



ALBERTA COUNSEL

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UPPING THE ANTE: WILL \$25/DAY CHILD CARE BE THE NDP'S ACE IN THE HOLE?

Evan Menzies

Last month, NDP Children's Services Minister Danielle Larivee gave Albertans an early Christmas present: she announced the government's \$25 per day child care pilot program would be expanded to 4,500 children across the province. That's 78 early learning child care centres overall, about 20 per cent of all registered child care centres in Alberta.

The federal government will fund this new expansion to the pilot program, making the announcement even sweeter for the cash-strapped NDP government. Phase 1 of the pilot program benefited parents of 2,000 children across the province, and came with a \$10 million price tag for taxpayers. How big will the price tag be for Phase 2? Albertans will have to wait for an answer from the feds.

Larivee made the announcement surrounded by children, parents and child care workers. If it was unclear before, now there was no question: the NDP are preparing to use this and other social programs as a hammer against their fiscally-minded UCP opponent in the next election.

The stage was set on Dec. 19 at the Imagine Early Learning and Child Care Centre in east Calgary. Larivee, filled with moral clarity, had a spring in her step that morning as she laid out who exactly is to blame for the rising costs of child care across the province.

"For too long, working parents in Alberta have been left behind by conservative governments that don't believe that all families regardless of income should have access to high quality care that they can actually afford," Larivee said.

Ouch. But she was just getting warmed up.

"[Conservative governments] believe that an investment in making life better for every family is a waste of money. Let me tell you: I've been a mom struggling to find and pay for child care for my three kids, and I know without question that affordable, quality child care is no waste of money.

"When the cost of the right kind of child care is as much as a second mortgage, many parents are forced to choose between child care and pursuing their careers," Larivee said.

According to the government, parents in Calgary face among the highest prices for child care in the country, doling out an average of \$1,300 a month per child.

Many conservatives across the province instinctively view these types of big-price-tag announcements with suspicion, particularly after waging many hard-fought battles against a federally-implemented universal child care program.

Former Conservative MP now UCP leader Jason Kenney no doubt remembers when the federal Conservatives implemented the universal child care benefit after their 2006 election victory. The federal party rejected a 'one-size-fits-all' solution to rising childcare costs (like the \$7 per day child care allowance implemented in Quebec) and instead bet that parents would rather see more money in their jeans to choose the child care they wanted. According to Colin Craig and Paige MacPherson with the Alberta branch of the Canadian Taxpayers Federation, Alberta should embrace this philosophy if it decides to create a new child care program.

"There's no money for a pilot project, let alone expanding the program. Eliminating the carbon tax and looking at ways to scale back other government expenditures could help families by leaving more money in their pocket – helping them to better afford child care options that work for them," Craig and MacPherson said in a joint statement. "If the government is going to spend money on child care, a voucher system would be a better approach as it would empower parents to choose

“For too long, working parents in Alberta have been left behind by conservative governments that don't believe that all families regardless of income should have access to high quality care that they can actually afford.”

Minister of NDP Children's Services Danielle Larivee



EVAN MENZIES Feature Writer

Evan Menzies is the former Director of Communications for Alberta's official opposition, operates Menzies Communications and works at the University of Alberta. He specializes in writing, social media management, creative design and political consulting.



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which model works best for them.”

Critics argue that the Quebec model has struggled with access and increased waiting times despite increased government spending.

A Fraser Institute report released in March 2017 indicates that the Quebec model has produced a mix bag of outcomes for children, and specifically notes that subsidized child-care spots are more likely to go to children from high-income families.

“Research shows the Quebec experiment seemed like a good idea on the surface, but it hasn't worked out,” Craig and MacPherson said. “Far too many of the users of the program were wealthy individuals, reducing the number of spaces available for low income people – the very people the program was designed to help. Even worse, many parents have rated the services as mediocre.”

The government has been careful not to release what the full cost of a universally-implemented \$25 per day child care would be. The NDP election platform estimated the cost of such a program would rise to at least \$150 million, but Craig and MacPherson say it would likely end up “costing a lot more than proponents claim.”

The NDP are no doubt mindful of the arguments used against the Quebec program and have been cautious to avoid such pitfalls. It's likely why, in its pursuit of universal, \$25 per day child care, the government has been moving in modest stages to implement the project without any fuss, glitches or complications.

In Phase 2 of the pilot project, any registered child care centre in the province can apply for up to \$500,000 in funding. Similar to Phase 1, the government is asking for innovative proposals based on the principles of: access, affordability, quality and improvement. Centres that offered extended hours of care or provided unique access to cultural communities were among the success stories from Phase 1.

If the UCP signal any hesitation to expand the existing pilot program, or roll it back, they can expect the NDP to roll out parents who have directly benefited out to the microphone.

Danielle Pitman was one of those parents present at the announcement in December. She could barely get through her remarks without emotion swelling in her voice.

“My son goes [to child care] here and he's had an amazing time. Before he came here he struggled with some of his fine motor skills and his emotions, clearly he gets that from me,” Pitman said, choking back tears. “I'm just so appreciative of the quality of child care that my son receives here. He's doing super well, and I'm very proud of all the work that they do here.”

Parents of over 4,500 young children will likely be able to offer similar testimonials once Phase 2 has been fully implemented.

With the next election scheduled for Spring 2019, the gamble for moms and dads in the vote-rich suburbs of Calgary and Edmonton will be at the forefront of NDP and UCP campaign war rooms. The NDP have their cards on the table and are confident in their hand. Will the UCP raise an alternative policy proposal to deal with child care costs, or will they double down on the economy and carbon tax repeal instead? There are no safe bets either way: in this game, the stakes are high, and the winner takes all.

“If the government is going to spend money on child care, a voucher system would be a better approach as it would empower parents to choose which model works best for them.”

Colin Craig and Paige MacPherson,
Canadian Taxpayers Federation



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Photo Credit: Brendan Brown



POLITICAL EVENTS

UCP – Calgary South East UCP Annual AGM Saturday, January 27th @ 10am

Location: Century Hall (11 Cranarch RD SE), Calgary

- Join UCP members from SE Calgary bright and early for the constituency's first UCP AGM
- Tix: Free (membership required to vote)

NDP – Music Night with Annie Wednesday, January 31 @ 7pm

Location: Sherwood Park Log Cabin

- Join NDP MLA Annie McKittrick and friends for an evening of roots/folk/blues with the legendary Bill Bourne
- Tix: \$25 (www.albertandp.ca)

NDP – Thomas Dang & Shannon Phillips Parlour Thursday, February 6th @ 6:30pm

Location: Private Residence

- Join MLA Thomas Dang and Minister Shannon Phillips for a conversation, light refreshments and hors d'oeuvres
- Tix: \$150 (www.albertandp.ca)

Alberta Party – Calgary Leadership Debate Thursday, February 8 @ 6pm

Location: Best Western Village Park Inn, Calgary

- An opportunity for the public to get to know the AB Party's leadership contenders
- Tix: RSVP at www.albertaparty.ca

NDP – Wine & Cheese in Lethbridge with Oneil Carlier & Shannon Phillips Saturday, February 24th @ 1pm

Location: Westminster Neighbourhood Association, Lethbridge

- An afternoon of wine & cheese with Ministers Oneil Carlier and Shannon Phillips
- Tix: \$100 (www.albertandp.ca)

UCP – The Party's First Annual General Meeting May 4 – May 6

Location: Sheraton Hotel, Red Deer

- Become a UCP member and take part in the historic first AGM of the UCP
- For details, visit www.unitedconservative.ca

THE NEWS
from ALBERTA COUNSEL



CHARLENE CAMPO

Associate

As an experienced policy and intergovernmental relations professional, Charlene is adept at establishing relationships, synthesizing information, and using her networks to create mutually beneficial solutions for her clients and other stakeholders. Charlene possesses a wealth of networks from the federal and provincial public service, as well as community and grassroots organizations in Calgary and Edmonton. Charlene is actively involved in Alberta's progressive community, and her passion lies in community capacity building and providing accessibility to government policies, programs and practices.



NICK KOOLSBERGEN

Key Influencer Profile

Charlene Campo

Nick Koolsbergen is the Chief of Staff to UCP Leader Jason Kenney. Described as diligent, experienced, a good leader, and a capable mentor, Mr. Koolsbergen has cut his teeth working for many heavyweights in federal and provincial politics. His political career began in 2005, when he served as a Members Assistant for the Parliament of Canada while completing his Political Science degree at Brock University in St. Catharines, Ontario.

Given the breadth of his political experience, it is difficult to present Mr. Koolsbergen with issues that surprise him. After graduating in 2007, he quickly rose through the ranks and

served in several challenging roles in the federal and the Ontario governments, including as the Director of Issues Management for the Ontario PC Party from 2011 to 2012, and notably as the Director of Issues Management for former Prime Minister Stephen Harper from 2014 to 2015. Mr. Koolsbergen also briefly served as the Chief of Staff for Christy Clark, the former Premier of British Columbia before joining Jason Kenney's staff.

Mr. Koolsbergen is dedicated to his role as the UCP leader's Chief of Staff: he is known for gladly and consistently pouring his heart into his work for the leaders and causes that he believes in. It's clear to see why Mr. Kenney approved Mr. Koolsbergen for this role: beyond Mr. Koolsbergen's wealth of political insight, his considerable political networks, his ability to handle sensitive and high-profile issues and his thoroughness in analyzing various topics, Mr. Koolsbergen believes in standing up for Albertans and for the province. And he puts those beliefs into action.

Photo credit: CTV News



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BRONTE VALK
Associate

After graduating from the University of Alberta with a Political Science degree, Bronte pursued her passion for politics by working on the campaigns of numerous progressive political candidates. This experience combined with her in-depth knowledge of Alberta's political affairs, drew her into advocacy work. Bronte has worked as a case worker in the Honourable Sarah Hoffman's constituency office as well as the MLA for Edmonton-Ellerslie's. Her connections with government caucus and strong advocacy skills make her a great asset to our team.



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GOVERNMENT SUBSIDIES: CRONY CAPITALISM OR TOOL FOR GROWTH?

Bronte Valk

On Nov. 27, the United Conservative Party released its Member Policy Declaration, a draft policy framework. Many of its discussion ideas have recently come under fire from the New Democratic government, including a flat tax income, an increase of funding for private schools and more flexibility education curricula. But one policy initiative in particular has the potential to devastate growing industries in Alberta: the UCP's commitment to "end direct government subsidies to individual for-profit corporations and prohibit government from owning or operating businesses where a competitive business market exists."

CBC news has reported that Alberta spends more than any other province in Canada on business subsidies, despite persuasive evidence calling the value of business subsidies into question. A report from The School of Public Policy at the University of Calgary shows that Alberta doles out \$640 per person in business subsidies, about \$100 ahead of Quebec, the next most generous jurisdiction. The School of Public Policy estimated that Alberta's government spent \$2.6 billion on subsidies in 2017: fifty-eight per cent of its subsidies in Alberta through the tax system, and the remainder through spending programs.

The debate on the effectiveness of government subsidies is a contentious one, with many conservative critics asking why the government should use taxpayer money to resolve failures in the free market.

The practice of using taxpayers dollars to support and bail out businesses has often been characterized as a form of "crony capitalism." However, history shows that subsidies are an essential tool to encourage the growth of burgeoning industries, like tech and renewable energy, and to lessen the cost of essential services for Albertans, such as childcare.

New technologies face market problems that require government support to bring down the price of the product, to encourage innovative product improvements, to establish a wider familiarity and to ensure a steady stream of future customers. Solar panel technology is a good example of a long-term investment that the market might shy away from because of its initial failure to yield short-term profits. Although the Progressive Conservatives and the Wildrose have been especially critical of Alberta's solar program, it has created 500 jobs in Alberta's solar sector, thanks in no small part to the subsidies the program has received.

It's clear that the success of certain industries in Alberta, whether large or small, depends on subsidization from the province. Small businesses were one of the two most heavily subsidized industries in Alberta this past year. But a closer look at the Alberta Government's Grant Disclosure database shows that solar companies and tech startups aren't the only ones that benefit from government subsidies: large companies and industries do, too. Pepsi and Fritos are two prime examples of established multi-million-dollar corporations that receive subsidies of up to \$200,000 from the Alberta government.

And with rural Alberta making up a significant portion of the UCP's support base it, will be interesting to see if the party's agenda to eliminate government subsidies will extend to the other most heavily subsidized industry last year: agriculture.

Are the UCP actually as vehemently for a free market as they say they are? If so, one would expect them to prioritize ending government subsidies for for-profit corporations across the board. Otherwise, if the party decides to selectively end subsidies for some industries (such as renewable energy) and not others (such as agriculture), Albertans may have cause to wonder if the UCP is only against those subsidies that don't directly benefit its voter base.

“ [A] closer look at the Alberta Government's Grant Disclosure database shows that solar companies and tech startups aren't the only ones that benefit from government subsidies: large companies and industries do, too. ”



PASCAL RYFFEL
Director of Government
Relations

Active with the provincial NDP and a proud party member for over ten years, Pascal's political experience includes stints as both provincial and federal organizer, in addition to running in the Edmonton-Meadowlark constituency in the 2008 provincial election. Pascal spent four years as the NDP Caucus Outreach Coordinator at the Legislature and was a member of the pre-election candidate search committee while the NDP was in opposition. Along with a strong academic background, Pascal adds deep and current knowledge of Alberta's new government to the Alberta Counsel team.



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AT A GLANCE

In the News

Jan. 8: The United Conservatives launched a new radio ad campaign against the NDP's carbon levy. The ads are voiced by former radio host Dave Rutherford and calls on listeners to sign a petition.

Jan. 9: Calgary-Southeast MLA Rick Fraser announced he would be throwing his hat into the ring in his bid to become leader of the Alberta Party. The ex-UCP MLA announced he would also formally join the Alberta Party caucus, bringing their legislative numbers to three.

Jan. 10: Former Edmonton Mayor and PC Health Minister (2014-15) Stephen Mandel announced he would be making a bid for the Alberta Party leadership. The 72-year old had a well-attended event, with many notable former PC area activists in attendance.

Jan. 11: The NDP government announced a \$500,000 grant to Hinton-based fRI research to support its research into stopping the spread of the mountain pine beetle.

Jan. 15: Health Minister Sarah Hoffman was in St. Albert to announce a new six-unit neonatal intensive care unit at the cost of \$2.3 million.

Jan. 16: Federal Infrastructure Minister Amarjeet Sohi and his provincial counterpart Brian Mason announced \$16.3 million in funding for four wastewater projects in Alberta. Vermillion, Barrhead, St. Paul and the Municipal District of Pincher Creek will all benefit from the announcement.

NDP Minister of Culture and Tourism Ricardo Miranda announced the Tourism Entrepreneurship Startup Seminar series that launches on Feb. 7 in Cold Lake to help businesses get advice on how to navigate challenges in the tourism industry. More information is available at www.alberta.ca.

Jan. 18: Elections Alberta released fourth quarter fundraising results for Alberta's political parties. NDP won the fundraising crown for both Q4 (\$335,627) and for 2017 (\$1,701,521). The United Conservatives placed second raising \$242,345 in a quarter that saw them compete for donor dollars during a leadership raise.

The NDP government again touted the benefits of the Alberta Small Brewers Development Program, saying it led to 780 jobs and the addition of 513 new beer products made in Alberta.

Jan. 22: After weeks of finger pointing between the two provinces, Saskatchewan dropped its Alberta licence plate ban on Alberta job sites.

Insights

The entry of Rick Fraser and Stephen Mandel generated a lot of excitement, at least among the news media, about the Alberta Party leadership race. Pundits are divided about the threat a rejuvenated Alberta Party might pose to either the NDP or the UCP, but there is a consensus that Mandel's presence in the NDP's home turf of Edmonton won't do them any favours.

The impressive fundraising numbers by the NDP will lift the spirits of party supporters and partisans across the province. The party collected a strong \$1.7 million in 2017 to claim the fundraising crown for the second year in a row. Don't expect that pattern to last forever however, the combined fundraising pooled together from conservative parties in 2017 hit \$1.77 million, not including the likely millions raised during the leadership race.

The Saskatchewan government's drop of the licence plate ban on Alberta job sites will be chalked up as a win for Premier Rachel Notley and her government who gave up no concessions from the dispute. It's likely the spectacle of a trade challenge through the New West partnership by the NDP government would have put some egg on the face of the governing free-enterprise coalition Saskatchewan Party government.

In Committee

Jan. 16: Legislative Offices debated and mulled over the costs for the search and appointment of a new independent Election Commissioner. A dust up about the cost of advertising the new position got some attention in the news media. A transcript of the meeting is available at www.assembly.ab.ca

The Heritage Savings Trust Fund standing committee met to review the second-quarter report for 2017-18. The fund currently sits at \$17.1 billion. A transcript of the meeting is available at www.assembly.ab.ca

Jan. 18: Families and Communities met to review the Missing Persons Act.