



## AB Today – Daily Report October 24, 2019

### Quotation of the day

“Let’s be clear: this will not be an easy budget.”

*Premier Jason Kenney said today’s budget will not come without pain in a televised address to the province Wednesday evening.*

### Today in AB

#### On the schedule

Happy budget day! The UCP’s inaugural budget will be tabled around 3:15 p.m.

#### Wednesday’s debates and proceedings

Two government bills passed third reading Wednesday with support from the NDP opposition:

- **Bill 16**, Public Lands Modernization (Grazing Leases and Obsolete Provisions) Amendment Act, and;
- **Bill 17**, Disclosure to Protect Against Domestic Violence (Clare’s Law) Act.

**Bill 18**, Electricity Statutes (Capacity Market Termination) Amendment Act, passed second reading stage and was debated at committee of the whole. The NDP oppose the bill, which cancels a plan to move to a capacity electricity market; various amendments proposed by the Opposition were shot down.

UCP MLA **Mark Smith** introduced a private member’s bill, **Bill 204**, Election Recall Act. It was granted first reading and referred to the standing committee that studies private bills.

MLAs also debated a government motion calling on the house to “denounce all federal political parties that would enable a provincial government to unilaterally prevent the construction of inter-provincial infrastructure projects of national importance, including natural resource pipelines.” The motion passed (Ayes 31; Nays 9).

### **In the legislature**

Animal rights activists chained themselves to the door of the legislature Wednesday afternoon, on the same day the RCMP charged four protestors who allegedly tried to break in to the Jumbo Valley Hutterite Colony turkey barn last month.

### **Premier Watch**

Premier **Jason Kenney** gave an address to the province on Global Television Network in advance of today’s budget.

## **‘We must be self-reliant’: Kenney says to expect belt-tightening when budget drops Thursday**

Alberta Premier **Jason Kenney** gave a preview of his United Conservative government’s first budget — “the most important Alberta budget in 25 years” — in a televised address Wednesday.

Scheduled to be tabled in the house at 3:15 p.m. today, Kenney said the budget will propose a 2.8 per cent cut to overall program spending and focus on economic growth.

The premier justified the cuts by citing the Mackinnon panel report on the province’s finances, which said Alberta spends up to 20 per cent more than other provinces on some programs while getting poorer results.

“Each year we spend \$10,000 more per post-secondary student than the large-province average,” said Kenney, speaking on Global News. “But we have some of the lowest post-secondary participation and completion rates. In other words, we pay more but get less.”

He also cited the province’s debt of \$62 billion, a “potential global recession” and a “federal government that has actively campaigned against our province’s vital economic interests” as reasons why Alberta “must be self-reliant.”

Kenney acknowledged that the cuts will lead to public service job losses, but said they will be “modest.”

“Front line services will be prioritized,” he added. “Reducing the overall size of government will be done mainly through attrition.”

Kenney said, by acting now, Alberta will avoid worse pain, such as the 18 per cent cuts that hit the province in 1993.

“Some programs will be challenged to do more with less,” he said. “Some ineffective programs will be eliminated altogether. Some capital projects will be delayed or scaled back. But these tough decisions are necessary. In fact, they are long overdue.”

Kenney said health and education funding will not be cut in the budget, and added that funding for mental health, addictions and some social programs for vulnerable people will actually increase.

He also said the budget will detail job creation measures, provide updates on the government's Red Tape Reduction Plan to cut regulatory hurdles, and outline new programs to diversify the economy in areas including petrochemicals, tourism, agriculture and the film industry.

In an [interview](#) with the *Calgary Herald*, Kenney said the government plans to de-index the AISH (Assured Income for the Severely Handicapped) program from inflation-based hikes, but will keep its funding steady over four years.

### **Finance minister wearing old cowboy boots for his first budget**

Finance Minister **Travis Toews** will be wearing a two-year-old pair of cowboy boots when he delivers his first budget, a cost-effective tweak to the long-standing tradition of Canadian finance ministers donning new footwear on budget day.

“These boots represent a part of our heritage and speak to the practical and resilient character of Albertans,” Toews told reporters at the legislature on Wednesday. “We owe it to them to be thoughtful, measured and balanced in our approach to budgeting.”

He joked people may not want his “hard-working ranch boots” in the office.

He described the budget as both “thoughtful” and “surgical.”

### **NDP continues to slam corporate tax cuts**

NDP Finance critic **Shannon Phillips** said Kenney’s repeated assertion that the NDP hid how bad the fiscal situation has gotten is “total B.S.”

Based on fear of what the budget may hold, education and health-care providers have already made decisions based on potential cuts, according to Phillips, meaning services delivery has already taken a hit.

Phillips said the NDP's shadow budget, which will be released in a few days, will not include the UCP's legislated corporate tax cuts, which the New Democrats contend will lower the province's revenues by \$4.5 billion.

### **Critics warn budget will create a 'Kenney Recession'**

Labour groups are also bracing for harsh cuts.

The Alberta Federation of Labour released a [report](#) from Toronto economist **Hugh Mackenzie**, which argues the implementation of the MacKinnon report recommendations would result in up to 113,400 jobs losses across the public and private sector.

"The report makes it clear that the 'Kenney Recession' will be unique compared to other hardships Alberta has had to endure," AFL president **Gil McGowan** said. "While previous recessions have been caused by external market forces that are largely beyond the control of the government of Alberta and independent of its policy choices, the hardship caused by the Kenney government's ill-considered deficit elimination strategy will be entirely self-inflicted."

Toews disputed Mackenzie's job loss predictions. "The reality is the cuts in the public sector simply aren't going to be that —" he said before cutting himself off. "This is a budget of restraint. It will affect every area of government."

## **Today's events**

### **October 24 at 9 a.m. — Edmonton**

The United Conservative Party cabinet will meet at legislature. The UCP government's full caucus will meet shortly after.

### **October 24 at 3:15 p.m. — Edmonton**

Finance Minister **Travis Toews** will table the UCP's first budget in the legislature.

## **Topics of conversation**

- Ahead of Thursday's budget, Education Minister **Adriana LaGrange** teased a funding boost for Alberta's school nutrition program.
  - As [reported](#) in the *Edmonton Journal*, there will be a 20 per cent boost of \$3 million to the NDP-created program, which will feed an additional 30,000 students.
- Alberta NDP Leader **Rachel Notley** said she told federal NDP Leader **Jagmeet Singh** he should not oppose the Trans Mountain pipeline expansion project in the new federal minority parliament, and reiterated the importance of jobs to Albertans, in a brief post-election phone call.

- “He mostly listened,” Notley said. “I’m not here to tell you that I got him to change his mind, but I’m just here to tell you we’re having those conversations.”
- Meanwhile, Prime Minister **Justin Trudeau** [extended an olive branch](#) to Alberta and Saskatchewan, promising to get the Trans Mountain pipeline built.
- The shakeup at the Alberta Energy Regulator [continues](#) with three more executives departing following the launch of three independent investigations into wrongdoing at the AER.
  - **Mark Taylor**, executive vice-president of the operations division; **Carol Crowfoot**, executive vice-president of the strategy and regulatory division; and **Stacey Schorr**, executive vice-president of the stakeholder and government engagement division, are all out, according to an internal staff memo.
  - Prior to the investigations by the Auditor General, Ethics Commissioner and Public Interest Commissioner taking place, the UCP announced the government was launching its own investigation of the regulator.
- The *Western Standard* is back — with Freedom Conservative Party founder **Derek Fildebrandt** at the helm as its new publisher.
  - The new version of the publication will feature online news, commentary, video and podcasts.
  - Founded in 2004 as “the independent voice of the new west,” the *Standard* operated as a print magazine for a little over three years, and adopted a conservative libertarian editorial viewpoint sympathetic to Western Canadian political issues. Prominent contributors included **Michael Coren**, **Mark Steyn** and **Andrew Coyne**.
  - The magazine’s original co-founder **Matthew Johnston** will be on the management team. Another co-founder, **Ezra Levant**, is now the head of the controversial far-right Rebel News.
- Albertan social media accounts [slagged](#) Newfoundland and Labrador following the federal election, where voters in the eastern province re-elected six Liberal MPs.
  - Both provinces are reliant on oil revenues and during Alberta’s last boom, many Newfoundlanders worked in the patch.

## **New briefs — Governmental**

### **Ministry of Education**

Education Minister **Adriana LaGrange** announced a new seclusion room [policy](#) for schools will come into effect on November 1.

Disability advocates have called for a complete ban on the use of seclusion rooms, something the previous NDP government heeded.

LaGrange said the government's new policy sets out reporting requirements and guidelines for the use of the rooms.

"The majority of our education partners told us that banning seclusion rooms limits a school's ability to protect the safety of everyone," LaGrange said in a news release. "We listened, and worked with our partners to provide school authorities with a measured approach for the use of these tools in schools. This is about preventing misuse and ensuring the well-being, safety and dignity of all students and staff."

## **Ministry of Energy**

Energy Minister **Sonya Savage** announced the UCP government will keep the NDP-era petrochemical diversification program in action — but with some tweaks.

Savage confirmed the \$1.1 billion in royalty credits will be available for Round 2 of the project. So far, \$150 million has been approved.

"We promised Albertans that we would respect agreements made under the Petrochemicals Diversification Program and look at extending the royalty tax credit model to incent future projects," Savage said in a news release.

But gone are other measures, such as loan guarantees, that the NDP had in place. The UCP is also not proceeding with requests for proposals on refinery projects.

## **Question Period**

### **NDP kickoff**

- NDP Leader **Rachel Notley** led off question period by asking Premier **Jason Kenney** about his role in the creation of the current equalization formula, reminding the house of his cabinet role in **Stephen Harper's** former federal government, which tweaked the formula and health transfer rates.
  - "Will the premier commit today that when he starts his public hearings, will they begin with an apology for his role in making the equalization formula even more unfair to Albertans?"
  - Notley followed up by asking whether Kenney would [take a page](#) out of Manitoba Premier **Brian Pallister's** book and work on uniting Canada instead of sowing division.
- Kenney responded by saying the first of Harper's rewrites to the formula increased the amount Alberta received and the second version he was a part of was crafted before other provinces began being obstructionist about pipelines.
  - "It's precisely in order to listen to Albertans that we will ask some prominent members of Alberta society to listen to Albertans and their rightful frustration

about having gone through a federal campaign where this province became a punching bag for federal parties, including the NDP,” Kenney said.

### **Other NDP questions**

- Opposition MLAs also asked about who will pay for the government’s corporate tax cut, the lack of proper consultation on the budget, whether municipalities are actually being as wasteful as Municipal Affairs Minister **Kaycee Madu** claims, the fate of the Energy Efficiency Alberta program, health violations at a seniors housing facility, mental health supports for children, what lawyers will be made available to provide legal advice on unions, and universal child care.

### **UCP friendly questions**

- UCP backbench MLAs asked about support for people with disabilities, what the government is doing to stop dangerous militant animal activists, support for Alberta artists, the Indigenous Opportunities Corporation and investment in natural gas.