by creating alliances across the federation with like-minded provincial and territorial governments. I'm pleased to see that we have done so with, I think, considerable success. I have so far personally visited Premiers in the majority of the provinces, from Charlottetown and Fredericton to Toronto and Quebec City to Winnipeg and Regina, and I look forward to getting to the other provincial capitals in the months to come.

One concrete outcome of this work has been, as I mentioned, aligning a coalition opposed to the federal carbon tax where we have, I believe, six jurisdictions that are strongly opposed to that, including Quebec. This is significant. This is a game changer. Please remember that there are three members of the Supreme Court of Canada representing Quebec. To have the government of Quebec join us in the constitutional challenge on the federal carbon tax is a huge step forward, to have nine of 10 provinces. I can tell Mr. Barnes that I was burning up the phone lines with fellow Premiers on this issue, and nine of 10 provinces spoke out against C-69 and effectively endorsed the amendments of the government of Alberta and our energy industry when that bill was before the Senate. That was very effective.

On internal trade, which is a huge barrier to economic growth and jobs in Canada, I'm pleased to say that we are making real progress. In fact, we led an effort by the western Premiers to invite other

provinces to join the New West Partnership agreement, which is a much higher quality, much freer trade agreement than the Canadian free trade agreement. I can tell Mr. Barnes that we are in active discussions with at least a couple of provinces on potential accession to the New West Partnership agreement.

We've also led by example in this respect by eliminating 80 per cent of the exceptions filed by Alberta under the Canadian free trade agreement, because we believe in leading and not following. The previous government loaded onto the CFTA all sorts of exceptions that inhibited internal trade. Now Alberta is a leader on this and on many other issues.

Fundamentally, what we've been able to do is to communicate to other provincial and territorial governments the profound frustration felt by Albertans about the unfairness in the federation. You know, if you go back and look at comments made by B.C. Premier John Horgan in the *Globe and Mail* last week, he says that he understands the frustration in this province. Premier Legault, with whom we continue to disagree on oil pipelines, has said much the same thing. So I believe that we have a much higher degree of sensitivity around the table, and that is one of the reasons why the Council of the Federation chair, Premier Moe, will be convening an extraordinary meeting of the COF to address many of these issues in the months to follow.

9:40

Mr. Barnes: Thank you for that. You can see those economic circumstances and the hardship every day in Cypress-Medicine Hat, so I really appreciate your work on that.

Mr. Kenney: On your specific question, I don't have a count of how many IGR meetings we've engaged in yet, but I'm pretty sure we'll be setting a record number this year based on our pace of activity.

Mr. Barnes: Okay. Sounds great.

Albertans recognize that the reduction of barriers to trade is a way that will give our economy a much-needed boost. Beyond the national estimates that have been widely published, the fact that Canada in general loses tens of billions of dollars annually by not having, you know, more enhanced interprovincial trade, Premier, do you have any numbers on how much it may help Alberta over the next several years?

Mr. Kenney: Well, I do know that there are estimates that barriers to internal trade and barriers to labour mobility may be costing the Canadian economy up to \$130 billion a year. Given that Alberta is about 20 per cent of the national economy, one could extrapolate that it's costing this province in the range of \$25 billion to \$30 billion a year. Yeah, that's about right. That's a fair extrapolation.

Mr. Chair, I for one and, I think, most Canadians are just frustrated and fed up with the constant myopia, the small-minded small thinking about this. I believe we Albertans, Mr. Barnes, are big Canadians. What I was trying to convey to Ms. Notley is that we have not begrudged the rest of the country our transfers and equalization payments over the past several decades. We are proud to have played an oversized role in national prosperity. All we ask for is the right and the ability to develop the wealth that helps to pay the bills across the country. That's where we now have unfairness. That was not, by the way, the case 12 years ago, when the equalization formula was last revised. We did not have a federal or other provincial governments blocking pipelines and blocking our ability to sell our resources at a fair global price. That is what has changed in the past decade. That is what is fundamentally unfair to Albertans.

As big Canadians, as a province whose population has doubled in the past 30 years largely through migration from across the country to this province, we dream of the original vision of Canada as an economic union. I think Albertans find it outrageous that it's easier to move goods tariff-free or to move as professionals or tradespeople across the 28 sovereign jurisdictions of the European Union than it is within the 10 provinces of Canada.

Now, we could have done what other governments – well, we certainly would not have followed the NDP's approach, which was more and more and more barriers, walls, and protectionism. Instead, we have ripped up 80 per cent of the barriers to free trade within Canada imposed by the previous NDP government, and we have done so unilaterally because my strategy, our strategy was not to sit around haggling for years and decades while we lose jobs and opportunity through barriers to trade. Our approach was to lead by example, for Alberta once again on this to have moral authority, which is why we've led the way. In fact, just this week I'll be sending a letter to my 12 colleagues reminding them of the latest tranche of exceptions to the Canadian free trade agreement that we have eliminated.

We're working on two tracks. One is to invite other provinces to join us in the New West Partnership agreement. The other is to aspire, ideally, optimally, if we can get there, to zero Alberta exceptions under the CFTA. At the same time, Chair, we are doing a serious study of how we can get to unilateral recognition of trade and professional certification from other provinces. Instead of waiting to haggle, we believe it is manifestly in our own interests to go unilateral. If you look at jurisdictions around the world, like Singapore, that unilaterally trade freely, that unilaterally give up tariff barriers, they are some of the most prosperous economies in the world. I think that will work for Alberta, too.

Mr. Barnes: Agreed. Thank you. I'm very pleased to see your leadership and your government's leadership, especially on that, leading the way, unilaterally reducing interprovincial trade barriers.

Let me ask: from the other provinces, have you seen any action on their part to follow that lead and to help make trade freer for all Canadians?

Mr. Kenney: Frankly, not enough yet, so I would like to renew our call on other provinces to follow our lead. I would like to commend Premier Pallister of Manitoba, who shortly after his recent re-election did notify us of I think five additional exceptions that Manitoba is lifting off the Canada free trade agreement. So that's a small step in the right direction.

I can say that at the Council of the Federation this summer there was a renewed commitment to narrowing exceptions. We did persuade our colleagues to remove from the CFTA an absurd requirement that all provinces had to concur in one province's decision to remove exceptions from the CFTA unilaterally. This made no sense. It was actually a barrier to this approach that we are taking. I believe we now have – the note I got from you, Coleen, was, I think, that 10 of 13 jurisdictions have signed on to the amendment to the CFTA allowing unilateral exceptions to be removed.

Then, finally, as I've indicated, Chair, we are in active discussions with some other jurisdictions over their prospective accession to the New West Partnership agreement. I want to commend my colleagues Premiers Horgan, Moe, and Pallister as well as the northern Premiers for having agreed to extending that invitation to central and eastern Canadian provinces.

Mr. Barnes: Okay. Thank you.

Another item, Premier, that you've discussed with your counterparts and we've seen in the public sphere quite a bit is the concept of the resource corridor. Can you tell us if you and the other Premiers will continue to move forward and apply pressure on the federal government to allow for a nation-wide resource corridor that will respect the rights of all Canadians and enhance our wealth and opportunity?

Mr. Kenney: Yes. Chair, as I mentioned earlier, I was very pleased that for the first time we had initially western and northern Premiers concur with our goal of resource and energy corridors at the Western Premiers' Conference, hosted here in Edmonton in the summer. That language included explicit reference to oil and gas pipelines, and that included a communiqué endorsed by the government of British Columbia. I think that was a very important step forward.

We took the same concept to the Council of the Federation in July, and we had 12 of the 13 provinces and territories endorse a call on the federal government to support the creation of energy and resource corridors, including oil and gas pipelines explicitly mentioned there. The only province that resiled from that was Quebec, and that was only with respect to the word "oil"; they support the concept of energy corridors, including natural gas.

So my message to the Prime Minister and the federal government is – by the way, once again this is Albertans being big Canadians. What we want is simply the economic union originally envisioned by the founders of Confederation, which includes federal paramountcy over interprovincial infrastructure. It was, after all, a huge interprovincial infrastructure economic project that united the northern half of North America, the Canadian Pacific railway. I see pipelines as being a 21st-century version of that. What we're saying to the federal government is – we're not saying that we want Ottawa to abandon its responsibility but, rather, to embrace its responsibility.

What disturbs us is this. We've got 12 provinces and territories at the Council of the Federation calling for energy resource corridors, and we have nine of 10 opposing Bill C-69. So you've got something close to unanimity amongst the provinces on federal paramountcy over interprovincial pipelines, yet we have a federal government surrendering its exclusive constitutional authority under 92(10)(a) and (c) of the Constitution Act to regulate interprovincial infrastructure, including pipelines.

We had in this recent federal election Ms Notley's leader saying that he would give an explicit veto to provinces opposed to pipelines, in direct violation of section 92 of the Constitution Act. How strange is it? We've got 12 of 13 provinces and territories lined up with us on this issue but four of five federal parties – the Liberals, the Greens, the Bloc, and the NDP – all trying to hand out vetoes to provinces to interrupt exclusive federal authority over interprovincial infrastructure, including pipelines. So I'm saying to all of the federal leaders: please listen to the provinces and territories, who with one exception are recognizing federal paramountcy in this regard.

9:50

Mr. Barnes: Thank you. Yeah, it's that blockage from Ottawa that has a lot of people in Cypress-Medicine Hat hurting, bewildered, and quite frankly there's a lot of fear. There's a lot of support for the idea of the referendum on equalization, so I want to go to that.

Mr. Kenney: From what I see on social media here, your constituents want that tomorrow, not two years from now.

Mr. Barnes: Yeah. By noon, if that's okay.

Please explain why you promised a referendum. When can we expect it?

Mr. Kenney: Sure. I promised this because, Mr. Chair, what Alberta needs is leverage. What we need to do is to move our fight for fairness to the top of the national agenda. We need to create political facts. I noted that in the 1998 Quebec secession reference decision of the Supreme Court of Canada they said that if a province holds a referendum on a constitutional amendment with a clear question and a clear majority votes in favour of it, that then imposes on the federal government a binding constitutional obligation to negotiate that prospective amendment, quote, in good faith with the province in question. This would be a way to create an unprecedented constitutional negotiation with the government of Canada, to elevate to that level our fight for fairness and to hold that as a leverage over the federal government.

Now, I know that, contrary to the NDP, which doesn't even want to talk about these issues, that mocks and ridicules Albertans' profound frustration in the federation, what I'm hearing is that people want this to happen tomorrow. Let me explain why I'm still holding to the original commitment to do this concurrent with the next municipal election, in October 2021.

We need to hold out leverage on getting Trans Mountain built. At the end of the day, we've got a whole series of issues where we need to get a fair deal in the federation, but the urgent economic imperative, the jobs imperative, is market access. It's a coastal pipeline. It's TMX. So we must sequence our strategy, our fight-back strategy, in a way that holds leverage over the federal government, because it's now the owner of TMX, and I believe that holding that referendum out to the fall of 2021 gives us that leverage during the next two years, during which TMX must be built.

Let me put it to your constituents this way. If we blow all of our ammunition right now, then what leverage do we have 12, 18, 24 months from now, when there are New Democrats and Green Party people chaining themselves to pipes and tractors in the war in the woods? What leverage do we have on the federal government to ensure the application of the rule of law for the completion of that pipeline? So I ask people to understand that this is a marathon; it's not a sprint. We need to get that done, and we need leverage.

Mr. Chair, I can tell Mr. Barnes that in the days to come, I will be outlining a number of other strategies to enhance our leverage with respect to the federal government.

Mr. Barnes: Great. Thank you for that. Yeah, the future of many families and our economy in Cypress-Medicine Hat depends on it, and we're counting on it, so thank you. We're also counting on Canada working as a team and building this national unity and our economic trade.

That brings me to one of the things I noticed in the performance metrics. It's also important that your government and your ministries work as a team. On page 78 of the Executive Council business plan – Premier, I'm on performance metric 1(a) – it shows that in 2018-19 satisfaction of ministries with the services that they received from the Executive Council last year was only at 77 per cent, with results from a survey in December 2018. I'm pleased to see that your target rises to 85 per cent for '19-20 and stays the same for four years; 85 per cent looks like a good, lofty goal. Can I please ask how you plan on achieving that and increasing the percentage?

Mr. Kenney: Well, just by providing good service. To be clear, this is not a survey of the public but, rather, of other departments. We're not an operational department, so it is difficult for us to come up with key performance indicators. Insofar as Executive Council liaises with and is the central co-ordinating body for all

departments, we're asking them through this survey: are we doing a decent job? So far what I hear is pretty positive in that respect.

Mr. Barnes: Thank you.

The Chair: Thank you. We now have come to the conclusion of the 20-minute speaking block for the government caucus.

We move into 10-minute speaking blocks, alternating between the Official Opposition and the government caucus. I ask Official Opposition Leader Notley to proceed at this time.

Ms Notley: Thank you. I just want to circle back very quickly to one thing I've talked about already, and then I have another area I'd like to get into. Now that you've had a bit of time to reflect while answering questions from people in your caucus – but, seriously, now that you've had a bit of time to reflect, I just want to confirm: do you really believe that it makes sense to drop \$14,000 flying Conservative Premiers from other provinces, who have their own budgets, and their wives and their staff from Calgary to Saskatoon? That seemed like a good decision to you?

Mr. Kenney: Mr. Chair, the only way that we could get from the end of our special Premiers' meeting in Calgary to the Council of the Federation in Saskatoon on time was to charter a flight. It's the only time I've chartered a flight, apart from wildfires. We only do that on exceptional cases. Yes, I really do believe . . .

Ms Notley: Why wouldn't you ask them to pay back, though? That is my question.

Mr. Kenney: . . . it is worth us investing in the critical relationships across the federation to help to protect this province, its jobs and interests, against a hostile federal government.

Ms Notley: So you think, then, that that's why it didn't make sense to ask them to pay their part of it out of their budgets?

Mr. Kenney: We were hosting other governments, Mr. Chair, just as on occasion they will host us. Again, I make no apology for providing logistical support for like-minded Premiers who, at their expense, came out to Calgary to show solidarity for Albertans during a time of adversity in our province.

Ms Notley: All right. Okay. I just wanted to give you one more shot at that.

All right. I'd like to turn our conversations to the issue of the Canadian Energy Centre. I reference that, of course, through the sort of applicability of these estimates to that through your business plan, that talks about, under outcome 1, "government's agenda is implemented effectively in coordination with ministries" and, under outcome 2, "Alberta's priorities are advanced across Canada," and, of course, as well through reference to your introductory comments.

Now, you know, we've talked a lot about your role and you've talked a lot about your role sort of correspondingly attempting to build unity in Canada while also fighting for Alberta. Even as you talk about your commitment to Canada, we of course have seen you take what I would suggest is an unprecedented and very unorthodox strategy to politicize the federal election and to engage in an intensely partisan manner because you argue that that is the appropriate role for the Premier of one of Canada's provinces to do and because that is your belief.

We now have this fund, \$30 million a year, which is chaired by three ministers. That also, of course, comes under your leadership because there is a co-ordination role that would come under Executive Council. This \$30 million a year fund has been cloaked

from the people of Alberta. It is exempt from FOIP. You argue that it's exempt from FOIP because there are commercial business interests, and I find that interesting because it seems to me that this Energy Centre is, in fact, about being public. It's not actually buying things and making money, so I'm not exactly sure why the commercial business interests exemption would apply, but even if it did, FOIP itself does allow for those kinds of considerations to be accommodated.

Then your Energy minister has suggested: oh, well, it'll be subject to the Auditor General and to section 10 of the fiscal transparency act or whatever the act is – I'm just looking for it, but you know what I mean – the Fiscal Planning and Transparency Act. Of course, the Auditor General, in terms of – you know, the Auditor General can do two types of audit. They can look at a balance sheet that has revenue in, revenue out and stamp it as, "Yeah; that looks about right," or they can do a performance audit. What we know from the Auditor General is that nowhere in their plans is there any plan to do a performance audit of the energy war room, nor can we tell if he actually has the authority to.

10:00

Then under the fiscal transparency act, section 10, all we really have there is the obligation of your friend Mr. Olsen, which is a whole other issue – anyway, we'll get to that in a minute – to provide an annual report as required by the minister. Again, I'm sure that I would not be surprising anybody in this room and, certainly, the media by suggesting that not all annual reports are created the same and that it is very possible to have an annual report that gives you absolutely no information. It's also possible to have annual reports come out two or three years late.

Then the way the public would normally ensure their own oversight of the war room would be through FOIP, but you've made that impossible.

Now, given the fact that you have very clearly stated your opinion that partisan politics is part of what you need to do to defend Alberta, how can Albertans know that that \$30 million is not going to be used to promote partisan interests, particularly as it relates to the Conservative Party of Canada or the UCP? How can we track it to ensure that there's not an indirect promotion, so that social media assets, contact information, all that kind of stuff don't ultimately find their way into the wrong place?

Can you tell us if, in your mind, the Election Commissioner and the Chief Electoral Officer have jurisdiction to dig into or regularly audit the work of the war room?

Lots of questions there, but I wanted to get them all in because we're in a much shorter block right now. Thank you for your answers.

Mr. Kenney: Well, that was seven minutes, Mr. Chair. I'm not quite sure how many specific questions there were there. I'll try my best.

First of all, the reason why Albertans were so enthusiastic about the creation of the Canadian Energy Centre is because they recognize that we have been under attack for at least 15 years from a well-organized and largely foreign-funded campaign to blockade our energy, to land-lock Alberta energy, from groups that have done precisely nothing to land-lock OPEC, Russian, or American oil production. They realize that we have been targeted by these groups because of the weakness and passivity of Canadian governments to push back, and they want us to push back. That's exactly the mandate of the Canadian Energy Centre.

It will obviously be in full compliance with all of Alberta's laws. I now hear Ms Notley essentially raising conspiracy theories that it's going to be doing partisan activity that would be manifestly

illegal. It must comply with the financial accountability act, with the Election Act, with all of the relevant statutes.

Ms Notley: Why not FOIP?

Mr. Kenney: Mr. Chair, very simply, I know that Ms Notley would like her friends in Greenpeace, the Dogwood initiative . . .

Ms Notley: Why not FOIP? Why not FOIP?

Mr. Kenney: . . . the Tides Foundation to be able to access all of the activities of the centre, but we are not going to give our game plan to the organizations that we are fighting. I know that Ms Notley had volunteers on her campaign who subsequently went and engaged in a legal protest to block tankers in the port of Vancouver. We don't want her friends knowing how we are fighting back for Alberta's . . .

Ms Notley: Point of order, Mr. Chair. Point of order.

The Chair: A point of order has been noted.

Ms Notley: The Premier is making gross allegations about me, about my campaign with absolutely no foundation. He's also moving off the topic. I asked why and how Albertans can track the appropriate use of the \$30 million. He then wandered into strange allegations about what people who may or may not have been on my campaign may or may not have done.

Mr. Kenney: It's a matter of public record.

Ms Notley: Mr. Chair, can he just answer the question? How can Albertans track the 30 million dollars' use in the absence of FOIP?

The Chair: Any comment to this point of order from the government caucus or government members?

Mr. Horner: For clarification, sir?

The Chair: Go ahead, MLA Horner.

Mr. Horner: There seemed to be a lot of allegations in the opposition's opening remarks, and I'm just curious what the rules are here.

The Chair: Thank you.

I do not rule this as a point of order. I believe that there was a significant amount of leeway in the discussion previous with regard to allegations and campaigns and that type of thing. I would suggest that we move forward as best we can with comments relevant to the budget estimates and in a way that members of this committee can receive information to help them in decisions with regard to their vote, that will happen on November 19.

Mr. Kenney: Mr. Chair, the Canadian Energy Centre will be compliant with all relevant statutes. Any grants that it receives from the Department of Energy will obviously be reported in the estimates and will be ultimately authorized by votes of the Legislature. They'll be reported in the public accounts, I should say. I'm not surprised that the Auditor General doesn't have a performance audit of the Canadian Energy Centre because it's not fully up and running yet. Obviously, again, this will comply with all necessary statutory and regulatory requirements.

But we are not going to share the game plan with exactly the organizations that this operation is designed to respond to. They have funnelled hundreds of millions of dollars, largely from foreign foundations, into our politics. This is a relatively modest effort to

push back and tell the truth about this province. Actually, I'm shocked that the NDP is opposed to it because I think this was probably the single most popular commitment we made to Albertans in the last election.

Ms Notley: Well, Mr. Chair, my concern is that we just heard the Premier justify an exceptionally partisan component to his role with respect to standing up for Alberta.

The Chair: Thank you. We have now come to the completion of the first 10-minute block for the Official Opposition.

For the information of all members, the chair does monitor speaking times. During this block no one is to speak longer than five minutes, and no one has during the previous block.

I will hand it over to the government caucus at this time for the next 10 minutes. MLA Horner, you may proceed.

Mr. Horner: Well, thank you, Mr. Chair. Through you to the Premier, thank you, Premier and Executive Council and the public service, for being with us today. I would like to ask some questions in the vein of co-operation with other provinces. I'd refer to page 79 in the business plan, key objective 2.1. I'd say, coming from Drumheller-Stettler, that I hear almost every day that people are happy that this government is pursuing fairness in a way that they don't feel alienated by their own government, that they're proud of the actions we're taking. In that vein, I would just ask: can the Premier provide some examples of how he has advocated for our province's interests with his provincial and territorial counterparts?

Mr. Kenney: Thank you, Chair. Within four days of being sworn in, I was meeting with the Premier of Canada's largest province, Premier Ford, at his office in Toronto to discuss all of these issues and was delighted to see that the largest province in Canada is fully in agreement with Alberta. In fact, his government, subsequent to that, announced that they would be passing legislation to show their support for national pipelines, completely aligned with us on fighting the federal carbon tax, on opposition to Bill C-69, on our broader fight for fairness in the federation.

Not long thereafter I visited Premier Legault in Quebec City, Premier Higgs in Fredericton and Saint John, and Premier King in Charlottetown to discuss the same issues and again was very pleased that the government of Quebec clarified its opposition to C-69, what we call the no-more-pipelines law, and shortly thereafter announced that it would be joining several provinces challenging the imposition of the federal carbon tax. As well, Premier Legault underscored his support for liquefied natural gas exports out of Quebec, and we had, I think, fruitful discussions on a range of other issues.

10:10

Obviously, we continue to disagree with Quebec on the prospect of a future Energy East pipeline, but I think that at the very least I was able to explain clearly to Premier Legault the deep frustration that exists in this province and how fundamentally unfair it is that Quebec is the largest recipient of equalization payments while seeking to block the movement of our oil. I'm also pleased that the government of Quebec, however, dropped its – the previous Liberal government of Quebec had filed opposition to Trans Mountain and had supported Bill C-48. That is not the case now with Premier Legault and his CAQ government.

I attended a meeting with the cabinet of the government of Saskatchewan in Weyburn in June and had a very fruitful bilateral meeting with Premier Moe, as you know. We have a remarkably productive relationship. Unfortunately, under the previous government there was a constant spat happening between Alberta

and our closest ally, Saskatchewan. I'm now pleased to say that we are completely aligned and working very closely together on all of these issues with respect to our interests.

Then, as I mentioned, we hosted, of course, both the Western Premiers' Conference here – I've got to be honest with you. The outcome of that meeting was far more positive than we thought it would be going in. I want to thank my six colleagues for their understanding of the situation that Alberta is facing. The language on oil and gas pipelines adopted in the communiqué was, I think, a significant step forward.

But this is also why we hosted the meeting that Ms Notley seems so exercised about, where we brought six Premiers representing 60 per cent of the country to enjoy a bit of Stampede hospitality, partly so they could just send a message of solidarity with Alberta. I cannot imagine why an Alberta legislator would be so upset about Premiers representing 60 per cent of the population coming here to say: we hear you, we understand, we feel your pain, and we want to join with you in fighting for resource jobs, fighting for pipelines, fighting for market access. I think that was a huge and important moment, an inflection point in moving forward our interests, which was reflected at the Council of the Federation in the days that followed that.

Since then, I've been back again to New Brunswick. As I say, we hope to be doing bilats with the Premiers of Newfoundland and Labrador, Nova Scotia, and the northern territories as well as B.C. in the months to come.

At the officials level, this has also been extremely active. Deputy Minister Volk and I meet pretty much every week to discuss the ongoing strategy with other provincial and territorial governments in general and also with respect to promoting free trade within Canada.

Mr. Horner: Well, thank you for that, Premier.

I was wondering if you wanted to build on that a little bit, on the coalition building within the Premiers. How will this coalition help Alberta fight back against C-69, C-48? They're in place now. Maybe you could expand on that.

Mr. Kenney: Well, as you know – first of all, let me just add the carbon tax to that. We have joined the appeals to the Supreme Court of Canada by the governments of Saskatchewan and Ontario with respect to the imposition of the federal carbon tax, and we expect those provinces, perhaps a couple of others, to file briefs in support of our pending judicial reference to the Alberta Court of Appeal on the unconstitutionality of the federal carbon tax.

Secondly, as you know, we've also made an application to the Alberta Court of Appeal challenging the constitutionality of C-69 because it asserts a federal power to regulate the production of resources, including upstream oil and gas, which we believe is a prima facie violation of section 92A of the Constitution, that critical, historic victory of Premier Peter Lougheed. We are hopeful. We have preliminary indications that some of these other provincial governments will join with us in that challenge to Bill C-69.

We are also hopeful that at the upcoming extraordinary meeting of the Council of the Federation there will be a reaffirmation of support for Alberta's and Saskatchewan's fight for fairness in the federation.

There are a number of other issues of significant concern. You know, for example, there are federal bills C-91 and C-92, which we believe are clearly a violation of provincial jurisdiction, which a number of other provinces are concerned about. There's the federal pharmacare proposal, which would be an interference in provincial jurisdiction over health care. There's a very broad range of issues.

You know, we think that provinces should have the right to spend within their own jurisdiction rather than constantly having the federal government dictate to us.

I can tell you that this is why on election night I spent several minutes speaking in French to Quebecers about renewing the historic Alberta-Quebec relationship to defend the original vision of the Constitution, defend provincial jurisdiction, and to be partners in prosperity. So this is part of a larger strategy. I'll be speaking more about this this weekend in a major address about Alberta's role in the federation.

Mr. Horner: Thank you for that, Premier.

Through you, Mr. Chair, we have a new minority federal government. Do you think they'll need to rely on support from the NDP federally to pass a confidence vote? Maybe you could expand on, you know, that their leader campaigned against TMX. He basically said no. Are you concerned that they'll be able to convince our Prime Minister to axe TMX?

Mr. Kenney: Well, the Prime Minister has said that he does not intend to go into a formal coalition, but he will need the support of either the Bloc Québécois or the NDP to pass confidence matters like a budget, and that is where those parties have leverage. They have implied in the past that they could use that leverage to secure a commitment to stop the construction of TMX. That's why it's the first issue I raised with the Prime Minister when we spoke the day after the federal election. So I don't think we can completely discount an effort by the NDP or the Bloc Québécois to kill the Trans Mountain pipeline by using their leverage on a confidence matter.

It also disturbs me greatly that the Prime Minister during the French leaders' debate said that Canada needs a Prime Minister that will stand up to, in French, les grands pétroliers, which is to say, the big oil companies. I said to the Prime Minister: if you want to stand up to our energy sector, then why are you prepared to take the revenues that it generates and the jobs that it creates? This is a message that we will continue to convey with clarity.

Mr. Horner: Thank you very much, Premier. I know back home everyone appreciates your . . .

The Chair: Thank you.

We now begin a 10-minute speaking block for the Official Opposition. Ms Notley, you may proceed.

Ms Notley: Thank you. I'm just going to take up a bit of time and pass the last bit over to my colleague the Member for Edmonton-Beverly-Clareview.

I just really wanted to ask more about costing. The Premier has sort of talked about convening a group of what he refers to as eminent Albertans, I believe, to then travel across the province and have meetings with Albertans who are frustrated by what we see going on with respect to, I assume, C-69 and C-48. So I am curious about, first of all, where we would find the funding for that. Since it's about this larger issue of how we engage with the federation, I am assuming that it does live in his department somewhere. So I'd like to know what the planned cost of that is and what the funding is. That's the first question.

Then the second question: could you give us a bit more of an idea around where these town hall meetings will be held, how open they will be, if anybody can show up, when we can anticipate them taking place, and how many there will be? Truly, just a straight-up question, because I know that people haven't heard too much about that.

Mr. Kenney: Sure. Ms Notley, through the chair, I don't have all the answers to those questions yet. An announcement will be coming up that provides all of that information. The cost would be through the budget of Intergovernmental Relations through Executive Council. It will be relatively modest. That is to say that we're certainly going to be well south of a million dollars on this important consultation. It will include a series of open public meetings that anybody can attend or speak to across the province. We are hoping to also include an element of more formal public opinion research, where we may engage a think tank or consulting firm to do more formal kinds of meetings to ensure that we're getting a crossrepresentation of public opinion on Alberta's role in the federation to help inform our next steps, I should say. This is not just about people expressing their views but taking that onboard and getting recommendations on how we can get a fair deal in the Canadian federation.

10:20

Ms Notley: Do you have sort of an ETA or window on when we would see these meetings starting and finishing?

Mr. Kenney: Yes. I hope that they will start before Christmas, and we hope to get a report back from this group by the spring.

Ms Notley: Okay. Thank you for that.

I'm going to pass it over to the Member for Edmonton-Beverly-Clareview now.

Mr. Bilous: Okay. Thanks.

Premier, I want to ask you a few questions about trade. In July at COF I know that you had emerged from that meeting declaring that Alberta had eliminated half of its exceptions to the Canadian free trade agreement. I'm curious. How many other provinces committed to reciprocating what Alberta has offered and given up?

Mr. Kenney: Again, none, because our strategy was to act unilaterally, although Manitoba has since eliminated a number of restrictions, and a couple of provinces are talking to us about accession to NWPTA.

Mr. Bilous: Premier, I appreciate your hope, but this is the similar hope and sounds like a similar gamble to the \$4.7 billion corporate giveaway that has not resulted in jobs to date. The challenge with Alberta dropping its exemptions and no other province reciprocating: what you've effectively done is that you've enhanced Alberta's trade deficit and invited every other province to come and take Alberta jobs and Alberta contracts without those provinces reciprocating. It puts Alberta at a disadvantage and doesn't actually enhance trade for Albertans and the working men and women of this province.

Mr. Kenney: Mr. Chair, first, I need to respond to the false premise of the question. There is no \$4.7 billion corporate giveaway. The job-creation tax cut, which is estimated by economists to create 55,000 new full-time private-sector jobs, has an annual average budgeted revenue shortfall of \$600 million. Professor Dahlby says that it's more like \$350 million, a tiny fraction of what the member alleges.

With respect to free trade, you know, the premise of Mr. Bilous's question is classic left-wing protectionism, that somehow we become wealthier by creating barriers for trade within the country. We fundamentally disagree with that. When it comes to contracting, we get better outcomes for Alberta taxpayers, more bang for our buck, if we allow for open bidding on those contracts from outside of the province, just as we want Alberta companies to be able to bid on other provinces' deals. Driving up the cost by restricting the

number of companies who can bid does not serve the interests of Alberta taxpayers. Fundamentally, I'm not prepared to sit around for another 10, 20, or 30 years haggling with our fellow provinces over trade. We are Albertans. We get 'er done. We believe in free trade. We're pursuing that unilaterally, and we certainly hope all provinces will follow our lead.

Mr. Bilous: Premier, with respect: right; we're hoping. The challenge is this. For the moment what you are doing is giving away Alberta jobs to other provinces. Alberta is the only province that has dropped its trade barriers. Our government promoted free trade. In fact, I was proud to be at the table negotiating the Canadian free trade agreement on behalf of the Notley government, and I can tell you that Alberta may have – you know, you've boasted about the exceptions and the highest number of exceptions. Now, what needs to be clarified for Albertans is that Alberta had very specific targeted exceptions to ensure that in that historic infrastructure build that Alberta engaged on, those jobs were going to Albertans and not out-of-province workers. But other provinces have huge swaths of – their exceptions cut out the whole energy sector. They cut out whole sectors. If you're playing the numbers game, it really is a game.

Now, with respect to the \$4.7 billion, it's on page 144 of your government's plan. Continuing to refute something that is in black and white I find is quite interesting, but the point of this, Premier, my question in the last couple of minutes, is to talk about – on free trade we talk about alcohol. I know that's something that came up at COF. The challenge with alcohol is that Alberta is discriminated against by every other province because our breweries can't get shelf space in provinces like B.C. and Saskatchewan and Ontario. By continuing to drop trade barriers, Albertans do have the biggest selection of beer anywhere in the country. We love the fact that they have choice. What we don't like is that Ontario, Saskatchewan, and B.C. can bring their products into Alberta, yet Alberta breweries are at a significant disadvantage. What are you doing to level that playing field and stand up for Alberta brewers?

Mr. Kenney: First of all, the \$4.7 billion figure that Mr. Bilous cites is over four years. He knows this. His party is deliberately conflating that with a one-year number. Secondly, he also neglects to cite the reference to the budget of the actual net revenue shortfall after accounting for stimulating impact, which is one-half of the number he cites over four years.

With respect to the alcohol, I agree with Mr. Bilous on this, that Alberta has the freest alcohol/liquor market in the country. It's another example of our leadership. I have raised this as one of the principal irritants for Alberta with respect to protectionist policies in other provinces. I wrote to all my 12 counterparts I believe in August once again asking them to allow full and uninhibited access for Alberta spirits and beer to the shelves in their liquor stores, and we continue to press on that. There is actually a working group within the Council of the Federation addressing market access on wine, beer, and spirits, so there is a track within COF to address these issues.

You know, we Albertans believe in more choice, in more competition, so we're not going to limit the access of Albertans to B.C.'s or Ontario's – well, the previous government did on wine – or to other provinces' products. We were in Saskatoon and went to a great distillery that's able to sell its products on Alberta shelves. That's good for Albertans.

Mr. Bilous: Premier, I'm just going to interrupt. I've only got about a minute left.

Mr. Kenney: Sure.

Mr. Bilous: My biggest concern, Premier. I am and we are in favour of reducing interprovincial trade barriers. We know that it inhibits the flow of goods and services and that it will contribute to our GDP. The concern I have is that by Alberta unilaterally reducing its trade barriers, we are enhancing a trade deficit. We are giving away these bids, these contracts, these jobs and allowing other provinces to come take Alberta jobs without the provinces reciprocating to Alberta. That was always a contingency. Yes, we are happy to reduce our barriers to zero; other provinces need to follow suit. Other provinces who have trade protectionist interprovincial exceptions are now benefiting from Alberta without Alberta companies having that same benefit in their provinces. You have disadvantaged Alberta companies from the rest of the country.

Mr. Kenney: We have advantaged Alberta taxpayers by allowing more competition for bids on public procurement . . .

The Chair: Thank you.

We now move to the government caucus. There's about a minute and a half left. MLA Barnes, please proceed.

Mr. Barnes: Thank you, Mr. Chair. Under the previous NDP government investor confidence was shattered in Alberta. It hurt me the number of times I heard about how oil and gas companies would buy a field in Saskatchewan or British Columbia but not Alberta during those four years. I'm especially pleased to see your outreach to restore investor confidence. You've been to New York, the Midwest, and Mexico City in the last little while. With the 30 or 40 seconds that are left, please touch on how that's gone and what you're hoping to achieve.

Mr. Kenney: Restoring investor confidence is a critical part of our job-creation strategy because of the flight of tens of billions of dollars of capital. That is why I committed in the last election to be much more active in promoting Alberta as an optimal place to invest around the world. I spent three days on Wall Street. I've been twice on Bay Street meeting with the largest financial institutions in North America, in Mexico recently meeting with some of the largest companies in the Americas. I hope later this year to be in London and Europe transmitting this same message. Part of this is to tell the truth about our record on ESG, environmental, social, and governance criteria in our energy production.

With the job-creation tax cut, the red tape reduction strategy, the royalty guarantee, and other policies that we are implementing, our goal is to be the most attractive jurisdiction in North America for new business investment, a message that's been well received.

The Chair: I apologize for the interruption, but I must advise the committee that the time allotted for this item of business has concluded. I will reiterate that any written material provided in response to questions raised during the main estimates should be tabled by the Premier in the Assembly for the benefit of all members. The vote on the estimates and any amendments will occur in Committee of Supply on November 19, 2019.

Hon. members, the committee has now completed its consideration of the main estimates for the 2019-2020 fiscal year. Thank you, everyone.

This meeting is now adjourned.

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

