

NAVIGATOR

ALBERTA 2019

WHAT IT ALL MEANS

POST-ELECTION STUDY

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Overview

A P R I L 1 6 , 2 0 1 9

Albertans voted the United Conservative Party into power, electing Jason Kenney premier with a resounding majority; voters pinned their hopes for an economic recovery on his ability to deliver on jobs and pipelines.

They rallied around Kenney in unprecedented numbers: 71 per cent of the population voted, the highest turnout since 1935. And the UCP won more votes than any party in Alberta's history. In Kenney, they saw a figure they could unite around: a strong, experienced politician unafraid to take Alberta on the offensive.

“

Today, we begin
to stand up for
ourselves,
for our jobs,
for our future.

JOBS
ECONOMY
PIPELINES

”

The results of the election were clear minutes after the polls closed, but it is important now to understand why voters made the choice they did. After having handed Kenney and the UCP such a commanding mandate, what do voters now expect from them? What do those expectations mean for your business or organization?

Understanding these motivations rests on a simple premise: success in politics depends on what is essentially a co-dependent relationship between the voters and political parties.

Consequently, parties can be counted upon to govern according to the expectations of those who put them in office. If we understand why voters made the choices they did, we can be well on our way to predicting how new governments will act and what that will mean for you.

What We Did

To find out, Navigator undertook a comprehensive, province-wide research project after the election. Researchers

held a total of six focus groups in Calgary and Edmonton, and held in-depth interviews with voters in rural Alberta. The results of that research follows.

What We Found

There is a pervasive sense that this latest economic downturn has been harder on the province than others in the past — that it is structural rather than cyclical. Participants in focus groups vividly described downtown Calgary as a ghost town and said they longed for the days when the Conservatives were in charge and the province was open for business.

This acute economic anxiety has crystallized into a preoccupation with building pipelines. Participants in focus groups expressed absolute frustration, verging on rage, regarding the country's inability to unite and support Alberta getting its oil to market. They said the rest of the country doesn't seem to understand that a rising tide lifts all boats. They feel they have helped other provinces in their time of need and cannot

understand why now there is no reciprocation.

They concluded that despite the best efforts of outgoing NDP Premier Rachel Notley, it was time to adopt a more aggressive posture and offensive approach, and that Kenney was the man to drive the pipeline agenda forward.

As Kenney prepares to take on the federal government, intransigent provinces, environmentalists, naysayers and all others in his quest to build pipelines, he should note that his historic mandate comes with broad support for a full suite of tactics; these include challenging Trudeau's carbon tax; holding a referendum to win popular support in reassessing equalization payments; and enacting Bill 12 (or its equivalent) to empower his government to turn off the taps. Some focus group participants suggested Kenney should try diplomacy first, but they expect him to pull the trigger if prevented from moving ahead.

Leadership on Jobs, Economy and Pipelines

When Navigator initially conducted pre-campaign research in January 2019, it appeared to the NDP that there was an opportunity to define Kenney and his personality as a liability. Much of the NDP election strategy involved attempts to paint him an unpalatable leader. These attacks were unsuccessful and instead had the effect of softening at least some UCP voters to him. One millennial woman voter compared the NDP's presence on social media to "a mean girl in high school" who had nothing of substance to say and instead offered only insults.

Kenney is viewed as an avatar willing to fight for Alberta. UCP voters watched his victory speech with great interest; during focus groups, many participants quoted from the speech unprompted. Even though voters sometimes used seemingly negative terms to describe Kenney's personality (using terms like "harsh," "abrasive" and "aggressive"

frequently), these were transmuted into potentially positive qualities that could be marshalled in service of finally getting pipelines built, and pushing back against the forces arrayed against Alberta's success. While Kenney is viewed as a leader, Notley was condemned as a conciliator whose bet on Justin Trudeau backfired.

Kenney's useful capacity for combativeness is best understood in contrast to Notley's softer and more collaborative approach. Unlike the coalition that voted out Kathleen Wynne in Ontario, only a minority of UCP voters appeared vengeful or angry about the NDP. Instead, they viewed Notley's attempts at collaborating with the federal government and other provinces as wrong-headed or misguided. Voters spoke about her "confused priorities" and one remarked that she seemed to want to please everybody:

"On the one hand, she wanted to build a pipeline, but on the other, she wanted to please the environmentalists. But you can't do everything."

The UCP was regarded as the more competent party when it comes to bolstering the oil and gas sector, and Kenney's prior experience as a federal immigration minister gives him additional credibility when it comes to taking on an unpopular federal government. He is also viewed as more pro-business than Notley, and voters anticipate he will be more effective in spurring investment and bringing back jobs.

Voters clearly expect that Kenney will deliver by maintaining a relentless focus on building pipelines and attracting corporate investment.





Pipelines

A new, major pipeline has not been approved in more than a decade, and this election was effectively a referendum on the best approach to getting them built. Over the years, the issue has reached a boiling point, and intense focus has tipped toward rage. Albertans are ready for a more confrontational – even combative – approach, as articulated by Kenney.

Failure is not an option on this file. Voters expect Kenney to act quickly to arm himself with the tools to take on the federal government and other provinces. Though they recognize that this is a complex issue not entirely under his control, they expect decisive action, even if ultimate resolution takes some time.

When it came to reviving the oil and gas industry, attitudes were vague or dismissive towards other policy options, including curtailment (not widely understood), railcar leasing/transport (a Band-Aid solution), or raising the oilsands emissions cap.



“When I look at pipelines, I see hospitals, schools, clinics, things we enjoy as Canadians.”

Voters returned repeatedly and insistently to the importance of a pipeline. They did not understand the positive or negative impact of these other policies and, ultimately, they did not care to. To most voters, none of these alternatives is viable — they are temporary, confusing, divisive and, at the end of the day, they consider them stopgaps until the pipeline problem is resolved.

This issue may have been top-of-mind in previous elections too, but the critical difference is that having now been thwarted for so long, attitudes have turned to rage, with a desire for immediate action to force the issue to the forefront of the Canadian agenda. Voters do not understand their fellow Canadians’ opposition to pipelines and they were keen to hand Kenney the power to take retributive action against intransigent provinces.

The UCP’s authoritative edge on this issue was central to the party’s victory. Look for voters’ single-minded obsession with pipelines to be mirrored in the government’s agenda and priorities.



Open for Business

There is a popular conception among UCP voters that by virtue of his conservative bona fides, Kenney's election will signal to business that the province is worthy of investment. While there is an understanding that pipelines take time, there are more immediate expectations on this front. They expect Kenney to reduce red tape and regulations and cut taxes, and they also believe that the repeal of the carbon tax would send a clear message to the oil and gas industry.

In Calgary, several voters across demographics described the city as half empty, even barren. They are fearful that boom times may never return. "When I first came here, I felt like this town was painted in gold. Everything was accessible, everything was available, it was easy to settle," recalled one new Canadian baby boomer.

Asked what "open for business" meant to them, voters (in particular small-business owners) often

returned to a theme of stability and newfound, tentative optimism. "People are more hopeful now, and hopeful people do more planning," said one small-business owner who recently undertook wrenching layoffs. "Life is coming back to Alberta," remarked one young millennial woman. "It felt like an Old West town and there's tumbleweeds, and we were waiting around. Now you can hear the horses coming back."

"When I came here seven years ago, I couldn't find a parking spot downtown. Today the downtown core is empty."

Expectations are high that Kenney's leadership will foster an investment-friendly climate, driven by a reduction in tax rates and newly confident businesses. Any hiring announcement, office opening, ribbon cutting, or public announcement that demonstrates the fruits of this drive for investment will no doubt generate significant good faith.



Taxes

Voters expect there to be two key tax elements to the Open for Business agenda: first, challenging the federal government's imposition of the carbon tax, and second, a reduction in the corporate tax rate.

Among UCP supporters, there was unanimous support for repealing the carbon tax, which the new government has already pledged to do with Bill 1. There is a widespread belief that doing so, along with the ongoing legal challenge to the federal government's ability to levy a federal tax on the province instead, is the single clearest way to signal to oil and gas companies that Alberta is open for business again.

UCP voters also view a reduction in the corporate tax rate as a good way to attract corporate investment to the province. This marks a complete reversal from 2015, when according to Navigator research, 55 per cent of UCP voters supported raising the corporate tax rate.

There is a great eagerness to show corporations that Alberta is returning to its former status as a competitive jurisdiction with low taxes.



Restraint and Deregulation

While there was universal recognition of the need for restraint when it comes to provincial spending, this was tempered by a desire to maintain core services.

UCP voters by and large believe the province has been overspending, and there is a vague sense that much of the mismanagement is occurring within government. There is a desire to see the middle and top tiers of the health and education bureaucracy reigned in, but these specific cuts are targeted out of a wish to preserve front-line workers and the current, baseline provision of services.

There is also a great appetite for deregulation, and voters perceive that the growth of the bureaucracy is tied to the proliferation of unnecessary regulations. But there was a distinct lack of response when asked to identify specific measures to deregulate or programs to cut.

Other Provinces

In the shifting alliances and clashes between provinces, voters see both promise and peril. The potential for conflict with British Columbia and Quebec is well-known, and UCP voters strongly support passing legislation that would give Kenney the power to potentially turn off the taps. But when pressed on whether to actually take that step, there was a tangible hesitancy. Many voters want Kenney to try diplomacy first — sincerely or not. At least he can then say he tried if and when the time comes for more drastic measures.

Should that day come, there is a difference of opinion in how to handle Quebec versus British Columbia. With B.C., there is still some desire to avoid antagonizing a neighbour, but by all accounts, Albertans are at the end of their fuse, and are prepared to undertake meaningful action to the bring the B.C. government to heel. Any further conflict would erase this neighbourly goodwill, which has long since vanished when it comes to Quebec. Against them, there is substantially more anger,

driven in part by the issue of equalization (see page 13).

Alberta First

These issues and interprovincial conflicts were well-known during the campaign and have continued to play out in the election's immediate aftermath. But unlike in previous elections fuelled in part by anger towards other provinces, there is very little appetite even among the most conservative UCP supporters for an Alberta First agenda.

Even when prompted with specific examples of ways in which Alberta could greater assert its independence (such as a provincial police, pension plan, immigration policy, etc.), voters did not see the value of isolating themselves from the rest of Canada.

A New Alliance

Instead, there was great enthusiasm for the prospect of an alliance between Alberta and Saskatchewan, Manitoba, Ontario and New Brunswick.

Though this alliance is premised on the repeal of the federal carbon tax, Albertans also regard it as a strategic means of advancing the ultimate objective, which is pipelines.

Albertans want to see their new government taking the fight to opposing governments, and they view inter-provincial alliances as one means of forcing an honest and productive dialogue, the outcome of which will hopefully lead to the construction of pipelines.

This new habit of the conservative electorate to look outward to build alliances instead of inward to find solutions is an indication of the degree to which Alberta's population has diversified, giving rise to a more pro-Canadian sentiment than expected. Instead of feeling vengeful, Albertans express hurt that the rest of Canada is neglecting them in their time of need.

“Alberta is the orphan child of Confederation—unloved, neglected in its time of need.”



Equalization

When it came to many complex policy issues, voters sometimes appeared uninterested. That was not the case for equalization. It is widely understood that, for many years, Alberta has been subsidizing other provinces when they were facing hard economic times. While this has long been the case, the recent difficulties in getting Alberta energy to market has brought this issue to the fore.

Voters sense it is unfair that a formula agreed upon during a boom cycle should still be enforced in a bust cycle. They consequently support the idea of hosting a referendum that might give Kenney the strong backing he needs to approach the federal government about renegotiating the terms of equalization payments.

“No one wants to help Alberta. But we have helped everyone else when they were in need.

It is clear this desire for a referendum is being driven in part by anger towards Quebec. Voters were keen to recount how Quebec went through years of fiscal difficulty supported by Alberta’s equalization payments, and now that Quebecers have a balanced budget and low unemployment, they have not only abandoned Alberta in its time of need, but even thwarted its efforts to help them by building a pipeline.



Federal Leadership

It will come as no surprise that UCP voters cast their vote looking to see Kenney take on a federal government they see as neglectful, patronizing and unhelpful in their current dire economic straits. There is a wholesale rejection of the premise of a federal carbon tax. In this fight, voters are also pleased to have struck an alliance with fellow voters and governments in Saskatchewan, Manitoba, Ontario and New Brunswick. But before resorting to outright war with the federal government, there is a desire among UCP voters to wait and see whether Andrew Scheer may come to power in the fall vote.

“He hates us,” said one young millennial woman. “I feel like an afterthought to him.”

There is also a pervasive sense that Trudeau does not care about Alberta. The anger towards Trudeau Jr. is at least as intense as the anger that existed towards Trudeau Sr. Voters have taken small slights to heart, such as the time the prime minister forgot to name Alberta in a passage of speech rounding off a list of provinces. Voters exhibit little faith that the federal government will make the right decision come June 18, when a decision is due on the Trans Mountain pipeline.

Healthcare

Albertans are unhappy with the current state of the provincial health-care system, though this concern is secondary to economic issues. Voters often pointed out unprompted that the province spends more per capita than all others on health care, and yet wait times for procedures are intolerably long. Yet Canada's public health system remains a point of pride for many UCP voters, despite their conservative political leanings.

Voters believe that NDP mismanagement is to blame, and suspect there are efficiencies to be found in the system, particularly in the bureaucracy. There is broad support for a UCP review of this area. And while voters also appear open to the private delivery of services where economically feasible, and even open to the idea of private payment for private services, they were insistent that the foundational public health-care system remain in place.



Gay-Straight Alliances

Though voters appeared hesitant to address the issue directly, there was broad awareness of Kenney's decision to campaign on rolling back confidentiality measures in schools about disclosure to parents if their child is in a gay-straight alliance (GSA).

The issue made even staunch UCP supporters uncomfortable. Many said they were indifferent on the issue and viewed it as a distraction from economic priorities. Others said it should not have been raised during the campaign at all. These themes held true everywhere, including rural Alberta.

Despite NDP attempts to define Kenney as a homophobe, most UCP voters dismissed both Kenney's arguments about GSAs and NDP attacks about homophobia as campaign rhetoric. Although Kenney's past remarks on homosexuality were covered as a controversy in the media, voters gave him a pass on the issue because the comments were outdated and attitudes have changed. They reflected that their own views had evolved in that same time, and felt that Kenney's had, too.

A blue-tinted photograph of a snowy mountain landscape. The scene features a dense forest of evergreen trees in the foreground and middle ground, with a stream or river winding through the lower right. The background shows steep, snow-covered mountain slopes. The overall mood is serene and natural.

What The Findings Mean For You

Kenney has indicated that the first 100 days of the government will be extremely active. Like the Ford government in Ontario, voters brought a new government in to see meaningful change and they expect their new government to move quickly.

In the early days of this new government, look for the voter's preoccupation with pipelines to be reflected in the UCP's messaging and priorities.

There are initial reports that conversations between Trudeau and Kenney have been positive and collegial. As both sides look ahead to the June 18 deadline to make a decision on the Trans Mountain pipeline, there is a clear win-win scenario: Trudeau advances the pipeline, and Kenney can arrive at the Calgary Stampede a conquering hero. An early win on Trans Mountain benefits both parties.

New Cabinet /New Session

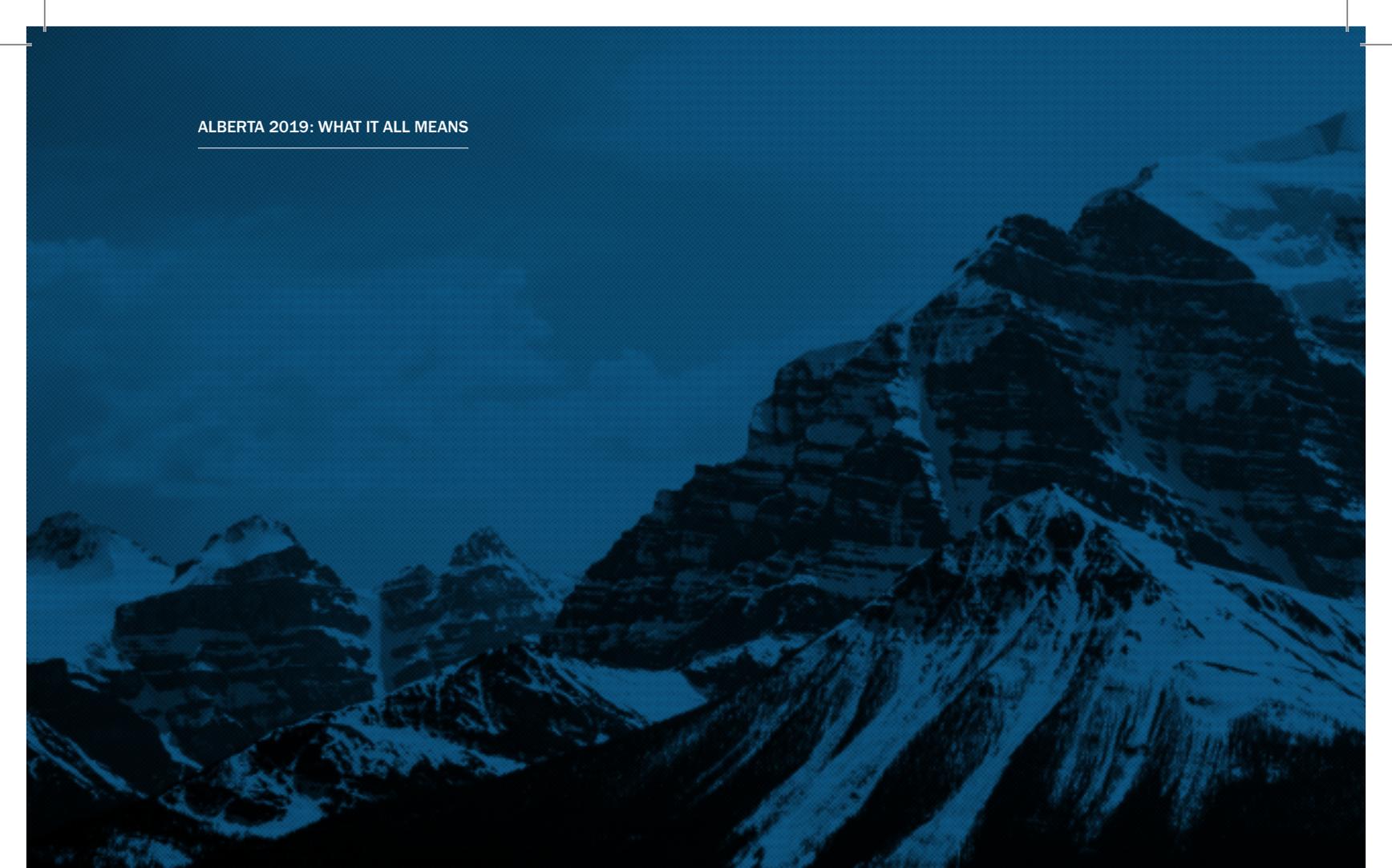
Cabinet will be sworn in on April 30, and Kenney has already indicated that the legislature will be returning for a spring/summer session, likely beginning in the third week of May. The new government's first priorities are already clear as Kenney announced them during the election campaign. Bill 1 will be the Carbon Tax Repeal Act that will eliminate the NDP's much maligned carbon tax and lay the groundwork for introducing the UCP's replacement Technology Innovation and Emissions Reduction (TIER) Fund program.

Bill 2 of the new government will be the Open for Business Act combined with the first stages of the new government's red tape reduction action plan. The new government has also promised to implement the first stage of the corporate tax reduction that aims to reduce corporate tax levels from 12 per cent to 8 per cent over four years.

Restraint

Fiscal restraint is also a key tenet of the new government's plan. The Kenney government has indicated that Klein-style cuts are not on the agenda; rather, fiscal program spending will be frozen over the next four years. The government also intends to appoint an independent blue-ribbon panel of experts to advise on Alberta's current fiscal situation and assist in the financial planning of the province.

This new government has committed to a substantive, intensive agenda, and it is racing against time across a number of sensitive files. Ministers and government leaders will not be spending their precious time in office debating, reviewing or consulting ad nauseum. They will be quick to action: four years is not a long time to accomplish their agenda.



Premier-elect Kenney's executive decision-making capacity will be dominated by the issue of pipelines, while the UCP's limited legislative capacity can only pass so much into law given the constraints of the Legislative Assembly. In approaching a government operating under these circumstances, consider packaging your request in the context of either job creation, fiscal restraint or deregulation.

Your agenda must appear to fit with that of this new government. In the early days, there will be less of an audience for new spending or initiatives. But come the time to slash the red tape, suggestions of specific rules to repeal, or tangible ways to expedite business development (whether in the oil and gas industry or elsewhere in the economy) will be very welcome. Do not approach this new government with problems or requests — approach with solutions and you will find a willing partner.



Methodology

This report outlines the results from Alberta's only genuine post-election research study, conducted by Navigator, which compiled the findings from eight focus groups in Alberta (Edmonton, Calgary and rural and smaller communities).

The focus groups were held on Wednesday, April 17, and Thursday, April 18, 2019.

With the deeply emotional observations and strong perspectives gathered from millennials, GenXers, baby boomers, and urban professionals, Navigator has compiled unique insights into why Albertans voted the way they did, what they expect from their new government and what it means for advocacy activities in the years to come.

Results

Voter turnout was 71.1%

UCP popular vote was 54.8%

NDP popular vote was 32.7%

UCP MLA Gender Representation

15 Women and 48 Men elected

Urban vs. Rural UCP Votes

28 (out of 52) Urban seats

35 (out of 35) Rural seats

Edmonton vs. Calgary UCP Votes

1 (out of 20) Edmonton seats

22 (out of 25) Calgary seats

Seats 2015/2019 Election

2015 NDP 53 / Wild Rose 21 / PC 10 / Liberal 1 /
Alberta Party 1 / Independent 1

2019 NDP 24 / UCP 63

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