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Participants

Ministry of Jobs, Economy and Innovation

Sonya Johnston, Assistant Deputy Minister and Senior Financial Officer, Financial Services

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Alberta Enterprise Corporation

Kristina Williams, President and Chief Executive Officer

Alberta Innovates Corporation

Laura Kilcrease, Chief Executive Officer

Travel Alberta

David Goldstein, Chief Executive Officer

8:01 a.m.

Tuesday, April 20, 2021

[Ms Phillips in the chair]

The Chair: All right. Good morning, everyone, and thanks for the patience. It's 8:01, and I'd like to call this meeting to order. Apologies. I am attending remotely due to a number of reasons this morning. While that's not ideal, I thank the LAO staff for all of their efforts, for coming on a year now, in making this option available to us.

My name is Shannon Phillips. I am the MLA for Lethbridge-West, the chair of this standing committee. Ordinarily we'd go around the room and introduce everyone, but we've got various people joining us from various places. I'll just note for the record that the following members are present via videoconference or teleconference: of course, me, via videoconference. We have Searle Turton and Jordan Walker and Jackie Lovely and Jackie Armstrong-Homeniuk from the government caucus joining us by videoconference. If there are any others, please do let me know. Other than that, then, I'll just pause there and allow the folks to go around the room, and then we can get a sense of where everyone else is. I'm also getting an echo, folks.

Mr. Guthrie: MLA Peter Guthrie, Airdrie-Cochrane.

Mr. Neudorf: Nathan Neudorf, MLA for Lethbridge-East.

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

Mr. Singh: Good morning, everyone. Peter Singh, MLA, Calgary-East.

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

Ms Renaud: Marie Renaud, St. Albert.

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

Mr. Kulicki: Good morning. Michael Kulicki, clerk of committees and research services.

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

The Chair: All right. We also have from the office of the Auditor General Doug Wylie, the Auditor General, and we have a number of departmental staff who have joined us today. Instead of going around the table, because there are a number of folks, all we're going to do is that before you speak, department folks, if you could say your name and your position, and then before you answer a question, just simply say your name, just so that *Hansard* can know which one you are with the videoconference.

Of course, in accordance with the guidance from the chief medical officer, folks are advised to keep the appropriate distance within the room. In addition, there are committee room protocols, including taking your garbage when you are finished, please. Members must wear masks while seated. *Hansard* will operate your microphones for you. You may remove your mask when you are speaking if you so choose. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and the transcripts can be accessed on the Legislative Assembly website.

We'll now move on to the approval of the agenda. Folks, are there any changes or additions to this agenda? I will look to the room to move that the agenda for the April 20, 2021, meeting of Public

Accounts be approved as distributed or as amended. Can someone move that? I see Member Neudorf. Very good. Is there any discussion on this motion?

Seeing none, I'll ask all members to unmute their microphones. Just for IT's awareness, I'm still getting a bit of feedback when the volume comes on in the room. All in favour of this motion? Are there any opposed to the adoption of the agenda? Seeing none, that motion is carried.

We'll now move on to the approval of the minutes, turn our minds to the minutes from the April 13, 2021, meeting of the committee. Do members have any errors or omissions to note?

Seeing none, I'll look to the room that the minutes of the April 13, 2021, meeting of the Standing Committee on Public Accounts be approved as distributed. Anyone to move that?

Ms Pancholi: I move that.

The Chair: I'm seeing Member Pancholi.

Is there any discussion on this motion? All right. All in favour? Very good. Are there any opposed? Okay. Very good. It appears that the minutes from April 13 are, then, carried.

Friends, we will now move our attention to welcoming our guests from the Ministry of Jobs, Economy and Innovation, who are here to address, of course, their annual report from 2019 up to the end of the fiscal year, March 31, 2020, as well as any office of the Auditor General outstanding recommendations or reports that are before the committee.

What we'll do now is that we'll turn our attention to the ministry to provide opening remarks not exceeding 10 minutes. For our awareness, we are in the out-of-session meeting format today, so that's 10 minutes, five for the Auditor General, and then we move to questioning from the opposition and the government.

I'll now turn things over to the ministry for their 10 minutes, please.

Ms White: Thank you, Ms Chair. My name is Kate White. I'm the Deputy Minister of Jobs, Economy and Innovation, and I am pleased to be here today to represent the ministry. For the purpose of today's meeting, as the chair noted, we'll be referring to the ministry under its previous name, economic development, trade, and tourism, as that was our name in 2019-20. However, there may be instances where I do refer to the department as JEI, Jobs, Economy and Innovation.

Today I am joined by Jennifer Jabs, our assistant deputy minister, stakeholder relations; Chris Shandro, assistant deputy minister, agency governance and program delivery; Paul LeBane, assistant deputy minister, economic and policy strategy; Sonya Johnston, senior financial officer, Jobs, Economy and Innovation, Labour and Immigration, and Indigenous Relations; David Goldstein, the CEO of Travel Alberta; Laura Kilcrease, CEO of Alberta Innovates; Maureen Lomas, vice-president, finance, Alberta Innovates; and Kristina Williams, CEO, Alberta Enterprise Corporation.

I'll quickly provide an overview of the ministry along with some achievements from 2019-20. The ministry of economic development, trade, and tourism, or EDTT, led efforts to grow Alberta's economy by delivering strategic programs and services to support Alberta's entrepreneurs and job creators. The ministry also worked to attract investment, grow trade, strengthen Alberta's tourism industry, and ensure Alberta has an innovative and competitive business environment. It's important to note that in a year of government transition many of the department's programs were paused for a time during the election and remain paused to enable the government to conduct a program review.

Although the ministry organization, name, and mandate have now changed, we will be referring to the state of the ministry as it was in '19-20. For example, our co-ordination of Alberta's recovery plan began after this reporting period, so it is not addressed in the annual report before you today. During the 2019-20 fiscal year the department consisted of five divisions: science and innovation, economic development, trade and investment attraction, strategic policy and corporate services as well as tourism. The ministry included 12 international offices as well as two investment and trade promotion services. The department also included centralized corporate services for communication and human resources and five ministry agencies: Alberta Innovates, the Alberta Research and Innovation Advisory Committee, Travel Alberta, the Northern Alberta Development Council, and the Alberta Enterprise Corporation. In 2019-20 the consolidated ministry expense budget was \$294.8 million compared to an actual expense of \$293 million, so \$1.8 million lower than was budgeted.

EDTT's work focused on achieving four main outcomes, that you see in the business plan and annual report: first, supporting Alberta entrepreneurs, businesses, and communities to drive growth and job creation; second, attracting, retaining, and expanding investment in Alberta and growing trade; third, optimizing Alberta's innovation system to support economic growth; and finally, supporting a strong tourism industry that creates jobs and economic growth in Alberta.

8:10

In reference to outcome 1, supporting Alberta entrepreneurs, businesses, and communities to drive growth and job creation, the 2019-20 fiscal year was a busy one for the ministry. The ministry worked to unleash the potential of Alberta entrepreneurs, businesses, and communities to create jobs and grow the economy in all corners of the province. We worked closely with the Alberta Enterprise Corporation, Alberta Innovates, and Travel Alberta, and combined with the advice from the Northern Alberta Development Council, the ministry worked to enhance the conditions for private-sector growth to spur on the economy.

We also worked to remove the regulatory red tape that creates barriers to success for job creators, both big and small. In fact, in 2019-20 the ministry contributed to the government's Red Tape Reduction Act, and we participated in multiple red tape reduction industry panels. The ministry achieved a 6.9 per cent red tape reduction during the 2019-20 fiscal period, exceeding our 5 per cent target.

In January 2020 the Alberta Film and Television Tax Credit, or FTTC, Act and regulations were proclaimed. The program provides a refundable tax credit to support the industry and draw new and larger productions to the province. While program funding did not commence until the '20-21 fiscal year, applications started coming in immediately after the legislation was proclaimed.

In addition to these specific programs, we worked with other Alberta ministries and with businesses to address critical situations that affected investment attraction and job creation in Alberta. We monitored and assessed disruptions to rail service, which impacts Alberta businesses and consumers, and we engaged with industry partners to identify challenges in supply chains that began to surface early on in the COVID-19 pandemic.

With regard to outcome 2, attracting, retaining, and expanding investment in Alberta and growing trade, to help boost trade, EDTT worked to enhance investors' awareness of the benefits of doing business in Alberta. We helped attract, retain, and expand investment in the energy, agriculture, tourism, technology, aerospace, and financial service industries. For example, through the Alberta Enterprise Corporation we have supported 50 Alberta

companies through venture capital partnerships, resulting in a combined capital investment in Alberta companies of over \$563 million.

In 2019-20 EDTT developed the investment and growth strategy to be a government-wide guide to increasing private-sector investment in targeted sectors. This strategy will also support the province's economic recovery efforts in response to the global COVID-19 crisis. This will increase Alberta's competitive advantage, improve investment attraction systems and supports, and raise the province's reputation as an investment destination to create jobs and economic growth. A key part of the strategy was the development of the legislation to enable the creation of the Invest Alberta Corporation.

During the 2019-20 fiscal period the ministry also reviewed the province's international network to enhance and optimize it. This work resulted in savings of \$700,000 in 2019-20. The ministry also continued its mission to support free trade and completed many foreign and domestic missions before travel was put on pause.

With regard to outcome 3, optimizing Alberta's innovation systems to support economic growth, in 2019-20 EDTT worked to take a smarter approach to innovation that will modernize Alberta's economy and create new and better jobs for Albertans. We created the Innovation Capital Working Group, consisting of industry experts, to inform the province's approach to technology and innovation. Through the research capacity program the ministry supported 43 projects, with funding totalling \$7.6 million. This funding helps Alberta's postsecondary institutions attract and retain the skilled talent needed to grow our economy. The department also provided \$161 million to Alberta Innovates. This money supports world-class researchers, entrepreneurs, and the development of emerging technologies. These investments created an estimated 2,400 new jobs and generated substantial economic growth for the province.

With regard to outcome 4, supporting a strong tourism industry that creates jobs and economic growth in Alberta, the ministry delivered strategic programs and services intended to grow tourism spending in Alberta. EDTT, including Travel Alberta, worked closely with international and external stakeholders and partners to support the industry. While tourism was performing strongly for the first three quarters of 2019-20, the impacts of COVID-19 were immediate and felt throughout the industry. This sector immediately saw deep impacts due to travel restrictions, event cancellations, and closures of parks and facilities arising from COVID-19 risk mitigation measures.

Travel Alberta continues to be a strong ally for the tourism sector. EDTT provided Travel Alberta with more than \$41 million in funding to manage the province's national and international tourism marketing programs and services. There were some good-news stories from the first three quarters of the year. This included the running of a successful Open Farm Days, the expansion of tourism leases to terms of up to 60 years, and many successful stakeholder engagements while the sector will likely struggle for some time as we began work in 2019 on a strategy to help the sector recover.

This is just a small sample of the ministry's accomplishments in 2019-20. I look forward to your questions, and I yield the balance of my time.

Thank you, Madam Chair.

The Chair: Thank you very much for that overview, Deputy.

I'll now turn things over to Auditor General Doug Wylie, who joins us for five minutes of his opening remarks.

Mr. Wylie: Thank you, Chair. I'll just summarize some work that we've done at the ministry. First, I'll refer to the financial statement audit work that we did at this ministry. We conducted audit work at

the department level to enable us to conclude on a consolidated financial statement. That includes examining transactions at the department. In addition, we have issued separate audit opinions on the financial statements of Travel Alberta, Alberta Innovates, and the Alberta Enterprise Corporation. In all three of those cases we've issued unqualified, or clean, audit opinions.

We have one report before this committee this morning that deals with the results of a performance audit that we completed. The report relates to work that we did at Travel Alberta. The report is titled *Managing the Risks of Cloud Computing*, and it was issued in December of 2019. I'll just remind the committee of the three key findings coming out of that report. First was that Travel Alberta did not have a process to assess, monitor, report, and document the risks associated with the use of cloud computing, secondly was that Travel Alberta did not identify and incorporate specific business requirements in the contracts with its cloud service providers, and thirdly was that Travel Alberta did not have a process to measure and regularly monitor cloud service provider performance and compliance with the terms of those contracts.

I understand that Travel Alberta has indicated that much progress has been made on this work. We issued two recommendations relating to those findings, and I'm told that [inaudible] for us to come in and do the work.

That concludes my opening comments, Chair.

The Chair: Thank you, Mr. Wylie, and thanks to the deputy and all the officials for those opening remarks.

Now we'll move to 15 minutes, the first rotation. So we have 15 minutes for the opposition side, 15 minutes for the government side.

I'm now looking over to the Official Opposition. Your time begins when you start speaking.

Ms Pancholi: Good morning, everyone. It's MLA Pancholi. Thank you to the ministry staff and the Auditor General staff as well for being here today. I'd like to begin asking questions regarding – and I believe this will come from the trade and investment attraction portion of the ministry's budget from 2019-20. My questions deal with the appointment of former MLA Dave Rodney to the position of agent general of the Alberta-Houston office. Now, according to documents that we have received through our freedom of information request, we understand that that appointment took place on March 6, 2020, so within the 2019-20 fiscal year. I don't see any mention of that appointment within the annual report, but we do know that it does fall within that fiscal year. Of course, the appointment on March 6 would have meant that there was work being done within the ministry to select and appoint Mr. Rodney in the months leading up to that, so certainly within the scope of what we're talking about today.

We understand, of course, that Mr. Rodney's appointment to this position, while made in March, was not actually made public for a number of months, about four months later, but certainly he would have been – expectations likely would have been that he was doing work related to his position. I'm wondering if the ministry staff can begin by giving me a little bit of background around the process that lead to the appointment of Mr. Rodney to this position within the 2019-20 fiscal year. For example, what was the process like? How many people applied? What were the skills matrix required for this position?

8:20

Ms White: Thank you very much for the question. Unfortunately, I do not have background in front of me today on the exact details of the process. I don't want to give you any misleading information,

so I will undertake to provide more detailed answers to your questions.

I will indicate that Mr. Rodney was, as you say, appointed in March of 2020. He was selected in order to initially fill the role in the Houston office. As I mentioned in my earlier comments, there were many changes made throughout 2019-2020 to the international office network, partly to prepare the network for its eventual transfer to Invest Alberta. As I said, many evaluations were done on the efficacy of various offices, so we looked at our network, we tried to see where we could produce some cost savings, where we were not getting bang for our buck and meeting performance targets in terms of in-location staff, and we began the process of making those changes.

Again, I must apologize to the member. I simply do not have the details in front of me of the process today, and I will undertake to provide them to this committee.

Ms Pancholi: Thank you, Deputy. I appreciate that. Specifically with respect to tabling documents, if you could table documents related to how many people would have been considered for that position or even applied if there was an application process, the skills matrix required for that position. And then maybe I'll move on, and maybe you'll have a little bit more detail if you don't have the background of the selection process at your fingertips right now.

Can you speak, Deputy, to the skills or experience that Mr. Rodney had that was determined to fit the role of this agent general for the Houston office? Can you speak to the qualifications that Mr. Rodney would have had that would have met those requirements?

Ms White: Thank you again for the question. The main skill and attribute of someone running one of our international offices is, first of all, an executive function, so the ability to run an international office with multiple stakeholders. Again, firstly, the executive function. Within that, we really look for strong communications because you're dealing with many different stakeholders, from government folks to investors to trade-oriented people, and you will be asked to provide support to various missions that arrive in your country of location. It's a very broad and vast kind of role, so executive function, focusing on excellent communication skills, is certainly one of them.

Another piece is, again, background in Alberta. Understanding our advantages and what we are selling and promoting world-wide in terms of investment attraction and opportunities to develop trade is another skill that we look to our managing directors. And then a willingness to move around and be flexible is another prominent feature in what we look for for a managing director.

If I could single out one skill of the executive function, it is around communication and the ability to manage multiple stakeholders, all at the same time, with competing priorities. Again, typically what you would see in a top-level executive.

Ms Pancholi: Thank you, Deputy. I take from your answer, then, that you're saying that Mr. Rodney met all of those requirements. I'd like to move on, but I'd like to see if you can, again, table the list of his qualifications that met those requirements that you just listed for that position.

Mr. Guthrie: Point of order.

Ms White: Certainly, we'll undertake to do so.

Mr. Guthrie: Yeah, under 23(b), speaking to matters other than that under discussion, there doesn't seem to be a line item that's associated with this, nor is it even about the application of policy or the implementation of that policy. It seems to be clearly partisan

politics being brought into committee here. I'd like it if we could maybe move our attention back to the annual report.

Thank you.

Mr. Schmidt: Madam Chair, it's interesting that the government members would want to shut down discussion of their own appointment. You would think that they would be happy to talk about this person all day. However, with respect to the point of order that Mr. Guthrie made, we believe that Mr. Rodney's salary comes out of line 3 of the department's budget with respect to trade and investment attraction. You know, we would argue that, of course, this is all about how the department spends its money and whether or not the people of Alberta are getting value for that money. We think this is well within our right to ask this. The deputy minister has clearly indicated that it's within the time frame of the annual report, so I think all of these questions are in order.

The Chair: Thanks, folks. I'm not seeing a point of order, necessarily, at this time. As long as we are querying things that relate back to the contents of the annual report up to March 31, 2020, and the actual line items that are referenced by this department and the decision-making process within this department within that fiscal year and/or as it relates to any outstanding Auditor General recommendations or Auditor General reports, I'll find it in order. If it doesn't, I will rule it out of order.

I think we'll just proceed. Thank you to the member from the government caucus for reminding us, though, that we will stay within those parameters, and I'll now move things back to, I believe, the Official Opposition for their time remaining.

Ms Pancholi: Thank you, Madam Chair. Again, speaking to the trade and investment attraction budget on page 70 of the main estimates for 2019-20 and within the annual report, going back to when the appointment of former MLA Rodney was made by the Premier in July, there was reference, of course, that the job was very significantly related to the Keystone XL and getting that approved. Now, Mr. Rodney was appointed in March, and I'm wondering if you can advise this committee as to what kinds of meetings and work Mr. Rodney might have been doing within the scope of the 2019-20 fiscal year related to KXL and getting that work done. Specifically, of course, we have documents indicating that he was working from home in March 2020. Can you give us some oversight as to what work he was doing in that last month of the fiscal year related to this file and related to attracting investment to Alberta?

Ms White: Thank you very much for the question. Mr. Rodney was employed by the ministry for a very short time, as you noted, in the 2019-20 fiscal year. Soon after he signed his contract and was working from Canmore, the first preparations that were worked on were actually to move him to Houston to take up that role at the time. There was a great deal of logistics work that was being done, and then there was a great deal of on-boarding in terms of government policy, administration, those types of things.

The other main thing that Mr. Rodney was able to contribute to was the investment and growth strategy that I mentioned earlier. The department was working very hard in the trade and investment attraction division on developing the investment and growth strategy. The international networks were going to be a key piece in developing and selling, if you will, Alberta in the investment and growth strategy. Mr. Rodney was provided early drafts of that to provide advice.

Ms Pancholi: Thank you, Deputy. I'll just ask, then, if there's anything else in the background that you could table, any documents related to any meetings he may have had within that last

month of the fiscal year other than what you've spoken to today, if there were any other meetings he had, specifically related to KXL, in that last month with business officials – that would be appreciated – and the outcomes of those meetings as well.

I want to go back a little bit again to the fact that he was appointed in March, but for some reason the appointment was not made public for another four months. Obviously, at the time of the appointment there must have been some decision as to why that was not made public. I'm wondering if you can speak, again, within the activities that happened within the 2019-20 fiscal year, as to why there was no public announcement made of this appointment at that time.

Mr. Guthrie: Point of order; 23(b) once again, speaking to matters that are not before the committee here and this report. We seem to be getting far off track here. It appears to me that we're on a bit of a witch hunt here. I wish that we would point to an actual line item within the report, and perhaps we could ask questions about actual material in that report.

Thank you, Chair.

8:30

The Chair: Sure. Go ahead, Official Opposition.

Mr. Schmidt: Yeah. Well, Madam Chair, as I stated in the last point of order, this is clearly from line 3 of the budget, trade and investment attraction. My colleague is simply asking questions about the value for money that the people of Alberta are getting from the salary that we're paying to this man, and I think that these questions are well within the scope of this committee's work on the annual report.

The Chair: Thank you, folks. Given that the matter at hand is the role of international trade offices, which are mentioned several times within the annual report, and they also have a commensurate line item, I'm going to find this in order given that the questioners have provided page numbers and line items to back up their questions. It is within order given the parameters of this committee, and I will remind all members to reference page numbers and line items when they are asking questions, and points of order should be based on the absence of those page numbers, line items, or references in Auditor General reports. That is the ruling on that one, and as specific as possible, friends, is always the best way to undertake that.

I will turn things back now to the Official Opposition, please.

Ms Pancholi: Thank you, Madam Chair. Can I ask how much time there is remaining? Five minutes? Thank you.

To go back, Deputy, again, Mr. Rodney would have been paid \$250,000, which we understand was his annual salary, so within the last month of the fiscal year he would have received roughly about \$20,000. This is a value-for-money question. So we're asking a little bit about the background on what work was done, what led up to that appointment, what criteria were met for Mr. Rodney to be appointed to that position. And now the question is: if Mr. Rodney was working hard during those months, and I assume he was, why was there no public announcement made of his appointment for another four months at a time when he was collecting salary? This goes to the value for money that we're trying to get at. To the deputy.

Ms White: Thank you very much for the question. In relation to your previous question, Mr. Rodney also did have meetings in Houston with the federal government. We work very closely in our co-located offices and with Invest in Canada and with our federal counterparts. That was one of the activities he undertook. Another,

that I didn't mention in my previous answer, was meeting across government with departments like the Department of Energy to understand the main issues and the government's position on these.

The main reasons, to your current question of no announcements in the month of March, were twofold. The first one was the COVID-19 pandemic. As the pandemic grew in impact to the province, and it became clear that the activities of government would be focused on addressing the pandemic, that's quickly where our focus did shift to. In addition, at the end of the month of March the department onboarded a new deputy, myself, five days before the end of the fiscal year. There was a lot of activity between COVID and trying to communicate with business stakeholders about the impacts of shutdowns, working with stakeholders in terms of, you know, discussing the essential nature of the work that was being done and potential restrictions on our movement in the province.

The main reason, to answer your question, ma'am, is simply the COVID-19 pandemic. Thank you.

Ms Pancholi: Thank you, Deputy. I appreciate that COVID certainly threw everybody for a loop in terms of government and all activities. At the same time, I believe it was around that time within the 2019-20 fiscal year – actually, just before the end of that year – that the KXL deal was announced by the Premier. Clearly work was being done, or KXL was still a priority. Obviously, it was announced during COVID and before the end of that fiscal year. As well, you know, Houston is mentioned a number of times in the annual report as a key priority, of course, in terms of attracting investment, and certainly that's the role that Mr. Rodney was appointed to. Again, I'm failing to sort of understand, if KXL work was happening when an announcement was made before the end of this fiscal year, why the government wouldn't also publicly announce that they had appointed Mr. Rodney to this position to prioritize the work that was being done on KXL. It's simply – you know, if this is a key objective of the ministry, which it clearly is based on the annual report, why was that not made public?

Ms White: Again, ma'am, I apologize that my answer is not satisfactory; however, it does remain the same. The main communications priorities for the department and for the government through the end of March were around the COVID-19 pandemic. I appreciate the question.

Thank you.

Ms Pancholi: Thank you to the deputy.

I guess what I'm also wondering, then: was any value-for-money assessment done by the ministry, beginning I guess at the beginning of this appointment in the 2019-20 fiscal year, carrying forward, of course? It was only eight months later that Mr. Rodney was no longer in this position. I appreciate that that falls into the next fiscal year, but within eight months he was no longer in this role. I'm wondering if any preparations were done in 2019-20. And what steps were put in place to do a value-for-money assessment on the efficacy of the role and the work that Mr. Rodney performed?

Ms White: Thank you again for the question. I mentioned earlier the work that resulted in \$700,000 in savings in the international offices. Throughout 2019-20, again, those assessments were being done on the international offices in terms of efficacy and value for money, and we were also planning on preparing those offices to spin out to the Invest Alberta Corporation in the subsequent fiscal year. Evaluations continued into the subsequent fiscal year. And, again, part of the point of spinning out the international offices to that corporation was to ensure that the biggest bang for the buck could continue to be evaluated. So that happened.

Ms Pancholi: Thank you.

The Chair: All right. We are out of time for that first rotation.

We'll now move over to the government side for 15 minutes. It looks like – is it Mr. Turton who's leading us off? Good.

All right; over to you. Your time begins when you start talking.

Mr. Turton: Excellent. Thank you very much, Madam Chair, and thank you very much to all the ministry staff that are here today. To kind of kick-start us off, I have a number of questions, and I want to start asking questions about the Innovation Capital Working Group. Specifically mentioned on page 30 of the annual report, the Innovation Capital Working Group was established "to develop options on how to attract new investment in the province's early-stage technology companies." Obviously, this is of huge interest to many Albertans, including those of Spruce Grove and Stony Plain. I guess my first question is: what were the individual requirements and evaluation methods used by the ministry for the selection of the experts brought on to the Innovation Capital Working Group?

Ms White: Thank you very much to the member for the question. The Innovation Capital Working Group consisted of seven members. They represented critical roles and perspectives relevant to the attraction of venture capital, as was the key mandate of the Innovation Capital Working Group, and Alberta's technology sectors. As I mentioned, members represented key areas within the sectors, including business, government, academia, financial, and investment communities. Members, again, were chosen for their extensive experience in business innovation technology and investment attraction.

I'll just quickly enumerate who the members were: Joseph Doucet, dean of the Alberta School of Business; Adam Legge, president of the Business Council of Alberta; Susan Anderson, president and CEO of Cannonball Capital; Derrick Hunter, president and CEO, Bluesky Equities; Cory Janssen, cofounder and CEO of AltaML; Kristina Milke, cofounder of Valhalla Private Capital; and David Vankka, partner, managing director and portfolio manager, ICM Asset Management. As you can see by those titles, collectively these members represented a holistic and very connected-to-the-sector approach to the Innovation Capital Working Group, and, as I mentioned, co-chaired by Joseph Doucet and Adam Legge.

8:40

Mr. Turton: Perfect. Thank you so much for those names. I know I'm going to be going afterwards just to kind of take some additional notes.

You know, obviously, with these types of committees scope creep is always an issue that we have to be aware of. I guess my question is: how did the ministry and the Innovation Capital Working Group determine the scope of the report to really make sure that it stayed within set parameters? Obviously, like I said, scope creep is always there, but just kind of tell a little bit about that process in terms of the scope of the report.

Ms White: Again I'll thank you for the question. On the Innovation Capital Working Group mandate, the minister actually intentionally kept the mandate very broad. One of the things that the department did not want to do is eliminate some potential solutions by limiting them through the scope of the mandate, so we didn't even limit it to one sector, industry, or policy option. The point was to enable the group to really further define the scope and pick up the most important pieces regardless of where they came from. The scope of the work essentially prioritized the most urgent challenges – that's really how we limited what we received back rather than, as they

often say, boiling the ocean – taking up the most important opportunities to make Alberta globally competitive in this space.

The final report was submitted in April 2020 and included 14 recommendations. The scope really did not get out of hand. The 14 recommendations covered three areas. One was around vision, communications, and branding; for example, brand development, adopting and communicating targets around our innovation sector. The second was around capital, so one recommendation was to recapitalize the Alberta Enterprise Corporation and to re-examine some of the tax credits that had been eliminated, particularly the scientific research and development credit. And then around talent: one of the things we know in this sector – and this sector impacts all sectors – is that the attraction of world-class talent and the development and skilling of world-class talent are really key. The 14 recommendations were under those three broad themes.

Mr. Turton: Thank you very much for that, Ms White.

I know you talked a little bit about it being an intentional decision to keep the mandate broad to be able to tie into all those different aspects. However, when you talk about the final report, obviously, it has to be focused so that it can actually provide effective reporting. I kind of like the saying that if everything is a priority, nothing is. I guess my question regarding this is: were there any set requirements going into the final report that helped to direct the information presented towards more focused and effective reporting? I'm sure that was an onerous task, just given the fact that it was such a broad scope initially. I'd just kind of get your take on that aspect.

Ms White: Thank you again for the question. As I mentioned earlier, with such a broad mandate we really relied on the expertise and true executive function of the chair, co-chair, and ICWG members. The final report that was received, as I mentioned, focused around three themes, but it was based on feedback received from an array of stakeholders, a review of research studies, which was also something that was a key part in ensuring that the most effective reporting and decision-making was presented through the ICWG report. Best practices and policies in Canada and around the world were also reviewed by the members.

As I mentioned, the ICWG engaged with a wide range of stakeholders representing key players in various sectors in the innovation ecosystem, including angel investors, venture capitalists, fund managers, academia, web and software development, telecommunications, robotics, digital media, life sciences, medical technologies and telemedicine services, oil and gas and tailing technologies. Municipal economic development agencies were a part of this, and the federal government was a part of this.

While they had a hugely wide scope, the technical review that included the jurisdictional scan and the three group themes really helped to focus and give us an effective report to respond to. As I noted above, the complex nature of the subject matter and the limited time frame really forced the ICWG members to focus on the most urgent challenges and the greatest opportunities for growth in the sector.

Mr. Turton: Perfect for that, Ms White. I can tell how enthusiastic you are about this from your smile that you have when you're answering. It is appreciated, your enthusiasm.

It mentions that the report was submitted by the working group in April 2020 and that the advice was being considered in the context of the province's economic recovery response to the COVID-19 crisis and approach to technology and innovation, which you have alluded to. Within the timeline of the annual report I guess my main question is: what work has been done to date by

the ministry to review and evaluate elements of the report to convert the advice into tangible options for the future?

I know you've talked on a number of different aspects already. Again, not to use another saying, but if you don't know where you're going, any road will get you there. Obviously, there seems to be a bit of a road map of how to help the province in terms of economic recovery, so I guess you could just touch base about how you've been able to take a lot of that report and the information in there and tie it into actual, tangible results that Albertans can rely on.

Ms White: I'll thank you again for the question. One thing I will note is that we didn't receive the final report until April 2020, so it's slightly beyond the scope of our reporting period. However, we did receive draft recommendations and worked closely with the Innovation Capital Working Group along the way. So the findings were actually able to set the stage for a good deal of work that happened in the subsequent fiscal year and announcements, that I referred to earlier, around the innovation employment grant, again in the subsequent fiscal year, and the recapitalization of AEC.

But in the fiscal year noted, those recommendations started to really form up the basis of the sector strategies that you saw both in the investment in growth strategy, which we were working on in the fiscal year, and in the subsequent economic recovery plan. The recommendations – some were small; some were large – are still being considered.

Mr. Turton: Okay. Excellent. I look forward to asking more questions about that next year, when we have the opportunity to look backwards.

Madam Chair, just real quick, how much time do I have remaining in my block?

The Chair: I'll just look to the room for that.

Mr. Turton: Perfect. Thank you so much. Okay.

My next couple of questions are actually revolving around the Alberta Enterprise Corporation. Specifically, on page 9 the annual report outlines that the Alberta Enterprise Corporation promotes the development of the venture capital industry by investing as a limited partner in venture capital funds. I guess my first question is: can the ministry please explain how this process works, how this achieves the policy goals of developing venture capital here in Alberta?

Ms White: I'd like to refer the question to our amazing CEO of Alberta Enterprise Corporation, Kristina Williams.

Ms Williams: Thank you very much for the question. I'm happy to answer that. Our job and our mandate is to create access to venture capital by investing as a limited partner into venture capital funds that then, in turn, invest into companies. We have a very thorough process for which types of funds we look for. We very specifically look at the types of companies we have in the province in terms of sector and stage, and then we try to match that with finding B.C. funds that we can bring to the province and that would then invest in technology companies.

In this fiscal year we were almost fully committed with our original \$175 million. We did invest in two B.C. funds in that year, and we did exceed the business plan target of dollars invested into Alberta technology companies in that year, with having \$563 million invested.

Mr. Turton: That is incredible news. I guess I was hoping you could just elaborate a little bit more on the thorough process and the

vetting that you have. You mentioned specifically about Alberta companies. Are there any limitations about the types of companies that you've been able to look at up to this point? Maybe just describe a little bit more about that process that you use.

Ms Williams: Yeah. Our act and our regulations limit us to knowledge-based industries. That's, broadly speaking, technology industries, so there has to be some form of knowledge, some form of intellectual property or know-how involved. That is one of the limitations. It also has to – we can only invest as a limited partner in venture capital funds, so that's also a limitation in our act and regulations. We then have a very thorough process of looking at what type of funds we would invest in.

8:50

We, in fact, usually have about a three-month due diligence process with about a 20-page due diligence questionnaire that these funds have to fill in. We then have directors and VPs of investment that review these and do on-site visits. We do interviews, we do reference calling, we do reviews of the partners' operational track records, we do reviews of the partners' financial track records, et cetera, and that eventually then goes to our board for investment approval, and then we have another about a month or two of legal negotiation before we make those investments.

Mr. Turton: Sounds like a nice, easy-peasy process. I'm joking, of course. On page 22 it states that "\$188 million [was] committed [specifically] for investment in 19 funds" in 2019 and 2020. I know that you've touched base and said that your mandate by legislation is knowledge and information and technology. Are all of those 19 funds in that category, or are there subcategories that perhaps, maybe, you know, you could elaborate on a little bit as well?

Ms Williams: Yeah. When I use the word "technology," I use it broadly. Knowledge-based companies: that includes everything from energy tech to clean tech to information technology to agriculture technology, food technology, so we actually have funds across those broad sectors of spaces. As I mentioned earlier, the most important thing that we look at is that every couple of years we do what we call the deal house study, where we look at what types of companies, sectors, and stages in the technology space the Alberta companies are in, and then we try to match that with the types of funds that we bring to the province. If you look at our portfolio, we are somewhat heavily weighted on the earlier stage type of companies in terms of the venture stage because that's the majority of type of companies that we have here in the province. We're also quite heavily weighted on the IT side because that's where about 40 to 50 per cent of Alberta start-ups in the technology space right now, today, are operating, in that sector.

That said, though, we do also have funds that are active in the ag tech space, in the industrial Internet of things space, food space, and clean energy tech space.

Mr. Turton: Perfect. Thank you for that, Ms Williams. I know you mentioned that last year you made all of your benchmarks, your targets, which obviously taxpayers of Alberta are happy about. I know we're just looking at last year, but historically, you know, is there more of a track record in terms of meeting those benchmarks? How does the historical look kind of tie in with the targets that have been reached?

Ms Williams: With only five seconds left, I don't think I'll have time to answer that question, so we'll get back to that.

Mr. Turton: Thank you very much.

The Chair: Thank you to department officials.

Now we'll turn to three rounds of 10 minutes each. We'll begin with the Official Opposition side. We're beginning with Member Schmidt.

You have 10 minutes. Your time begins when you start speaking.

Mr. Schmidt: Thank you very much. There are media reports of a letter that the former minister of your department sent on October 29, 2019, to Valory Resources, thanking her for her meeting with them on Friday, October 11, 2019, to learn about Valory Resources' upcoming projects. Looking "forward to hearing from you on the progress of your project. Please continue to work with our Invest Alberta branch, and do not hesitate to contact me if there is anything I can do to help" you, et cetera, et cetera. Can the deputy provide us a list of all of the representatives or investors in coal companies that the minister and/or department officials met with in the 2019-2020 fiscal year?

Ms White: Again, thank you very much to the member for the question. Unfortunately, I don't have an extensive and exhaustive list of meetings from the minister with coal companies in front of me. I can undertake to provide that to the committee and to the member. I can confirm that this meeting did happen, as you've indicated. Unfortunately, I'll have to do a little bit of homework, Member, to provide you with a full, exhaustive list of everyone in that space. One thing that I would note is that the minister often takes meetings with various stakeholders. It's, unfortunately, something that I don't I have an extensive list on.

Mr. Schmidt: I appreciate that. Could the deputy also provide all of the briefing notes that were prepared for the minister in advance of these meetings with representatives from the coal industry?

Ms White: Again, I can certainly undertake to provide notes that are not protected advice to the minister to the committee.

Mr. Schmidt: Thank you very much.

What work did department officials do with other departments of government on the issue of coal development in 2019-2020?

Ms White: The issue of coal development in 2019-2020 was not a prominent file for the department. The main files that we've been working on were the ones that I've noted around the four outcomes. Can I ask the member for the page reference in the annual report?

Mr. Schmidt: Well, I'm interested to know which line items would've supported the work that the ministry did to prepare the minister for meetings with the coal development. Obviously, there are briefing notes that supported the development of these letters. I'm not as familiar with the budget as, of course, the deputy is, so I would defer to her to let me know how the people of Alberta's money is being spent on assisting Australian coal companies to advance their projects.

Ms White: Again, thank you to the member for the question. The work that is done for various industries would be the same work that is done on every single industry. The vast majority of the work, for example, when a company would like to meet with the minister, involves background information and often policy advice. For example, sometimes the stakeholder will be, you know, noting several issues they'd like to talk to the minister about.

Mr. Schmidt: On that note, Deputy, did the department provide the minister any advice on the 1976 coal policy in particular?

Ms White: The main responsibility for advice around the coal policy does reside with the Department of Energy, not with the department of economic development, trade, and tourism, in the reference period we're talking about. Our role would be around securing meetings, getting, for example, biographies of key players. It would not be to provide the main policy advice to government around the coal policy. We would have a role in working with our sister departments, as the Department of Energy, in indicating, usually, feedback we're hearing from stakeholders on various issues and any background and research that we may have.

Mr. Schmidt: Did the department undertake any economic analysis of proposed coal mining projects in the 2019-2020 fiscal year?

Ms White: No, the department did not take on any of that analysis, to the member, and I have confirmed that we have given no policy advice in '19-20 with reference to the coal policy.

Mr. Schmidt: Okay. Thank you very much.

I want to turn now to page 39 of the annual report, with respect to tourism and public lands. Now, at the top of the page it looks like you worked with a number of tourism operators, including "twenty businesses . . . that were interested in new opportunities . . . six existing tourism operators with leases that required assistance . . . and sixteen leads/prospects for investment in Alberta's tourism sector." Can the deputy table for the committee a detailed list of who these businesses and investors were, what the opportunities were that they were looking for on Crown lands or the specifics around the assistance that they required with leases, and detail the prospects for investment that were identified for Alberta's tourism sector?

Ms White: Okay. Again I thank the member for the question. I'm just turning to the appropriate place in my binder if you will just bear with me for a moment. Okay. Tourism and commercial recreation leases is the topic. First of all, in reference to one of the questions, I'm certainly happy to provide any additional information, as an undertaking, that we're able to under the FOIP constraints.

9:00

First of all, in regard to our role with tourism and commercial recreation lease programs the government has recognized that commercial recreation on public lands contributes to job growth and economic diversification. In 2019-20 EDTT staff provided key information to Alberta Environment and Parks, outlining investor requests for an extended lease to help secure financing for tourism development projects. I'm just going to refer to tourism and commercial recreation leases as TCLs. TCLs include accommodations or activities that are provided or arranged for payment to members of the public for their pleasure or leisure and intended to produce economic benefit. Before the approval of the TCL, lease terms were available for a maximum of 25 years, which is a problem in terms of securing financing for investment. In November 2019 the TCL was established with an up-to-60-year lease term to facilitate tourism development. Again, investment . . .

Mr. Schmidt: Sorry, Deputy. I'm fully aware of the changes that were made to the lease tenure regulations. I'm asking for specifics, and I think you committed to tabling those for me.

I think I want to go on now to my next question. You talked about working with Environment and Parks on identifying suitable land bases for these tourism opportunities on public land. Does the ministry have a map of the land bases that were identified as being

suitable for these kinds of operations, and if so, can you table it for the committee?

Ms White: Again, certainly happy to undertake to table any additional information that's required, subject to FOIP considerations. In reference to your previous question, there may be a couple of commercially confidential issues, but we will commit to tabling everything that is available.

Certainly, in terms of a map that would be the department of environment. That is the lead on producing maps. Again, we advise on policy. We bring back recommendations, concerns, and opportunities from stakeholders, and the department of environment is really the lead on providing the space.

Mr. Schmidt: Deputy Minister, of course, as you know, Environment and Parks does its utmost to avoid coming to this committee, so if you have a copy of the map that you could table for us, that would be lovely.

Ms White: Again, I certainly will commit to tabling anything that is available to the committee. I can't confirm that I actually do have a map. I don't believe I do, but we will certainly search our records and provide such, subject to FOIP.

The Chair: Alrighty then. I will move over now for a 10-minute round with the government side, and your time starts, friends, when you begin speaking.

Ms Armstrong-Homeniuk: Good morning, and thank you, Madam Chair. My question is on Alberta Innovates, which, for the record, I am proud to have a site right here in Fort Saskatchewan-Vegreville. On page 11 it states that the ministry "provided \$161 million to Alberta Innovates, which was spent in the areas of research, innovation, and commercialization." Alberta Innovates shows up multiple times throughout the report in relation to different key objectives. First, can the ministry provide some insight on how Alberta Innovates is structured?

Ms White: I'd like to thank the member again for the question, and I would like to refer the question to our wonderful CEO of Alberta Innovates, Laura Kilcrease.

Laura.

Ms Kilcrease: Thank you, and thank you for that question this morning. The insights into how Alberta Innovates is structured: we're structured as a provincial corporation created by legislation. The board of directors is accountable to the minister and is responsible for the governance of the corporation and overseeing the management of the corporation's business affairs. We have approximately 550 employees in 11 locations around the province. Our investments are directed in areas such as digital health, clean energy, clean tech, smart agriculture, artificial intelligence, and also entrepreneurial investments; i.e., helping SMEs and others grow larger and stronger for economic output.

In addition, we have two subsidiaries called InnoTech and C-FER Technologies. These are highly technical subsidiaries where the people within them work with industry to solve real problems today and get those solutions into a scale-up mode that can be applied in real applications for industry to continue to be competitive or solve problems that it otherwise wouldn't be able to necessarily solve itself. We do this in partnership through those technical subsidiaries, InnoTech and C-FER. I hope that addresses the question.

Ms Armstrong-Homeniuk: Yes. Thank you. Considering the broad nature of Alberta Innovates, can the ministry explain how Alberta Innovates makes decisions on funding allocation and investment? Are there certain criteria that exist, or does it depend on the key objectives of the ministry?

Ms Kilcrease: If I may continue. Thank you. The source of the funding drives the primary focus of the investment that we make. Therefore, an example would be health and science endowments, from which we take some of the endowment proceeds, drive almost 50 per cent of our grant funding. A further 30 per cent of funding is through restricted grants that are directed by the government as to the purpose or use. Within these funding categories Alberta Innovates is strategic and operationally plans to drive key areas of success and alignment to that source of funding as well as considering government priorities within the competitive opportunities that we believe need to be developed. These particular programs are not just put in place at the front end of a cycle; these programs are reviewed annually. It's very important for us to keep track to make sure they're on target. In addition to the annual review we have a three-year rolling cycle for formal program evaluations of all of our programs to determine if we're continuing to meet our objectives in the way that we have utilized the funding as designated from its original source.

Ms Armstrong-Homeniuk: Thank you. On page 35 it states that "Alberta Innovates invested \$59.3 million in 631 small and medium sized enterprises through 962 projects completed between 2015 and 2019." What are the eligibility requirements to receive this funding, and what criteria was used to make the decision on who the awardees would be?

Ms Kilcrease: Again, thank you. There are a wide variety of competition and funding tools within that \$59.3 million in which companies can utilize those funds from us. They range from microvouchers for as little as \$10,000 to \$20,000 to product demonstration programs to commercialize that intellectual property into a real product of up to \$150,000 per year. Each program, however – and there's many of these programs – has a detailed program guide, including the criteria and reporting requirements for a particular program. Significant due diligence is performed on all applications. These can include not just compliance with program guides and requirements but other areas of due diligence we feel are valid in better understanding the applicant. This can include a review by a technical development associate, an investment analysis review, including market analysis and investment risk, as well as other third-party reviews or indeed even a review by the fairness monitor.

We feel that these programs are very necessary at certain stages of a company's evolution from idea to product to market entry. These are available at different stages for different companies and are all very available through our program guides for anyone who wishes to see what programs might be effective for them or indeed through our networks, like our technology development advisers, who can always talk with an SME or a company to help them determine where they may best get the help from a particular program. That \$59.3 million and those 631 small to medium-sized businesses, as stated on page 35, produced 962 projects that were completed in that time frame and moved those companies forward. Thank you for that question.

9:10

Ms Armstrong-Homeniuk: Thank you. On the same page it's outlined that the shift in composition of those who receive the funding, 30 per cent being new additions, as a result of the removal

of awardees who completed their five-year reporting window – what are the reporting requirements for the SMEs who received funding?

Ms Kilcrease: Thank you. It's very important for us to understand the outcomes of the funding that we give, not just from the perspective of what's intended but the actual results. All grants have regular reporting requirements in the investment agreements that all parties sign. These include progress or milestone reporting throughout the grant, final reporting at conclusion, and annual outcome surveys during the postinvestment period for up to five years.

Often in the innovation space an investment made tomorrow will actually reap rewards for several years to come, so we want to catch what goes on with that company over that period. I'm hoping that those multiple methods with which we measure the composition and who receives the funds and what's going on give us the outcomes we want on a longitudinal basis, not just at a single moment in time.

Ms Armstrong-Homeniuk: Thank you. The next questions I have are for the Film and Television Tax Credit Act. In reference to the Film and Television Tax Credit Act and the associated regulations which were proclaimed into force on January 29, 2020, you mention in the report on page 11 that this program provides either 22 or 30 per cent of refundable tax credit to support Alberta's labour and production expenses for eligible film and television projects. What criteria is used to identify who will be eligible for this tax credit?

Ms White: Thank you very much for the question. Based on the guidelines that were published in January 2020 – and I will quickly make a note that there were subsequent guidelines in May 2020 and March 2021 that superseded what I'm going to reference but very similar to what we see still today. To be considered eligible to apply to the FTTC, a corporation must be, first of all, primarily engaged in film, television, and/or digital media production; be incorporated in Alberta under the Business Corporations Act and registered as an extraprovincial company in Alberta and/or continued as an Alberta company through a certificate of continuance; not be exempt from paying taxes under the Alberta Corporate Tax Act; be making an eligible production with total production costs of \$499,000; and one more I won't get to.

The Chair: Thank you very much, Deputy.

We'll now go on to the second 10-minute round. I will begin with the Official Opposition. I'm going to turn it over to, I believe, Member Renaud or Member Schmidt, maybe. Go ahead.

Mr. Schmidt: Thank you very much. I'm going to continue on with my questions related to tourism on public land if I can. It says on page 39 that "through interdepartmental meetings and collaborative projects, impediments to developing tourism on public land were identified." The deputy minister went on at great length about the change of terms to 60 years on public lands. The report just identifies additional impediments and provides no further detail on what additional impediments would exist on public land to tourism opportunities but says that that work will be undertaken in 2020-2021. Could the deputy minister enlighten the committee as to the specific impediments that were identified in this collaborative work with other departments?

Ms White: Again, thank you very much to the member for the question. I won't go over the lease terms again. One of the other barriers to tourism operators in addition to the lease piece is the ability to raise capital generally. Once you have the lease in place,

you actually need to be able to provide a suitable business model to financiers to be able to secure financing for your project. That's one barrier.

Another barrier to tourism operators on the landscape is around red tape, so the department spent quite a bit of time on red tape, as I previously mentioned, in the '19-20 fiscal year, again just making regulations easier, smarter, more effective, and quicker. I could refer, about additional impediments, to David Goldstein.

David, did you want to add anything to the member's question?

Mr. Goldstein: Thank you, Deputy, and thank you for the question. My name is David Goldstein, for the record. I'm the new CEO of Travel Alberta. I think what we constantly hear from tourism operators and prospective operators is the lack of a policy framework to create sustainable development on Crown lands and specifically in park space. There is a fairly robust framework that the federal government has with Parks Canada, and I think that even knowing what the guidelines and the framework might be would be helpful to quell some of the questions on what is and what is not appropriate for sustainable development on those Crown lands. I think I would add that as a third issue to the two that the deputy has already raised.

Mr. Schmidt: You know, forgive me for asking the question, but red tape is, let's say, a vague term at best. Can the deputy minister or anybody from the department identify specifically what counts as red tape, in the department's opinion, that poses an impediment to tourism on public lands that was scheduled to be addressed in the 2020-2021 fiscal year as outlined in the annual report?

Ms White: I can answer the question generally. Thank you very much for the question. In terms of red tape for our tourism operators one of the things that they often identify for us and did in this year and continue to do is on the ease and the accessibility of the funding programs that we have that support operators. For example, a piece of red tape might be considered when you ask repetitively the same questions in the same application form or require documentation that is duplicative.

Again, regulatory clarity is another piece that often is looked for by the tourism industry, and I'll again refer to our CEO, David Goldstein, for any supplemental information in terms of red tape.

Mr. Goldstein: Thanks, Deputy. I mean, I can give, probably, specific examples. I think that when people think about tourism activity within the parks, they're thinking about hard, durable assets, but there are also things like permitting for operators, hiking and guiding operators. Some have had existing businesses in the parks for several years and get gummed up with red tape on licence renewals. These are mostly SMEs, for whom, you know, it's not the main thrust of their business. I think that where we can, we make sure that there is a common understanding with our friends at Environment and Parks, at Alberta Parks to make sure that we can make those operations as smooth as possible to help some of those operators, especially as we climb out of the COVID crisis.

Mr. Schmidt: Did the department actually come up with an action plan for addressing these additional impediments? Is there anything in writing that the department could provide to the committee on this initiative? I'm getting the impression that these are just words that you use to meet your word quota here in the annual report.

Ms White: Again, I'm not sure of the question. We are certainly endeavouring to support tourism operators both on the red tape file and through the development of our strategies. During the '19-20 fiscal year the department, Travel Alberta, and stakeholders worked

together to start working on a 10-year tourism strategy. Unfortunately, as I previously mentioned, we were interrupted by the COVID-19 crisis, and rather than focusing on a 10-year tourism strategy to double visitors over those 10 years and to double the GDP from the sector, we were then quickly pivoting to supporting the sector to keep it alive.

9:20

Happy to commit to the member to undertake to provide details on feedback that was provided to Environment and Parks through the red tape panels from tourism industry operators around red tape. Yes, happy to do that.

Mr. Schmidt: Thank you very much.

Now, with respect to the 10-year tourism strategy that you referenced, was there any analysis undertaken by the department or Travel Alberta on the potential impact to the tourism industry that the potential expansion of coal mining in Alberta could have?

Ms White: Again, we did start work on the 10-year tourism strategy, did not complete work on the 10-year tourism strategy. To our knowledge, there was no analysis around the implications of the coal policy on the 10-year tourism strategy. However, I do want to be very clear with the member that that policy is not done. As I mentioned, it was put on pause to shift to tourism recovery in this fiscal year. Again, we'll look to recover, rebound, and then grow in the coming years.

Ms Renaud: I want to talk a little bit about the in-year savings exercise that all ministries have undertaken. You know, we've been asking for targets by different ministries to see what was cut, what was done. We see in the report on page 52, revenue and expense highlights, that there is no discussion about the result of an in-year savings exercise. My first question is: why does the annual report not discuss the in-year savings exercise required by Treasury Board?

Ms White: Again, I'll thank the member for the question. As I mentioned in my opening remarks, the department was actually very close to on budget for the fiscal year '19-20. Our total budget was \$294.8 million, and our expenses were \$293 million, so that's only \$1.8 million lower than budgeted.

In my opening remarks I also referenced the previous structure of the department and noted that there were five assistant deputy ministers at the time, and the structure of the department was different. While not completed in the year '19-20, the department did undertake a structural review that was then implemented very early in the following year, but much of the work for that structural review was happening in the '19-20 fiscal year.

We were able to achieve, as I mentioned earlier, \$700,000 in savings in the international network. Again, we also looked to savings through more efficient operations, so \$1.7 million on that budget is . . .

The Chair: Sorry. We'll move over to the government side for 10 minutes.

I'm seeing Member Walker. Go ahead, please.

Mr. Walker: Good morning. Thank you, Madam Chair, and thank you to all department officials from JEI for being here as well as the Auditor General's office. I just also want to recognize and thank Aaron for many things but specifically for now including a visual of a time clock when we have 30 seconds remaining. That is a new item that we're using here in PAC, as far as I know, and I find it very helpful. I'm very much a visual learner.

To the JEI officials, my questions will focus on the investment and growth strategy. On page 19 of your annual report key objective 2.1 mentions that “in 2019-20, Economic Development, Trade and Tourism developed an Investment and Growth Strategy” and that there would be increases of “private sector investment in targeted sectors.” What were some of the key factors in determining the targeted sectors?

Thanks.

Ms White: I’d like to thank the member very much for the question. The investment and growth strategy was very much a flagship piece for the department in ’19-20. The investment and growth strategy, or IGS, concentrates our efforts on the principal sectors of energy and agriculture, in which we can currently have a comparable economic advantage, and also in tourism. The way that we actually measure this is through analysis. We measure it through complexity analysis and through location and linkage analysis.

The strategy also focuses on key enabling sectors that provide high potential to fuel momentum in the primary sectors and, quite frankly, even in the sectors we haven’t yet thought of that are coming at the world economy. For growth in the wider provincial economy those enabling sectors are technology, aviation, logistics and aerospace, and financial services and fintech if you think about the technology to improve productivity, the movement of people and goods, and then the financing to grow these sectors of the economy.

By demonstrating that we’re global industry leaders in spite of our market asset limits for some of our principal sectors and focusing on the areas where we can really create an economic advantage over time, we will create and strengthen this existing competitive advantage. This is very much a strategy of playing to our strengths. The enabling sectors contribute to both the depth and the velocity of the movement, as I mentioned, of people, data, capital, and goods, which, in turn, build momentum and growth in the wider provincial economy.

Technology has been adopted across all sectors, boosting productivity. We used to say in Alberta: no matter what sector you’re in, you’re in the oil sector. Now we say: no matter what sector you’re in, you’re in the technology sector.

From 2015 to 2020 these sectors have had a positive impact on the province’s GDP and employed thousands of Albertans. A couple of examples: Alberta’s energy sector accounted for almost 20 per cent of the province’s GDP over that time frame and over 150,000 direct jobs and countless indirect jobs; primary agriculture generated \$5.2 billion in GDP, \$13.5 billion in farm cash receipts, and over one-fifth of the entire country’s farm cash receipts. This is what I mean when I say that we have an advantage in these sectors.

Again, we talked about the Innovation Capital Working Group and the technology sector. I just have to again mention it one more time. It occupies a huge space in Alberta. You know, our industries have been in technology play for quite some time. Back in 2015 we talked about 110,000 jobs with approximately 13,000 firms and approximately 75 per cent employing fewer than a hundred people. By 2018 the province ranked fourth nationally, by number of companies, within the aviation and aerospace sector. We’ve just seen tremendous growth in the sectors that we’re focusing on, that really underpin the investment and growth strategy, as I said earlier, based on playing to our strengths.

Sorry for the long-winded answer, Member.

Mr. Walker: Thank you so much. I would say, through the chair, that I really appreciate the passion, the thoroughness of your answers. Very palpable how much you’re passionate about these files, and that’s wonderful.

My next question: in the development of this strategy what were the measures developed by the ministry to ensure that this strategy could boost Alberta’s attractiveness to global investors and support investment attraction?

Thank you.

Ms White: I’ll thank the member again for the question. For any investment attraction business one of the things, I will say, is that it can take a long time to see the fruits of the labour in terms of investment attraction. We’re focusing our investment attraction activities and resources to achieve the vision I mentioned in the previous question. Again, we’re measuring those activities over time in terms of our performance metrics. So over the medium and the long term the indicator of success for the investment and growth strategy is increasing nonresidential capital investment. That is the number one indicator that we look at. Again, it will take some time to bear fruit, to see that the strategy is working.

Again, that, in turn, leads to growing employment in the province and then building out some of these centres of expertise, if you will. So first investment, then GDP, then jobs are the performance metrics that we’re looking at to measure success of the investment and growth strategy.

9:30

Mr. Walker: Thank you so much for your answers.

I’m quite excited to ask this next question. It’s one of my passions. We’ll be looking at the Alberta international office network, which I think is a tremendous asset for Alberta. As you probably know, I would say, through the chair, our first office was opened in 1971 in Japan under the Social Credit government, and we’ve grown quite a network since then. I think that’s a very important trade partner for us as the world’s third-largest economy and Alberta’s third-largest trading partner. Specifically, my question is that with the review of the Alberta international office network having been undertaken in 2019-2020 – you mention in your report that opportunities to enhance the effectiveness of the network were identified in the review and were implemented under this strategy – what was the overall criteria established for this review?

Thank you.

Ms White: Again I’ll thank the member for the question. In terms of the review one of the things that we were looking at was efficiency and effectiveness, as mentioned in an answer previous. We used four principles around cost savings, and I’ll just briefly describe each of the four.

First of all, to improve operational efficiency by better linking human resource competencies to desired business outcomes, so notably foreign direct investment results, with a new focus on foreign direct investment, again, the operational efficiency around ensuring we have activities that did support that.

We also reduced low productivity expenditures with things like overhead costs, so we reduced our office footprint, and we looked at the efficient use of administrative staff and junior offices where feasible, where the activities really aligned with that competency-based skill set.

Thirdly, we looked to retain valuable, experienced, and well-networked international office staff where possible. One of the main things you want in your international office is folks who are actually really plugged into the local community, and we looked to preserve those relationships in this review, where they were really paying dividends.

Finally, we looked to optimize management in the field by reducing the number of management staff, so again the old management ratio that we often talk about, and utilizing a more hub and spoke model, where smaller, satellite offices with no

management could report into a larger hub office. These really are professional positions that represent our province, whether you're at the managing director level or a junior trade officer in the field, so we really wanted to respect that expertise and not overburden it with management.

Mr. Walker: Thank you so much for those answers and for all the great work that those working in our international offices do.

Oh, Aaron has the clock up. Oh, my goodness, I'm going to have to sprint, Chair. Here I go. How were these opportunities identified in the review, and how did the department integrate these opportunities into the investment and growth strategy? You have 10 seconds.

Thank you, Chair.

Ms White: No pressure. Unmute. Again, opportunities evolved through analysis of the current status . . .

The Chair: Thanks.

I'll now move things over to the Official Opposition side for 10 minutes. Member Renaud, please.

Ms Renaud: Thank you, Madam Chair. I have a quick question. On page 52 there's a description of revenue and expense highlights, and one of the bullets talks about government of Alberta grants, describes what went where, and then at the end says, "The remaining \$9.2 million is revenues received from other ministries." I'm wondering if you could tell us where these funds were redirected from and what ministries they were redirected from.

Ms White: I thank the member very, very much for the question, and I'm going to refer to my senior financial officer, Sonya Johnston.

Over to you, Sonya.

Ms Johnston: Thank you very much for the question. Sonya Johnston, senior financial officer for JEI, EDTT back then. The \$9 million that you're referring to is funding from other Alberta government departments, that flows through to Alberta Innovates, generally for specific projects that they ask the department with Alberta Innovates and potentially other levels of government or private sector to initiate for specific outcomes.

Ms Renaud: Would it be possible to get a specific list of where these funds came from, which ministries, which departments? Where do they flow through? Where do they flow from?

Ms Johnston: We can certainly provide that. I don't have that list handy today to be able to give that to you, but we can endeavour to get that for you.

Ms Renaud: Okay. Thank you very much. If you would table that for the committee, that would be great.

I will turn the rest of my time over to my colleague.

Ms Pancholi: Thank you very much, Deputy and staff. I want to ask a few questions related to – it's referenced on page 15 of the annual report. It references the fiscal measures act, 2019, which we know was passed in 2019. According to the annual report, it mentions that it was winding down a number of tax credits. Of course, those tax credits that were wound down include things such as the Alberta investor tax credit, the Alberta investment tax credit, and the interactive digital media tax credit. The repeal of these specific tax credits was met by quite a bit of dismay by the industry.

The annual report references that, you know, this decision to wind down, as it's called, or end these tax credits was done after an

extensive review. You know, we heard the Minister of Finance at the time, when referencing the end of these tax credits, talk about how certain tax credits such as SRED were a luxury and that diversification was a luxury. Ultimately, these tax credits fall under the responsibility of this ministry. I'm wondering if you can tell us about this extensive review that the ministry undertook in 2019-20, which led to the decision to basically cancel these tax credits.

Ms White: Thank you very much to the member for the question. First of all, the extensive tax review that took place at the time was undertaken by the Department of Treasury Board and Finance, who has the responsibility for overall tax policy in the government. The department of EDTT's role was to administer these tax credits and to provide reporting on the tax credits and also, as I mentioned earlier, provide that stakeholder feedback back into the tax policy advisers in Treasury Board and Finance that provide the advice to government to make these decisions. While it did not happen until the following fiscal year . . .

Ms Pancholi: Sorry, Deputy. Just really quickly before you move on to your next comment, just based on what we were just saying, that, of course, that review would have been done by Treasury Board and Finance, of course your ministry has responsibility for administering, yes, the tax credits but also playing that important role of working with industries who benefit from them and hearing directly from stakeholders, as you mentioned. I'm guessing that the ministry would have had advice and perspectives on that review and any decisions around cancellation and the impact that would have had on stakeholders and feedback from the industry.

Mr. Neudorf: Point of order, Madam Chair.

Ms White: Yes, absolutely, I can confirm for the member that we did certainly have feedback from stakeholders on the tax credits . . .

The Chair: I'm sorry. I think I heard a point of order come from the other side.

Sorry, Member. I don't know who called it, but my apologies to that member. It was very faint. Please proceed with your point of order.

Mr. Neudorf: Thank you, Madam Chair. Challenging virtually. Just a point of order, 23(b). This committee – very clearly in our training session a couple of weeks ago it was very clearly indicated that we are not to be talking about policy but the better value of money. It very much feels like the member opposite is pursuing a line of questioning about policy which was done by Alberta Treasury and the Legislative Assembly and not the ADM or the ministry staff themselves. If you could direct the questioning back to things that we are to discuss and away from policy, I would appreciate that.

The Chair: The opposition, please.

Mr. Schmidt: Well, we heard from the deputy minister quite clearly that the department had done some analysis of the impact of administering these tax credits. I don't know what more we could ask for from Public Accounts than to review how we spend money on tax credits. This goes to exactly the core of what this committee does. I urge the chair to disregard this point of order and allow my colleague to continue her line of questioning.

9:40

The Chair: Thank you, members.

I think what we have here is a misunderstanding of the scope of questioning. Certainly, anything referenced within the annual report

is within the realm of in order, and that often means that discussion of policy choices, with their associated performance measures and other metrics to show success – that is, how money was spent in order to further those choices – is absolutely within order.

To the matter of understanding how we query policy, that might be more referring to the Auditor General's role in overseeing. Back to our orientation a couple of weeks back, the Auditor General does not provide commentary on particular policy choices. He provides an analysis of how those various policy choices were in fact implemented and whether they were implemented. That is the distinction there that we will be mindful of.

I will turn things back over to the hon. member to finish her line of questioning, and I'm not finding a point of order at this time.

Ms Pancholi: Thank you.

Can I confirm how much time we have left?

Mr. Roth: Five and 30.

Ms Pancholi: Thank you.

I think the deputy was about to respond. I just, again, want to clarify. What was the advice that the ministry provided to Treasury Board and Finance based on your work with stakeholders and industries who benefited or used these tax credits as to the effect or value of removing these, or repealing these tax credits? I'm wondering if you could table that advice or that analysis that was done by your ministry that maybe would have been provided to Treasury Board and Finance around the decision to repeal the tax credits in question.

Ms White: Again, I'm happy to undertake to provide any of that advice, subject to FOIP legislation. Happy to undertake to do that. If I could summarize the feedback we received from stakeholders who were receiving this credit, it probably won't be surprising that most folks were interested in retaining the credit. Subsequent work to the elimination of the credits included the Innovation Capital Working Group, its report, and the government's response to the report of the Innovation Capital Working Group. One of the biggest points of feedback is actually publicly available through the ICWG reporting.

Ms Pancholi: Thank you. I think, following from that, again, if you could table what documents you have, again, subject to FOIP, that would be greatly appreciated.

We know that the, I think, minister of economic development at the time said in 2019-2020 that the tax credits were the wrong policy approach – I don't know if that was before or after receiving the feedback from your ministry and others – and the Minister of Finance echoed this position. At the time what we heard from the ministers was that a better position was to take flow-through share structures. If that was the priority in 2019-2020, what work was done to implement that flow-through share structure, and what are the results of that?

Ms White: Again, I would have to actually refer that question to the Ministry of Treasury Board and Finance. I can tell you that the role of economic development, trade, and tourism was to, first of all, implement and then wind down the programs that were in place in the department and then subsequently were not, so the Alberta investor tax credit, the capital investment tax credit, and the interactive digital media tax credit. Again, this decision was undertaken with advice from the Department of Treasury Board and Finance. It won't be surprising that stakeholders who were receiving the credits and had applications were interested in continuing it. I'm happy to table anything that's appropriate.

Ms Pancholi: Thank you, Deputy. I appreciate that.

I'm just going to move on to talk a little bit about Alberta Innovates. We do know that, as set out in the annual report as well as the annual report of Alberta Innovates, there was talk, of course, about the \$76 million cut and job losses of approximately 125 positions. I note that a number of those job losses occurred in ridings that are, you know, represented by members of this committee, but there's no substantial discussion in the annual report of what the ministry describes on page 9 as a critical agency to foster innovation in the province.

You know, we saw a little bit of media reporting on the job losses in the 2019-2020 year in Alberta Innovates. Jobs were lost at InnoTech Alberta. I'm wondering: can you talk about where the job losses occurred at Alberta Innovates? What particular areas, what kinds of grants or programs ended up being wound down because of those job losses?

Ms White: I thank the member for the question, and I'll refer it to my colleagues Laura Kilcrease and Maureen Lomas at Alberta Innovates.

Laura.

Ms Kilcrease: Thank you, Deputy Minister. Yes, those job cuts were actioned very quickly from the time our budget reduced on October 24 through December 15, 2019. Those cuts were made. We did several things. We refined the organization to consolidate some of the activities that were previously done by different departments into service units. Secondly, we also reorganized the corporation to, again, efficiently maximize our opportunities for the client that we serve, the public. Specifically, we reduced approximately 80 people from our subsidiaries where they were not being fully utilized at that time, and then, further, we took the rest from Alberta Innovates.

In terms of programs, we looked at end-of-life programs where the maximum return had already been made. While we didn't stop them, we actually started sunseting them or winding them down. Those were some of the areas that we particularly looked at, and we reallocated at the areas that were more important going forward to concentrate our funding in those areas.

Thank you.

The Chair: Great. Now we'll go over to the government side for 10 minutes, please.

Mr. Rowswell: Thank you. It's Garth Rowswell here. I want to focus in around tourism. On page 37 of the report, outcome 4, "A strong tourism industry creates jobs and economic growth in Alberta," under key objective 4.1 "launching a Tourism Partnership Incentive Fund" was identified as a mechanism for attracting and supporting "private sector support for tourism" under that heading. Can the department explain what this fund intends to achieve and what the purpose of renaming it was?

Ms White: Thank you to the member very much for the question. The tourism partnership investment fund was designed to support infrastructure development for shovel-ready projects and destination planning for future development, so really it is about capital investment. The reason that we changed the name, to answer your second question, from the incentive fund to the investment fund is to better represent the purpose or the point of the program, which is longer term capital investment in the program.

The one thing that I will add is that the implementation of this program has been put on hold with the emergence of COVID-19 subsequent to this reporting period. I know that in future Public Accounts and committees of supply, my colleague David Goldstein will be very excited to talk about the future of the program.

Mr. Rowswell: Okay. What sort of analysis and discussion about the development of the fund was had by the department and Travel Alberta?

Ms White: Again thank you for the question. As mentioned in responses to previous questions, access to capital is consistently identified as a barrier for tourism operators, so having this fund was literally meant to fill that gap, again, exacerbated since then by the COVID crisis. Again, the fund would have supported development of tourism infrastructure, tourism assets, and destination development planning.

David Goldstein, did you want to add anything to the response that I have just given?

9:50

Mr. Goldstein: Again it's David Goldstein. Thanks, Deputy, and thank you for your very good question. I would say that almost \$20 million of our budget was redirected – I know we're talking about the previous fiscal year but within this crisis – to more direct needs within the industry, through our co-operative investment program, to SMEs, to small communities. To the deputy's point, that has sort of stalled the evolution of this fund, which is meant to be a longer run instrument for undercapitalization. We're in the process of going through those criteria, building it out. We'll be presenting that to the board and to the department in the next three or four weeks and hope to roll that out fairly soon as part of our three-year plan.

Mr. Rowswell: Okay. Thank you.

So COVID really messed things up. You answered my next question to some degree, relative to the criteria to determine who qualifies for funding. Was that established, or is that still being figured out?

Mr. Goldstein: Would you like me to take that, Deputy? Sorry. It's David Goldstein again. We're actually still working on that. We've been in deep consultation. Even amidst the crisis, we've been in deep consultation with over 1,300 members of the leaders and operators in the tourism sector. We're trying to develop fairly objective criteria from an investment perspective and are already in discussions with some of our sister Crown corporations who are in this sort of economic development business as to how to properly lay out this program within our current legislative framework.

Mr. Rowswell: Okay. Thank you.

On pages 12 and 41 it states that in 2019 and 2020 \$41.4 million was provided to Travel Alberta by the ministry. What sort of oversight does the ministry have on how these funds are used and where they are allocated?

Ms White: Thank you very much for the question. Just bear with me for a moment here while I give you a little bit of history. Travel Alberta was established as a Crown corp in 2009 and operates under the authority of the Travel Alberta Act, so a key piece of accountability within the ministry of economic development, trade, and tourism for the time we're talking about.

The act legislates that a business plan and annual report must be submitted and prepared for the minister. Again, one of the main mechanisms that we have for accountability is the plan and then the reporting to the plan, not unlike the process that we're going through today.

In addition to the annual reporting, the department receives quarterly financial reporting and does do forecasting on that basis in conjunction with Travel Alberta. The other thing I would note in

reference to the question is that Travel Alberta is a public agency under the Alberta Public Agencies Governance Act, APAGA, and the act identifies mechanisms to ensure that the public agencies are governed appropriately and in the public interest, so through the board that my colleague David Goldstein mentioned earlier.

The other thing I'll say to supplement: we work very closely with the agencies in our department, so the minister of EDT and department staff have a very close working relationship with Travel Alberta CEO, staff, and the board, and again we'll continue to identify priorities for inclusion in the business plan that are in alignment with government planning. Going forward, it'd be the Alberta recovery plan. As I mentioned, at the time frame of '19-20 it was really all about the 10-year tourism strategy, which had to be put on hold due to COVID.

Mr. Rowswell: Okay. Thank you.

You kind of touched on my next two questions, so I'll just put them together: relative to reporting structures and how the funds are being maximized, and then what kind of performance measures are there to gauge how effective the organization is?

Ms White: Thank you again for the question. As I mentioned earlier, Travel Alberta prepares and publicly posts its annual business plan and annual report highlighting the key deliverables and how it met those goals, and then, again, we report through this process of Public Accounts and the annual report.

Both the business plan and the annual report are approved by both the board of directors at Travel Alberta and by the minister. Again, Travel Alberta maintains, continued to maintain, and certainly did in 2019-20, a commitment to fiscal prudence by keeping its general administrative costs below 10 per cent of the overall budget, so the goal of Travel Alberta is really to get its support funds out into the market.

In terms of performance measures, the second part of your question, Travel Alberta – and I will pass this over to David Goldstein in a moment – usually meets or exceeds its performance goals and then periodically reviews the framework, as we're doing right now.

David, would you like to supplement?

Mr. Goldstein: Yeah, just quickly and, hopefully, to give comfort to members on the committee. When I arrived here 186 days ago, I actually asked the research group to take a look at our corporate scorecard against other sort of like organizations. I was just preparing this briefing for the deputy. We actually meet or exceed both the national organization at Destination Canada, Destination B.C., and we're far ahead of the other provinces and many other jurisdictions in North America. So the criteria that we're using – that will have to continue to evolve as we come through the COVID recovery – I would say meet or exceed some of the best governance practices out there.

Mr. Rowswell: Okay. Thank you.

I'll turn it over to MLA Neudorf for whatever time is left.

Mr. Neudorf: Thank you very much.

ADM, did you have further comments on that last question? It looked like you were about to share some thoughts.

Ms White: Well, I did want to say that one of the performance metrics that we were looking at in 2019-20 was overall industry satisfaction with Travel Alberta. The target was 75 per cent on the survey, and Travel Alberta achieved 79 per cent, so as I mentioned

earlier, an example of a performance metric that was achieved above target.

Mr. Neudorf: Thank you for that.

Very short, limited time left. A little bit about – page 41 identifies part of key objective 4.5, the development of a 10-year tourism strategy. Can you just provide a little bit of progress on developing this strategy?

Ms White: As I mentioned, we did several industry panels in '19-20, really started to get down to work on the 10-year . . .

The Chair: Okay. It looks, friends, like we will go a little over 10 a.m. for the read-in round. So I'm just going to look to the room for unanimous consent to take the meeting past 10 a.m. I'll ask one question. All in favour? Any opposed? Okay. Seeing none, we'll now move expeditiously to the three-minute round for each side to read any questions into the record for written follow-up, within 30 days, by the ministry.

Official Opposition, you have three minutes.

Ms Renaud: Thank you. On page 17 outcome 1 discusses work around job creation. You know, the Finance minister labelled a lot of the initiatives, described them as luxury and market distorting, and instead he put forward a huge reduction in corporate income tax. And from the day that that tax reduction was introduced, the Premier said that his phone was ringing off the hook with companies wanting to move to Alberta. The Premier also said that big Canadian banks, for example, would be irresponsible if they didn't move to Alberta.

Your ministry is in charge of economic development and investment and attraction, so a few direct questions. Can you report on the success in 2019-20 on luring any of the big six banks to Alberta? Starting with the Royal Bank: how often did the ministry meet with them about moving their headquarters to Alberta? Based on the work in 2019-20, how likely are they to uproot from Bay Street to Alberta?

Next, let's do the same questions for TD Bank. Next, let's do the same questions for Scotiabank. Next, let's do the same questions for BMO group. Next, let's do CIBC, the exact same questions. Finally, let's do the same questions for National Bank.

Also, is there any evidence that the Premier is likely to attract a head office bank to Alberta? If so, what are the probabilities of this happening in the next two years?

Thank you.

Ms Pancholi: If there's any time remaining, may I just add one more question as well? Just going back to the appointment of Mr. Rodney to his position, can the ministry table any correspondence or direction from the Premier's office, Exec Council, and the minister on this appointment and whether there was any direction from any of those offices with respect to this appointment? Can the

ministry also table any information or documents related to whether or not Mr. Rodney was directly related in the KXL negotiations?

Thank you.

10:00

The Chair: All right. Seeing no more questions and the Official Opposition's time having, then, elapsed, we'll move over to the government side, please.

Mr. Guthrie: Yeah. Thank you. In regard to the community and regional economic support program, you mention on page 13 that it was awarded \$4 million in funding to 53 projects. What sort of criteria are in place to determine which projects receive funding? How does the ministry ensure that funding is used appropriately and efficiently? How does the ministry offer additional support other than funding to these programs? Then how did the department determine, as mentioned in the report, the potential of this project to support as many as 2,000 full-time jobs and part-time jobs in the community across Alberta?

The next question: under key objective 2.2 the relaunch of the Alberta export expansion program is outlined. Here it states that the AEEP funded 85 projects, with 52 of them under the refresh program. Can the ministry tell us how many applications were received and what criteria were used to evaluate these applications to decide who would receive the funding? Then who is eligible to access the AEEP?

That's it for me. Do we have any more? I guess that's it. We'll cede the time.

The Chair: All right. Thank you very much, everyone. I'd like to thank the officials from the Ministry of Jobs, Economy and Innovation – of course, formerly EDTT – for attending today and responding to our questions. We ask that any outstanding questions be responded to within 30 days, as discussed. The ministry officials are now excused from this portion of the meeting, and we will move on to other business.

Are there any other items for discussion under other business, friends? I'm looking to the room. I'll just give another moment.

If not, then the date of our next meeting is May 4, 2021, with the Ministry of Labour and Immigration.

Those that are at the table, please be reminded to remove your own bottles and cups for the safety of LAO staff.

I'll now call for a motion to adjourn. Would a member like to move that the meeting be adjourned?

Mr. Guthrie: I'll move to adjourn until the next scheduled meeting of Public Accounts on May 4.

The Chair: All right. All in favour of the motion? Hearing everyone is in favour, are there any opposed? Seeing none, that motion is carried. Thank you very much. The meeting is adjourned.

[The committee adjourned at 10:03 a.m.]

