



Legislative Assembly of Alberta

The 30th Legislature
Third Session

Standing Committee
on
Public Accounts

Jobs, Economy and Innovation

Tuesday, May 24, 2022
8 a.m.

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Third Session**

Standing Committee on Public Accounts

Phillips, Shannon, Lethbridge-West (NDP), Chair
Reid, Roger W., Livingstone-Macleod (UC), Deputy Chair

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Schmidt, Marlin, Edmonton-Gold Bar (NDP)
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Standing Committee on Public Accounts

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Jennifer Jabs, Assistant Deputy Minister, Stakeholder Relations

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

Paul LeBane, Assistant Deputy Minister, Economic Policy and Strategy

Kate White, Deputy Minister

Invest Alberta Corporation

Rick Christiaan, Chief Executive Officer

8 a.m.

Tuesday, May 24, 2022

[Ms Phillips in the chair]

The Chair: Good morning, everyone. I'd like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance. I trust everyone had an extremely uneventful long weekend full of no news whatsoever.

My name is Shannon Phillips. I'm the MLA for Lethbridge-West and the chair of this committee. As I begin this morning, I'll invite those participating in the committee room to introduce themselves, starting with the deputy chair.

Mr. Reid: Good morning. Roger Reid, MLA for Livingstone-Macleod and deputy chair of the committee.

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

Mr. Smith: Good morning. Mark Smith, Drayton Valley-Devon.

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

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

Ms Lovely: Good morning, everyone. Jackie Lovely, Camrose constituency.

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

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

Mr. LeBane: Paul LeBane, assistant deputy minister for economic policy at the Department of Jobs, Economy and Innovation.

Ms Johnston: Sonya Johnston, ADM, financial services, and senior financial officer.

Ms White: Kate White, Deputy Minister of Jobs, Economy and Innovation.

Mr. Beeby: Scott Beeby, acting assistant deputy minister for agency, governance, and program delivery.

Ms Jabs: Jennifer Jabs, assistant deputy minister, stakeholder relations.

Mr. Driesen: Good morning. Rob Driesen, Assistant Auditor General.

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

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

Ms Renaud: Marie Renaud, St. Albert.

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

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

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

The Chair: Okay. It appears that we don't have anyone joining us by videoconference this morning. Very good.

We do have two substitutions this morning: Mr. Smith for Mr. Turton and hon. Mr. Bilous for hon. Mr. Schmidt.

A few housekeeping items to address before we turn to business. Microphones are operated by *Hansard* staff; committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. Those participating by videoconference are encouraged to turn on your camera while speaking and to mute your microphone when not speaking although I don't think we have any of those today. Please set your cellphones and other devices to silent.

Moving on to the agenda now, are there any changes or additions to the agenda this morning?

Seeing none, I'll ask that a member move that the agenda for the May 24, 2022, meeting of the Standing Committee on Public Accounts be approved as distributed. Moved by Mr. Singh. Thank you. Is there any discussion on this motion? All in favour? Any opposed? Thank you. That motion is carried.

We'll move to the approval of the minutes. We have the minutes from the May 10 meeting of this committee. Do members have any errors or omissions to note at this time?

Seeing none, I'll ask that a member move that the minutes of the May 10, 2022, meeting of the Standing Committee on Public Accounts be approved as distributed. Moved by Mr. Rowswell. Thank you. Is there any discussion on this motion? Seeing none, I'll ask: all in favour? Any opposed? Thank you. That motion is carried.

We'll now move to the Ministry of Jobs, Economy and Innovation, who are here to address their annual report from 2020-21. Deputy, you may provide opening remarks not exceeding 10 minutes, and your time starts when you start speaking.

Ms White: Thank you, Madam Chair. Good morning. I'm pleased to be here to represent Alberta's Ministry of Jobs, Economy and Innovation. As you heard, I'm joined by Scott Beeby, acting ADM of the agency, governance, and program delivery division; Jennifer Jabs, ADM, stakeholder relations division; Paul LeBane, ADM, economic policy and strategy division; Sonya Johnston, SFO, Jobs, Economy and Innovation, Labour and Immigration, and Indigenous Relations; David Goldstein, CEO, Travel Alberta; Rick Christiaanse, CEO, Invest Alberta Corporation; Laura Kilcrease, CEO, Alberta Innovates; and Kristina Williams, CEO, Alberta Enterprise Corporation.

I'll provide an overview of the ministry and its achievements for the fiscal year '20-21. Following my overview, we'll be happy to answer any questions the committee has. It's hard to describe in fiscal year '20-21 the efforts of the ministry staff to maintain and support Albertans and Alberta businesses and job creators throughout the pandemic. Everything wasn't perfect through the year, and we learned a lot of lessons, but I do want to take a moment to thank the teams across the department and the government for how hard they worked.

The ministry saw several key changes during fiscal year '20-21. In August 2020 the ministry was renamed from economic development, trade, and tourism to Jobs, Economy and Innovation, which coincided with a shift in the ministry's mandate to oversee the implementation of Alberta's recovery plan, develop sector strategies, and manage the province's growth agenda.

In February 2021 the department implemented a new organizational structure with four divisions to better align with the ministry's work. The divisions were as you heard: economic policy and strategy; stakeholder relations; agency, governance, and program delivery; and financial services. The department was also supported by centralized corporate services for communications and human resources and by the work of Alberta's six ministry agencies: Alberta Innovates, the Alberta

Enterprise Corporation, the Alberta Research and Innovation Advisory Committee, the Northern Alberta Development Council, Invest Alberta Corporation, and Travel Alberta.

In 2020-21 the consolidated ministry expense budget was \$306 million compared to actual expenses of just over a billion. This total was \$724 million higher than budget primarily due to the COVID-19 pandemic and economic slowdown.

In '20-21 the government of Alberta made a rapid shift in focus from promoting economic growth to protecting the lives and livelihoods of Albertans and supporting economic recovery. In addition to overseeing Alberta's recovery plan, JEI's core activities aligned with four main outcomes identified in the ministry's 2023 business plan: supporting Alberta entrepreneurs, businesses, and communities to drive growth and job creation; attracting, retaining, and expanding investment in Alberta and growing trade; optimizing Alberta's innovation system to support economic growth; and supporting a strong tourism industry that creates jobs and economic growth in Alberta.

Under Alberta's recovery plan the ministry worked to support Alberta entrepreneurs, businesses, and communities to adapt, recover, and keep Albertans working; \$626.4 million was expensed to the small and medium enterprise relaunch grant, supporting more than 40,000 businesses and organizations that collectively employ over 300,000 people. Through Alberta Biz Connect, ministry staff provided guidance, resources, and more than 14,500 customized responses to businesses and community groups seeking direction on how to navigate public health restrictions and reopen and operate safely.

We implemented the commercial tenancies support and protection act and regulation to protect commercial renters from March 17, 2020, until August 31, 2020. We worked with the federal government and other provinces to make the Canada emergency commercial rent assistance program available in Alberta.

Other milestones included launching the technology innovation and emissions reduction economic recovery program through Alberta Innovates, partnering with Business Link on the new \$10 million Alberta digital economy program, continuing to grow Alberta's film and television industry by enhancing the film and television tax credit program. In fact, through the film and television tax credit we approved 31 applications representing an estimated \$122 million in production spend in Alberta.

We also made significant progress in removing regulatory red tape that creates barriers to success for job creators, both big and small. The ministry achieved a 27.2 per cent red tape reduction on March 31, 2021, exceeding the government's 12 per cent target.

To help boost trade and investment, JEI took steps to implement the investment and growth strategy, a government-wide approach to increasing private-sector investment in both Alberta's primary and high-growth sectors. This included standing up the Invest Alberta Corporation. The investment and growth fund was also announced, providing the Invest Alberta Corporation with a valuable tool to attract high-impact job-creating investments to Alberta.

The year 2020 was also a record-setting year for venture capital in Alberta's technology sector. Alberta companies attracted \$455 million in venture capital investment spread across 51 deals, a 100 per cent increase over 2019. The ministry took action to build on this momentum. We continued the greenSTEM pilot program, a pan-Alberta pilot for company creation and high-tech entrepreneurial development, and the Alberta Enterprise Corporation was recapitalized in June 2020 with \$175 million over three years to attract more venture capital to Alberta.

While investment attraction was a major focus for much of '20-21, on the trade front ministry staff continued to advocate for Alberta's best

interests on the international stage, including in trade negotiations and disputes to ensure Alberta's fair access to markets and opportunities abroad.

During the year JEI continued to seek opportunities to optimize Alberta's innovation system to support new and better jobs for Albertans. In April 2020 the Innovation Capital Working Group submitted its final report, with 14 key recommendations on how to attract new investment in Alberta's early-stage tech companies. The ministry took all of these recommendations into account as it began work on the Alberta technology and innovation strategy.

Although the final strategy was still under development at the end of '20-21, the ministry implemented a series of initiatives in that fiscal year in direct response to some of the Innovation Capital Working Group's recommendations. As mentioned, the immediate actions included the recapitalization of the Alberta Enterprise Corporation, which I touched on earlier, and supporting the launch of the innovation employment grant to grow the technology and innovation ecosystem. To develop research, innovation, and commercialization, advance talent, grow sectors, and attract investment, the ministry also provided \$232.8 million in support through Alberta Innovates and through grants to innovation organizations and postsecondary institutions to build a bright future for all Albertans.

8:10

In fiscal year '20-21 the ministry also awarded \$6.7 million in funding through the research capacity program's small equipment grants stream to enhance the province's research infrastructure. This funding supported 31 talented researchers at Alberta's postsecondary institutions and leveraged \$12.8 million in additional project funding from the Canada Foundation for Innovation, institutions, industry, and nonprofits. Together this funding is supporting world-class researchers, entrepreneurs, and the development of emerging technologies in Alberta.

As part of its mandate, the ministry delivers strategic programs and services to grow tourism spending in Alberta. While we remain committed to growing the tourism industry in the province, the impact of COVID-19 on the tourism sector required us to focus our efforts on providing immediate relief while laying the groundwork for the industry's recovery. JEI worked to provide supports to the tourism industry throughout the year, including abatements of the tourism levy, \$8 million in support to five destination management organizations, and expanding Travel Alberta's mandate. Travel Alberta also refocused its efforts to roll out several domestic awareness campaigns to support the government's public health messaging, spearhead initiatives to connect with and support tourism businesses impacted by COVID-19, and help distribute more than \$18 million in assistance to industry partners through a series of relief programs.

This is just a small sample of the ministry's accomplishments during fiscal year '20-21. Again I would like to thank Alberta's public service for the commitment to supporting Albertans and Alberta businesses through the COVID-19 crisis.

I would now be happy to take your questions. Thank you.

The Chair: Thank you.

I'll now invite the office of the Auditor General to provide some opening comments for five minutes.

Mr. Wylie: Thank you, Chair. Good morning again, everyone. As of today – I should point that out – we have five outstanding recommendations within the Ministry of Jobs, Economy and Innovation. In November 2021 we issued three recommendations, one to Invest Alberta Corp. and two to Alberta Enterprise Corp. and Alberta Innovates. We recommended that Invest Alberta Corporation improve

its financial reporting processes. We issued one recommendation to each of the Alberta Enterprise Corp. and Alberta Innovates.

Relating to Alberta Enterprise Corporation, we recommended that it improve its performance reporting processes used to measure, monitor, and report value generation, specifically by these three items: setting targets for the measures identified in its business plan; monitoring and analyzing results compared to targets and comparative results and costs; and third, reporting internally and externally their analysis of the value it generated cost-effectively, including lessons learned.

With respect to Alberta Innovates we recommended that it improve its performance reporting processes by establishing targets for corporate program and project performance measures, analyzing its corporate program and project results to targets and to costs to achieve those results, and reporting both internally and externally the value generation that results from all research and innovation activities, including the contribution to government-desired outcomes.

In December 2019 we issued two recommendations to Travel Alberta to improve their processes to manage the risks of cloud computing. We'll be reporting in the very near future on our assessment of the new processes now implemented by Travel Alberta on those recommendations.

Respecting the financial statement audits, we have four separate audit opinions on the financial statements that are included in the ministry annual report. Those relate to Invest Alberta, Alberta Enterprise Corp., Alberta Innovates, and Travel Alberta, and in all cases we issued a clean audit opinion on their financial statements.

Thank you, Chair.

The Chair: Thank you.

We're in an in-session two-hour meeting, so that means we begin our first rotation with the Official Opposition with 12 minutes. I have the hon. Mr. Bilous.

Mr. Bilous: Thank you very much, Madam Chair, and thank you, everyone, for joining us. This first block will be questions toward Invest Alberta. Page 23 of the annual report notes: "The newly established Invest Alberta Corporation will also deliver concierge services to its investment clients, under the guidance of its board and [CEO]." I have a number of questions on the expenditure of funds from Invest Alberta and decision-making. Now, unfortunately, because of government decision-making, Invest Alberta cannot be FOIPed for the fiscal year in question. I have some serious concerns from a large number of people about impropriety at the organization and that concierge services is really a euphemism for sticking it to the taxpayer.

The Guild restaurant is a very fancy restaurant in Calgary. I understand that at times Invest Alberta might have to entertain clients, but I understand that staff like to entertain themselves on the taxpayer dime: no clients; just staff expensing fancy lunches and booze. My first question: how much has been spent at The Guild?

Ms White: Rick Christiaanse, CEO.

Mr. Christiaanse: Good morning. Thank you for the opportunity to address this group about the initial activities of Invest Alberta over the first nine months of operation.

The Chair: Pardon me. Could you just introduce yourself for the record, please.

Mr. Christiaanse: I am Rick Christiaanse. I am the CEO of Invest Alberta. My apologies.

As far as hosting expenses and expenses that were associated with concierge services in the first nine months of the year, they were a total of \$4,800. The amount of alcohol I do not have in front

of me, but I will take that under advisement and get that back to you. But that was the total expenditure for the first nine months of the year that we're reviewing this morning.

Mr. Bilous: Great. Thank you very much. You probably don't want to go very far.

On the amount expended in 2020-2021, how much was spent on food and alcohol for ministers and/or food or alcohol for political staff? By that, I mean the folks employed in ministers' offices and the Premier's office.

Mr. Christiaanse: Thank you for that question. I would reiterate the answer that I gave you a minute ago in that the total expenses on hosting, including any events, were \$4,800 for the first year. Although I did not live in Alberta at that time, it's my understanding that there were very few meetings and events or anything happening due to the restrictions that were due to COVID. Again, I will get you a detailed breakdown on some of those answers, but the total amount is \$4,800.

Mr. Bilous: Wonderful. Yeah. If you could break down how much was spent at The Guild and then if you have detailed expenses for ministers specifically and political staff outside of staff at Invest Alberta in writing, that would be wonderful.

I'd like to ask about value for money. As was reported in the media, Invest Alberta spent a lot to entertain at the Fairmont in Lake Louise: truffle oil, prime rib, that type of thing, a VIP booze tent also. The executive director of Democracy Watch called it "a layer cake of conflicts of interest." A few questions on this taxpayer-funded endeavour: which cabinet ministers, MLAs, and political staff were in attendance, what was discussed, what was the cost, and how many other events like this were held?

Mr. Christiaanse: I'm, again, answering questions on the first nine months of the stand-up of the organization. The event referenced actually happened in the last year, so we will come back next year and discuss that.

In general Invest Alberta spends an enormous amount of energy and time to meet with investors across the world when allowed and when possible with the restrictions that have been in place, and our intent is to be smart with tax dollars and make sure that we provide a return on investment to the taxpayers of Alberta. So when it comes to hosting people, we are very careful in how we spend the money. We make sure that we derive maximum value and that by the time we are meeting people, they are serious prospects who are looking forward to investing in jobs for Albertans, which will help our economy diversify. At the end of the day, that is what we're here to do at Invest Alberta. It's to take a new commercial approach to the attraction of business, and we will share with you next year the additional successes we've had as a result of that particular event.

Mr. Bilous: Thank you.

Let me quote from the Auditor General in his November 2021 report on Invest Alberta. "The corporation's draft financial statements required material adjustments to the recognition, presentation, and disclosure of its revenues and expenses." Not a good start. First of all, did Invest Alberta at all times comply with the Treasury Board directive on hospitality expenses, and if so, can you table the work of the senior financial officer that proves this occurred?

We can go back and forth. I don't need to read all three. Please.

8:20

Mr. Christiaanse: Absolutely. Invest Alberta observes and adheres to all regulations that are set out by the Alberta government and its

various policies and recommendations, and the Auditor General did review all of our expenses and provided us with a clean audit. We fully intend to and do adhere to all regulatory requirements as outlined by the various financial acts.

Mr. Bilous: We've heard much about inappropriate behaviour at Invest Alberta, and we're just scratching the surface. Did the minister ever order an investigation into the allegations of inappropriate behaviour and poor expenditure controls?

Mr. Christiaanse: I'm not aware of such a request being made by the minister.

Mr. Bilous: Did the board of directors ever expense alcohol for a board meeting or a board dinner?

Mr. Christiaanse: They did not. The board of directors over the first nine months of the year only met in person once and for all other meetings had to go remote, like most organizations did. The board actually met for the first time in person last week as the full board.

Mr. Bilous: Okay. I've heard that Invest Alberta tried to buy 500 bottles of Alberta whisky but that it was shot down by the ministry. To the deputy minister or any officials: what can you tell the committee about this, and did this raise culture problems for you or the minister?

Ms White: Thank you very much for the question. Certainly, when the organization was new, there were folks that were doing their best to ensure they were getting a good deal on hosting expenses, which did cause an inquiry and a question and some guidance from the ministry, and there was no alcohol expensed ultimately. As Rick mentioned, Invest Alberta does have expense policies which closely adhere to and are consistent with the directives provided by the government of Alberta.

Mr. Bilous: Thank you.

Let's move on to contracts. Invest Alberta spent \$750,000 to sponsor Alpine Canada. Your annual report, page 23, states that Invest Alberta is a tool to target "new, high-impact investments that create well-paying jobs." How does a \$750,000 investment in Alpine Canada create that new, diversified economy in Alberta?

Mr. Christiaanse: Thank you for the question. I did just check with staff, and there are no receipts for The Guild in the period mentioned, so there are no expenses at that particular restaurant.

As for our investment in promotion and gathering new leads and new opportunities for investors to come to Alberta, the event or the sponsorship referenced actually happened last year, so I will address any questions related to that next year.

However, I should point out that the research that we've done clearly demonstrates that Alberta is known for some of its traditional industries such as agriculture, such as oil and gas, and such as some of more of the traditional minerals and extraction that we are well known for around the world, but when we surveyed decision-makers and investors around the world, there's a very low awareness of the amazing ecosystem that has been created in this province over the last number of years; for example, in technology. For most technology investors from around the world, when they consider Canada, they primarily look at Vancouver, Toronto, Montreal, maybe Kitchener-Waterloo, and Ottawa, but Alberta is usually not part of their decision set. Part of the planning and thinking that is going on at Invest Alberta is to determine how we access that community more effectively so that we become part of the decision-making set.

Mr. Bilous: Great. Sorry. Thank you for that answer although that doesn't answer why \$750,000 was spent on Alpine Canada.

The chair of the board of Invest Alberta has personal and familial connections to Alpine Canada, and a \$750,000 sponsorship represents nearly 25 per cent of Invest Alberta's expenses for the fiscal year. Something doesn't add up. Did the chair disclose a conflict of interest as this deal was coming together, and what steps did Invest Alberta take as an organization to ensure that familial, personal interests weren't being advanced with taxpayer money?

Mr. Christiaanse: Thank you for that question. The Invest Alberta board has developed strong policy and measures to make sure that when conflicts of interest do occur, number one, they are declared, so at the beginning of every board meeting we make sure that we go over those declarations to determine if there are any issues. Our minutes are public, and they're on our website, so you can see that that happens at every board meeting.

As for our chair and the Alpine Canada discussions, he excused himself from all discussions. He was not part of the decision-making process, and all proper processes and procedures were followed.

Mr. Bilous: Thank you.

My next question is to the Auditor General. Did Invest Alberta ever contact your office to get guidance or advice on proper board governance in preventing conflict-of-interest issues?

Mr. Wylie: Thank you for the question, Chair. I'm not aware – nothing came to my attention personally – but I'm going to ask Rob Driesen.

Mr. Driesen: No. There were no direct questions.

Mr. Bilous: Okay. Thank you.

Let me ask about other contracts that folks have brought to my attention. At some point Invest Alberta hired Justin Archer on the taxpayer dime with no process. He was hired with no competition by David Knight Legg, the Premier's former top adviser. Then Justin Archer's firm Berlin Communications, we understand, was given a sole-source contract by Invest Alberta. Now, this looks like cronyism, but let's clear the air. What was the annualized value of Justin Archer's contract with all benefits? How much was given in the sole-source contract to Berlin Communications, and if we are mistaken, has that deal been reviewed by the audit committee and/or the Auditor General? Did the minister or the Premier or his office have any communications with respect to these source contracts?

Mr. Christiaanse: Thank you for the question. That hiring was done in the current fiscal year, so I will defer that question till next year.

As for contracts, all contracts that the Invest Alberta Corporation enters into follow normal government procedures and processes, and the Auditor General has checked on that. We make sure that we do it through a competitive process where appropriate, and we move forward in ways that are in compliance.

The Chair: Thank you. I'm sure we'll get to it. The time has elapsed for that block of questioning.

We'll now move to the government side for 12 minutes, please.

Mr. Rowswell: Thank you, Chair. Thank you for coming today. We're looking forward to a good conversation here. Page 13 of the annual report focuses on outcome 1, supporting Alberta's entrepreneurs, businesses, and communities to drive growth and job creation. As a result of the pandemic there was kind of a shift from promoting economic growth to maintaining what we had and saving

the lives and livelihoods of Albertans and supporting the economic recovery, so it was quite a switch. This minister's mandate has led to the execution of the Alberta economic recovery plan as part of that shift and pandemic support. I'm just wondering what the Alberta recovery plan has done to address job losses and help improve the economy overall.

Ms White: Thank you very much for the question. The Alberta government has invested in a wide array of programs to get Albertans back to work and with good-paying jobs, jobs of the future, while developing a system to nurture talent and create opportunities for industry.

One core focus within the recovery plan was strengthening our workforce. Some results under the strengthening our workforce pillar include getting thousands of Albertans back to work with a \$370 million investment through Alberta jobs now by helping businesses offset the cost of hiring and training unemployed or underemployed Albertans in new or vacant positions, with anticipated support for hiring more than 21,000 Albertans, including 770 persons with disabilities, in the coming months in both urban and rural communities; attracting the best and brightest job-creating entrepreneurs and skilled graduates to Alberta through the international graduate entrepreneur immigration stream, the foreign graduate start-up visa stream, and the accelerated tech pathway; \$15 million over three years through a partnership with Mitacs to support more than 3,800 internship opportunities to help promising students gain world-class research skills from industry professionals; over \$20 million to increase direct support for apprentices and invest in the organizations that promote apprenticeship and help these students gain critical on-the-job experience.

Through the recovery plan, the government focused on building infrastructure, infrastructure that's needed now and infrastructure that's needed to build the economy of tomorrow. Investing over \$20.7 billion in infrastructure projects over three years supported more than 50,000 direct and 40,000 indirect jobs through 2025. Broadband, increasing connectivity was, again, another key infrastructure platform. Also, increased funding for municipalities through the strategic transportation infrastructure program added another \$50 million to support 70 priority infrastructure projects.

8:30

I mentioned earlier the \$175 million recapitalization of Alberta Enterprise Corporation. Removing the \$10 million per-project cap on film and television actually made a big difference in terms of the size of productions coming through. Providing funding to postsecondary institutions to execute leading-edge research in quantum computing and artificial intelligence.

Recovery wasn't just about the economy, though. If we'll recall, there was a really big focus on child care; \$130 million was invested so that working parents could have access to safe, high-quality child care through the pandemic.

We also made a really clear commitment to diversifying our economy and growing our natural resource base through things that came in later years of the recovery plan, the clean hydrogen centre of excellence. Expanding and modernizing irrigation infrastructure was something that got started right away, and continuing Alberta-made, industry-funded technology innovation in emissions reduction: that, again, Alberta Innovates helped execute.

So those are just some of the achievements through the Alberta recovery plan. That was really the refocused attention of the ministry in '20-21.

Mr. Rowswell: Yeah. That's a lot of sectors there. I know in my area agriculture and oil and gas are the dominant ones, and the

biggest problem we had through that time is not enough staff. Something must have happened.

How did you decide what sectors to support through that process or how you allocated the money?

Ms White: The investment and growth strategy actually kind of identified the sectors that were really Alberta's strengths. Energy and clean tech: everything related to energy is certainly, I think, indisputably a strength of Alberta. Agriculture, as you mentioned, agriculture tech and everything around agriculture: certainly a primary strength of Alberta; always has been. Tourism: again, we were focused on the 10-year tourism strategy.

We also identified through the investment and growth strategy three enabling sectors that would hit any sector in the future. One was technology and innovation, and the technology and innovation strategy was released just this last year. One was transportation, aviation, and logistics, and we took several actions, including the Strategic Aviation Advisory Council, in that vein. And, finally, finance and fintech. If you think about needing money and the movement of goods and technology to advance every sector, those were the enabling sectors that could really support any sector for the future of the economy, again, building on the strength of our primary sectors and what we were already really good at.

Mr. Rowswell: Okay. Well, great. Thank you very much.

Page 13 elaborates on the ministry's focus on red tape reduction through digital transformation and improved service delivery, removing policy and administrative barriers to growth. For 2020-2021 the government's target – and you've mentioned this in your introductory talk – was 12 per cent reduction, and you said that you exceeded that. I guess can the department show how red tape reduction had directly impacted Albertans making it easier to engage with the government? Maybe you can elaborate on how much red tape reduction you were able to accomplish.

Ms White: Thank you so much for the question. As I mentioned, collectively JEI, which includes our agencies that are sitting behind supporting here – this is when we get to take credit for all of their great work, too – did exceed our target by achieving 27 per cent, and we are positioned to meet or exceed overall our one-third target through the remaining years. We reduce red tape in JEI in programs, policies, and forms and through digital transformation and improved service delivery – we don't regulate a lot in JEI – which will help support businesses, foster economic recovery, and create an attractive investment climate.

One thing that we were able to do to make sure we kept our red tape count low through the pandemic was the way that we had simplified processes that accelerated support on the SMERG, the small and medium enterprise relaunch grant. It was our latest and best effort, which can always be improved. It was a simplified online application where businesses entered their information once and were able to apply for the program ultimately multiple times. Alberta Biz Connect also provided a one-window experience for not-for-profits and the public to easily access information and updates on how to navigate public health restrictions and operate safely. That doesn't feel like red tape, but being able to get to the answer quickly: you know, we have to remove some red tape in order for that to happen.

As I mentioned, Alberta Innovates standardized its application forms across almost all of its programs to be more user friendly by simplifying and eliminating nonessential questions and then enabling a suite of applications across several programs with just the one entry point. Again, Alberta Innovates has also implemented

a grant management system that just improves usability and transparency for clients.

In JEI that's how we reduce red tape. We don't have a lot of regulation to alter.

Mr. Rowswell: Just thinking about that, sometimes when you deregulate, you lose oversight or control. Did you run into any of those problems, and how did you handle that?

Ms White: The key thing, especially in grant programs, is to make sure that you do have enough information and control. What we found was that we've actually been quite successful through attestations. For example, I mentioned SMERG. We asked businesses to attest to their financial statements and then audited a sample after. That was one of the controls we put on. We were prepared to ask for payments and audit a further sample if we found there was a high degree of inaccuracy, let's say, on the applications. What we found is that where there has been inaccuracy, businesses have been quite quick to get in touch with us and fix up any errors. We haven't lost any measure of control, and we've seen no decline in our ability to recoup error payments or any additional error payments. We've managed to keep enough control that we could remove some of this red tape without risk.

Mr. Rowswell: Did you have a goal as to how fast you wanted the money to get out, and was that achieved?

Ms White: Initially with SMERG – and I'm going to ask Scott Beeby to back me up on this if I get anything wrong here – our goal was to have the portal up in five weeks. I think we got it out at about five and a half weeks for the first time. The first application process actually ran quite smoothly for businesses. We did have some glitches by the time we got to the third application process, so one of the lessons we learned was around complexity. Once you're using that same system for the third time, it's not as quick as it once was. We actually had to pause the program for a week by the third tranche and do some work on the system.

Mr. Rowswell: Okay. Well, that's great. Thank you very much for your report, and keep up the good work.

Thank you very much. I think I'll just wrap it up there.

The Chair: Okey-dokey. Thank you.

We'll now move to the second rotation, Official Opposition, of nine minutes.

Mr. Bilous: Thank you very much. I want to follow up on a statement or a comment that Ms White made, you know, as far as the department being very careful on expenditures, providing an additional layer of oversight. I appreciate that. I just want to go back to – can you confirm that Invest Alberta did in fact try to purchase 500 bottles of Alberta whisky?

Ms White: I can't confirm that, actually. We did have a – I can't confirm that specific instance, MLA Bilous. What I can confirm is that we had a question around the purchase of alcohol and the bulk purchase and advised against it.

Mr. Bilous: Okay. And that was – do you remember the time frame of that?

Ms White: It was in the first fiscal year in question.

8:40

Mr. Bilous: Okay. I'd like to go back to Mr. Christiaanse for questions. First, I appreciate you've talked about the first nine months of expenses, but can you table – well, table is probably the

best way of framing it – all hospitality expenses for Invest Alberta? I'd also like for the committee to have which were covered by the department, which were covered by the deputy's office, and which were covered from other expenses as far as hosting and hospitality.

Then moving on to the sole-source process, can you confirm that those were followed as set out by the GOA, when we talk about sole-source contracts, as my previous questions talked about?

Mr. Christiaanse: Thank you for the question. Yes, we will table the items you've asked for.

As far as sole-source set up and public RFP processes, I just got some additional information on the Berlin question you asked previously about the public RFP. It went through the regular GOA processes. It was awarded through the regular RFP process. In all cases Invest Alberta does follow the standards that the Alberta government sets out for how we procure services from people around the world. We follow those standards not only here in Canada but also when it comes to our international offices.

Mr. Bilous: Okay. Beginning on page 112 of the annual report, we see some financial information about Invest Alberta; however, it's pretty short on details. I'm looking to understand those numbers. Now, I understand that Invest Alberta entered into an agreement with DLA Piper. I'm curious to know how much it was for, what it was for, and was that a sole-source contract or was it put out to tender?

Mr. Christiaanse: Thank you for that question. I will table that question and get those answers to you.

Mr. Bilous: Great. Thank you. I'm just going to, you know, confirm that as a commitment within writing within 30 days to the committee, as is the practice of departments submitting back to the Public Accounts Committee.

Mr. Christiaanse: Absolutely.

Mr. Bilous: Thank you.

How much was the Rob Seidel from DLA Piper paid for his work? To what extent does the ministry or Invest Alberta view someone in an outside contractor role being so tightly involved in the signing of MOUs on behalf of the government and taxpayers, and how is that viewed as appropriate?

Mr. Christiaanse: Invest Alberta uses outside legal entities to vet all of its MOUs and all of its agreements because they tend to be complex, sometimes involving public companies, sometimes involving companies overseas. Therefore, it engages different lawyers at different times to make sure that the agreements being contemplated meet all the requirements that the government of Alberta has. As well, a lot of these agreements are signed with public companies that have strict requirements around disclosure as far as they're concerned, so we need to make sure that we meet all of their standards as we move forward. There is a fair amount of access on MOUs to specific lawyers or legal firms because each one of the MOUs is unique and distinct in the way it's drawn up and the purposes it serves. For those reasons, legal staff do get engaged.

Mr. Bilous: Well, I appreciate having it go through a firm and have, you know, legal eyes put on it. What I'm not understanding is: why was that entity, or Rob, signing the MOUs as opposed to someone directly hired in Invest Alberta, someone within the corporation?

Mr. Christiaanse: Thank you for that question. It's something we've been evaluating on an ongoing basis. At what time does it become better to bring it in-house? We complete that analysis every

year on the budgeting basis, and we've actually just completed it. We, at this point, still find it's less expensive to outsource this particular item because of its complexity and because of the various requests that come in.

We sign MOUs with companies in Japan; we signed one yesterday. The law there is very different from North American law. To find someone with that skill set to bring internal into Invest Alberta could be very expensive, and I don't think we'd find someone that would have the experience to sign agreements in Japan, in the U.S., in Canada, in Europe. For that reason, we are currently outsourcing that. However, we will continue to look at that particular situation. If it becomes more reasonable to place it in-house, then we will move that in-house, for sure.

Mr. Bilous: You talked about conducting analysis. Could you table that analysis to this committee as far as looking at those two different options?

Mr. Christiaanse: Absolutely.

Mr. Bilous: Wonderful.

Now, David Knight Legg was the CEO. He was one of the Premier's confidants. You also had a minister who David Knight Legg and the board reported to. How involved and how much oversight was there of Invest Alberta by the minister?

Mr. Christiaanse: The ministry conducts a fair amount of oversight. It has a presence at all of our board meetings and so is an observer at each and every board meeting and involved with those discussions. My predecessor and I meet with the deputy minister on a regular basis to discuss any pertinent items, et cetera, and then the chair of the board, the deputy minister – and my predecessor and the chair of the board also meet with the minister at least monthly to review and discuss items. Then as items come up that need immediate attention, we connect regularly when that is required.

Mr. Bilous: Okay. Now, you just mentioned that the ministry is in attendance at board meetings, but in your annual report it shows that Ray Gilmour was the observer, not the ministry.

Mr. Christiaanse: I'm sorry. I'm new to Alberta. I'll say: government in general attends the board meetings, and I know that Ray does disclose information to the minister.

Mr. Bilous: Yeah. I'd love to know: how many board meetings has the department attended in this fiscal year?

Ms White: In the fiscal year we're talking about, I did actually attend every board meeting. I believe that Ray and I were together for two of them. I can tell you that for the inaugural board meeting, which was in person in Calgary in July, a minister was in attendance. Again, in this fiscal year the corporation was stood up, and then the minister changed in September. I think for the current fiscal year that we're in, I have not been in attendance at these board meetings, but Ray Gilmour has.

In terms of oversight, in terms of your question, MLA Bilous, we rely on the typical oversight between Crown and agency, which is through the board chair to the minister. We do certainly meet on a regular basis and field questions – we mentioned one of them earlier – from the corporation and make every effort actually to work with Invest Alberta should a potential investor, for example, need access to the Alberta jobs now program, that's administered through Labour and Immigration. So there's also a regular channel of, I guess, collaboration between the department and the corporation when it comes to particular investment files. In terms of oversight:

the Auditor General and ministerial oversight along with the Ethics Commissioner and the Public Interest Commissioner.

The Chair: All right. Second rotation, government side. Nine minutes, please. Go ahead.

Ms Lovely: Thank you so much, Madam Chair, and thank you so much for the work that your team is doing to improve our economy by bringing all sorts of jobs to Alberta. Thank you so much. It has a definite impact on the lives of Albertans and making life better for everyone.

My question here. I see that the ministry initiated the new Alberta digital economy program through Business Link with \$10 million in funding. Page 15 explains that Business Link encouraged and helped small businesses accelerate their transformation to the digital economy. Can you further elaborate on this program and how it is that Business Link helps entrepreneurs and small businesses transition to an increasingly digital economy?

Ms White: Thank you very much for the question. JEI has provided Business Link with a \$10 million grant, an additional \$10 million grant, from the 2021 budget for a two-year program with a project completion date of March 31, 2023, but we do also fund Business Link on a regular basis.

[Mr. Reid in the chair]

For this project Business Link is working with Digital Main Street, which is a nationally recognized platform, to stand up for the Alberta digital economy program by building on the previous success of Digital Main Street partnerships with municipalities like Edmonton, Calgary, and Medicine Hat. DMS is a not-for-profit organization that operates an online platform and services to help businesses with the adoption of digital tools and technologies. DMS has experience delivering the desired results in Alberta and is nationally recognized for its work. Alberta is already home to one of western Canada's largest digital service squads, which operated in Edmonton through a partnership between the city of Edmonton, the University of Alberta, and Digital Main Street.

8:50

The newly launched digital economy program will add to these efforts, providing more resources for the model and building on the existing successes. The digital economy program has been designed to meet the needs of small businesses as they transition to serving clients online. You can imagine that through the pandemic so many more businesses thought of providing services online than ever contemplated it before.

The teams support job creators with a range of tactics, from development of e-commerce stores to support with the implementation of digital productive tools within their businesses. Business Link coordinates the work of 19 nonprofits, municipalities, and postsecondary institutions that run local teams in their communities, so you get to talk to somebody local. Business Link ensures the quality of provision is maintained throughout the province and manages the administrative elements of the program. The initiative is province-wide and focused on helping Alberta's small businesses go digital, enhance their online presence to increase visibility, and reach more customers.

Businesses are aware that they need to embrace online opportunities, again, never more aware than after COVID-19, but too often are either ill-informed or sometimes just lack the confidence to forge ahead into the digital world, so the DEP meets entrepreneurs where they are and provides hyperlocal support from a knowledgeable team that is not pushing a single product or selling a service. That's what the entrepreneurs have on their side: nobody is trying to make money off getting them online. I mean, many more people will later, but initially

with this program we're expecting hopefully to assist more than 5,000 small businesses – that's our target – and provide valuable youth employment opportunities to students and recent graduates in high-demand fields. We've already actually hired over 100 young people, who are out there helping businesses on the digital economy program.

[Ms Phillips in the chair]

Ms Lovely: Thank you for the answer. You know, it's been very interesting to see the transition. There have been a number of companies in my community who went through that transition and have enjoyed a lot of success, so I just wanted to thank you for enhancing that.

How did JEI's grant to Business Link support small businesses with the impacts of the COVID-19 pandemic?

Ms White: Thank you again for the question. As I mentioned, the digital economy program actually built on the regular operational funding that JEI provides Business Link. It's a wonderful tool. Business Link had a total outreach of 10,109 people in over 28 Alberta communities through 351 events and outreach activities in the fiscal year we're talking about; 73 per cent of the events were open and attended by participants from all around the province. During '20-21 Business Link participated in 12 events with Alberta women entrepreneurs, reaching more than 750 female business owners across the province.

With the pandemic affecting small business, Business Link provided support to those affected businesses. They received over 1,726 one-on-one inquiries related to COVID-19 supports and services. Basically, what they could do was take you through the labyrinth of supports that were available depending on your business type. Then the resources for small businesses affected by COVID-19 on their website received 16,000 page views and 14,000 unique page views through this fiscal year we're talking about. Several new online programs were launched to support businesses – it's called Peerpreneur, which, you can imagine, is getting help from other entrepreneurs – an online tool kit, small-business directory, and the resilient recovery program in addition to the big digital economy program that Business Link helped us with.

Ms Lovely: That's fantastic.

I want to expand on the digital transformation and initiatives that this ministry undertook during 2020-2021. As we all know, digital connectivity showed to be more important than ever during the pandemic. I see on page 13 that Biz Connect provided more than 14,500 customized e-mail responses to inquiries on public health direction as it pertains to business and community groups and the public. Can the department further elaborate on how the Alberta Biz Connect contributes to Jobs, Economy and Innovation's COVID-19 response to support Alberta businesses?

Ms White: Thank you for the question. I can tell you that a tremendous amount of effort was expended by not only JEI ministry staff, but we borrowed resources from across government to support Alberta Biz Connect through COVID-19. The goal of Biz Connect was to provide a one-window experience for Alberta businesses, not-for-profits, and the public to easily access information and updates on how to navigate public health restrictions and guidelines.

Biz Connect delivered outstanding service to Albertans with a team of experts who responded to Albertans' questions. In cases where JEI wasn't able to address the inquiry in-house, the inquiry was directed to the ministry responsible, usually Alberta Health – like, 99.9 per cent of the time the question obviously was for Alberta Health – and the correspondent was advised that their inquiry was referred to the appropriate ministry. Sometimes some

really complex questions came up through Biz Connect that took a little bit longer. Direct responses to Albertans' inquiries were uploaded to the Alberta Biz Connect web page, an online resource that provides information on public health restrictions as well as guidelines for businesses.

In addition to providing information to Alberta businesses, the Biz Connect team also became a valuable source of expertise and advice to partner ministries across government. You can imagine that as these questions were coming in, the team would notice where there were inconsistencies, so we're able to bring that back to Alberta Health.

Again, the 14,500 customized responses sometimes did take a little bit longer when they were referred on to other departments, but for the most part our staff were able to turn around this information quite quickly. If you recall, it was a real time of uncertainty. We knew things had changed when we had got an inquiry and a request for operating guidance from the outdoor gun ranges, not the folks you always hear from looking for public health restriction information.

The Chair: All right. Very good. We'll now move on to our third rotation for the Official Opposition. Nine minutes.

Mr. Bilous: Great. Thank you, Chair. I want to understand the staffing model of Invest Alberta. Much of the criticism is that we had officials in the Ministry of Jobs, Economy and Innovation: they moved to Invest Alberta with huge salary increases, no expense controls, no FOIP, and then some talented folks who made it over there on merit were let go for folks with less experience. This is all about how our tax dollars were expended. A few questions on this.

First, I understand that Jason Dehni was paid a contract worth more than the deputy minister here, was paid a contract to work three days a week. Please explain that to me. What was he paid? Why pay him more than the deputy minister for less work for an organization that was spun off from the department?

Mr. Christiaanse: Thank you for the question. Sorry. I missed the name that you used.

Mr. Bilous: Jason Dehni.

Mr. Christiaanse: That name doesn't ring a bell with me at all, so I'll have to take that under advisement and come back to you on that.

In general when it comes to recruiting and hiring people, we created a plan, the strategic plan, based on the initial act that was created, and that set out a number of strategic directions and priorities for our organization to execute on in partnership with the ministry. Salaries were determined by a survey which looked at both experience and qualifications. Specifically to the CEO's contract, we made sure that it complied with the Reform of Agencies Boards and Commissions Compensation Act. Given people's qualifications and also where they came from, we offered competitive salaries that were – in cases where people transferred from the ministries, the salaries were maintained at the same level they were at for the minister before . . .

Mr. Bilous: Sorry to interrupt. Can you please table that? Again, my information is quite contrary to what you're saying, so I would like to see the evidence between what they were compensated, the staff that came over from JEI, what the pay scale was, obviously, with personal information wiped, and what they were paid through Invest Alberta. I appreciate what you're saying, but their experience did not change. Their compensation jumps significantly from working within the department to working for Invest Alberta. I appreciate the fact that the private sector has a different compensation, you know, is compensated differently than within the department, yet, again, significant jumps in

a number of different salaries, including those – well, that’s a flag for taxpayers. If you can please table that, that would be wonderful.

9:00

We have FTE counts in the budget, on schedule 21 of the fiscal plan, every year, but this high-level information tells us very little, so I want to know more. How many employees left the ministry to work for Invest Alberta? What percentage of the workforce does that make up within Invest Alberta? And, most importantly, what was the percentage increase in their compensation overall when they moved over? If you can, again, table that information within 30 days, that would be wonderful.

Now, I just want to give the deputy minister a chance to respond. When I ask specifically about Jason Dehni, does the deputy know this name?

Ms White: My apologies, MLA Bilous, I do not know the name, and I’m not familiar with the contract.

Mr. Bilous: Okay. All right. I mean, when you table the compensation of employees, then we’ll see if compensation does actually in fact exceed the deputy minister’s for a position that works far fewer hours. Again, you know, just to top that off, what we’re looking for here is how much – again, with no personal information shared, obviously it’ll be redacted, but what was the change in total compensation for every employee that left JEI and moved to Invest Alberta? One of the criticisms that we’ve heard of Invest Alberta is that they’ve hired good people and then fired them, resulting in big compensation and then hiring less competent insiders. So let me ask, as a sign of managerial competence: what is the employee turnover, and how does that relate to benchmarks in other comparable organizations?

Mr. Christiaanse: Thank you for the question. I think there are two items that I would like to raise here. First, during the first nine months of the operation of the organization there was in fact very little turnover. If you look at our teams both here and internationally, the people that were hired, to a large degree, were the people that were with the organization for the remainder of the first fiscal year. That’s a tremendous accomplishment, especially when you consider some of the lockdown situations that our teams faced around the world. I know we’ve had our issues here in Alberta, but in general, if you go to China and other places, the lockdowns were much more severe and much more significant, and it would have been appropriate for people to quit and come back to Canada to live in easier circumstances. That did not happen.

As for turnover in the start-up organization, it’s important to recognize that at the end of the day the skill set required to stand up a team, to open offices, to recruit staff, and to move an organization from not existing to being in existence is quite different from the skill set required once the operation is up and running. So start-up organizations are different in that regard in that they often do see significant turnover in the first number of years because different skill sets are required once the organization is operational. So turnover at that particular point is not unusual.

The other thing to keep in mind is that the people who did the incredible work to stand up this organization in the middle of a COVID pandemic – it’s never easy to start an organization, it’s never easy to start an organization with government. It’s not easy to do that in the middle of a COVID pandemic. Those people acquired an amazing skill set and the capability to move forward, so they have become very attractive targets for other companies to recruit because the organization has been quite successful in what it’s been able to achieve in the first nine months of operation. For that reason it’s not unusual to see turnover in a start-up organization, and we’ve seen some of that.

Mr. Bilous: Well, fair point. But we also know that high turnover can often be a result of a poor culture. It could be the result of poor management. So what we’re trying to get to the bottom of is why so many employees have turned over. I appreciate that in the first nine months maybe there was a lower turnover, but I think, you know, what we’ll see when you table the documents is that a number of people have either left willingly or have left Invest Alberta, which, again, can point to a number of underlying issues, that we’re trying to get to the bottom of. We know how important Invest Alberta is for the province, yet the organization still does not have an office in Calgary. Now, I understand there was a deal in place to rectify this problem, but the office space was, I believe, owned by a member of the board, which is a clear conflict of interest. I am curious to know what happened.

Mr. Christiaanse: Thank you for the question. That information is in fact incorrect. When we started looking for space in Calgary, which we did towards the end of the pandemic, because there was really no reason to open up an office while no one could go to the office, we started looking at spaces, and all spaces that are owned by the company that is controlled by our CEO were automatically excluded from the search. So we actually took incredible protection to make sure that we were not in any way creating a conflict of interest. As well, the chair excused himself from all discussions and did not vote on the final office space, which is actually a sublease from a Norwegian oil company and is not in any way related to the properties that the chair is responsible for.

Mr. Bilous: Okay. Thank you. We know that, you know, Calgary is the nerve centre of Alberta’s economy. So what’s questionable here is: how is Invest Alberta fulfilling its mandate if it can’t even open an office in Calgary? That, again, the important work – that it’s being done. Again, at the moment Invest Alberta still does not have a physical office space in Calgary. Is that correct?

Mr. Christiaanse: That is incorrect. The office space opens next week. So it’s there.

Mr. Bilous: Okay. All right. Good. Well, congratulations. That’s three years in.

We see a real lack of transparency at Invest Alberta. Board meeting minutes used to be posted, but that got locked down.

The Chair: All right. Very good. We’re on to the third rotation. Government side, please.

Mr. Reid: Good morning, and again I want to thank you, Deputy Minister, and your team for joining us this morning. Still thrilled at the opportunity to get together in person at Public Accounts and actually see the ministry in person and first-hand and have a chance to dialogue. So thank you to all of you for taking the time to come in and be with us this morning.

My first question is related to the film and television tax credit. Livingstone-Macleod is, of course, a location of choice for the film and TV industry going back to – I remember back in ‘77 Richard Donner’s *Superman* movies were filmed around the area. It was thrilling to know that was happening. I actually stole a little bit of time this weekend and watched *Ghostbusters: Afterlife* again and enjoyed the Alberta vistas. I’m really thrilled with the implementation of the film and TV tax credit because we’ve seen a tremendous benefit in my riding, and, probably one of the greatest things is that I’ve seen Albertans return to Alberta to be able to work. So we’ve reunited families and allowed them to work in their province.

Related to the film and TV tax credit, objective 1.3 was to “grow Alberta’s film and television industry and help Alberta compete for

major media projects.” The film and television tax credit program was launched on January 29, 2020, offering a refundable Alberta tax credit of 22 or 30 per cent on eligible Alberta labour and production costs. I see in Budget 2021 that it included changes to the programs. Can you please tell us how the FTTC program improved in 2020-2021 and why such changes were necessary? And just as a follow-up: what impact has the FTTC had on our Alberta economy?

Ms White: Thank you so much for the question, MLA Reid. I’m going to ask Scott Beeby, who is our acting ADM of agency, governance and program delivery, who may be actually more excited to be here in person than you are this morning. Go ahead, Scott.

Mr. Beeby: Thank you, Deputy, and thank you for your question. I think you’re correct. I probably share your excitement to the same degree. With respect to the film and television tax credit, what we recognized was that industry had feedback for the program on how enhancements could be incorporated and the program further improved. Now, what we saw was that the demand for production content was growing and growing quite significantly not only here but across the globe. From their feedback we recognized that removing the per-production cap would bring the program in line with production incentive programs from comparative jurisdictions like Ontario and British Columbia that do not cap their per-production funding.

Now, the per-production cap was lifted in fiscal ’20-21, and this change would come to benefit future productions that would apply to the program. Four productions have since benefited from the removal of this cap. Now, these four large productions are expected to inject more than \$360 million into the province and create nearly 6,000 direct and indirect jobs. This includes the production *The Last of Us*, the single largest television series production in Canadian history. The attraction of this production is a major milestone for the Alberta film and television industry and just shows the world Alberta’s stunning landscapes, our immense talent, and our first-rate studios. We’ve seen through the program a steady increase in the volume of production applications, and as these numbers are expected to continue to grow, they will further diversify the economy and create new jobs.

9:10

We’ve also seen several high-profile production companies and streaming services that are not only filming here in the province but returning for additional seasons and for new productions, highlighting Alberta’s competitiveness and as a destination of choice for the film and television industry. Some of the repeat clients that we’ve seen include Netflix, Super Channel, CTV, and Creative Productions Inc.

Your second question asked about the impacts that we are seeing through the program. In fiscal ’20-21 we saw 31 productions apply to the program, and they’ve been authorized for \$30 million in tax credits. These productions are expected to spend approximately \$120 million in the province and result in 3,300 direct and indirect jobs. Through the program design, organizations are incentivized to hire local talent because only Alberta-based salaries, wages, or contracts are eligible for the credit.

Thank you.

Mr. Reid: Thank you, Mr. Beeby. I appreciate that. I will note that I saw several postings on social media this weekend at the Cannes Film Festival, and our film and television tax credit has been front and centre in a lot of those, so it’s certainly getting the attention of the world. Thank you for that.

I want to change gears a little bit to talking about the pandemic response and protecting lives and livelihoods of Albertans and small businesses during these challenging times. I’d like you to reference with me page 14, where it mentions the implementation of the commercial tenancies support and protection act and commercial tenancies protection regulation. Could you please tell me how Jobs, Economy and Innovation supported commercial tenants in meeting their rent obligations during the pandemic?

Ms White: Thank you again for the question. JEI contributed \$67.2 million as Alberta’s share of the federal government’s Canada emergency commercial rent assistance program, or CECRA. I can tell you that there was a lot of back and forth at the time. We were trying to figure out if we had to design a program ourselves or if we could piggyback on what the federal government was doing, but eventually the federal government came out with the CECRA program, which provided urgent rent relief to commercial property owners and tenants to mitigate the economic impacts of COVID-19 on Alberta businesses, and it ran from June to October 2020. Through the program 19,045 small commercial tenants and 8,635 commercial property owners were assisted in this province, in Alberta.

JEI also implemented the Commercial Tenancies Protection Act and regulation to help address gaps in the federal government’s rent assistance program and the delay I just mentioned, so the legislation protected a wider range of tenants than were eligible for the CECRA, including tenants whose landlords decided not to apply for the CECRA program. If you’ll all recall, like, both sides needed to want to do that program, the landlord and the tenant. JEI also supported commercial tenants through other recovery programs, including the small and medium enterprise relaunch grant and tourism recovery supports, but the CECRA program and the Commercial Tenancies Protection Act were the big two around tenancy support.

Mr. Reid: Thank you. And maybe just as a follow-up: can you indicate to us how many businesses benefited from the program?

Ms White: Oh, yeah. My apologies. Since you could benefit from both sides, just over 19,000 tenants and just over 8,600 landlords benefited from the program. Yeah.

Mr. Reid: Thank you very much.

With that, I will cede my time to MLA Walker.

Mr. Walker: Thank you so much, Deputy, and as well, Chair. Through the chair, always great to see the JEI staff. You guys are doing amazing work. It’s great to see you guys again. As I said before, my background and my passion is in international relations. I always enjoy also hearing from all members on JEI, people who care and are passionate. Probably in the next round, once we get back to the government side, I would say, through you, Chair, to the deputy minister and their staff that I’ll be focused on that great sounding acronym SMERG, the small and medium enterprise relaunch grant, that was so critically important to Alberta small businesses, so just an FYI on that.

I’ll turn it back to you, Chair, as it looks like we’ve run out the clock on the government side. Thanks.

The Chair: Thank you.

We’ll move to the Official Opposition for the fourth rotation, please.

Mr. Bilous: Thanks, Chair. Just to go back to the department. The person who we’re talking about was a senior adviser to Invest Alberta. His name is Jason Dehni. Unless my sources are incorrect, again, he was compensated greater than the current deputy minister

for working three days a week. If you can get back to the committee on that in writing, that'd be greatly appreciated.

As I was mentioning, the board meeting minutes used to be posted, but they have gotten locked down, so I'm wondering – and I know that the CEO indicated that the board meeting minutes are posted online. We just checked, and, no, they're not. So I'm curious to know why that changed. Why are the board meeting minutes no longer posted? Who made the decision, and was the Premier's office or the minister's office involved in that decision?

Mr. Christiaanse: Thank you for the question and thank you for pointing that out. We just launched a brand new website, which is focused on driving a higher level of engagement from our stakeholders, and it's part of that. We need to repost the minutes, and I appreciate you pointing that out. We will do that, and we will make that happen. There was no involvement from the ministry, the Premier's office, or anyone else on that. It is purely a technical cut that has caught us here.

Mr. Bilous: Okay. I appreciate that. So we can expect that within the next 30 days as well, or can I request that the board meeting minutes also be tabled to the Public Accounts Committee, please?

Mr. Christiaanse: Absolutely.

Mr. Bilous: Thank you for that.

Now, I'm going to jump around a little bit in this last block. We know that David Knight Legg was the CEO of Invest Alberta. I'm hoping that you can table his annualized total compensation when he was in that position. Then, recognizing that after leaving as CEO Mr. Knight Legg stayed on at Invest Alberta on contract, while he was on contract, if you can also table what his annualized total compensation is as well.

Mr. Christiaanse: I believe that I will be able to table the compensation for the CEO during the time he was CEO, during the nine months that were in discussion here. The contract applies to another year, so it will be relevant at this point.

Mr. Bilous: It looks like next year we're going to have a Groundhog Day PAC meeting.

Talking a little bit about the trade offices, they were completely gutted in the first year. A number of questions. How many offices were closed? How many staff lost their jobs? Quite frankly, what I'm hearing from stakeholders at every turn is how the government of Alberta, through JEI and our trade offices, has completely dropped the ball and is not supporting Alberta companies to enter new markets, that Invest Alberta is solely focused on investment attraction, and that our government or the GOA is missing out on the second side of that coin, which, of course, is supporting local businesses to new markets so that they can grow and create jobs here in Alberta.

Ms White: Okay. I'll take the first part of that question if I could, MLA Bilous. When the offices were transferred over to Invest Alberta, it is correct to say that several managing directors were recalled or their contracts were not renewed. I believe this affected five to six, but we'll confirm in writing. We did leave the locally engaged staff that were working in the offices for the transfer over to Invest Alberta, so none of those folks lost their jobs. I don't believe initially any offices were closed although with no managing director in the Singapore office, very quickly work ground to a halt. I think it's fair to say that there wasn't, certainly, the same level of activity in markets where there weren't folks. I'll allow Rick to speak to when the new managing directors were hired.

9:20

But in terms of your last question maybe before I turn it over, I will say that most recently a decision has been taken by the government to bring the international offices back under the scope of JEI to take advantage not only of the trade opportunity that you point out, although Invest Alberta did continue to support trade activities through the time that they managed the international offices, but also with regard to advocacy, international labour attraction. International technology partnerships are now becoming a mandate. With this expanded mandate for the international offices in this current fiscal year, again, not the subject of this meeting, JEI will be repatriating the offices.

Rick, did you want to add anything?

Mr. Bilous: Pardon me. Just another question. First of all, just a comment. I appreciate the fact that the trade offices are going back to JEI. They never should have moved to Invest Alberta. That was a boondoggle. In this first year I'd like to know as well if you can table how many deals occurred in the fiscal year in question. How many companies were supported? How many companies accessed new markets through our trade offices?

Again, I appreciate that initially the managing director from the Singapore office was let go, and eventually that office closed. It's my knowledge that other offices have in fact closed, so if Invest Alberta can table to the committee the number of staff at each of the remaining offices, those that were let go and what we have left.

With that, I'll turn it back to Rick.

Mr. Christiaanse: Thank you for that question. I've heard that misconception a few times. No offices have closed, and no staff have been let go. Today we maintain two people in Hong Kong. We have four staff members in Seoul. We have four staff members in Beijing, one in Shanghai, one in Guangzhou, and we had three staff members in the U.K. Those were the exact staffing complements that we took over once the changes were made.

There was also a managing director hired in China who sits outside of that office but works there. There's a managing director in London, and then the managing director for the rest of Asia worked out of Edmonton. Managing directors were put in place during the first nine months. Then the offices continue to do the functions to the best of their abilities. We are very concerned . . .

Mr. Bilous: Sorry. If I can just interrupt. How many staff are in the Japan office currently?

Mr. Christiaanse: Four.

Mr. Bilous: The Guangzhou office: the one staff is a reduction from when we were government. I can tell you that personally because I was there multiple times. The number of staff in Beijing has also shrunk, as has Shanghai.

Mr. Christiaanse: Okay. Those changes would have been made before IAC took them over. I'm talking about the time – your question was around what happened while we were managing the offices, so those were the numbers at that time.

I think the trade question is a fair one. During COVID – most trade gets done face to face, gets done by people coming overseas and finding clients, gets done by local Alberta businesses coming into town, doing trade shows, having meetings, and moving that forward.

That ground to a complete halt because most companies were unable to travel anywhere in Asia, and we are just coming out of the lockdown. As we are all aware, China is still not accessible, Hong Kong still not accessible. Japan is just opening up. Taiwan is still not accessible. So if you looked at areas of our responsibility, I

think trade was more severely impacted maybe even than investment at the time of COVID. That has been an issue.

Mr. Bilous: This next question is to the deputy minister. Do you agree that it was a mistake to move the trade offices over to Invest Alberta?

Ms White: I think that the focus of investment, as I mentioned earlier, has changed. Trade, as you mentioned, simply wasn't the focus when the offices went to Invest Alberta. I can tell you that the international office focus has expanded again with trade being a key pillar and beyond that.

If I could respond to your earlier question on trade activities, I can tell you that, yeah, COVID was a really – it was a tough year for trade. We actually converted to doing . . .

The Chair: Thank you.

We'll now move to the government side.

Mr. Walker: Thank you, Chair, and again thank you, officials, Deputy Minister, Auditor General, everyone, for being here to talk about and focus on the annual report by and large for 2020-2021. I read it with great enthusiasm and interest and am fully informed and ready for my quiz, if you will.

Again, Deputy Minister, through the chair, I would say that I am going to focus my remarks at least initially on SMERG, the small and medium enterprise relaunch grant, that was so critical to providing supports to Albertans through the COVID pandemic, the first pandemic of that nature in over a century. I can tell you that in my community of Strathcona county, where the business of my municipality is business – we're an entrepreneurial community – we have no business tax specifically or no business licence. We're very friendly, with thousands of businesses – and as per my understanding of Statistics Canada, we have the highest family household income in Alberta, which we're very proud of – blessed with three refineries, and sharing the Industrial Heartland with many great colleagues, including MLA Armstrong-Homeniuk, such a great champion for the Industrial Heartland and the energy sector.

But, Deputy Minister, through the chair, I would say that beginning with SMERG – page 14 mentions the small and medium enterprise relaunch grant, which was implemented to provide support to small and medium-sized businesses, co-operatives, and nonprofit organizations that were ordered to temporarily close or curtail operations as a result of public health orders. Can you provide more details on this program, how successful it was? How many businesses received funding from the SMERG?

Thanks.

Ms White: Thank you so much for the question. One of the things that we did in this fiscal year was manage to hire an amazing executive director who is acting ADM here today, so Scott will take the question on SMERG.

Mr. Beeby: Thank you, Deputy, and thank you, committee member, for your question. This is certainly a program I'm really proud to speak about. In fiscal '20-21 more than \$626 million was expended to provide support to over 40,000 organizations employing over 300,000 Albertans. Now, the program was created to respond to the needs of Alberta's job creators by initially providing up to \$5,000 for each business.

As the needs of stakeholders evolved with the pandemic, the program was broadened to provide more financial support and to allow more small businesses to apply. Eligibility was expanded to include new businesses that were incorporated after the program

initially launched and also included unregistered sole proprietors. Additionally, the income reduction threshold was lowered from 50 per cent to 30 per cent to support more businesses. Maximum payment was increased from \$5,000 to \$20,000 to provide more support to those that were affected by the pandemic.

These funds provided support to businesses affected by the public health orders, and in fiscal '20-21 half of all businesses in Alberta were partially or entirely closed due to the pandemic. While programs existed at the federal level, many of Alberta's businesses were not eligible, and SMERG, the grant program, filled that gap. When we look at the operations of the program, we recognize that in fiscal '20-21 almost 100,000 applications were received to the program, and what we saw was that over 60,000 of these were processed within 14 days of their receipt to the program.

One of the aspects that the deputy touched on earlier was about the oversight for programming and the use of attestations. This is one program that used such an approach, and what we saw was that when an eligible business submitted complete information, the system that we put in place to process their applications was able to process them for payment within two days. Now, there were a number of applications that required greater support, and that support might involve program staff engaging with the business, clarifying information that they had submitted, clarifying their eligibility, and working with them to help them receive the payments that they would be eligible for.

9:30

Mr. Walker: Thank you very much for those answers. I would say, too, that I was hearing in my community just what a great support the SMERG was. If I remember correctly, I think it was three rounds of SMERG? Yes. Small businesses make up the backbone of the Alberta economy. I know I don't have to tell people here that, but I think it's important to get on *Hansard* for eternity that, I think, 25 per cent of GDP consists of small business, a million Albertans are employed in small business, and 95 per cent of all businesses in Alberta are small businesses, so thank you, guys, so much for supporting them and the immense processing time it must have taken. Before I was an MLA, I was a civil servant with the GOA in Labour and Immigration processing files, in my case for IQAS and AINP, and I know how hard the staff work to get those files done, so I really appreciate that.

Now let's turn as well to outcome 2 of the annual report: to attract, retain, and expand investment in Alberta and keep our trade growing. It's a big interest of mine, I know also for the Member for Edmonton-Beverly-Clareview and everyone here at this table today: Alberta's place in the world. We've had trade offices going back to 1971, which was first established in Japan in Tokyo under, I believe, Premier Strom of Social Credit – we're going back to some Alberta history here – so Alberta's destiny is, obviously, to be engaged deeply in the world for the benefit of Albertans. As it is explained on page 22, the ministry works under a mandate to ensure that "investment in the province and trade continue to grow the economy and create new jobs." I want to focus on the U.S. as a key partner of Alberta's economic growth and diversification. How did Jobs, Economy and Innovation engage with international stakeholders, particularly those in the U.S.?

Ms White: Thank you so much for the question. Again, despite the challenges posed by the pandemic and the transferring of most of the international offices to Invest Alberta, JEI department has continued to lead and co-ordinate international advocacy and engagement, including advancing Alberta's interests with key stakeholders; negotiating and implementing memorandums of understanding, MOUs; engaging with U.S. transboundary organizations, as I think several folks in this room will have done; and collaborating with the

federal government on international issues. These engagement activities help build strong relationships with key stakeholders by promoting economic opportunities within the province, proactively identifying areas of collaboration, and identifying mutually beneficial solutions to key issues.

Engaging with U.S. stakeholders is crucial to ensuring Alberta can export its products and services to markets in the U.S. While energy issues, particularly pipelines, continue to be our highest priority, particularly in fiscal year '20-21, JEI also engaged and monitored other policy issues in agriculture, forestry, and public procurement that may affect the flow of goods from Alberta to the U.S. JEI also engaged in U.S. buy-American policies, country-of-origin labelling, and deforestation legislation that unfairly targeted Alberta's forestry producers.

Mr. James Rajotte became Alberta's senior representative to the U.S. in May 2020. Much of his efforts and engagement with U.S. stakeholders has focused on ensuring Alberta's products make their way into the U.S. You know, when he sits down, and he has sat down with, like, every congressman and Senator that he could in the U.S., the story that he tells is actually the story of environmental stewardship and social governance.

The Chair: All righty, then. We'll now move to our fifth rotation. The Official Opposition can read questions into the record for three minutes, please.

Ms Pancholi: Thank you, Madam Chair. I'm going to speak quickly so it'll all be on the record.

Can the ministry table information related to any support given by Invest Alberta to each of the following projects, including any MOU that was signed. The projects are Dow, Air Products, Mitsubishi, Northern Petrochemical, Mphasis, Infosys, Binance, AWS, or Fortune Minerals.

Please table with the committee the application process for the investment and growth fund at Invest Alberta and how many applications were reviewed, what percentage of applications were successful, if the Auditor General reviewed this process, as well as how and where geographically funds have been expended.

Please table with this committee the number of licensed child care programs that were eligible and received SMERG, including a breakdown by nonprofit and for-profit programs, including how much of the SMERG in total went to licensed child care programs.

When this committee last met with the ministry of culture and status of women, they advised that they did not conduct a GBA plus or diversity and inclusion assessment on the economic recovery plan, that JEI was the lead, so please table with this committee the GBA plus or diversity and inclusion assessment that was done on the economic recovery plan released in the fiscal year in question and specifically: if it was done, why did the economic recovery plan include nothing with respect to targeted at women, who actually experienced the greatest job loss during the pandemic?

Similarly, can the ministry table with this committee any analysis or advice given by JEI to the Ministry of Children's Services on the decision to end the \$25-per-day child care pilot program in the fiscal year in question. The ministry, JEI, will be well aware that that program was key to increasing job creation, economic growth, workforce participation, definitely things that JEI should be concerned about, so what support or advice did your ministry provide to Children's Services around the end of that \$25-per-day pilot program?

Similarly, why was there no investment in the economic recovery plan on child care? The deputy mentioned \$130 million that was invested in child care; over \$100 million of that was invested by the federal government. There was almost nothing invested by the

provincial government into child care at that time, so please provide an analysis of that.

The deputy minister mentioned creating inclusive employment. Please table with this committee information about how many new positions were created with respect to inclusive employment, the list of employers that created these new positions, the total value, how it was funded, and the combination of provincial and federal funding. How will the success of that work be evaluated?

Let me just see if I have time for anything else. I think that might be it. Thank you very much.

The Chair: Thank you.

Questions for the record on the government side if there are any. Yes, please.

Ms Armstrong-Homeniuk: Thank you, Chair. Outcome 3 of the annual report was to optimize Alberta's innovation system to support economic growth. Page 4 explains that this ministry directed

\$232.8 million to Alberta Innovates, innovation organizations and post-secondary institutions to streamline research, innovation and commercialization and offer programing to develop and advance talent, grow sectors, leverage funding, and attract investment.

Page 10 explains that "Alberta Innovates played an important role in the province's research and innovation system." Which results did Alberta Innovates achieve in '20-21?

I'll cede the rest of my time to my colleague MLA Singh.

Mr. Singh: Thank you, Madam Chair. The major innovation fund, MIF, supports transforming research and innovation excellence to advance Alberta's priorities. Key objective 3.1 talks about ensuring that investment of public money has a clear return on investment. How do we know the major innovation fund, MIF, investments are the right ones for Alberta, and how has MIF enhanced Alberta's innovation competitiveness?

On page 33 of the annual report it elaborates on the research capacity program and strategic research initiatives. These initiatives provide funding to postsecondary institutions, and I see that in the 2020-2021 budget both initiatives had \$26.8 million in addition to the leverage from the federal matching program from the Canada Foundation for Innovation. Can the department elaborate on the importance of both initiatives? How does the research capacity program optimize postsecondary innovation?

Thank you, Madam Chair. With that, I cede my time to MLA Toor.

Mr. Toor: Thank you, Chair. The pandemic caused a significant shift in Travel Alberta's destination promotion plans and activities. I see on page 39 that

in 2020-21, Travel Alberta was provided \$39.7 million to support the government's public health messaging and, as public health restrictions eased, to encourage Albertans to support local businesses and safely explore [our great] province.

Can the department further elaborate on Travel Alberta's role given that its mandate is expanding to become a destination management organization. What results did Travel Alberta achieve in 2020-21?

Also, can the department elaborate on its economic diversification and job-creation efforts? What are the other initiatives that Jobs, Economy and Innovation has undertaken to diversify Alberta's economy and support job creation?

Thank you.

The Chair: All righty. Well, we are now moving on to other business. I'll just ask, once again, that the ministry follow up to the committee clerk within 30 days with the written responses.

Is there any other business right now for hon. members?

Seeing none, the date of our next meeting is Tuesday, May 31 with Advanced Education.

Those at the table, please be reminded to take your cups and so on with you.

I would now call for a motion to adjourn. Moved by Mr. Toor. Thank you. All in favour? Any opposed? All right. That motion is carried. Thank you very much.

[The committee adjourned at 9:40 a.m.]

