



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on
Alberta's Economic Future

Ministry of Jobs, Economy and Innovation
Consideration of Main Estimates

Tuesday, March 9, 2021
7 p.m.

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Second Session**

Standing Committee on Alberta's Economic Future

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Standing Committee on Alberta's Economic Future

Participant

Ministry of Jobs, Economy and Innovation
Hon. Doug Schweitzer, QC, Minister

7 p.m.

Tuesday, March 9, 2021

[Mr. Neudorf in the chair]

**Ministry of Jobs, Economy and Innovation
Consideration of Main Estimates**

The Chair: Welcome. I would like to call this meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Jobs, Economy and Innovation for the fiscal year ending March 31, 2022.

I'd ask that we go around the table and have members introduce themselves for the record. My name is Nathan Neudorf, the MLA for Lethbridge-East and the chair of this committee. We will begin, starting to my right.

Ms Goehring: Good evening. My name is Nicole Goehring. I am the MLA for Edmonton-Castle Downs and the deputy chair.

Ms Goodridge: Good morning – or no. It's not morning. It's afternoon. Leila Goodridge, MLA for Fort McMurray-Lac La Biche.

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

Ms Glasgo: Michaela Glasgo, MLA, Brooks-Medicine Hat.

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

Mr. Toor: Good evening. MLA Devinder Toor, Calgary-Falconridge.

Mr. Bilous: Good evening. Deron Bilous, MLA, Edmonton-Beverly-Clareview.

Ms Pancholi: Good evening. Rakhi Pancholi, MLA, Edmonton-Whitemud.

The Chair: Thank you very much.

Now we'll go to the members participating virtually. When I call your name, please introduce yourself for the record. Mr. Rowswell.

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

The Chair: Mr. Walker.

Mr. Walker: Good evening. Jordan Walker, MLA, Sherwood Park.

The Chair: Due to the current landscape we are in, all ministry staff will be participating in the estimates debate virtually. Minister, please introduce yourself, and when your officials go to the podium to speak, please have them introduce themselves at that time for the record. Thank you.

Minister.

Mr. Schweitzer: Perfect. I just want to say a thank you to everybody for being here tonight. I'm looking forward to our discussion. I'm the Minister of Jobs, Economy and Innovation, Doug Schweitzer, and the MLA for Calgary-Elbow. Would you like me to introduce my ministerial staff and the department officials here with me today?

The Chair: Sure. Please go ahead.

Mr. Schweitzer: Perfect. From my ministerial office we have my chief of staff, Jonah Mozeson, as well as my press secretary, Justin Brattinga. With me is my deputy minister, Kate White; assistant deputy minister Sonya Johnston from financial services and senior financial officer. We have Paul LeBane, assistant deputy minister, economic and policy strategy; Chris Shandro, ADM for agency governance and program delivery; Jennifer Jabs, ADM for stakeholder relations; Jeanette Stead, executive director, finance and corporate services; Iris Dias, director of communications.

We also have here with us – we have many Crown corporations in JEI. We have with us David Goldstein, the CEO of Travel Alberta; David Knight Legg, the CEO of Invest Alberta Corporation; Laura Kilcrease, the CEO of Alberta Innovates; and Maureen Lomas, vice-president of finance at Alberta Innovates. We also have Kristina Williams from the Alberta Enterprise Corporation. Did I miss anybody?

The Chair: Thank you, Minister.

I would like to note the following substitutions for the record: Mr. Toor for Mr. Barnes, Ms Goodridge for Mr. Reid, and Ms Glasgo for Mr. van Dijken.

Before we begin, I would note that in accordance with the recommendations from the chief medical officer of health attendees at today's meeting are advised to leave the appropriate distance between themselves and other meeting participants.

In addition, as indicated in the February 25, 2021, memo from the hon. Speaker Cooper, I would remind everyone of committee room protocols in line with health guidelines, which require members to wear masks in committee rooms and while seated except when speaking, at which time they may choose not to wear a face covering.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Those participating virtually are asked to turn on their camera while speaking and to please mute their microphone when not speaking. To be placed on the speakers list, virtual participants should e-mail or send a message in the group chat to the committee clerk, and members in the room are asked to please wave or otherwise signal to the chair. Please set your cellphones and other devices to silent for the duration of the meeting.

I'm just going to review speaking rotation and time limits for the record. Hon. members, the standing orders set out the process for consideration of the main estimates. A total of three hours have been scheduled for consideration of the estimates for the Ministry of Jobs, Economy and Innovation. Standing Order 59.01(6) establishes the speaking rotation and speaking times. In brief, the minister will have 10 minutes to address the committee. At the conclusion of his comments a 60-minute speaking block for the Official Opposition begins, followed by a 20-minute speaking block for any independent members, if there are any, and then a 20-minute speaking block for the government caucus. Individuals may only speak for up to 10 minutes at a time, but time may be combined with the member and the minister. The rotation of speaking time will then follow the same rotation of the Official Opposition, independent members, and the government caucus, with individual speaking times set to five minutes for both ministry and member. These times may be combined, making it a 10-minute block. One final note. Please remember that discussion should flow through the chair at all times regardless of whether or not speaking times are combined. If members have any questions regarding speaking times

or the rotation, please feel free to send an e-mail or message to the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting. However, the three-hour clock will continue to run. Does anyone oppose having a mid-meeting break? Hearing none, we will co-ordinate that time with the other committee to make sure that we don't all end up breaking at the same time.

Ministry officials, at the direction of the minister, may address the committee. Ministry officials are asked to please introduce themselves for the record prior to commenting. Space permitting, opposition caucus staff may sit, appropriately distanced, 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 three 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; however, the speaking block time and the overall three-hour meeting clock will continue to run.

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

The vote on the estimates and any amendments will occur in Committee of Supply on March 17, 2021. 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 as a courtesy, and an electronic version of the signed original should be provided to the committee clerk for distribution to committee members.

I now invite the Minister of Jobs, Economy and Innovation to begin with his opening remarks. Minister, you have 10 minutes.

Mr. Schweitzer: Thank you so much, Mr. Chair, and thank you, colleagues and officials, for being here tonight. I'm really looking forward to this discussion. I know a lot of it will focus on our economic recovery plan here in the province of Alberta. I'm looking forward to providing you with lots of details around that strategy. You know what? I'm going to provide in my opening remarks here, as much as I can in 10 minutes, details on the programs that we're really focused on in this budget as they relate to jobs, economy, and innovation.

But before I jump into that and the sector strategies that we have, I want to kind of provide some macro context, relevant information for the approach that we're taking for our recovery plan. At that high level there are three pillars that we have in our strategy that were foundational for us to make sure that we attract investment and growth into the province.

The first pillar is making sure we have the lowest possible taxes in the province of Alberta. That's why we've accelerated the job-creation tax cut down to 8 per cent. That's absolutely critical for our strategy, making sure that we're the low-tax jurisdiction so we can attract investment into Alberta. When you take a look at Canadian corporate taxes right now, Alberta has the lowest corporate taxes by a country mile. If President Biden goes through with his campaign commitments, Alberta will have some of the lowest corporate taxes in all of North America. There might be one or two states in the U.S. that can compete with Alberta if he goes forward with that strategy. That was critical for us as part of our recovery plan, to send that signal that we want to make sure Alberta is the low-tax jurisdiction.

Secondly, efficient government. That's why we have to make sure we've got our fiscal house in order and make sure we get efficient spending. For a long time, for numerous decades, we overspent. We were the leader in the whole country per capita when

it came to spending. We have to bring that spending down into line, and this budget has us on a trajectory to bring our spending down to that national average with respect to the big provinces in Canada, the big four. The next piece around efficient government is around red tape reduction and the goal of reducing red tape by a third. Early estimates by the red tape team are that we've saved businesses about half a billion dollars already, to date, through those efforts, and that's encouraging. That's another key part of our efficient government strategy.

The third pillar is around talent, so working in collaboration to make sure we have the talent for the jobs of today and tomorrow and making sure we have retraining opportunities. A lot of those are in other departments, but it gives you context for the recovery plan. That's the macro strategy. Those are the ones that help make sure that we have the best economic environment to attract jobs and growth. When it comes to the sector strategies, I mean, we have strategies for everything from energy, agriculture, forestry, building on our foundation here in our province. We have an amazing foundation to build on, and we want to make sure we're very purposeful in our approach as we work towards diversification. This recovery plan is the largest diversification effort in my lifetime, and it's critical for us that we implement this across the board.

7:10

When you take a look at our own strategies within our department, with our team at Travel Alberta we're turning that into a destination management organization to still hit our goal of doubling revenue in tourism by 2030. That's why we've increased their budget by \$22 million.

When it comes to the film and television industry, we're already having our best year in over 20 years by being much more strategic with our tax credit and the structure that's in there. I'd love to get into questions on that front. Again, we've been purposeful in engaging with HBO, engaging with Netflix, engaging with Disney, making sure that they know that Alberta wants their investment. These are multibillion-dollar companies. They want to invest. This isn't just purely arts. There's an arts and culture element to it, but it's big business, and we want to make sure we attract Alberta's share of that pie that wants to come into Canada.

The next part, around tech and innovation. I mean, we're having record years. Like, 2019 was a record year. Then 2020 blew it out of the water. When you take a look at Calgary, for example, before, I'd say two or three years ago, you know, if you talked about tech as an opportunity for diversification, it would really have been like: yeah, that's cute, but is it real? Now you actually have tangible proof points on the ground. You've got Benevity, with a billion-dollar unicorn transaction; you've got Attabotics, again on a trajectory, could become another unicorn; you've got Jobber in Edmonton, again, another company growing, raising an immense amount of capital early this year; Symend, again, went from 50 employees to 250 employees in the last year, on a trajectory to over 500 in the next 12 to 24 months. Neo Financial, challenger fintech bank, started by the people that did Skip the Dishes: again, they went from a handful of employees a couple of years ago to 200-plus now.

This is a real play for us. That's why we did the investment into the Alberta Enterprise Corporation for \$175 million over the next three years. We brought in place the innovation employment grant to make sure we have the most competitive structure to allow for research and development and start-ups. That's critical for the strategy long term as well.

We started up Invest Alberta as the business development arm for the government of Alberta. That is critical. We also have the

investment and growth fund that's in our budget here. I'm happy to take questions on that one. The site competition fund is going to allow us to continue to attract investment into the province of Alberta.

When it comes to pharmaceuticals as well, we've put \$20 million into the Li Ka Shing institute through Alberta Innovates over the next four years. That's critical, and that strategic investment has been going on all the way back to Premier Stelmach. When we talk about some foresight of previous governments, I mean, that right there is a critical one that is going to be a key part of our diversification effort long term. They're already developing out, you know, vaccines for hep C, other pharmaceutical drugs there. They've attracted a Nobel prize winner, Dr. Houghton, to work with them. That's why we've funded their research, so they can continue on that process to get to human trials and, hopefully, get to the commercialization of products here in Alberta.

With that building block that we have, here in this pandemic that we have in our province and across this country and across the world, it is time for Alberta as well to leverage that investment. That's why just this last week we've asked for proposals. We're aware of at least five in Alberta. We have two vaccine developers here in our province. We're blessed with that. We need to champion it and look for opportunities for them to come to us with proposals for long-term development.

We've been in the media just the last few days talking about this. We want to see what those proposals look like. We want to make sure that we can work with them to develop it out for the long term in Alberta. It may not be here for the first phase of the pandemic. It may not be here for – hopefully, the federal government can get its vaccines into the country. We've seen vaccine nationalism. We've seen challenges with domestic supply chains and international supply chains in response to the pandemic. We need to make sure we start looking at this differently, and that's why we're asking for those proposals.

That's why we've set up contingency funds as well in our budget. We've got \$1.2 billion in Health because we don't know what other curveballs could come at us in this pandemic. We've got \$500 million for economic recovery. Again, we don't know what curveballs could come at us in this pandemic. We need to start thinking about this more strategically. We invest in food security. We invest in our military to make sure we have national security. It's time for a conversation about: how do we make sure we have health security long term in the domestic stage here in our country, here in Alberta? I do believe that Alberta has a leadership role to play.

When you take a look at AHS and the immense buying power of Alberta Health Services, you know, they right now – earlier in this pandemic we saw it with PPE and masks. What did we have to do with masks in order to drive that here? We saw it internationally, masks being stopped on the tarmac. We made sure that we invested in the development of masks here in Alberta, PPE here in Alberta.

A lot of people didn't even know what PPE was before this pandemic. I didn't know what it was, really, before this pandemic. I kind of knew that there were masks and other things out there. We learned through this pandemic that PPE is critical from a health security standpoint, and now it's time for us to – we can't wait to see what those proposals have – take a look at how we could potentially harvest that, the immense amount of time and investment that's gone into pharmaceuticals and vaccine development in Alberta, to leverage it for potential economic diversification. That's just, really, a topic of the day. I think it's really meaningful for what we've done.

You'll also see in our budget, as well, I mean, the relaunch grant that we put in place. Again, you'll see the line item. I know we'll get questions on it, but there's about \$575 million that we

earmarked just for the relaunch grant. This is for support of up to \$20,000 to small businesses. We've had over 57,000 businesses already qualify for funds. We've distributed up to almost \$400 million to date out of that fund. We budgeted \$575 million. Applications are still open until the end of March. We still are receiving applications now.

As well, you'll see the fact that we've talked about the enhanced COVID-19 business benefit, that won't be launched until April. The funds for that will be out of the \$500 million that we've set aside as a contingency fund for the recovery plan. Again, what we experienced with the initial relaunch grant: initially the budget for it was \$200 million. Then we got into a second wave. Then we heard from further businesses, as we put in place the steps, as well, for the reopening, that further steps were required in the province to make sure we supported those small businesses. We're going to continue to listen to the small businesses and, as this evolves over time, continue to be there to support small businesses in Alberta and businesses of medium size and also the not-for-profits that are eligible for the support as well.

Now, when it came to the enhanced COVID-19 business benefit, we wanted to make sure that we were there for those businesses that were impacted the most. When we went into the second wave of the pandemic, for the relaunch grant we knew that it was a wider net with the health measures that were brought in, so we had to have a wide net with our relaunch grant. Now that we had more targeted reopenings – we're into step 2 now; hopefully, we can get into step 3 and step 4 as vaccines continue to come out – we knew that we had to be there for the most impacted businesses, that we knew we were asking to sacrifice more. That's why we put the additional up to \$10,000 that's going to be available in April through the enhanced COVID-19 business benefit.

I'm getting that hand wave by the chair, so I will stop there and go from there.

The Chair: Thank you, Minister.

For the hour that follows, members of the Official Opposition and the minister may speak. The timer will be set for 20-minute intervals so you are aware of the time.

Who will be speaking? Mr. Bilous. Do you wish to block time or share time?

Mr. Bilous: I prefer to share time if the minister is okay with it.

The Chair: Minister, would you be willing to share time?

Mr. Schweitzer: No.

The Chair: No? Okay. So block time. It'll be 10 minutes. You'll speak up to 10 minutes at a time and then back and forth. We will set the timer to indicate the 10-minute blocks.

Mr. Bilous: I'll begin. I'm quite surprised, Minister, that you're not willing to go back and forth. I thought we were going to have a good conversation rather than blocks of time. It just makes it a little more challenging to have that robust conversation that you spoke of to start with.

I will start off by thanking you, Minister, for being here tonight. I want to thank each and every one of your staff in JEI, many of them former staff of mine in economic development and trade. You know, I used to brag about how we had the best staff in EDT in government, and I'm sure that that legacy has continued.

[Ms Goehring in the chair]

I will just state at the outset – and I know that I've mentioned this to you in the past – that I recognize we're not in question period.

The purpose of my questions tonight is not to try to score political points, but quite frankly it's to drill down on the numbers on the budget. I mean, you know this, Minister, that you and your colleagues in Executive Council are the administrators of the public purse, and it's our job as the Official Opposition to ensure that there's accountability and oversight and that there are outcomes that are being delivered for Albertans' tax dollars. If we did go back and forth, which I'm hoping for maybe in the second or third block, when you see that I'm not here to try to pounce on you, you know, at times, if we do get to that, if I interrupt you, it's only because we have a lot of material to get through. This is one of the challenges, quite frankly, with going in full blocks.

You know, I will start off by saying that, Minister, it's great to hear you talking about diversification. It's great to hear that your government has now embraced tax credits and other tools. That really, you know, is a 180-degree turn from about 15 months ago, when diversification was a luxury that Alberta couldn't afford. I think we've all recognized that we need to build on our strengths.

7:20

I want to start off by talking about sector strategies. I appreciate that your government is working on them. I'm curious. When we were government, we did start work on sector strategies, so I'm interested to know if you're continuing some of the work that was already done under our government – of course, much of the work was carried out by the department staff, so it wasn't a political sector strategy – or how your sector strategies are going to be developed.

I'm quite interested to know who you're working with from industry. If you could be specific, Minister. You know, how will you ensure that expertise and inputs that are already created with existing entities? Now, I'm talking specifically about Calgary Economic Development, Edmonton Global, the Alberta Industrial Heartland. How will you engage with them on the sector strategies? My hope, Minister, is that it's going to be more than just a one-time survey on what they think they should be doing.

[Mr. Neudorf in the chair]

Now, I had a good conversation this morning with your colleague Minister Toews as far as how the sector strategies are funded. I found it very interesting that much of the funding is coming from the \$500 million in contingency that's laid out in schedule 6. Now, we know that it's been a wild year, and I know that the outlook may seem a little more certain moving forward, but we don't know for sure. I can tell you, Minister, that many Albertans were under the impression that the contingency was in case there was an economic stress continuing from the COVID-19 pandemic, that if things got worse, this was money that could be spent on further supports for small businesses or protecting livelihoods. I'd like to know how these funds will work. Is the money earmarked for sector strategies, which, as I've said, Minister Toews said numerous times this morning in TBF, or is this a case that it's spent either on sector strategies or on small businesses and livelihoods or on sector strategies if COVID-19 doesn't get worse or we don't need to allocate further funds for it? I am curious to know if there are in your existing budget any dollars for some of the earlier sector strategies that you've talked about. I'm hoping that you can help us understand that.

It is interesting, Minister, too, for the government to be planning to spend \$500 million in one fiscal year with strategies that haven't even been built yet. That is a significant amount of money to try to get out the door when, again, we see, for example, the natural gas strategy that was announced. There's hardly been any spend on that

money so far. I'm not sure how, then, strategies under development now can already have money attached.

The other thing I just want to touch on is the fact that I'd love to know, Minister, if you have any job projection numbers. You talked about sector strategies. We talk about diversifying the economy. Can you show us the business cases of where money needs to be invested and what the outcomes are that we're going to get for it? I find it challenging – and, I think, so do Albertans – to wait and see and just trust that this \$500 million will go toward worthy projects. It's very difficult to ask questions specifically on how the money is going to be spent – which strategies, who's going to get it, who decides that – without having that information in front of us. Again, if you have any kind of job projection numbers – the Minister of Finance couldn't produce a single one, which is coming to all MLAs to ask for approval for a \$500 million fund with no plan on how to spend it, no outcomes that you're striving towards, and no job projection numbers. That's a little disconcerting. Just a reminder for Albertans: by our calculations we've pegged the sector strategies ministry spend at about \$919 million, which is about 30 per cent of the \$3.1 billion stimulus package that your government is proposing.

If we move over to small businesses, you recently announced the enhanced COVID-19 business benefit, which is another \$120 million to support small businesses, which, of course, is absolutely urgent. You know that we've been calling for additional supports for many months now, especially for small businesses. I'm curious, Minister, if you can clarify or point to the line number in the budget that this \$120 million is a part of. Is it in your ministry, or is it in COVID relief? Where is it in the GOA budget?

The program seems to target some of the most impacted businesses. Many of them are quite anxious to understand the program a little better as not all the parameters for the program were published at the time it was announced. Is this something you're still working on, or can they be shared?

Many small businesses still don't qualify for any subsidies because of their lack of revenue, yet the new grant still requires lost revenue. How do you guarantee that more businesses that did not have access to the previous grant will in fact be able to access this grant?

I'd like to know as well, Minister, the logic behind having a limit on previous supports for the new small-business grant programs, because it seems to me like it may limit many of the businesses that are the hardest hit, industries like live concert venues, fitness studios, banquet halls, rec centres. Many of these businesses have not even operated for months, but they've been accessing every dollar they can because they are trying to stay afloat. It appears that this new program will deny those businesses from accessing this funding. How will the 80 per cent of revenue covered by previous grants work? Is that for one month? Is that total over a year? Again, the hardest hit businesses have been collecting for months because they haven't had their doors open – they can't – so now they're disqualified. It seems unfair.

We had concerns that the new benefit might be too late for some businesses. I think that in this pandemic we also learned that there are a couple of issues that challenge small businesses. Maybe under key objective 1.1, are you working with other ministries on some priorities like possibly capping delivery fees, which, it has become clear, could be a challenge, or other relief measures in the next couple of months; for example, looking at insurance rates, a ban, possibly, on commercial evictions? Are there any other programs you're working on?

You know, again, programs like Business Link, Futurpreneur, the small-business pilot program: will they still be funded? Where in your budget line items do they fall under? Are there any challenges

to these programs or new program supports for these small businesses that access these supports? I can tell you, Minister, that new small businesses only received a third to a quarter of the small and medium-sized enterprise grant of what was established because they were able to multiply their initial sum they received. Why did new businesses not have a similar multiplier, and is that something you're looking at fixing for new businesses?

Thirty seconds, Chair? Wonderful. Well, I will see. I'm moving into whole new categories next. I will give you a forecast of what I want to talk about, and that's your third pillar, dealing with your macro strategy on talent and trying to square up certain budget decisions that the government has made, cutting some areas while now giving back money to others.

The Chair: Thank you.

Now, Minister, you have up to 10 minutes to respond. I will try to put my hand up at one minute to give you a little warning, and I will try to do the 10-second warning as well as best I can. You have up to 10 minutes.

Mr. Schweitzer: I appreciate it, and thank you so much, Chair. I was a little bit surprised that the member wasn't aware of the two times that I've done this with Justice, where I didn't share time either time at Justice. Maybe if he'd done his homework on these items, he would have known that what I actually find, having done this now for what would be my third time, is that the discussion and debate actually are enhanced by doing it with this approach. The reason why I say that is that now I have a much better understanding as to the areas and issues that you want to cover off, and I can give you more fulsome answers in response versus trying to guess as to what you're trying to get to or get at, so this is very helpful.

I really appreciate the number of questions that you've asked about a whole range of topics, and I'll start with: you asked for some examples of items that are in the recovery plan that we budgeted for in this budget. A perfect example: the Alberta Enterprise Corporation – this is right in my own ministry – \$175 million over three years. You'll see that as a line item in this budget. As far as the \$75 million, then the \$50 million, you'll find, actually, with the Alberta Enterprise Corporation – you would have experienced this when you were the minister – that sometimes it's an accounting exercise, but they need that dedication of funds over a long period of time, so we've committed to the additional \$175 million of funds so AEC has the line and line of sight so it can go out and work with venture capital.

You'll actually see one line item in the budget around \$25 million. That's actually a promissory note from '16-17. Now we're finally realizing on that promissory note and providing the funds for AEC as an item that's in there. That is just, you know, one example. I know you're familiar with how AEC is funded, so I just want to highlight that that's in there.

7:30

Another perfect example is the innovation employment grant. That is in our budget here for this ministry as well, the innovation employment grant. That, again, is forecast to grow over time. It started in January of this year, and that is in the budget going forward as well.

Those are just a handful of examples of programs that are in the recovery plan that are here as well.

When it comes to the tourism sector, again, we're dedicated to still hitting our 2030 target. We've been there to support the tourism industry with the tourism levy abatement, providing \$8 million to DMOs, but we know, going forward, that we're going to have to continue to be there and, hopefully, have a robust recovery as well

in tourism postpandemic. I'm sure you're looking forward to and I'm looking forward to being able to travel again. Hopefully, we can continue to be that destination of choice for people from around the world to come and experience what we have to offer here in Alberta. That's why we've dedicated an additional \$22 million to Travel Alberta, asking them now to actually grow their presence and become a destination management organization.

The new CEO, David Goldstein, if you haven't had a chance to talk or meet with him yet, is an amazing guy. He came to us from Destination Canada, a world of experience on this file, so we in Alberta are lucky to have him. I share your sentiment that we have one of the best teams in government here in JEL. Again, I think that we're in good hands there, and I'm looking forward to him developing a strategy to get us through the pandemic as well as to go forward.

As far as the items for the recovery plan contingency fund, the \$500 million that's been set aside, \$120 million for the enhanced COVID-19 business benefit will come out of that contingency fund. Part of the strategy for setting aside a contingency fund, which is the responsible thing to do in a pandemic – I mean, with the relaunch grant we thought \$200 million would be sufficient earlier on in the pandemic. It ends up that just this budget year alone \$575 million needed to be budgeted for that response. If we end up in a situation where we get a third wave, a big spike, a significant amount of resources are going to need to be there to support small businesses, and that program may need to be looked at and examined to expand its scope, expand its opportunity of reach. We did that numerous times with the relaunch grant, and we may need to do that in the future. I know this isn't a normal budget year with respect to dealing with the pandemic, but hopefully long term you'll start to see more and more meat on the bones as that continues to develop.

The recovery plan and what we need to do: a perfect example, as I was talking about, is tourism. Some of that may need to pivot depending on when travel can reopen. We need to have some flexibility in this budget. We're going to continue to be transparent. We'll be there in the House for question period, and we'll be able to answer questions at any time. I know you and I have a good working relationship. I'm happy to take you through things from time to time to give you updates as well as matters progress.

I just want to talk a little bit as well about the sector strategy development and engagement. I share your observation. We have some excellent organizations across this province that we've been engaging with: Calgary Economic Development, Chambers of Commerce. I've given numerous speeches already to Chambers of Commerce, but the best part about giving those speeches is actually the opportunity to engage with members and receive feedback, get their advice, get their ideas, have them come into the process as well, so we're going to continue to engage with, you know, Edmonton Global, chambers, stakeholders groups.

As I mentioned earlier on, when it came to film and television, where we're having our best year in 20 years – honestly, when I came into this file, it really just needed a little bit of a business lens and engagement strategy for the file. We've had regular conversations with producers here in Alberta. We've talked to international investors in this, so from HBO to Amazon to Netflix to Disney, making sure that we got the tax credit structured properly in Alberta so it's actually competitive, so it draws people in.

The one thing that I thought was interesting was that historically – you know, under the previous government we were investing in films like *Togo*. Great film. Amazing film. Love it. Dogs are awesome. Highlights mountains. Cool. But if you want to grow a film and television industry in Alberta, you need to attract television series. Now we actually have five television series that are

significant investments in Alberta. That's how you build a year-on-year labour base, because they know they have the potential for that series to get renewed the next year. We've been very strategic in going and talking to film and television organizations saying: "Look, we want you to invest in Alberta. We want television series." We don't want the big splash of a \$200 million production that's here for half a year and gone and there's no labour certainty for the marketplace. We want to be able to have a long-term strategic investment. That attracts film studios. That attracts long-term investment into that area. That's really a critical part of our strategy.

When it comes to the enhanced COVID-19 business benefit, so in order to be eligible for this program, the final details will be published in April, when the program goes live. When we made the announcement, we really wanted to make sure that it was for those businesses that had been severely impacted. We had an immense amount of data from the 57,000-plus businesses that have already been approved for the relaunch grant. When we designed it, we did a sensitivity analysis, taking a look at: okay; how are different businesses impacted? We explored: now, do we want to just make it for one industry? Should we just go tourism? But the problem is that so many businesses are tourism businesses. You can't just isolate one. Then all of a sudden you've got, "Am I in or am I out of this program?" from an eligibility standpoint.

A perfect example as well is the restaurant industry. If you had an excellent take-out game, if you had drive-through, if you had a certain, you know, kind of tailored for pandemic type of food product, this last little while, with the federal benefits that have been there as well, many of those businesses have been able to do okay. Some of them have. Many have been severely impacted, though, and we all know those stories. They're heartbreaking. We're trying to make sure we tailor this for the ones that have been impacted the most, where the supports haven't been there.

For the enhanced COVID-19 benefit, it drops in 60 per cent of revenue but also making sure that your losses aren't made up for by 80 per cent, so the eligibility criteria is that 80 per cent threshold not covered by other programs. Some of the federal benefits are very well designed for particular businesses but not as well designed for others; for example, gyms. Not as well designed for gyms versus a restaurant. We've heard that feedback loud and clear, so we went out and we took a look at the data. That's why we believe that 10,000 to 15,000 businesses will be eligible for this new program. As well, it'll cost in the neighbourhood of \$120 million based upon the uptake that we have with the relaunch grant in Alberta. Those are rough estimates.

But you know what? We want to make sure we continue to listen to businesses, just like we did with the relaunch grant. We heard feedback from small businesses saying: "What about sole proprietors? What about new businesses that started up during the pandemic?" We had 10,000-plus businesses start during the pandemic, so we had to make sure we made those adjustments. We announced them in I think it was early January. They came into force in February for people to apply, making sure we covered any issues. This goes to that whole strategy of a pandemic, where you have to continue to be adaptable, continue to listen.

The current enhanced COVID-19 business benefit is designed based upon the federal programs that are in place as well, trying to find gaps in those federal programs. Now, if the federal government goes to an election and a new government is elected and there are different programs, obviously we're going to have to make sure we continue to listen to small businesses in the province. As well, if we see an increase in cases or there's a disruption in vaccine supply, we'll have to continue to listen to businesses in our province to make sure that we are there to help continue to support them.

You asked questions around jobs. We're continuing to refine the sector strategies. I know you're a fan of the tech sector. I don't mind doing a little bit of fun here as well with you. I know you're the sole member of the NDP capitalist caucus on the tech sector side. On that area, I mean, we're looking at: how do we flesh out what we call – I love government things – Addis strategy on tech. There are groups like the A100, which have set an ambitious goal for jobs, and new companies are being created. We're exploring programs and . . .

The Chair: Thank you, Minister. That concludes your 10-minute block and the first 20 minutes of the hour.

Mr. Bilous, back to you for up to 10 minutes.

Mr. Bilous: Yeah. Great. I just want to see if Minister Schweitzer is willing to do a back and forth, and my reason behind it is that I actually feel the opposite. I think that if we can go back and forth, then we engage in a discussion, so if there are things that maybe I feel require a little more clarification, then you're able to share that information, and for other areas maybe I feel you answered through and through. I don't know, Chair, if we can ask at every interval if the minister has decided to change his mind and would like to go back and forth.

The Chair: I am willing to ask the minister.

Minister, would you like to share time or continue with block time?

Mr. Schweitzer: You know what? I'll do this for everybody here today. We'll go with what we just went through right there with block time. Again, I really do enjoy the opportunity to listen fulsomely to the questions that will be asked so I can come up with coherent answers and understand the topic areas that people are going into.

Again, I really thought that last 20-minute exchange was worth while and valuable. Looking forward to the next exchange.

The Chair: I will provide one point of clarification for all the members of the committee, that if you happen to speak for time less than 10 minutes, you do not lose the rest of your time in that block, but you do hand it over to the minister to use up the full 10 minutes as he desires. That is one option. But the minister is going to continue with this format.

Mr. Bilous, to you.

7:40

Mr. Bilous: Yeah. Thank you, Chair. I mean, with respect, Minister, I think I got a couple of answers in there in that 10 minutes.

You have shared with us that \$120 million of the \$500 million contingency is for business supports, which leaves about \$380 million. You did rightly and aptly point out that another wave could result in needing even more supports. Now, I think what you've answered, Minister, at least what I've taken from it, is that if there is a third wave and need for other support programs, there could be zero dollars for sector strategies this year because that fund, really, is a contingency/slush fund for a number of different ministries, obviously, Treasury Board and Finance being one of them.

My questions in this round – and I would love to engage with Mr. David Knight Legg, the CEO of Invest Alberta. I've got a number of questions. I'm hoping that he will be allowed to answer questions as the CEO.

Now, in 2021 the budget to Invest Alberta was \$6 million. This year's budget they're receiving a 400 per cent increase, raising the budget to \$25.25 million. Again, for Albertans at home, that's the

first of a three-year, \$25-million-per-year budget commitment. I'm hoping that Mr. Knight Legg can provide a breakdown of this increase, including the outcomes that Invest Alberta is expecting to achieve. I think Albertans deserve to know what metrics are going to be applied. How do we measure progress? What are the milestones? What are the outcomes? I would like to know: out of the \$25 million budget, how much is allocated towards salaries? As well, if we can get a breakdown of those salaries and positions. I'm also curious to know how the compensation schedule over at Invest Alberta compares to the public sector.

As well, I know in this budget there's the \$10 million final mile, or as some like to call it, the final inch. I have talked to a number of different economic development groups around the province that are excited about this fund. I would like to ask Mr. Knight Legg what financial instruments he's planning to use and if he can be specific. Are we talking about equity stakes? Are we talking about loans? Are we talking about guarantees? Are we talking about straight-up grants, abatement of taxes? So if he can provide details on how the money is being allocated.

Mr. Knight Legg and I have spoken about how Invest Alberta intends to work with the local economic development arm, so specifically Edmonton Global, Calgary Economic Development. What I'd like to know is: how will your instruments be prioritized and integrated into the work of these entities? We all know that these entities are already doing incredible work to attract investment, to work, you know, and have a footprint and relationships around the globe. I appreciate that Invest Alberta sees a critical role in that final mile, but how can we ensure that Invest Alberta is working hand in glove with these entities and that also, on the priorities that they're working on, suddenly we aren't competing with our own local development agencies for different potential investments and companies?

I know that there was talk about working with international law firms, other types of professional companies through Invest Alberta. I'm hoping, you know, Mr. Knight Legg can tell us quickly how he's going to make sure the incentives are aligned. Is that being done in other jurisdictions? I'm curious to know how they are structuring or positioning for our economy to attract capital.

I know outcome 2 in the fiscal plan, the mandate in the act set out that corporations should seek out high-value investments. You know, has any work been done to further define this? Can Invest Alberta table any analysis for data that'd be done to identify these kinds of investments, including job numbers? What are the qualifiers for high-value investments? What are the benchmarks?

The other questions that I have here. This fund is very similar and I believe is based on the Texas enterprise fund. Now, that fund has had some challenges, quite frankly, Minister, including some scandals, where after deals were completed, there weren't proper safeguards in place, so companies that were supposed to be coming after contracts were signed and received millions of dollars as incentives to locate tried to renegotiate their contract, sometimes in secret, to get a better deal. Just curious to know what safeguards are in place to ensure that that doesn't happen.

You know, it's interesting. Again, we're in favour of this idea, but I can tell you that for the last two years and, in fact, the last six years Conservatives have continually talked about picking winners and losers. Well, if you have a fund that is only going to be going with targeted investment tools, targeted tools, then how are we not picking winners and losers, or how do you square that round hole? Will every company that comes to Invest Alberta see the benefits? Again, how is Invest Alberta making these decisions?

I want to jump to international offices. Line 3.2 has this year's budget as almost a 50 per cent cut to our international offices. I'd

like to know how that decision was made. How are you supporting Alberta businesses trying to access new markets or sell into overseas markets in order to create jobs back here at home? How will we have boots on the ground to promote Alberta?

Now, I know that, you know, there's talk about using some firms to do the same job that our international offices did previously. I'd like to know how these firms are going to prioritize Alberta. For example, in-market there are a number of Canadian provinces that contract these types of firms. When these firms are meeting with potential clients, why are they advocating for Alberta if they're also a client of the government of Ontario? How are we bringing them here? How do we ensure that we're going to get outcomes? Again, in my time overseas I met with a number of consuls and embassies that talked about jurisdictions that only hire in-market contractors, and some of them – the bad ones; not all, of course – will do as little as drop off a business card and collect a paycheque. How do we ensure that we are going to get the outcomes? How are we promoting Alberta? Especially, Minister, to your points, how are we achieving the objectives that you have if we are limiting and reducing our footprint in other jurisdictions when we know the world is shrinking? It's a giant competition. We need to be in-market if we want to have a chance to attract investment and companies.

You know, despite how you feel, Minister, the corporate tax rate is only one factor when companies decide where to go. I'll give you a little preamble. We're going to talk a little bit about postsecondaries in my next set and talent, talent development, talent attraction, and this fits with that directly.

I'd just like to know, finally, around Invest Alberta: what are the accountability measures that are in place? How does Mr. Knight Legg define success? How are they held to that definition? Will these contractors still be paid if they attract zero companies, zero investments, and cannot deliver on their outcomes?

Mr. Chair, is my time running out?

The Chair: About 30 seconds.

Mr. Bilous: Oh, wonderful. Well, then we can jump into – you know, my next line of questioning is around the role of postsecondaries to attract, retain, develop world-class talent. Minister, I know that postsecondary has its own budget – it's its own ministry – but I really hope that you're able to talk about the fact that they play a critical role, our universities, in you delivering on your mandate to help job creators.

The Chair: Well done. Thank you, Mr. Bilous. I appreciate your work there.

Minister, you have up to 10 minutes to complete the second block of time.

Mr. Schweitzer: I really appreciate it. And, you know, just thank you for your passion about this topic. I'm really looking forward to addressing the questions that you've asked. It's a bit odd to ask a question of a president, a CEO of a Crown corporation, because the questions you've asked are very high level and conceptual at best. Very happy to dive into them with you here today.

One thing I'll just flag for you, and this is actually really encouraging. I'm not sure if you saw the news on this already, but BMO just came out with revised projections, where Alberta is leading the country in growth this year. I thought that that was just so heartening after many hard years. The last five or six years have been challenging in Alberta. The pandemic really threw a monkey wrench into it as well, but to see that growth projection: I think it's just really encouraging for us to see it.

But it's not going to distract us from our strategy to diversify. The reason why I mention the strategy for diversification is that the two successful files to date that Invest Alberta has been a part of are all about diversification: mCloud, relocating a tech company. Let me just give you a little bit of detail on mCloud. mCloud is an AI tech company, headquartered in Vancouver, that finds ways to be more efficient with energy; you know, power usage in buildings, the energy sector, all of those things. They like what we're doing in Alberta. They see growth opportunities in our province. They've moved their headquarters from Vancouver to Calgary because we have momentum, we have tech space momentum that they want to be a part of.

7:50

Also, I'm not sure if you saw the article recently that came out from Calgary Economic Development. We have more head offices today in Calgary than we did in 2018, when you were minister. That's a good-news story, even through these hard times. We all know how hard it's been, how many people have lost jobs during this pandemic, and we still have more head offices now, and we're attracting head offices to our jurisdiction.

Now, I would argue – and maybe you're more cynical than I am – that the job-creation tax cut is a really key incentive for those companies to say: look, I want to be there. They buy into it. They know that they have to be competitive. They know that the red tape reduction is critical. They know they have to have the most competitive environment. They want to be a part of that.

Before the second wave of the pandemic I had an opportunity to travel to Vancouver, Winnipeg, other places to meet with businesses, and we talked about the infrastructure that we have in this province. We talked about the opportunities, the cost of living, the quality of life that we have to offer. We talked to a hydrogen company in Vancouver. They're going to struggle to scale in Vancouver, but they can do it here in Alberta. We also have the best infrastructure. We've got the intellectual horsepower they need. They can pay the price point that they want to pay for labour, and their employees have a quality of life where they can afford a home. Amazing selling features.

Another thing, too, that Invest Alberta is going out there to market is just another example, and I'm sure you've heard about this one. I didn't see any notes or tweets of support from the NDP. I was actually a little bit surprised given that your leader put out an op-ed talking about the need for a strategy for downtown Calgary. I was surprised. I thought this was, like, a cheerlead for Alberta, a team Alberta moment. And the crickets, like, crickets on the NDP side. I'm just surprised.

You didn't even say boo about 500 new jobs coming to Alberta with Infosys. This is one of the largest tech companies in the world betting on Alberta. Silence from the NDP. I thought you were a tech advocate. I thought you believed in the tech industry. I thought your party believed in the tech industry. Crickets. Crickets.

Those are just two successes right now, today, for Invest Alberta. That is just the beginning. They're working on many files. You're going to hear about them in the media as they continue to close going forward. But you know what? With the energy markets turning around a little bit, the WTI over \$65, and the BMO forecast as well for this province, it's starting to look as though the tough times that we've had – hopefully, we've got brighter times ahead, and the forecasts are starting to show that. That's encouraging news to many Albertans.

Now, when it comes to FTEs, Invest Alberta has 20 FTEs. When it comes to their budget, about \$5.6 million or so for salaries, \$19.6 million for supplies and services. And, on the FTE count, they also have consultants and other things. It's not like a pure apples-to-

apples, normal government FTE count. We can deal with that when it comes to further estimates and budgets that come into it. That's beyond the scope of what we're trying to get into here today.

When it comes to their strategy, they have hired people in a host of sectors, making sure that they engage them. Some of them are going to be there full-time, some are going to be there part-time, and some of them are going to be expertise, where we can, you know, get them to come into our offices. We have met with them on a regular basis as we've engaged stakeholders out in the community.

You referenced accounting firms, law firms, financial institutions. This is a bit of a shift in mindset versus what I would say the previous government would have. I came from a large international platform at a law firm. We're out there marketing. We're out there trying to bring business into our home jurisdiction because we get compensated as professionals for bringing in deals, bringing in files. So we want to leverage all of those platforms in Alberta that have a national and international presence, that have clients around the world and clients in Canada. How do we support you to bring business into Alberta? We want to partner with you to bring investment into Alberta. That is mission critical for us.

So we've met with as many accounting firms, law firms, financial institutions as we can to build those bridges. I've done that. I know we've invited and had membership from Invest Alberta there. They're doing their own meetings as well to make sure that this is truly a team Alberta approach to attracting investment into our province. It's just mission critical that we do it, and they're doing that, engaging on a regular basis with the people that have their finger on the pulse, the organizations that already have international networks. They're incented to have international networks because that's how they do business. So we want to make sure we leverage all of those assets in our community, all of those assets around Alberta.

If you have other companies that you're aware of that you want to bring to the floor, if you want to bring them forward, I'm happy to engage with them, happy to introduce them to Invest Alberta, introduce them directly to yourself as well. This is really – if anybody is watching online other than staffers, I'm happy to make sure that that open invitation is there as well to them. I'm sure there are thousands upon thousands watching estimates online right now. Just tongue-in-cheek; there are probably 50 people, and they're all working in the building.

How do we prioritize high-value investments? We want to make sure that we have the right strategy here. It's mainly about making sure you track capital investments and jobs into our province.

You mentioned the investment and growth fund. We modelled this off the Texas enterprise fund in Texas. We took a look at Texas, as it had similar underlying factors: energy, ag. It kind of has a very diversified economy. I think it's one of the most diversified economies in the U.S. If you take a look at the very public, very transparent Texas enterprise fund, every year they report on the deals that they're involved in, the capital that's invested, the number of jobs that are created.

Now, you mentioned, you know, potential ones that go sideways. It's potential that any time you invest in a private enterprise, plans may go as planned or they may not, but that's why they have a clawback mechanism built into it as well in Texas. We'll make sure that we protect taxpayer money by making sure that we build in clawback mechanisms. We're going to be asking Invest Alberta to do the due diligence to assess the capital investment, to assess the job-creation opportunities, to assess the business plan of the potential proponent. It's designed to be a site competition fund.

Is that investment coming to Alberta, Saskatchewan, North Dakota, Texas? Is it going to Europe? There are many instances

where these businesses need to see that there is skin in the game from the local government. They need to know that there's skin in the game there from us. That's why we took a page out of Texas. You know, many people kind of describe Alberta from time to time as the Texas of the north, and you know what? We want to make sure we learn from jurisdictions that are diversified. It's one of the hottest markets now when it comes to Tesla, when it comes to tracking tech talent to Austin. You know, obviously, we were able to poach Laura Kilcrease from Austin to come up here to Alberta to help us develop out our tech sector. You know what? Kudos to her and her team. We're really starting to bear the fruit of that long-term investment into our province. Again, I just really want to make sure that we continue to build on that success and strategy.

You mentioned postsecondary institutions. I mean, that's why we're continuing to invest in research and development. The \$20 million that we dedicated to the Li Ka Shing institute to continue their amazing work with their Nobel prize winner, Dr. Houghton, to continue to flesh out their ability to develop vaccines for hep C, other world-leading opportunities in pharmaceuticals that they're developing out at the University of Alberta: we're going to continue to invest in those commercial opportunities, and we're going to make sure that we continue to be there. Also, that's why we've asked, just recently, for those proposals, like I mentioned in my opening remarks.

There is a role for us to play domestically. We want to make sure that we're never in a position again where vaccine nationalism can hold back our ability to take care of people in our province. We want to see those proposals. We've got numerous companies already on the ground – Providence, Entos, API, others – and I can't wait to see what those proposals are to come in and give us advice on what opportunities are here in our province. I think this could be a building block for us. I think we have to rethink how we spend money on health, but there's also an economic development opportunity here for the province of Alberta to make sure we build going forward.

I think I see the hand motion.

The Chair: Well done, Minister. You finished that right on time. That completes the second 20-minute block. If you could just fix the winter weather, you'd have me sold.

Mr. Bilous, your third set of 20 minutes.

Mr. Bilous: Thank you very much. I think that in this last set it has become clear, Minister, the real reason why you don't want to go back and forth. I think you might have answered one question somewhere in that 10-minute storytelling. I do find it interesting that you're asking me why I would like to ask a CEO of a Crown corporation, that is funded 100 per cent with Alberta tax dollars, questions directly. I think the answer is quite obvious. I also would ask you, then: why do you even have Laura Kilcrease or David Knight Legg or Kristina Williams in the room with you if they are not answering questions on how they spend their budgets?

Now, you know, I do appreciate the one answer that I got, Minister, and that's that Invest Alberta has 20 FTEs, with \$5.6 million for salaries, and that they do use a number of consultants. What I didn't hear, other than stories of your own law firm and your days in the private sector – which doesn't answer: how do we ensure there's accountability for whatever companies are hired in-market? I didn't hear anything about outcomes. I didn't hear anything about metrics. I didn't hear anything about accounting and transparency so that Albertans know how their tax dollars are being spent, Minister. Again, I'll rephrase that: it's Albertans' tax dollars, not your money, not my money. It's the public purse, and they have a right to know how this money will be spent, which is why we have

so many questions around that \$500 million contingency, or – sorry – the \$380 million that has not been allocated.

8:00

I do want to talk about postsecondaries. I want to talk about talent, because there is a major disconnect, Minister, and I'm hoping that you can shed some light on this. The U of A was gutted \$75 million out of this year's budget. After they win a Nobel prize in virology, you gut them \$75 million. Then you give them back – was it \$20 million? By my calculation, for the U of A, you're still short \$55 million from this year's budget, let alone last year's budget and your forecasts moving forward. I'd also love to know, Minister, how the U of A was selected to bear 50 per cent of the \$150 million in cuts to postsecondaries. For something that is such a crown jewel, something that we boast about, it's a real interesting way to say thank you very much: here's a massive cut. The reason that I'm disturbed – and, quite frankly, Minister, a number of businesses that I've talked to in Edmonton are quite disturbed. Those around the province, the U of C and other postsecondaries, have also taken a hit. That's where we get the talent from.

When you say that we talk about talent development – in fact, you started off, Minister, talking about the three pillars. The third pillar is talent. Well, I don't know where you think talent grows from or comes from, but our postsecondaries play an absolutely critical role in developing talent.

And speaking of talent, I'm really happy you brought up Infosys. You will know that that relationship started about four years ago, when myself and a number of people from Calgary Economic Development met with them down in the valley. You'll also know, Minister, that your job-creation tax cut had nothing to do with them coming to Calgary – zero – and the company even said so. They talked about talent as their number one draw. Again, please help square the circle on massive cuts to our postsecondaries and how that's actually going to limit the talent that's coming. Who knows? Maybe Infosys, after seeing this budget – obviously, we would never want this – are going to be scratching their heads saying: "Whoa. Did we pick the right jurisdiction? This government is not following up on its promises to ensure that we are developing talent here in the province."

I'd love to ask Mr. Knight Legg: how do you go to international companies and investors and say, "Come and invest in our province; come move to our province"? Facebook. Google. Apple. Well, Google is here through DeepMind. I'm sure you'll attribute that to the work that you've done in the last two years even though they've been here for six. It's because of talent and the talent development. Okay. That one I pull back on, Mr. Schweitzer. I didn't mean to throw that last punch. I was having fun with you. But the point is that we need to invest in our postsecondaries.

The next question, though, is: if you're changing the funding model for postsecondaries, is there going to be some kind of discussion around the revenue model? Again, we don't want to make our postsecondaries even less attractive, but I can tell you this, that the message has been sent around the world. There are cuts to research affecting sponsored research. We know that it's been a huge benefit to Alberta to attract companies to have that. We have seen some extra funding for AMII on selected programs through the year. I'm wondering if there's any additional funding. Again, that was another example where governments back in 2006 started to invest in AMII. We continued those investments and increased those investments. In fact, Minister, you'll know that in February 2019 we committed \$100 million toward AI. I appreciate some of the money that you are throwing back. We'll talk in a minute. I'd love to ask Laura Kilcrease, the CEO – you're right, Minister. You said: we managed to snag Laura from Austin. We did, didn't we?

I can tell you that in your fiscal plan, beginning on page 10, you outline the three outcomes – “Developing, attracting, retaining a future-ready workforce to diversify and grow Alberta’s economy” – which sounds wonderful. I’d love to hear from you: what is required to develop a future-ready workforce with the skills aligned to diversify and grow Alberta’s economy? I’d love for you to justify a \$170 million cut to the U of A over three years as fulfilling that mandate. I’d love to know: how will our postsecondaries fit into the larger, wider strategy? Again, our life sciences: we have incredible work being done. I get that you’ve given back \$20 million, but in the face of those other cuts, it still means that they’re at a deficit.

Now, Alberta Innovates, line 2.5, page 145. Last year’s funding cuts: some sources have said that Alberta Innovates was cut by up to \$89 million. They provide critical supports. Now, while this year is welcome news, you still have not topped up to the cuts from last year. I’d love to know: what is the impact of those cuts from last year? Which programs were cut? Which programs are being cut this year? What does the FTE look like? How many people lost their job at Alberta Innovates, and, equally as important, how many companies have lost access to that mentorship, guidance, and support that is critical for our companies to grow and survive?

On page 10 of the fiscal plan it reads: “Additional funding is provided to Alberta Innovates for enhanced accelerator and scale-up programming to streamline and improve business processes for entrepreneurs.” Wonderful. Please describe the programs and specific dollars that will be allocated to this strategy. It’s \$15 million the first year and then, I believe, \$10 million for the subsequent four years for accelerators. Now, I’m a big fan of accelerators. I’d love to know: are we talking about funding our local accelerators and local talent? Are we talking about attracting an international, globally renowned accelerator like Techstars, Y Combinator? How will that funding be allocated? How many companies are we expecting to serve and support? How much of that is in mentorship? How much is in grants?

I know, Minister, that in 2019 the government, your predecessor, said that there was a six-month review for the innovation employment grant. I’m just curious why you didn’t look to make that move back then. Of course, industry lost about a year of access to capital in R and D supports.

You know, Minister, when your government came in, they cut a number of tax credit programs, including SRED and others, and now, of course, there’s a new rebirth of SRED through your tax credit. I’m just curious: what analysis was done on that? Again, I appreciate that your government did a one-eighty. I wish that they would fund the different tax credit programs that we had then to the same tune.

Then we’ll move into – Mr. Chair, how many seconds do I have?

The Chair: Thirty.

Mr. Bilous: Thirty. Excellent.

When it comes to the fiscal plan, on page 10, aviation, aerospace, logistics: \$2 million for rail capacity assessment. I’d love to get some details on that. Are we talking about advancing resource corridors? But when we talk about expanding rail capacity, my question is: is that not the job of the private sector? Couldn’t they do that better than government? If we’re talking about aviation and aerospace, can you expand on how you’re going to be supporting those two industries specifically in the province of Alberta?

The Chair: Thank you, Mr. Bilous. That concludes your 10-minute block.

Minister, you have 10 minutes to conclude the first hour of discussion, debate. Please proceed.

Mr. Schweitzer: Thank you so much, Mr. Chair. You know, I find that I take issue with some of the opening remarks of the colleague there. They’ve been an elected official for about six years and a minister for about four, I would think. It seems as though they think that I’m the Minister of Advanced Education, number one. Number two, ministers are accountable for the budget that they put forward. That’s what we’re here for as elected officials, to be accountable to the public on the public record of *Hansard*. So when you say and kind of are questioning in the way that you’re trying to, I would at least perceive it as potentially trying to draw division between me and the amazing team that we have here. You’re trying to draw questions with, you know: “Why won’t you let them answer? Our taxpayer dollars are paying for it.” You’re right. Our taxpayer dollars are paying for it. We are elected officials here responsible for the budget that we put forward, and I’m here to answer your questions. I take issue with those opening remarks that you made.

8:10

When it comes to talent, I mean, I’d refer you to the historic investment of over \$130 million into the jobs now program, that’s going to be launched here in the next little while. We know that making sure we have talent in our province is critical – mission critical – to make sure we have that talent pool here in our province. We have an amazingly educated workforce here in Alberta. Many of them are well trained, particularly in the energy industry. We’re all proud of our energy industry, our oil and gas industry, that foundation that’s been there, but we also have lots of people that want to look at different opportunities.

With that jobs now program, you’re going to be seeing more details to come. Again, it’s not my ministry to launch, but we really are listening to industry. We’ve gone out and engaged with the tech sector. We’ve gone out and engaged with, you know, clean energy companies. We’ve gone out and engaged with industry to get feedback on how we can get people that are looking for new opportunities into the workforce. How do we reduce that onboarding cost to get them into the workforce? That’s just mission critical; we have to get that done.

Your questions that would be more appropriate for the Minister of Advanced Education: I’d refer you to the estimates when they are there. I’m sure you can go and ask questions of them.

Now, when it comes to our department and the investments that we’re continuing to put into research and development, we’re actually increasing how much we’re putting into research and development through our ministry, through the additional investment in the Li Ka Shing institute. Those are additional funds. We’re going and putting \$88 million into PSIs. That is the funding that we’re putting in place. That’s investment into research and development that is critical for jobs of the future. We’re going to continue to be there for research and development in Alberta. That is what this ministry is here to do, to help with the commercialization.

Now, you asked a little bit about: what does that look like? What are some of those investments that had been made? You know, just last year we made announcements of the funding that came from Alberta Innovates as well as through our ministry. I could highlight just a few of them. I mean, many people around this table wouldn’t know, but the University of Calgary are world leaders when it comes to satellite research. Quantum computing research at the University of Calgary and the advances that they and their institution are making there: that’s just at the U of C. At the U of A, I mean, you’re very familiar with the artificial intelligence developments that are happening, the partnerships that are there with AMII and Google DeepMind and then lengthy investments over time. We’ve invested over the next three years, when it comes

to AI, and have dedicated for three years about \$25.2 million to artificial intelligence and continuing to make sure that we're there to fund them.

We have an amazing CEO at AMII, Cam Linke. He is a rock star. We enjoy the relationship, working with him, finding opportunities. I would say that he's almost the heart of the tech community in Edmonton, in particular, and has an amazing reputation across the province, an amazing partner for us as the government, Alberta Innovates, and others to continue to work with.

You referenced the \$15 million in this budget for Alberta Innovates. That is for us to continue to work with them putting together a plan to utilize those funds to further enhance commercialization. It could go towards accelerators. It could go towards further commercialization efforts. Alberta Innovates is currently putting together the plan for those funds. Obviously, we have to pass this budget first before they can go out there and leverage it. We've got to pass it first. I know you know that process. We've got to make sure that that happens so that they go out and, hopefully, potentially, get some matching funds out of the feds. We've seen that in other provinces around the country, that they are able to match funds.

Alberta Innovates has an amazing track record, as you know, when it comes to attracting and getting matching funds from the federal government and other organizations and not-for-profits as well and also partnering with the private sector, so I don't want to prejudge how they view the best use for those funds. They're going to go out there. They're going to run their process. If it's an Alberta-born project that wins the day, maybe they collaborate between cities, collaborate between entities that are out there. Maybe they are able to attract something new. I don't want to prejudge. That's, really, an Alberta Innovates position.

Now, this is the interesting thing. You've talked a little bit about Alberta Innovates' budget. You talked about some earlier years around the budget that was there for Alberta Innovates. Now, I just want to make sure that I highlight this for this committee. It may not be, for so many of the people that were new, the bit of a shell game that happened before under the previous administration when it comes to Alberta Innovates. I mean, if you take a look at how you used the carbon tax money – and the historic PC government used to fund Alberta Innovates to the tune of over \$3 million. Now, the NDP came in and kind of replaced that funding with carbon tax money, so maybe you need to answer what happened to that money and why you replaced it with carbon tax money and why it wasn't an "and." Why didn't you "and" that carbon tax money onto Alberta Innovates instead of just doing a little bit of a shell game? I mean, I think people need to know the answer to that. I wish I was around the table back when that happened. I would have asked that. I would have held that minister accountable for that kind of a shell game exercise that occurred. But, again, you probably don't want to talk about that.

You know what? I must applaud you: first time on record about Infosys. Well done. First time for an NDP on record about Infosys. But the problem was: you're almost cheering against Alberta in that comment that you made. It's a little bit disingenuous. I mean, you almost made the comment that you hope we don't scare them away with this budget. I find that offensive. I find that absolutely offensive.

You know, we've got this amazing team at Invest Alberta – this amazing team at Invest Alberta – that is working collaboratively with Calgary Economic Development. I hope you apologize to them. I hope you apologize to Calgary Economic Development for your first comments as an opposition, almost discouraging a team Alberta approach. I think that we deserve better than that. I think that we need to make sure that we encourage this. We should be all

– this is a team Alberta opportunity, this is a team Alberta approach to attract and diversify our economy.

I know you're passionate about the tech industry. I know that sometimes partisanship comes into this game, but I would hope that the NDP would send out a tweet, send out a statement welcoming Infosys to Alberta, encouraging them to hire, you know, more than just the 500 that they were originally dedicated to. We hope that they'll continue to hire and get thousands of Albertans working in the tech space. Hopefully, the NDP will be there.

The reason why I raise that is because it's disingenuous when the Leader of the Opposition wrote an op-ed about the downtown of Calgary and the NDP come out with the type of statements that we just heard here tonight. The downtown of Calgary, with a 30 per cent vacancy rate: we're going to make sure that we're there. We're going to work arm in arm to make sure we get those office towers filled, be there to develop a strategy. We have a working group, with the Member for Calgary-Currie, who's leading that working group, to engage, to make sure we have a strategy for the downtown.

You asked about the FTE count for Alberta Innovates: 567 FTEs. Again, I just want to thank the amazing team that we have at Alberta Innovates for all of the work that they do. You know, Laura Kilcrease is from Austin, Texas. You know what? I just want to commend this.

One thing that I'll highlight as well is that we have amazing women in Alberta leading tech. We've got Kristina Williams with AEC. We've got Laura Kilcrease at Alberta Innovates. We have higher participation in women starting tech companies. We're about double the rest of the country. About 30 per cent of tech companies in Alberta are started by women. That is a stat that we should be proud of. We're about double the national rate. I do think it goes to the credit of the culture that we're creating in Alberta in the tech industry and the amazing entrepreneurial spirit we have as a province that everyone thinks that they have the ability to do it, and it's just amazing to see that happen in Alberta. I do think that many of the people that are here, that have been growing this tech sector for years, are owed a lot of credit for that and encouraging those entrepreneurs in our province.

You asked about rail, aviation, and aerospace. On the aviation space, I mean, we've seen, actually, a record year at the Edmonton International Airport in cargo. They're investing and expanding. As well, there's actually capacity – and this is really interesting – to do cold storage at Edmonton international, so when you're taking a look at vaccines, potentially, when you're taking a look at opportunities to grow and diversify our economy, we do have some amazing infrastructure to build on. We also know that the federal government is in real-time discussions with the aviation sector about, you know, potential supports that may be required. Again, we obviously want to see these companies be successful. Our tourism industry is reliant on flights coming into Alberta in many respects. We want to make sure we have a vibrant tourism destination and markets that we can get into and bring those people into Alberta.

When it comes to rail, I mean, we're all aware of the private sector driven . . .

The Chair: Sorry, Minister. I thank you for your time. That concludes the first hour for the Official Opposition.

We will now move to 20 minutes for the government caucus. I believe it's going to begin with you, Ms Rosin. You have up to 10 minutes.

Ms Rosin: Okay. Thank you, Chair, and thank you so much, Minister. I'm going to be fairly brief. I think I'll cut to the chase

and ask most of my questions right off the hop and, hopefully, give you the opportunity to talk about a lot of good news. That's what I'm hoping for through my series of questions. I know that your ministry and you specifically have been very committed to not only economic recovery for our province but actually growing our economy as we emerge after COVID-19 and actually diversifying our economy, which is something that many governments have talked about for years in our province but never successfully done. I'm really hoping that through my series of questioning you'll be able to highlight a lot of the good news that we have seen over the past year or that we can expect to see in the coming months and years.

I will also acknowledge that some of my questions are obviously looking at line items in your budget that are forward looking. I know that a lot of the funding in your budget is to supplement funding that's been allocated over the past year already, so I'm hoping that you'll be able to reflect back a little bit to answer some of these questions.

8:20

First question. Section 2.3, page 144, of your estimates document contains funding for "advancing strategic initiatives that make industry growth possible" in Alberta. I can see that funding to this stream was increased by \$20 million, or 50 per cent, in your new budget. I'm wondering if you can elaborate specifically on what strategic initiatives and programs were supported or created with this increase in funding and if you can speak to any successes that this funding has garnered over the past year already and if you could list any specific investments that have been made in Alberta as a result of any funding in this allocation and any jobs that have been created as a result.

Second question. Outcome 2 on page 68 of your business plan commits \$75 million in funding to create the Invest Alberta Corporation, which has a mandate "to attract high-impact, job-creating investment in Alberta." I'm wondering if you can speak to whether this funding and the AIC itself has been successful in attracting any investment or jobs to Alberta so far, and if so, if you could again provide specific examples.

Question 3. Outcome 3 on page 69 of your business plan commits \$166 million to the innovation employment grant, which was created earlier in the year to incentivize research, development, and investment in the technology and innovation sectors in Alberta. I'm wondering if you can speak to what success this program has seen since its launch and whether any investments from the technology and innovation sectors have been made into Alberta as a result of this program and, to follow up, any specific examples of those and any jobs created.

Question 4. Last year your ministry provided \$175 million in funding to the Alberta Enterprise Corporation, which helps attract venture capital funds to our province. I'm wondering if you can (a) speak to, when projects are reviewed by the AEC, what criteria they are evaluated on prior to the investment of taxpayer dollars being made and if there are any safeguards in place to protect investments made by the taxpayer into these startup businesses; and (b) if you can speak to how much revenue is generated by this \$175 million in venture capital investment and into what sectors specifically and if you can, further, follow that up with whether any jobs were created through these venture capital investments, any specific examples, and what kind of revenue we've realized from that investment.

I also want to acknowledge that while we have created various programs and exciting investments into new corporations and funding streams to attract business, large and small, to the province, what many businesses have been asking for for years in Alberta is

just a simple, business-friendly environment. I will also note that your business plan mandate states that you are committed to restoring investor confidence in Alberta, which, we all know, has been lost over recent years, by reducing red tape by one-third, eliminating administrative burdens, and lowering the corporate tax rate to 8 per cent, which we know you accelerated earlier in the year.

I'm wondering if you can also speak to any successes that our province has seen as a result of these more broad-based and sweeping policies and if you can speak to what companies have increased their operations in Alberta or entirely relocated to Alberta as a result and if there is a dollar amount on the investment realized over the past year from this investment and, looking forward, if you can speak to if there any investments or dollar amounts that we are projecting to realize in the coming years from these changes and also if you can speak to how many jobs have been created so far as a result of any of these policies.

Switching gears a little bit, I, as you know, represent the beautiful riding of Banff-Kananaskis, and if the MLA for West Yellowhead happens to be watching this right now, I just want to send him a reminder that my constituency is indeed the most beautiful and that he is number 2. Tourism is huge for my constituency; 89 per cent of Banff's GDP is based on tourism alone, which is a massive number, and I believe that comes from 2016, so I'd be willing to bet that that number has increased as well over the past few years as tourism continues to grow, especially over the past year, with people wanting to get outdoors more.

I just want to talk about some of the changes to Travel Alberta as these will hugely impact my constituency, hopefully in a very positive way. I see that Travel Alberta has received an increase of \$22 million in this budget. I'm wondering: with our borders closed, international travel halted, and interprovincial travel being, unfortunately, discouraged by many of our other provincial governments across the country, could you speak to what this funding is going to go towards when the tourism industry is being damaged by forces outside of our control and is struggling to launch proper marketing campaigns because there isn't exactly anyone to market to when all of those forces are in effect.

I also would like to ask this. I see that in section 2.6 of your estimates document, page 144, the description of Travel Alberta corporation has been changed from a destination marketing organization to a destination management organization, which, I know, is something hugely exciting, something that tourism operators have been looking to see for many years and I think has the possibility, hopefully, to really revitalize and change the way that we do tourism here in Alberta and the way that we attract tourists and tourism investment. I'm just wondering if you can speak to and elaborate on what this change to a destination management organization will mean for Travel Alberta and how you believe it will help to grow Alberta's tourism industry going into the future.

Thank you.

The Chair: Do you wish to cede your time to another member?

Ms Rosin: Yes. I'll cede the rest of my time. Thank you.

The Chair: Thank you.

You have just over three minutes, Ms Armstrong-Homeniuk.

Ms Armstrong-Homeniuk: Chair, through you to the minister, I have a question. Minister, Alberta Innovates is an important employer in my constituency. Not only do they employ many people, but they also play a big part in our economic recovery. They fund great research in agriculture science and food security, they

support new innovations in the energy sector to reduce emissions and improve efficiency, and they fund new technology in health care, artificial intelligence, and more. They also support the Li Ka Shing Institute of Virology, where Nobel prize winner Dr. Michael Houghton does his research. Alberta Innovates plays a key role in our efforts to grow Alberta's startups and provide support for technology, clean energy, agriculture, health care, and more. Alberta Innovates has provided investments in innovation and commercialization of our world-class research to enable Alberta to build its strength in technology and innovation.

One area of research and innovation that is important to my constituency of Fort Saskatchewan-Vegreville is Alberta Innovates' crop research team. The crop research team supports Alberta's agricultural industry. They help the sector develop crop varieties that resist plant disease, drought, and cold. They have a large growth chamber facility, greenhouses, a fully equipped biomolecular biology tissue culture and plant pathology and biochemistry laboratory certified by CFIA and Health Canada, located on a 600-acre research farm. They also have the only pilot-scale fibre processing and decortication plant in North America. This is all happening in my constituency.

Alberta Innovates has launched an industrial hemp program, the fibre processing pilot plant located in Vegreville. The facility concentrates on decorticating hemp and flax fibres. This 13,000-square-foot facility, designed and built by Belgium-based Cretes Engineering, can separate either hemp or flax straw into bast, which is outer fibre, or hurd, inner fibre, at the rate of one tonne of input per hour.

Alberta Innovates and InnoTech Alberta have recently held the Growing Opportunities in the Alberta Hemp Industry webinar, on January 27. The event provided attendees with an update on hemp agronomy, postharvest crop management, processing, and market outlook. Presentations were led by InnoTech Alberta researchers, successful hemp growers, and key Alberta hemp companies, who are driving the demand for hemp fibre, seed, and CBD production in the province.

What this has all led to now is that the town of Bruderheim will soon be opening North America's largest hemp processing facility. Canadian Rockies Hemp Corporation has a plant under construction in the community, and it is on track to be finished this summer. The 60,000-square-foot facility will process hemp for fibre, hurd, and dust particles. The facility is the culmination of nine years of work, and the company has been working with Alberta Innovates and InnoTech in Vegreville since 2012. The facility will serve the global market for fibre for products such as textiles, building materials, composites, and bioplastics. The company already has contracts to supply arenas in the region and a high-end racehorse facility in the U.S.

The Chair: Thank you, Member. That concludes the 10-minute block of time.

Upon conclusion of the minister's 10-minute block, we will be taking a five-minute break.

Minister, you have 10 minutes to respond to the government caucus.

Mr. Schweitzer: We covered a lot of territory there in 10 minutes. I appreciate my colleagues for the robust questions that they've asked.

I'll start first with the line of questioning that was provided around agriculture and the innovation that's happening in this space. One of the things I've had the opportunity to do is meet so many innovators in ag. This is big business and a huge growth trajectory. The amount of resources that are going into venture

capital firms in ag around the world is huge for us, and we can attract that investment right here into Alberta. I mean, that's one of the reasons why Olds College was able to partner with Thrive, which is an accelerator in the Bay area. We're really building up a reputation in Alberta as a place that you want to be when it comes to agricultural technology. A lot of that good work and the reason why we have that ecosystem is because of the good work done by Alberta Innovates. So, really, hats off to the team there for everything that they've done to help build that ecosystem here in our province, that innovative culture.

8:30

Again, I just want to highlight as well when I'm talking about ag innovation – and you've highlighted around the hemp, the fibres, all the different things that can be done with that. There's environmental applications there as well. We're looking forward to working with the ag sector on: how do we absorb, you know, different things out of the ground? As well, there are different emissions that could be absorbed through the agricultural space, so it really is a matter of how innovative you can be. How do you best use water resources? How do you best use all these different pieces for building up the ag sector?

I had the opportunity to tour Olds College to see some of the innovation happening at our postsecondary institutions, and they literally have a tractor drone that's the size of a house. It can go out there in the field and do numerous applications in real-time, providing data back as well as out there doing tilling in the field, other things and other applications that it has to do.

When it comes to their amazing work, I just want to say, you know, thank you for highlighting those amazing things that are happening in your community with Alberta Innovates. I know that they have a presence in your constituency. That is just really critical, and I think that this is one thing that we need to help Alberta Innovates with as well. We as local elected officials need to help raise its profile. We need to help make sure we tell the good stories about the amazing work that's happening in our province. Too often, I think, sometimes in politics we shoot at each other. We've got Conservative one side and NDP on the other, but I think a team approach, like I mentioned earlier on, would be appropriate from time to time. It may actually be refreshing from time to time to see that.

I think the good work Alberta Innovates does – if people actually see the number of companies that they've touched which now have that critical mass for our tech sector in ag tech, fintech, when it comes to those areas that we're growing out in our province, a lot of that was touched on by Alberta Innovates. It's amazing to see. It has applications from the people that are there still on family farms, you know, commercial enterprises on the ground, to food processing, all the different applications that are there with agricultural technologies.

You also mentioned the Li Ka Shing investment that we made here for \$20 million over the next four years. Again, as I've mentioned a few times here tonight, this is part of a broader strategy that started under the Stelmach government and has been continued on here for over a decade to help create a diversification opportunity for our province in pharmaceuticals. We've attracted Dr. Houghton, a Nobel prize winning researcher. We have Dr. Tyrell at the U of A. We are producing some amazing talent. That's why we have companies like Entos and Providence here in Alberta that have COVID-19 vaccines already at the human trial phase. They're already working on vaccines for the variants. They can do that now with the technology and the companies that we have in our province. Again, as I mentioned earlier on, we've launched a proposal process to bring that in to hopefully get proposals from

companies here in Alberta so we can build that out as a part of a long-term strategy in pandemic readiness response.

To the other member, from Banff-Kananaskis, I do agree that it's beautiful. I don't want to pick and choose between yourself and the member that represents Jasper as to which one is more beautiful, but I will say that Banff is beautiful, and it is home to the busiest national park in the country. The vast majority of the revenue from the federal national park set-up comes from that exact park. You know what? It's a beautiful place.

I do think that when it comes to the additional investment that we've made – \$22 million into Travel Alberta – I just think now is the time to make sure that we are there to support the tourism industry so we can have the fastest possible bounceback. We know that they've been hurt during this pandemic. We know that in many instances, you know, bookings in hotels are down 80 per cent, 90 per cent in some communities. We have to make sure that we have the backbone of our tourism industry preserved so that once travel is allowed again, we can have that bounceback as fast as humanly possible. Our team there that we're building out with: our amazing new CEO comes from Destination Canada. We're working with him closely on what we can do to build this out for that bounceback.

When you're talking about destination management transition for Travel Alberta, this is really making sure we are efficient in how we use government resources. One of my initial observations was: okay; what does Travel Alberta do? What does their department do? Is there overlap in what we're doing? Now we're going to make sure we have one clear destination management organization that's there helping us build an Alberta strategy in an efficient way, which is a good initiative for us to pursue. It's the way that the federal government has pursued it. Other regions have pursued it this way. We're looking forward to the results.

What does that mean when it comes to destination management? Again, when I was new to this – I was a lawyer before, so tourism wasn't really at my fingertips, but I learned a lot and asked a lot of questions. When it comes to destination management, it's about making the experience in Alberta an amazing experience that people want to tell their friends about: "You know what? I went to Alberta. You have to go." It's about making sure you help manage that experience in our province. We already know we have an amazing winter ski season. We already know we have amazing events like the Calgary Stampede. If you want to do dinosaurs, it's the best place in the world to do dinosaurs. The member for Drumheller would probably like the shout-out for Drumheller. We really want to make sure we build that experience, but we do have some low-hanging fruit that we can build on. We have a foundation that we need to build on.

One of the areas that we've asked Travel Alberta to help build out a strategy on is around indigenous tourism. You go to many countries around the world, and that indigenous culture is actually what brings people in as the forefront, why they're there. You go to Mexico, and you'll get temples and everything that they see there. They're highlighting it in everything that they do, and people travel to experience it. Go to New Zealand: it's the culture, that local indigenous culture that's highlighted as one of the marquee attractions for bringing people into those jurisdictions. I think in Alberta we have the beginnings of an indigenous tourism sector, but I do think that we could do so much more to help build that, so we're working with Travel Alberta, working in partnership with the Minister of Indigenous Relations as well to help make that experience amazing in Alberta.

Earlier on I also mentioned about film and television. Film and television have a huge impact on tourism. If you take a look at the United Kingdom, they track this stuff, and they have huge metrics

that go along with this. The amount of tourism that is driven by *Game of Thrones*, *Harry Potter*, the *Kingsman*, all of these different things that help bring people that want to go see their favourite landmark, and we've seen that in Alberta. We've had numerous spikes in tourism when we've had Oscar-winning productions done in our province. Being strategic as well and making sure we are leveraging that film and television tax credit to help market our province: it's a market in and of itself.

You mentioned in the questions as well around creating a business-friendly environment and making sure we have the red tape reduction, the job-creation tax cut. You know what? It's starting to pay fruit. You asked about jobs that have been attracted to Alberta, companies that have been attracted to Alberta: mCloud with 100-plus new jobs coming to Calgary as that headquarters moves from Vancouver to Calgary; Mphasis adding 500-plus new jobs just got announced here in Alberta. We're creating that ripe business environment, making sure we have the right regulatory environment, tax environment, talent environment. That's critical.

As I'd mentioned earlier on, you know, BMO just revised its report. They're saying that they actually might be cautious in their estimate for the growth this year for Alberta, and they think we're going to lead the country. That's just encouraging news, and hopefully people on both sides of the aisle cheer for Alberta. We've heard a little bit of commentary here where some folks were – I would say that I'd view it as cheering against Alberta. Hopefully, we have a team Alberta approach, where people start cheering for this province and want to work collaboratively with the efforts of Invest Alberta, build it up, just like you do with nonpartisan groups like Calgary Economic Development, Edmonton Global, the chambers of commerce. We're there for them. We want to make sure we work with them in partnership to attract those investments here into our province, and I would hope members of all sides would work with us to get that done, to get Albertans working, to attract investment and help us diversify our economy.

When it comes to the innovation employment grant, I mean, this is just us listening to – we launched the Innovation Capital Working Group last summer to make sure that we went and listened to the tech sector, listened to the community about: how do we make this the best possible place for the tech sector to grow in Canada? Period. How do we get that done? They came to us with strategic advice, and we've implemented pretty much every recommendation that they've had, from putting additional capital into the Alberta Enterprise Corporation of \$175 million, making sure that they are there to invest in a fund-on-fund model for venture capital, and also building momentum to encourage research and development for those early start-up companies. That was critical with the innovation employment grant, and that's why we listened to get that done.

We're having record results. Last year was a record year for venture capital. The beginning of this year is an even faster start, and for a lot of those companies, the funds that are investing in them have flown through from the Alberta Enterprise Corporation. That's, again, another encouraging mark that we've had here today.

You asked about line 2.3 and the \$20 million that's extra. That is going to fund \$2 million for rail and \$18 million to help with the sector strategies as well as research as well as funding sector strategies.

I see the hand.

The Chair: Thank you, Minister.

That concludes the government members' first block of questions.

We will now take a five-minute break and begin promptly at 8:45. Thank you very much.

[The committee adjourned from 8:39 p.m. to 8:45 p.m.]

The Chair: Thank you very much, members. I appreciate that.

Just before we begin five minutes of questions for the Official Opposition followed by five minutes of response from the minister, I would like to encourage all members, including the minister, to focus on the questions and the estimates and business at hand without external commentary. I've allowed some latitude, and I would like to continue on in a very positive vein. With some of the debate that we've been having, I would be disappointed if the commentary detracted from the true debate.

With that said, Ms Goehring, you have five minutes to ask questions.

Ms Goehring: Thank you very much, Mr. Chair, and thank you, Minister, for this opportunity to ask questions. I have to say that I'm a little bit disappointed with the last round of answers with our opposition members, specifically taking the time to just express your opinion on the NDP and not answering questions. I'm hopeful that after this break you now have an opportunity to perhaps consider answering some of our questions. I can tell you that a lot of communication has happened within many different industries that we're going to be discussing tonight, and they've drafted a lot of the questions that they want answered. They've had some concerns, and some clarity is being requested. With that, I will launch into my questions.

On estimates, item 2.6, page 144, you had talked about the destination management organization, regarding Travel Alberta corporation moving from a tourism marketing agency to a destination management organization. I would hope that you could perhaps table a business plan to outline that. We're curious what that plan for tourism would look like and are also interested in what extra services the tourism industry would see for the additional \$22 million. Is it new staff? What would that look like? What are the tangible outcomes that Albertans will see for that increase?

I'm happy to hear that you're talking about expanding the potential for tourism in the province, and you specifically mentioned the indigenous communities. Well, you had mentioned consulting with the Indigenous Relations minister, so I'm hoping that that means that you would also consult with the actual indigenous communities where this plan would be taking place. I'm curious if you've actually consulted with those communities as of yet or if this is just a plan. Along with that, the working with indigenous communities, is there a plan to invest in infrastructure within those indigenous communities? We know that this is an area where there's some support and resources needed, so when we're looking at tourism, are you also going to help the community that you're planning to highlight? We know that the tourism strategy isn't done yet, and we're curious what that looks like in the big picture when it comes to the strategy.

The 2021 budget had tourism and economic capacity at \$15.456 million on line 2.2. You cut \$3 million from this line item. If you could identify what programs specifically were cut. On line item 2.2 the Tourism Industry Association in January 2021 voiced concerns that the small and medium enterprise relaunch grant would likely not apply to many tourism and hospitality businesses. Has this been addressed? Did any of the businesses go bankrupt because of that, and did you have any sort of analysis on that issue? I'm curious if the new enhanced COVID-19 business benefit addresses this challenge, and will the contingency be used for that?

On to business plan objective 1.3. In the summer the Tourism Industry Association presented its recommendations to accelerate the recovery, sustainable growth, and resilience of Alberta's visitor economy and raised a number of points, one of them being that our tourism industry will require a lot of investments to get back on

track. In line item 1.3 you talk about implementing these, too. Are they in this budget, and if yes, what are the line items, and are you able to table a list? In the business plan, under outcome 1, key objective 1.3, it states: "implement immediate recovery supports for Alberta's tourism sector." What supports are you implementing, and please be specific; include milestones and outcomes along with any attached dates, please.

Regarding the goal of doubling tourism by 2030 through increased funding and a renewed focus for Travel Alberta as a destination management organization, will this new mandate mean less funding to promote Alberta as a tourist destination? How much will be allocated for project development? Can you list which projects Travel Alberta is looking at developing, aside from the ones that you've already talked about, and which are priority areas? I've heard that tours involving the northern lights in northern Alberta are on that list. How much is the GOA going to invest? How will we recoup?

The Chair: Thank you, Member. That's the end of your five minutes.

One last comment that I would like to make for the whole committee: please remember that your discussion should flow through the chair at all times.

Minister, you have up to five minutes to respond to the Official Opposition.

Mr. Schweitzer: I appreciate it. We've gotten a range of topics that have been raised here. I'll start with the relaunch grant questions and how the tourism industry was impacted and also the enhanced COVID-19 business benefit.

I really do appreciate the exchange that we've had here. I find that it's an opportunity here to get a better understanding of the questions you want to ask. I appreciate the opportunity to engage with you. I have a much better understanding of where you are, what topics you want to cover now that you've had your time, and we have our time on our end as well.

When it comes to the supports that we've provided to the tourism sector, we obviously have the tourism levy abatement that we put in place in the neighbourhood of about \$34 million. This is support that was there for the tourism levy abatement. On top of that, we provided \$8 million to the destination management organizations in our province. In addition, we also put in place the relaunch grants, and many of the businesses in the tourism sector qualified for the relaunch grant. The tourism industry is vast. I mean, you're talking about everything from dogsledding to hotels to restaurants. Many industries are characterized as tourism-driven spaces, so the relaunch grant was designed in a way to increase eligibility. We've had over 57,000 businesses be eligible to receive the relaunch grant. We've budgeted \$575 million for the relaunch grant. That was an increase from when we initially launched the program. The budget was \$200 million, and we increased it to \$575 million in response to what we were hearing on the ground from small businesses and primarily also with the tourism industry.

The importance of the tourism industry is also highlighted in the fact that we put in a parliamentary secretary focused on small businesses and tourism. Our member from Jasper – I can't remember his constituency – is doing an amazing job there working with us on getting that done and engaging with the communities to make sure that we listen as well to them.

When we went and designed the enhanced COVID-19 business benefit, that was in direct response to the feedback that we were hearing from the tourism industry in particular as well as sectors like gyms and others, that weren't going to be opened up until the later stages in a full capacity way, as well as the event industry, which is also impacted by tourism and other things in that space.

We took a look at the data. We had the benefit of having the data from, you know, tens of thousands of businesses that applied for the relaunch grant to be able to tailor that program for the businesses that are impacted the most – that's why we put in place the 60 per cent revenue drop threshold – as well as for businesses that didn't have 80 per cent of their loss covered by other programs, because we wanted that money to go to the severely impacted businesses, where there may be a gap in federal programming as well.

You're asking about destination management. The additional \$22 million that we're providing: this is additional money for tourism. It's not less; it's more. I think there was a comment or a question there around less, but this is about more money going into tourism in Alberta.

Fleshing out the business plan, that you asked about: business plans will be publicly available in the normal course, as with any Crown corporation. Our new CEO, that was recently hired, is working diligently on fleshing this out. If we pass this budget, obviously he'll have further resources. That will allow him to pursue the destination management strategy and make sure that we deploy resources.

One of those items that I highlighted earlier on, that we believe is a growth opportunity, is to partner with indigenous communities. Again, we're looking to do further engagement. Our parliamentary secretary is out there engaging regularly with the tourism industry. We meet regularly to help talk about strategy. We talk to the team at Travel Alberta about fleshing that out. There are a whole range of things that they're exploring right now. Details will be released in due course through the budget process and after as we continue to flesh out the strategy and make sure that we provide the fastest possible rebound for the tourism industry and position ourselves for success. That goes to marketing, strategic marketing as well as making sure the destination experience here in Alberta is an amazing experience that you want to tell your friends and neighbours about.

When it comes to jobs training, I'd point to the jobs now program that we've launched, the \$135 million plus in jobs now, that's out there. We're going to make sure that that's available for people in various industries to begin to train people, help people with the skill sets that they need.

You asked about line item 2.6 in the business plan, around the estimated \$22 million, that I've highlighted.

Again, the other item you asked about was 2.2, which was the relaunch grant. We went through that as well.

I'm just going to check my notes here to see if I have anything that we haven't covered off. Again, I believe that we're answering most of the questions if not all of the questions.

8:55

One thing I will note: earlier on the other member asked a question about Business Link and Futurpreneur. Just to cover those off, to make sure we don't have further undertakings, Alberta's entrepreneurial hub was recently extended for an additional \$850,000 annually. That's Business Link and Futurpreneur, \$250,000 annually until June of . . .

The Chair: Thank you, Minister. Sorry to interrupt. That concludes the 10-minute block for the government caucus.

Back to the opposition. Is it you, Ms Goehring?

Ms Goehring: Yeah.

The Chair: You may proceed with up to five minutes of questions. Oh, I apologize. I'm sorry. I got that mixed up.

Mr. Rowswell, you have up to five minutes.

Mr. Rowswell: Yeah. Thank you very much. I'm here and ready. Thank you very much, Minister. Key objective 3.1 on page 69 of the business plan outlines: "Set the direction for the province's technology and innovation systems through the development and implementation of an Alberta Technology and Innovation Strategy." Can you elaborate on planned Alberta technology and innovation strategies? What types of opportunities is the ministry planning on supporting, and what is the expected timeline for the creation and implementation of the strategy?

Part of the reason I'm asking this question is that, you know, in my constituency we've got great innovators not only because they went to school and learned how to do things, but they got involved in an industry, be it agriculture or oil and gas, and just through solving problems within those industries have created great things. Like, there's an individual who's recycling plastics and turning them into plastic posts, and he solved some problems on how to deal with that. Other things: in our oil and gas industry it's just amazing what's happened out of Lloydminster. So there's great talent there. I'd just like to see: how do they get noticed in this big picture?

The other one is key objective 3.3 of the business plan. It talks about: "Incent investment in research and development to build the province's innovative capacity." Can the minister elaborate on what sorts of initiatives will be eligible for investment in research and technology, and will the ministry be supporting research and development in universities and the private sector? Part of what is there: I know that Lakeland College just recently was awarded – they're kind of the main centre relative to beef and pulse crop research. They're doing a lot of work there, and they've gotten some funding to do that. They've got capital investment into a building that's going to give them bigger classrooms, and they'll be able to do a better job of that type of education.

Coming out of that, I was just at a Rotary Club meeting, where a person started a pulse crop export business about 14 years ago, just a little place out of Davidson, Saskatchewan. He is a totally international company right now. He's got processing facilities and stuff all over the place. He's just done a great job. He said that one of our great advantages here in Canada is that we have access to massive amounts of land and good sources of water. You know, as long as people can access that type of thing as well, that'll be great.

On page 10 of the fiscal plan it states that the technology and innovation strategy focuses on four streams: vision and branding, capital investment, talent, and system organization. The strategy will result in Alberta "developing, attracting and retaining a future-ready workforce with skills aligned to diversify and grow Alberta's economy." It will also support Alberta in "leading the country in attracting capital and investment by 2030" and developing "a competitive landscape and the right enablers to drive entrepreneurship and grow priority sectors." Can the minister explain how the ministry plans on supporting the growth of Alberta's burgeoning technology sector? What are some of the technology successes? I know that some of them have been mentioned here. What I'd like to expand on is: you know, why are they coming here? There's been a bit of that talk, too, but if you could maybe just expand on why they felt compelled to come here.

The other thing I'd like to add on there. It's not necessarily your area, but the broadband is a real limitation to the development of technology businesses in rural Alberta. I'd just like to see if there's a way or what's in the big plan to support that. We found out through the way we're having our meeting tonight and just hearing that more people are thinking: "Boy, I don't need to be concentrated in a big city. There's always an opportunity for rural Alberta to get involved in this." I know my daughter works from her home. She's doing very well within a bank, and they don't need her to be in

downtown Edmonton. That would be an important thing to consider. Overall, how do we make sure how we spread this around – oh, is that it?

The Chair: That is it, Member. Thank you very much for your questions.

Minister, you have up to five minutes to respond.

Mr. Schweitzer: Again, I really appreciate the breadth of questions here to chat a little bit about. Just building on your last point that you raised about your daughter that's in the banking industry that normally would work in Edmonton but they're working from home for the last while, it wasn't that long ago – people here may be familiar with the term "Bay Street." That's downtown Toronto where a lot of the big corporate offices are for the financial services sector in Alberta: the banks, the law firms, and the accounting firms. The mindset three to five years ago was that if you're not on Bay Street, you can't make it. You're just not going to be in the mix. You're not going to be there. Us in Alberta, a lot of our financial lending instruments are coming from those big institutions. We'd all do the dog-and-pony show and travel to Toronto and try to do the wining and dining and all the usual stuff that goes on in business development.

COVID has changed all of it. Bay Street hasn't been functioning for over a year effectively. It's been a ghost town in downtown Toronto, where people are working from home. With that has come a massive disruption in opportunities in the workforce. Your comment and question about your experience of your daughter in the financial services sector as well as the abundant need for us to continue to build out rural broadband access and high-speed Internet access: I think that is mission critical. I think that is a big part of what we want to do going forward. Our Minister of Service Alberta, we're working in collaboration with him to make sure that we can flesh out a real-time strategy to continue to connect people from across our province so that they can have job opportunities because people can live where they want to live now. They can have those opportunities with the Googles and Facebooks and everybody else from their amazing communities here in Alberta. They can live where they want to live.

The other thing, too, that's really interesting is that the technology applications that are coming out so fast right now with low Earth orbit satellites: that is game-changing technology. Where we always used to be reliant on fibre in the ground, you have companies out there that are providing low Earth orbit satellites that are having the potential for game-changing technology. There's a whole bunch of other things that are happening that are disrupting how we access the Internet in real time. I think that this is an area where, again, we have to connect these communities as fast as humanly possible. We have to connect our indigenous communities and provide them with access to opportunities. This is an educational tool. Long-term there are huge applications in health as well as job opportunities. Again, that's mission critical.

When it comes to your question around vision and branding, again, right now we're hoping to see that final product when we roll out the final tech sector strategy. You're going to see a lot of the vision and branding that goes in there. The one thing I love is that we see a lot of shirts that say I Heart Oil and Gas, but you're going to start seeing more and more Albertans wear I Heart Tech as well. It really is a matter of building on our strengths and building on what we have to offer out there to Albertans. There's a CEO of a company called AltaML. He always talks about I Heart Alberta Tech, and he wants people that are in public office to wear shirts to help sell the brand of our province. So do look for some more things to come on the branding and diversification piece here in Alberta.

When it comes to artificial intelligence and machine learning, I just want to highlight that Alberta has one of the best institutions around when it comes to building out this research. That's why we've attracted Google DeepMind. That's why we're starting to see that traction of the investment that's been made over multiple decades.

I want to just highlight why I think this is starting to gain traction today. It's that Alberta has always been an innovative province, but we've applied a lot of our innovation toward unlocking opportunities in the energy sector. When it comes to unlocking the oil sands, when it comes to unlocking SAGD, when it comes to unlocking carbon capture, we have been innovators. But I would say that it's hit a critical mass, where a lot of these younger entrepreneurs are saying, "You know what? I want to do something. I don't necessarily want to go down the traditional junior oil and gas company strategy. I want to try something new." So you're starting to see these innovative Albertans, and it goes to the culture of this province. They're applying themselves in different places like Jobber, Attabotics, Neo Financial, Symend, Benevity. All of these companies are Alberta-based, Alberta-grown success stories now that we have critical mass. You're seeing a shift in the mindset of the business community. Whereas before they only wanted to invest in traditional economic drivers, they're actually wanting to invest in other applications as well, so that's another encouraging piece.

9:05

I know you asked a lot of other questions. On 3.1 we covered the tech strategy. When it comes to your community of Lloydminster, clean tech, huge opportunities. Alberta Innovates launched a program of \$50 million with TIER funding for clean energy driven company initiatives, proponents – lots of announcements are going to come on that project here in the near term – hydrogen projects, potential water projects, lots of collaboration happening there on that part of it.

You asked about funding for postsecondaries: \$88 million for postsecondaries for research. Again, we're increasing funding going into research. We want to see that commercialization . . .

The Chair: Thank you, Minister. That concludes that 10-minute block.

Now we go back to the Official Opposition and Ms Goehring.

Ms Goehring: Thank you, Mr. Chair. I'd like to return to my questioning regarding the 2030 increase for doubling tourism as well as specifically regarding the destination management organization. How much money will the government invest? How will the government recoup these investments? I'm curious if the private sector isn't in a better position to develop these destinations as opposed to government, and why is government spending public dollars to develop these destinations? I'm curious about government undertaking any further strategic action to meet your 2030 goal, or are you confident that your current actions are sufficient to meet that goal? A while ago the former minister talked about diversifying Alberta tourism and bringing more tourism to other areas of Alberta, particularly outside of the national parks. I know you stated that highlighting some of the destinations is one of the approaches. Can you elaborate on the plan, and what else do you plan to do to help other regions to help them attract tourism?

On to airports. One in 11 jobs in Canada are tourism related. Our not-for-profit airports are the gateway for tourism through Alberta and into Canada's north, yet they have been decimated by COVID, resulting in up to 90 per cent passenger reductions. Tourism is an important economic driver for our province and can be a key pillar of recovery. This budget reflects a significant increase to Travel

Alberta, yet no support or relief has been provided, resulting, for example, in layoffs of more than half their workforce. Given that tourism is in your fiscal plan, page 10, and also part of your sector strategic strategy to help diversify the economy, are there any supports for our two international airports, and can you point to the line item, please?

Edmonton International Airport specifically is not a typical airport that runs like a utility but optimizes the 7,000-plus acres of land, the largest land mass for a major airport in Canada, to be an economic driver and a job creator for the region. In 2019 \$3.2 billion in economic output supported over 26,000 jobs, and since 2013 EIA has attracted over \$1.3 billion in private investment, acting as a catalyst for extensive job creation across multiple industries. It is home to Flair Airlines headquarters, ULCCs. Calgary International and Edmonton International are Canada's fourth- and fifth-busiest airports, respectively, in Canada. Given their critical role in moving goods, people, and generating economic activity, does this budget contain any tangible or additional supports for EIA or YYC?

I would now like to move on to film. I'm happy to hear that you were talking about film and the importance of including culture in working towards diversifying our economy. That makes me quite happy. In 2019 the film industry was very worried about the film and television tax credit, particularly the cap of the tax credit. Have these concerns been addressed, and what are the criteria now?

Studios and streamers are trying to keep up with the demand for content around the world during this pandemic. Many see Alberta and particularly Calgary as a place to shoot much of this content. It's been reported that Alberta could see \$400 million worth of production being shot in 2021. However, productions don't go to jurisdictions without a robust film and TV tax credit. Can you please verify two items in regard to Alberta's FTTC? One, what is the amount available for 2021, and does this represent an increase? Two, has the per-project limit, currently at \$10 million, been lifted or removed, and why the change? Can you also address the rumours that industry is hearing that the yearly cap is being removed? Do you have any idea what \$400 million worth of production in the province translates to in terms of jobs? Are you aware if this industry is a primary job creator in Alberta right now?

Other than the FTTC what is your ministry doing to attract film and TV production work in the province? For example, although 90 per cent of jobs on productions are filled by Albertans, is anything being done to ensure that writers, producers, and other production artists and crew are able to enter the province and begin working such as providing the film industry access to rapid testing? While this is shaping up to be the biggest production year in Alberta's history and you appear to be trying to help this work, what is your government doing in terms of budget and regulation to not only sustain but grow the industry?

I think that's it.

The Chair: Excellent timing. Thank you very much, Ms Goehring. Minister, you have up to five minutes to respond.

Mr. Schweitzer: Perfect. We'll start with the film and television industry. You know what? This is a big opportunity for Alberta.

I'm just going to grab a quick drink of water here. Just so you guys know, it's 25 degrees in our room. I don't know how hot it is in your guys' side, but it's 25 degrees on our side. Apparently the lights have been on all day and the doors have been closed.

Film and television. We went out and listened to the film and television sector regarding the cap. Look for an announcement on the \$10 million per cap to come here in the near term. It's not a budget line item. We have increased the budget for the film and

television tax credit up to \$50 million, so that's a \$19.5 million increase in that credit available this year. Do look for some further details to be announced here in the near term regarding the per-production limit of \$10 million. There will be some further details to come. I've heard that feedback from the industry loud and clear.

The one thing that I'll say is that – you asked a question about the long-term sustainability – again, this is about being strategic. This is an arts and culture file. There are huge arts and tourism opportunities and applications, creative industries that come along with film and television, but there also is huge big business that goes along with it as well. The people that are financing these projects are private equity driven analysts. They want to grind you for every single cent of that tax credit. They want to know what's in and what's out before they sign on the dotted line. So we really are working strategically and holding regular calls now with all of the major production studios from around the world. You're familiar with the names like Disney, Netflix, Amazon, Apple, that are out there deploying billions of dollars growing their online platforms. It seems like there's an insatiable demand for screen content right now. I know that during this pandemic I've consumed quite a bit of screen content from time to time. We really want to make sure we position Alberta to grow.

When it comes to comparing Alberta to British Columbia, obviously, you know, the Vancouver area, even the Okanagan, are very well developed over many decades of strategic engagement on their government's part to build out those sectors in their province. We're learning from those lessons. We've engaged and met with people in British Columbia in the film industry, people that are experts in that field in B.C., and getting strategic advice for: how do we build from kind of a very small industry in comparison to British Columbia? How do we build on what we have and build it in a sustainable way going forward? That's why we're focused quite a bit on getting television series into Alberta. That's how you get the long-term growth from a workforce. That's how you get the long-term investments that'll happen in film studios and sets. Also, having a sustainable tax credit is important for those companies to make sure that they invest in Alberta. So look for more details to come there.

We have set our budget here for the film and television tax credit, but the message that we've sent to the industry is that if you bring us high-value television series for the province of Alberta that have a long-term investment for this province, I'll gladly take that to Treasury Board in two seconds. If we need to go do more to have a viable long-term television series in Alberta, I'll gladly go back to Treasury Board and do more. We think that the current budget cap will pretty much deal with most of our labour capacity in Alberta, but we want to grow this out long term.

Your questions around destination management. We've taken a look at best practices for Travel Alberta, and a lot of this work is historically being done in the department. We want to make sure there's one place, one entity, that has one unified strategy here to engage and develop out the tourism industry in our province. That's why we're turning Travel Alberta into a destination management organization. The functions and responsibilities are being moved over. A lot of that work was being done by department officials, and it was confusing to industry as to who they should go to: should I go to Travel Alberta, or do I go to the department? This is going to create more efficiencies and, we think, a better outcome for the travel and tourism industry in the province as a whole. It's based on best practices. Now, the federal Destination Canada is destination management; you've got Tourism Calgary, destination management. There are lots. There are five DMOs, I believe, in Alberta, all focused on a similar model, so we want to make sure we drive that.

9:15

Your question around airports. I completely agree that these airports are critical to the long-term tourism industry, long-term growth prospects as well for the province of Alberta. As I mentioned earlier on, the cargo industry in Edmonton has had one of its best years on record. Further investment is going on there. You've seen Amazon go in. As well, as I mentioned earlier on, with the refrigerator capacity at the Edmonton International Airport, there is the ability potentially, from a pharmaceutical strategy and vaccine strategy, to really play a leadership role long term from a diversification part. I do think and I agree that those are big.

As far as line items, again, we're working with the federal government. The airline industries are working with the federal government as well for potential supports that would be needed. The province as well has significant amounts of debt outstanding from many of our airports in Alberta. We're continuing to work with them. That's outside of my ministry, but I am aware that those discussions are ongoing to make sure that we do our best to support them. It is critical for us to have vibrant and functioning airports as well.

One thing that . . .

The Chair: Excuse me, Minister. Thank you very much for your time.

We will now go back to the government caucus. Mr. Walker, you have up to five minutes to ask your questions.

Mr. Walker: Well, thank you, Mr. Chair. Through you, I would say to the minister and all my colleagues: welcome, Minister, and thank you for being here today for the JEI estimates. I've really enjoyed the discussion so far, and I look forward to learning more in our conversation with my own questions here now.

I would say that when I think of what JEI is doing with \$1.5 billion to support core sectors, I'm very excited about that. I'm excited about the \$500 million contingency fund to further support the economic recovery. When I think of your ministry, Minister Schweitzer, through the chair, I would say that I think of positivity, hope, and optimism. This is what my constituents are telling me, and we're always in conversation. The Alberta recovery plan, which is core to your ministry, is incredibly exciting, where we're building record infrastructure, creating good-paying jobs, and diversifying our economy.

My questions, Minister Schweitzer, through the chair, will be focused on Invest Alberta. As you know, I have an international relations background and passion, similar to Mr. Bilous, so that will be my focus. I see it as a crown jewel agency for the Alberta government and Albertans in general, and I agree with what you said earlier, through the chair, that we are changing the approach to investment attraction when it comes to a more business approach, balancing the former approach of the former NDP government, where it was very government/bureaucratic heavy. The final mile, Chair, I would say, is not always achieved through bureaucratic decisions. It's also through other sorts of business-based decision-making.

One of my first questions, Minister, will be – and you can reinforce anything if anything had been said previous – can you please explain why the budget for Invest Alberta has been increased? I'm so excited about that. Specifically speaking, what will the money be used for? For example, I believe the Asia Pacific, Chair, will be an economic powerhouse this century. I'm so happy Alberta has had a long-term footprint in the Asia Pacific. We opened up our first office in Tokyo in 1970 under Social Credit, of all parties, if you could believe that. So excited to see what will be

happening in Japan and across the Asia Pacific, such an important economic region for Alberta. Then what will the investment and growth fund be used for specifically, Minister? Very curious about that.

I know Invest Alberta, again, is focused on penetrating markets and Alberta brand promotion for our companies. As well as attracting investment, we are a trading jurisdiction of 4.4 million people. We need to be deeply engaged in the world abroad for the benefit of Albertans here at home. I was quite floored by Mr. Bilous's earlier comments on Invest Alberta, because under his former government we saw the flight of tens of billions of dollars of capital. Invest Alberta is going to help us turn the corner, achieve again and again the final mile to locking in key strategic investment decisions.

On that note, on page 144, Minister, through the chair, of the government estimates, on line 3.2 you mention to co-ordinate, develop, and deliver "Alberta's international relations and trade promotion activities." Now, the global economy will likely surge as populations are vaccinated.

With that said, looking at outcome 3 of the business plan on page 69, has the ministry identified any impediments to investment in Alberta? Now, if so, how does the ministry plan on addressing these impediments, and what steps has your ministry taken in attracting the support overall of venture capital, which we know is so critical to Alberta's economy? Our economy since 1947 has been based on big industrial projects. It's very important in my local constituency, Minister, Strathcona county, where we have the Alberta Industrial Heartland. We have three refineries, so big-time investment from venture capital really makes sure our economy keeps booming, rocking, and rolling. I know you understand that. I'm so happy that you have your colleagues from Invest Alberta here today. Thank you to them for coming.

The Chair: Thank you, Member. That concludes your five-minute time.

Minister, you have up to five minutes to respond.

Mr. Schweitzer: I appreciate that, and thank you so much for those questions and also for your engagement as well in different trade initiatives that you've brought to my attention, your passion for dealing with companies and attracting investment from overseas. I really appreciate your engagement on this matter.

When it comes to your question about line item 3.2 and trade offices, you will note in that line that there is a tick down in the budget in the estimates, and I just want to identify that for you. That's because those funds and the resources of the trade offices are being moved over to Invest Alberta so that we can have that co-ordinated approach in making sure that we can attract investment and also engage in trade matters. I just wanted to make sure I answered that specific question.

When it comes to your question about outcome 3 and investment impediments, this is where my opening remarks, the three big pillars of our recovery plan, the macro framework that we want to set in place – number one is taxes. People want to know that you're efficient on taxes. I mean, that's why we accelerated the job-creation tax cut to bring it down 8 per cent, the lowest taxes in the country by a country mile. Again, as I mentioned, if President Biden goes forward with his plan, you know, that will have some of the lowest taxes in all of North America. There might be a couple of states in the U.S. that can keep up with us when it comes to taxation levels.

As well, making sure that we have the best regulatory environment around: I mean, the Associate Minister of Red Tape Reduction is going to continue to provide updates. I had a

preliminary one recently. My goodness, the work that they're doing and the tens of thousands of barriers that we had in this province over years. We had it good in this province – we had it really good – and then we had an NDP government. Well, you'll have your own comments on that. We just have to make sure that we continue to make sure we're focused on having the most efficient government possible.

I'll give an example from my time in Justice, where we were still using fax machines, for goodness' sake. We had it so good that we didn't think it was needed to invest in technology. We had weight restrictions on floors because there was so much paper building up. So we're making sure that we have an efficient government that's focused there, making sure we have that right drive as a government and focus on making sure this is the place. If you want to do business, you need to be in Alberta.

We're starting to get on the map when it comes to the tech sector, and I'm going to get to that in one second.

If a business notices impediments, that's why we put Invest Alberta there. They've got concierge service. If you're looking to invest in this province with a material, high-value investment and there's a hurdle or a barrier – you know, maybe it's at the municipal level; it could be at the federal level – they're there to help work with us to break down those barriers and get that investment, get those jobs created here in our province. When it comes to how the additional \$25 million of budget funds for Invest Alberta will be used, we've got the trade offices, we've got the business development, that we covered off, as well as the response to environmental and social governance.

Alberta has an amazing record when it comes to responsible development of our resources. We have to make sure that the facts are out there in the world and that we're engaged in a very strategic way, making sure that we inform insurance companies, financial institutions from around the world, pension funds from around the world about what's happening in our province. We have an amazing story to tell: world leadership when it comes to carbon capture, the ability to develop hydrogen here in our province. Publicly recently we've, you know, asked the federal government around carbon capture, utilization, and storage. Hopefully, the federal government comes to the table, because Alberta has been a leader in this field, and we can continue to be. That's an amazing ESG message to sell.

9:25

When it comes to the business approach – and you referenced Invest Alberta as the crown jewel. That's not too much pressure for our CEO, David Knight Legg, that we've got there, to make sure that it is a crown jewel for the long term in our province. If you take a look at the board that we've attracted to Invest Alberta and their willingness to be there – from Anne McLellan in Edmonton to Scott Hutcheson, Chen Fong, others that have stepped up to be part of Invest Alberta – they are rolling up their sleeves and making sure that they make introductions around the world. You know, when I travelled originally, before the second wave of the pandemic, they were more than willing to make calls, make introductions, help sell Alberta with a team Alberta approach. That's what Invest Alberta is all about. It's team Alberta selling this province, working collaboratively with local economic development organizations, chambers of commerce. How do we make this the place?

Too often we see people with Flames jerseys and Oilers jerseys beating each other up, but each of our big centres has different value propositions. How do we get the most out of each of our major centres? They can attract different types of jobs. Some of them are the same. There's lots of overlap. There are lots of different strengths of both of our centres. How do we sell rural communities

and our mid-sized centres? Everything has a little bit of a different value proposition, and Invest Alberta is there to get the best out of everything.

The Chair: Thank you, Minister. I appreciate that.

That concludes that 10-minute block.

Ms Pancholi, you have up to five minutes.

Ms Pancholi: Thank you, Mr. Chair, and thank you, Minister. I want to ask you a question, Minister, related to key objective 1.1 of your business plan, which talks about leading the execution of Alberta's recovery plan and working with partner ministries to drive strategies that build on our strengths to grow key sectors. Minister, I don't think I have to tell you this – I think you would probably be aware, of course – that the current economic recession that we're facing has hit women harder than anybody else. We know that currently Alberta's employment levels for women have dropped to the level of 1984. That is the biggest drop of any province in Canada with respect to the employment participation of women.

As one parent said to me, Minister: do I get a job first, or do I have to find child care first, and what do I do if I can't find both? Really, the issue here is that working parents can't go back to work, can't do the retraining that I know you've spoken about, that's necessary for our economic recovery, for our growth, for creating jobs. The retraining, the reskilling, and the return to work can't happen unless those working parents have access to affordable and accessible child care.

Now, Minister, I know that you haven't just heard that from myself and the members of our NDP caucus. That's being said by the Bank of Canada, by AIMCo. You mentioned conversations with the chambers of commerce, and both the Edmonton and Calgary chambers of commerce have been clear that an economic recovery plan and a jobs growth plan need to include an investment and a plan for early learning and child care.

We were, I think, privileged, Minister, to share with you our proposal from the NDP caucus on early learning and child care. If you read that proposal, you would know that it clearly lays out a path that the investment in child care would lead to a potential GDP growth of \$6 billion, would put over 40,000 Albertans back to work, both by allowing Albertans to go back to work but also creating jobs in the early learning and child care sector, which is critical, again, for women to get back to work. There's a clear economic imperative for investing in early learning and child care. I would see that as part of your portfolio, Minister, as the minister for jobs and economy, that getting Albertans back to work, providing them with skills is very important for women in all sectors and working parents in all sectors. But let's be clear: it is for women entrepreneurs; it's for those tech start-ups you talked about.

I was privileged to speak with Amy Yu, who is the CEO of Kickbyte, which is a tech start-up here in Edmonton, which was named by *Canadian Business* and *Maclean's* as one of the top start-ups in Canada right now. She said that she couldn't do what she was doing without making sure there was child care for her employees.

It's critical for our economic recovery, and I know, Minister, and I've heard that you are a champion of child care, that that is an issue that is dear to your heart. So I'm wondering what strategies your ministry is taking, in partnership with other ministries, to actually invest in child care. We don't see it in the current child care budget. That budget has a zero per cent increase for child care at a time when the sector and economists are calling for it. I'm wondering if your ministry, Minister, is going to take this seriously. I see that

there is \$365.1 million set aside for Alberta's economic recovery, and I'm wondering if any of that is set aside to invest in child care.

I also want to quickly mention: you talked about the women's start-ups and tech start-ups that we have in Alberta, which is fantastic, but we also know – and this is coming from a report of the Canadian Federation of Independent Business – that women-dominated businesses, even in those areas where they have led the way, are seeing recovery significantly slower than male-owned businesses. They're recovering slowly. They're rebounding more slowly. They tend to be newer and smaller and have a harder time recovering, and they have more troubles with cash flow and debt and staff layoff.

Under the NDP we had the Alberta investor tax credit and the digital media tax credit, which both provided an additional 5 per cent support for women-led businesses, for businesses that had 50 per cent of their board that were underrepresented populations or if the CEO of their board was an underrepresented population. That's just one strategy. I'm wondering: what strategies are outlined in your budget, Minister, to specifically support those women-led businesses or businesses by underrepresented groups to enable them to recover as quickly as the rest of our economy, that we hope will recover?

Those are the two issues, Minister, that I'd like to hear your comments on. Thank you.

The Chair: You have 30 seconds if you'd like to add anything else.

Ms Pancholi: If I can, I just want to add really quickly, Minister, that I've heard from a lot of aviation companies, too. Elevate Aviation is a company that I've heard from that's really spoken about the need to get more women involved in aviation, and they talked about supports for reskilling and retraining. If you have the opportunity to meet with them, they are fantastic, and they have great ideas of ways you can encourage more women to enter the aviation field.

The Chair: Wonderful. Thank you very much, Member.

Minister, you have up to five minutes to respond.

Mr. Schweitzer: Perfect. I really just appreciate that line of questioning and the thoughtful questions that you've asked, number one. I just appreciate that.

On that last point you raised, around aviation, no, I haven't met with that company. I'm happy to do so. I know that you and I and Mr. Bilous and other colleagues of ours have had chances to meet in a nonpartisan way. I'm happy to have further meetings in a nonpartisan way to help make sure we have that team Alberta approach. I'm happy to take a look at that, and then, again, if there's an opportunity for us to create job opportunities for Albertans and women in our province, I'm happy to take a look at it and work with you on that going forward.

When it comes to tax credits, I mean, we structured the Innovation Capital Working Group to give us the best advice that they had for how we structure incentives in Alberta to engage and foster growth in the tech sector in our province. That's where we came up with the genesis for the idea of the innovation employment grant. Again, that is a very successful model that we've built out there. We think it's the most competitive research and development grant that we have in the country now to help with those fast-growing start-ups, for those emerging companies, particularly at the early stages of their development and growth.

I know our parties may have some differing philosophies from time to time, but the job-creation tax cut is a strategy that we've had there to help foster and create that business environment in Alberta

to make sure that we have the right structure here long term to attract businesses from a wide range of diverse backgrounds and diverse opportunities for the province.

When it comes to the tech sector, again, this is an area where Alberta is leading. I mean, we've got 30 per cent of women that are founders or CEOs or co-CEOs of tech companies in Alberta, which is double the national average. One perfect example of that is the company Symend. They went from 50 employees to 250 employees, cofounded by a brilliant woman. They're using psychology in its application, using AI in engaging with customers and clients. I think that that company is going to be the next potential Benevity in Alberta. Again, we have amazing people that are doing amazing work in this province.

We're also working in collaboration with Minister Aheer, working with her on STEM for girls. Again, this is an area that I'm quite passionate about. I'm a father of two girls, and I want them to see every potential opportunity that they have. I can't remember if we mentioned it when we chatted, but there's this amazing application that teaches young kids AI, and my daughters love it. AI applications: they love it. We want to make sure that we have that culture in our province where everyone can reach their full opportunity. Particularly as a father of daughters, our little girls can grow up to be amazingly strong women and entrepreneurs in this province.

I just want to highlight, too, when you take a look at the leadership in this department, I mean – our deputy minister is an amazingly strong woman, we've got Laura Kilcrease, the CEO of Alberta Innovates, and the CEO of Alberta Enterprise Corporation is another amazingly strong woman – all engaged in the tech ecosystem, all engaged with small businesses, helping us create the culture in Alberta.

9:35

I do think, again, Alberta has an amazing reputation when it comes, I believe, to encouraging growth and making sure we have opportunities for everyone. We still have a lot of work to do. As you and I would probably agree, there's a lot of work to do still to create opportunities and also make sure everyone can get to their full opportunity and potential in this province.

With respect to your question around child care, I'm sure you either have been or will be there to talk to our Minister of Children's Services about this very topic, but I would point out as well that, you know, we did announce as part of the recovery plan \$100 million plus of support for working families that have access to child care. That is a part of our recovery plan that I worked closely on with Minister Schulz, to make sure that we have additional supports as part of this recovery for working families in our province and for working parents, single or together, making sure that those supports are there. Again, we will continue to make sure we create the opportunities for Albertans to get to their full potential in life.

Again, we've all seen this in this pandemic. You know, I only can talk about my own personal experience in one respect. I mean, my wife works as well. She's a lawyer. She's had to balance, while I'm up here, quite often her working responsibilities. It wouldn't be functioning if we didn't have access to child care. We've got young kids. They need access to child care so that my wife can work, so I understand the importance of having available child care. My wife and I are obviously very fortunate – we have good, high-paying jobs – that we can afford child care, and many Albertans can't. Making sure that we have the right tailored supports to help Albertans that need it most is important. I'd defer to our Minister of Children's Services on specifics for the program and any details and questions that you have about the supports she's created.

The Chair: Thank you, Minister.

Back to the government caucus. Mr. Toor, you have up to five minutes to ask questions.

Mr. Toor: Thank you, Chair, and thank you to the minister. It's very hard, I can see. I think it's because of your budget and all the work you have done in it. It's great work. I just want to start by congratulating you and your team. Great work. Great work. All I can see is hope. I think Albertans will agree with me that your work is going to bring some hope, and we all need it.

Questionwise I want to start with one of the key parts of our recovery plan, the pharmaceutical and life sciences strategy.

The goals of this strategy include optimizing system support and collaborations between academia, industry and [our] government to boost sector growth, attract investment and create knowledge-intensive jobs. We will provide \$20 million over four years for the Li Ka Shing Applied Virology Institute at the University of Alberta to accelerate leading-edge research and commercialization of pharmaceutical and vaccine treatment.

When you look at page 10, you can see there is a strategy. Can you tell us about that strategy? Specifically, what steps will you be taking to promote Alberta as a leading destination for pharmaceutical companies?

A second question is – you asked for a proposal from pharmaceutical companies for manufacturing and developing vaccines – what are you hoping to achieve from these proposals? Will these vaccines be used for the management of the current COVID-19 pandemic, or will it be focused on future pandemics? Related to this, Minister, is the pharmaceutical and life sciences strategy a long-term approach, or would this sector strategy be short term, related to, basically, the current pandemic?

Another question: why would Jobs, Economy and Innovation be involved in vaccines as an industry? Is it an economic or job opportunity? Can the minister explain how Alberta's workforce is well positioned to become a leader in the pharmaceutical sector? Maybe you can talk about the size and scope of the pharmaceutical industry in Alberta.

The next question. I want to deviate a little bit. If you can please explain how the ministry is planning on supporting small businesses during the current COVID-19 pandemic. On page 68 of the business plan key objective 1.4 talks about removing barriers for entrepreneurs and small-business owners by “reducing red tape in the ministry through digital transformation and improved service delivery.” Can you elaborate on what steps you have taken to reduce red tape for businesses who wish to access government services?

Line item 4.1 on page 144 of the estimates, innovation and technology: you outline to develop and implement “innovation and technology policies and strategies to reduce greenhouse gas emissions and prepare Alberta for lower carbon and economic diversification.” We know that environmental, social, and governance standards are becoming more and more important to investors around the globe. We recognize it in this budget with the creation of the ESG secretariat. Can you please explain why the funding for innovation and technology under the Climate Change heading has expired, and what efforts is the ministry instead engaging in to combat climate change?

I'll pass on my time to Member Goodridge.

Ms Goodridge: Mr. Chair? All right. Thank you, Minister Schweitzer. I really appreciate your time here today. I know in my riding of Fort McMurray-Lac La Biche... [Ms Goodridge's speaking time expired] Oh, fantastic.

The Chair: I apologize. Thank you very much.

Minister, you have five minutes to answer.

Mr. Schweitzer: I want to thank Mr. Toor for the excellent questions that he's provided here. Lots of ground to cover, and I'll do my best to do so. When it comes to our innovation strategy, you asked about, you know, when it comes to environmental responsibility and environmental and social governance and our reputation as a province. That's why we've made sure that we have Invest Alberta helping work with us in international markets, from insurance companies to financial institutions, making sure that Alberta's story is told, and we have an amazing story to tell. With the innovation and technology that has been done here with carbon capture and storage, all the different technologies, water purification, everything that we've done in this province to be responsible stewards and developers of resources, it is a story that needs to be told. This is one of the best places, if not the best place, in the world, and we have to make sure that we get out to markets and make sure that they know our record and our story.

When it comes to investment in this space: recently, when it comes to the TIER fund – that's our major-emitter fund – \$50 million was allocated from TIER as part of the recovery plan to Alberta Innovates to partner in collaboration with the federal government as both private-sector proponents for projects here in Alberta. We announced that as a part of our recovery plan. You're going to see that come to fruition here with some announcements in the next little while about some success when it comes to this. These are projects from hydrogen to water, clean energy strategies. That's where we're making sure that we go there. We have that innovation happening here in Alberta, and that's really key for us.

With respect to the strategy for small businesses and removing barriers, that goes back to the earlier commentary I had around red tape reduction. I mean, we have our goal of reducing red tape by a third in our province, making sure that we are the place that reduces friction, reduces redundancies, and that comes also to just efficient government as a whole. I told the story earlier on about using fax machines still. My kids wouldn't even know what a fax machine looks like. They'd be, like: Daddy, what is that thing? You know, fax machines, making sure that we're efficient in our processes: we're looking to do that as well in our department.

Just for an example, Alberta Innovates deals with a lot of proposals. Sometimes I think it's like *Dragons' Den* when you hear about some of the pitches that are coming in and the ideas and suggestions. The organization has been around for a little while. They want to make sure that their applications are streamlined and also have just top-flight applications. You'll see it in our budget as well, continued investment in our portals, our business link portals, everything that we have in order to engage with small businesses to make it as seamless as possible. We're going to continue to make sure that we do that.

Just to give you an idea here when it came to the relaunch grant that was set up, we've already had 57,000 successful applications come through that relaunch grant. The average turnaround time is about 10 days for the vast majority of those applications that come in. That's because we invested in the back-end support to make sure that we have the right portals that were set up to gather that information, to make the decision-making process as fast as humanly possible. Other jurisdictions in Canada that tried to set up similar supports have not had even close to that type of success. If you take a look – I don't want to besmirch other provinces, but I'd put our record up against any other province in the country when it comes to the ability of getting supports to small businesses in a timely manner and the degree of the supports that we've provided.

9:45

Again, when it comes to your questions around, “Why is JEI leading the request for proposals on the vaccine?” – you know what? – this is being led across Canada as well as at the federal level by the industry-related ministers. Jobs, Economy and Innovation is the equivalent of industry in our province. But it really is an opportunity for both. It’s an opportunity for the economy, but it’s also an opportunity for health. I do think that we have to rethink how we leverage our immense buying power as a government in procuring goods and services as it relates to vaccines and pharmaceutical products to make sure that there’s a domestic supply.

I’m getting that one-minute mark, so I’m going to make sure I hustle here.

Again, when it comes to the opportunity for vaccine development, some of these vaccines may not get to full market for Canada’s purposes. I’m hoping the federal government continues to bring vaccines in. We want to make sure that those vaccines will still go to good use. There are billions of people around the world that still need vaccines. Some of the strategy as well could be for booster shots or that deal with variants, making sure we don’t get into a vaccine nationalism issue as well, so looking forward to see what those proposals may be like. That’s why we’re investing that \$20 million that you referenced from Li Ka Shing, to make sure we build out the workforce, the researching capacity here in Alberta. That’s given us the platform to ask for those proposals here in Alberta with some amazing companies.

You asked about hope as well. Hope in and of itself, I mean, isn’t a strategy, but momentum is real, and in the business environment it is real. BMO just came out with a report saying that Alberta is going to lead the country in growth this year. That’s important. That in and of itself – the work that we’re doing, engaging in a team Alberta approach to attract investment and jobs – gives people hope.

The Chair: Well done. Thank you, Minister.

Mr. Bilous, you have five minutes to ask your questions.

Mr. Bilous: Great. Thank you, Mr. Chair. I’d like to know what the status is of the recommendations by the Innovation Capital Working Group. I know you referenced that earlier today. Thank you, Minister. Are you currently working on implementing any of their other suggestions? So far there have only been a couple of their suggestions that your government has implemented. Are you satisfied with what you’ve implemented, or, you know, is there a plan to implement more? I know that the Innovation Capital Working Group recommended an investment of around \$450 million to AEC in total. Did you consider that or maybe funds specific to meet the 20 per cent for early stage co-investing in Alberta? There’s a dedicated \$90 million, which is particularly needed, especially – and I’m sure that Ms Williams would agree with me when I say that – because we do not have an investor tax credit. All of the board of AEC, including AEC and many other entities, advocated for the investor tax credit, which, of course, your government, you know, attacked us for and criticized that very notion. Now there isn’t one. So are you going to at least increase the dollars that AEC has?

Performance metric 3(a). Earlier you took no responsibility for the work at our postsecondaries, but the goal is, “Sponsored research revenue attracted by Alberta’s comprehensive academic and research universities (\$ millions),” which is very important. Again, how is your ministry adjusting to the cuts we’re seeing in the postsecondary sector? Are you taking any additional steps? Please outline them for us.

Regarding Alberta Enterprise Corporation in the business plan, outcome 2, key objective 2.4 on page 68, “Through the Alberta Enterprise Corporation, expand venture capital investments into Alberta companies,” how much of AEC’s budget is yet to be allocated and has yet to be spent?

In 2(b), total value of venture capital investment in Alberta, how much of those dollars and percentages will go to Alberta businesses? And I’m well familiar with the model, Minister.

Would the financial and fintech strategy fall under your ministry or TBF? The Premier said that Bay Street would be irresponsible not to move to Alberta, implying that big insurance companies and banks would soon move here and implying that work was already under way. That would be great news because that was also two years ago. Minister, if you can update us on the work that’s been done and what’s under way and which banks are relocating to Alberta.

As well, Minister Toews today spoke about a concierge service out of TBF for fintech, yet Invest Alberta has the exact same mandate. Can you please help us understand this duplication of roles?

In the last election the Premier said that the corporate tax cut would attract investment to the province. He claimed that it would be the silver bullet to attract investment and create jobs. When he accelerated last year, he said that companies would be irresponsible not to move to Alberta. What’s happened thus far is a flight out of Alberta, with hundreds of millions of dollars of Alberta’s tax dollars moving to other jurisdictions. Now we’ve created a Crown corporation to attract investment. If the corporate tax cut was going to work as well as the Premier claimed and was a silver bullet, then was Invest Alberta even needed?

Now, I will say that Invest Alberta existed in the Ministry of EDT. I’m not arguing with the idea to spin it out, and it is needed. My point is that a year and a half ago your government touted that the corporate tax cut would be the be-all, end-all, and now, clearly, through a number of different initiatives and some funding here and there your government has finally embraced diversification and recognizes that much more needs to be done to attract companies. A great example is Infosys, that did not come for the corporate tax rate.

Regarding Invest Alberta – and, Minister, this is why I wanted Mr. Knight Legg to answer directly, because of all of my questions regarding Invest Alberta, none of them were answered. I’ve received no answers regarding their \$25 million line item. I’d like a breakdown of that. Its not even me, Minister. Albertans deserve to know how the public dollar is being spent. It’s their money. It’s not yours, and \$25 million per year is budgeted for Invest Alberta. Albertans want to know what the targets are. What are the metrics? What are the outcomes? What are the financial instruments that Invest Alberta is planning to use? How is the money going to be allocated? Specifically, how will Invest Alberta deploy the funds? Are they working with existing economic development entities? Who decides which companies are going to receive assistance? What kind of assistance will they receive? Are they receiving grants? Is there any equity stake? Are there loan guarantees? Is there a reduction on taxes? Please elaborate.

I do want to thank all of the Crown corp. CEOs for attending tonight’s estimates to keep the seats warm, because they weren’t allowed to respond and talk about the incredible work that they are doing in this province. Thank you.

The Chair: Thank you very much, Mr. Bilous.

Minister, you have up to five minutes to respond.

Mr. Schweitzer: Well, there’s a lot to work with on this one, Mr. Chair. Again, I really want to thank the amazing CEOs of our

Crown corporations for being here today to support this budget estimate process. I really appreciate the work that they did with my ministry to get us ready here to answer the questions of members of this committee. You know what? I go back to my earlier comment. Members of the opposition sometimes, I think, get a little too heated in their partisan nature here. I'll gladly answer the questions, and I did already answer many of the questions that were already covered off and asked by that member.

I maybe have to give a bit of a Crown corporation 101 for the opposite member. It's disappointing that six years into the job they may not be aware of how Crown corporations report their financials, the audit process that independent Crown corporations go through, publicly available information on Crown corporations for utilizing taxpayer dollars, the independent boards of directors that are set up there for Crown corporations as well.

This is an estimates process, where we answer to the line items in our budget. We make sure that we provide information here for the stewards. We have been able to bring forward an amazing board of directors for Invest Alberta, that works with the Auditor General and everyone else to make sure that they are fully in compliance as a Crown corporation that is independent to take care of the initiative and mandate that our government has provided them with. We work regularly with the chairman of Invest Alberta to make sure that they meet those high standards as well, and there's a process for all of that information to be disclosed. We're here today to talk about the estimates of the government of Alberta. I've just remembered, if people like yourself want to ask questions, you have the right to ask questions of me and my ministry, but I am here to answer those questions, and I'll do so here today.

Again, Infosys: can the opposition just cheer and say, "Look, this is a good thing for Alberta"? Always with the swipes. Like, 500 jobs for the province of Alberta. I've already commented on this earlier on; let's cheer and have a team Alberta approach. Let's make sure we continue to have and build an amazing province that's going to continue to attract investment like Infosys, like mCloud.

You made a kind of a side-swipe comment about the job-creation tax cut. Well, here's a number for you: more head offices in Calgary today after the worst economic downturn than when you were in government in 2018. There's a stat for you. More now than when you were in office, and we have just gone through the worst economic downturn since the Great Depression. More right now in our province. That speaks to the job-creation tax cut. That speaks to the work that we're doing to make sure that we have the best regulatory environment in the entire country to make sure we can attract investment into our province, here in Alberta.

9:55

Now, when it comes to your questions about fintech, again, let's talk about the fintech successes that we have in Alberta, that were grown here in this province and have really taken off in the last two years. Neo Financial is an amazing challenger brand bank, a fintech company started by the people behind Skip the Dishes. You've got Symend, another amazing company here in the province of Alberta, really taking off in the last couple of years. You've got, you know, Jobber fintech applications and Benevity fintech applications. All of that has been domestically grown here in Alberta. These aren't foreign companies coming in. These aren't big international companies coming in. These are grown right here in Alberta. These are the entrepreneurs of the future of this province.

We encourage them. We engage with them regularly. We've held round-tables with them. We get their feedback regularly on the talent that they need. We've gotten their feedback on the jobs now program. We've engaged with them to make sure that the innovation employment grant is structured the right way. We're

making sure that we do everything humanly possible to make sure that the fintech industry can grow in this province.

To your question about the collaboration: yes, I'm going to be collaborating with Minister Toews on the fintech working group and fintech initiative that we have for the province, making sure, again, that we can keep up in real time with the developments that are happening in the marketplace. Again, this industry is disruptive, and our institutions need to be able to keep up, so we're going to make sure we continue to invest and work with them on that.

AEC, as you know, is a fund on fund. They're working with venture capital to deploy their resources. We may not have all the time here to go through all the details, but we can gladly provide them through a due-course process that goes either through the Crown corporation, or if you'd like to request an undertaking, we can gladly provide it to provide you further information on AEC and the investments that they've made to date.

Again, that information is in the budget document. You can take a look at the fact that we're leveraging the '16-17 \$25 million. That was a promissory note. I believe that you were minister at that time when that promissory note was provided. We're now deploying that cash that's coming out of your promissory note, and we're providing them with an additional \$175 million to invest.

When it comes to your question on the innovation employment grant, talent, the Alberta Enterprise Corporation piece as well, immigration policy, all of those were implemented out of the innovation capital . . .

The Chair: Sorry, Minister. I apologize for the interruption.

It does go back to the government caucus, to Ms Goodridge, to share with the minister. There are two minutes and 20 seconds left, however you choose to split that.

Ms Goodridge: Fantastic. Thank you, Mr. Chair, and thank you, Minister. I will get right to it. In your business plan, key objective 1.2, you mentioned: "Deliver programs and tools to support Alberta's economic recovery and diversification, including targeted assistance for . . . businesses most impacted by . . . health measures." I know that throughout the last chunk of time I've spent many, many hours talking to business owners all across my riding, many of whom have shared a lot of the challenges they've faced but a lot of the successes as well and have really indicated that the relaunch grants have made a large difference and have really helped them. I was just wondering if you can explain what performance metrics the ministry is using in order to measure the goals, and is the recovery and diversification being met?

The Chair: Minister, you have one minute and 24 seconds left.

Mr. Schweitzer: I'll do my best to be able to answer as best I can. We do track the metrics. When we designed the enhanced COVID-19 business benefit, we took a look, and we had the benefit of tens of thousands of data points from small businesses across Alberta. Our team worked closely with Treasury Board and Finance, taking a look at the federal supports, doing a sensitivity analysis based on different industries, from restaurants to the hospitality sector, to make sure that it was designed in a way to provide the most potential benefit to small businesses that have been severely impacted. That's the design of the enhanced COVID-19 business benefit.

When we did the relaunch grant, we knew the data that we had coming out of the first wave of the pandemic and the uptake that we had when we budgeted \$200 million. We knew that heading into the second wave of the pandemic, further resources were required, so we lowered the eligibility criteria down to a 30 per cent reduction of their revenue to make sure that we covered off more small businesses

across the province. That program was successful. The average turnaround time was 10 days from application to money going out the door to support businesses in real time. We budgeted \$575 million of supports. To the credit of this department, I would put the performance of that program up against any province in this country. I think it's probably been the best executed program in the country.

The Chair: Thank you very much, Minister.

I must advise the committee that the time allotted for the consideration of the ministry's estimates has concluded.

I would like to remind committee members that we are scheduled to meet next on March 10, 2021, at 3:30 p.m. to consider the estimates of Executive Council.

Thank you, everyone. This meeting is now adjourned.

[The committee adjourned at 10 p.m.]

