Legislative Assembly of Alberta
The 30th Legislature
First Session

Standing Committee on Families and Communities
Goodridge, Laila, Fort McMurray-Lac La Biche (UCP), Chair
Sigurdsion, Lori, Edmonton-Riverview (NDP), Deputy Chair
Ellis, Mike, Calgary-West (UCP), Acting Chair*
Amery, Mickey K., Calgary-Cross (UCP)
Carson, Jonathon, Edmonton-West Henday (NDP)
Dach, Lorne, Edmonton-McClung (NDP)**
Ganley, Kathleen T., Calgary-Mountain View (NDP)
Glasgo, Michaela L., Brooks-Medicine Hat (UCP)
Guthrie, Peter F., Airdrie-Cochrane (UCP)
Long, Martin M., West Yellowhead (UCP)
Neudorf, Nathan T., Lethbridge-East (UCP)
Nixon, Jeremy P., Calgary-Klein (UCP)
Pancholi, Rakhi, Edmonton-Whitemud (NDP)
Rutherford, Brad, Leduc-Beaumont (UCP)
Shepherd, David, Edmonton-City Centre (NDP)
Walker, Jordan, Sherwood Park (UCP)
Yao, Tany, Fort McMurray-Wood Buffalo (UCP)
* substitution for Laila Goodridge
** substitution for Lori Sigurdson

Also in Attendance
Loyola, Rod, Edmonton-Ellerslie (NDP)

Support Staff
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Stephanie LeBlanc Clerk Assistant and Senior Parliamentary Counsel
Teri Cherkewich Law Clerk
Trafton Koenig Parliamentary Counsel
Philip Massolin Clerk of Committees and Research Services
Sarah Amato Research Officer
Nancy Robert Research Officer
Michael Kulicki Committee Clerk
Jody Rempel Committee Clerk
Aaron Roth Committee Clerk
Karen Sawchuk Committee Clerk
Rhonda Sorensen Manager of Corporate Communications
Jeanette Dotimas Communications Consultant
Tracey Sales Communications Consultant
Janet Schwegel Managing Editor of Alberta Hansard
Standing Committee on Families and Communities

Participant

Ministry of Service Alberta
Hon. Nate Glubish, Minister
3:30 p.m. Tuesday, November 19, 2019

[Mr. Ellis in the chair]

Ministry of Service Alberta
Consideration of Main Estimates

The Acting Chair: All right. Good afternoon, ladies and gentlemen. I’d like to call the meeting to order and welcome everyone. The committee has under consideration the estimates of the Ministry of Service Alberta for the fiscal year ending March 31, 2020.

I’d ask that we go around the table and have all MLAs introduce themselves for the record. Minister, if you could please introduce the officials that are joining you at the table. I am Mike Ellis. I’m the MLA for Calgary-West, and I’m substituting for Ms. Goodridge as chair of this committee. I will now go to my right.

Mr. Neudorf: Nathan Neudorf, MLA for Lethbridge-East.
Mr. Guthrie: Peter Guthrie, Airdrie-Cochrane.
Ms Glasgo: Michaela Glasgo, MLA, Brooks-Medicine Hat.
Mr. Jeremy Nixon: Jeremy Nixon, MLA, Calgary-Klein.
Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.
Mr. Rutherford: Brad Rutherford, MLA, Leduc-Beaumont.
Mr. Long: Martin Long, MLA, West Yellowhead.
Mr. Walker: Jordan Walker, Sherwood Park.
Mr. Amery: Good afternoon. Mickey Amery, Calgary-Cross.
Mr. Glubish: Hello. I’m Nate Glubish, MLA for Strathcona-Sherwood Park and Minister of Service Alberta. With me today I have my deputy minister, Cynthia Farmer. I have Stephen Bull, who’s the assistant deputy minister for the office of the corporate chief information officer and telecommunications. I also have Darrell Dancare here, who’s my senior financial officer and acting assistant deputy minister of FOIP review and transformation. I also have Laura Wood with me, who is running our enterprise resource planning transformation; Brandy Cox, who’s the ADM for consumer, registry, and strategic services; and a few other staff members here in the room as well.

Thank you.

Member Loyola: Rod Loyola, Edmonton-Ellerslie.
Mr. Carson: Good afternoon. Jon Carson, MLA for Edmonton-West Henday.
Ms Pancholi: Good afternoon. Rakhi Pancholi, Edmonton-Whitemud.
Mr. Dach: Good afternoon. Lorne Dach, MLA, Edmonton-McClung.

The Acting Chair: All right. Thank you very much, everybody. Just for the record the official substitution: Member Dach is substituting as deputy chair for Member Sigurdson.

Okay. Please note that the microphones are operated by Hansard and that the committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of the meeting.

We’ll now proceed to the speaking order and times. Hon. members, the standing orders set out the process for consideration of the main estimates. Standing Order 59.01(7) establishes the speaking rotation while the speaking time limits are set out in Standing Order 59.02(1). In brief, the minister or member of the executive council acting on the minister’s behalf will have 10 minutes to address the committee. At the conclusion of his comments we begin a 50-minute speaking block for the Official Opposition, followed by a 20-minute speaking block for the government caucus.

The rotation of speaking time will then alternate between the Official Opposition and the government caucus, with individual speaking times being set to five minutes, which, when combined with the minister’s time, makes it a 10-minute block. Discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Members are asked to advise the chair at the beginning of their rotation if they wish to combine their time with the minister’s time. If members have any questions regarding speaking times or the rotation, please feel free to send a note or e-mail to either the chair or the committee clerk.

A total of two hours has been scheduled to consider the estimates of the Ministry of Service Alberta. The scheduled end time of today’s meeting is 5:30 p.m.

Ministry officials may be present and at the direction of the minister may address the committee. Ministry officials seated in the gallery, if called upon, have access to a microphone in the gallery area. Pages are available to deliver notes or other materials between the gallery and the table. Attendees in the gallery may not approach the table. Space permitting, opposition caucus staff may sit at the table to assist their members; however, members have priority to sit at the table at all times.

If debate is exhausted prior to two hours, the ministry’s estimates are deemed to have been considered for the time allotted in the schedule, and the committee will adjourn. Points of order will be dealt with as they arise, and the meeting clock will continue to run; however, the timer for the speaking block will be paused.

Any written material provided in response to questions raised during the main estimates should be tabled by the minister in the Assembly for the benefit of all members.

The vote on the estimates and any amendments will occur in the Committee of Supply later on this evening. Amendments must be in writing and approved by Parliamentary Counsel prior to the meeting at which they are to be moved. The original amendment is to be deposited with the committee clerk, and 20 copies of the amendment must be provided at the meeting for committee members and staff.

I now invite the Minister of Service Alberta to begin with his opening remarks. Sir, welcome, and you have 10 minutes. Thank you.

Mr. Glubish: Thank you very much, Chair. It’s my pleasure to speak to Service Alberta’s budget for 2019 by presenting my ministry’s estimates for the 2019-2020 fiscal year. As we already did the introductions around the table earlier, I won’t reintroduce my team, but I just want to say thank you to all of them for being here today to support me as I answer your questions.

As we all know, Budget 2019 is the government of Alberta’s balanced plan to create jobs, grow the economy, and protect vital services. Our plan was built after extensive consultation with Albertans, which began in the spring, and it delivers on key promises of our government. I’m pleased to say that this is truly a plan for jobs and the economy. The budget paves a path back to balance through targeted reductions and through reallocations away
from wasteful, inefficient, and unnecessary spending, and Service Alberta plays a critical role in supporting that plan.

My ministry has a strategic role within government to drive innovation and to foster efficient delivery of government programs and services and information while reducing unnecessary regulatory burdens on Albertans. Service Alberta supports Alberta’s economic recovery by focusing on protecting consumers in an increasingly complex and changing economic and social environment, optimizing the current programs and services to meet existing needs, modernizing the delivery of current programs and services to meet emerging needs, and developing breakthroughs in innovations that will prepare the government to meet future needs. Budget 2019 invests approximately $611 million in delivering programs and services to achieve these strategic priorities. This investment represents a decrease of just over $38 million from the previous budget due to savings and efficiencies found through initiatives such as contract renegotiation and rationalization, staff reductions by not hiring to replace those who retire or leave the public service, and centralization and consolidation of all government information management technology infrastructure and projects.

Budget 2019 also provides almost $105 million in capital spending to support several capital initiatives such as the modernization of the registry system, maintenance of the Alberta first responder radio communications system, and replacement of aged-out vehicles in the government fleet. Investments of Budget 2019 are essential for Service Alberta to deliver its mandate of providing services directly to Albertans every day and supporting other ministries. We accomplish this through a broad range of programming, from consumer protection to property registrations to vital technology supports for other government ministries.

Our legislation covers everything from hiring a contractor to build your deck to home inspections to renting an apartment to buying electricity and natural gas. We enforce consumer protection legislation through our consumer investigations unit, which reviews consumer complaints, ensures compliance with consumer protection and tenancy laws, assesses and inspects or investigates potential violations, including serious cases that may involve criminal offences such as fraud. We’re also the ministry to come to when Albertans need to register a life event such as a birth, marriage, or a death or to register land ownership, a business, or a charity. In addition, we help provide high-capacity network services to more than 3,300 schools, libraries, hospitals, and other public-sector facilities across the province through our SuperNet contract with Bell Canada. Our residential tenancies dispute resolution service helps landlords and tenants avoid the time and costs of navigating the court system when they come into a dispute. We are also the ministry that oversees the legislation covering the privacy of Albertans as well as their freedom to access government information.

Through Budget 2019 Service Alberta will continue to invest in technology to improve access to the services, programs, and information that we provide for Albertans. We are undertaking several initiatives to make it easier for Albertans to be informed consumers and to encourage businesses operating in Alberta to behave responsibly and to follow the rules. Furthermore, we will continue to modernize our registry system and work with the registry agent partners to bring more registry services online. We want Albertans to have the option of accessing government services from the comfort of their own homes rather than having to rush into a registry agent during business hours. We want to do that in collaboration with registry agents, not in competition with them.

We are pursuing a number of strategies to improve access to services for Albertans, and we are doing this in collaboration with registry agents because they are poised and ready to do more, especially through accessibility to more online services. For example, we are developing more options for expanding the reach of MyAlberta digital ID, which is the gateway that many Albertans already use to access our services online. We will continue to review existing processes, resources, and opportunities to determine the best approach to broadband Internet expansion, which is vitally important to businesses and communities, especially in rural parts of Alberta, that have traditionally been underserved. We will continue our work on a new online system that will not only allow Albertans to file their FOIP requests online but track the progress of the government’s responses. We will continue to add new municipalities to the Alberta first responder radio communications system, which supports and connects police, fire, and ambulance services while they work together to save lives.

3:40

A major part of our mandate and of our budget is to help other ministries to deliver their services to Albertans. We provide centralized financial technology, business, and administrative services to all ministries. We manage the fleet of nearly 4,000 vehicles used by government of Alberta staff to deliver programs and services across the province. Service Alberta provides administrative support as well, including mail and courier services, procurement, printing, telecommunications, and surplus sales. We manage accounts payable and receivable, employee pay and benefits, and we support the information technology systems used to deliver these services across government. We are also in charge of maintaining a vital line of defence for the government’s IT systems through our corporate information and security office. We provide access points for Albertans to reach their government through citizen services and 310 call centres. According to our most recent statistics, these call centres received more than 900,000 inquiries during the 2018-2019 fiscal year from Albertans seeking important information about programs and services from all ministries.

Budget 2019 will continue to invest in technological improvements within government that will help all ministries to better serve Albertans. This includes investments in important IT applications and infrastructure, the technological backbone of government. Central to all of this is the continued rollout of our new enterprise resource planning system, known as 1GX, which is short for one government experience. 1GX is a cloud-based ERP system to replace our old IMAGIS system, which has been used for more than 20 years and is, quite frankly, slowing everybody down. 1GX will drive efficiency and effectiveness throughout the government. It will reduce annual maintenance costs while offering more capabilities to streamline processes, reduce administrative burdens, and free up time and resources for important government priorities.

It is also important to note that Service Alberta is a revenue-generating ministry. Budget 2019 projects consolidated revenue of approximately $672 million from the fees associated with land titles, motor vehicle and corporate registries, and licensing. These revenue projections have been incorporated in our government’s overall fiscal plan. In addition to the investments in this budget, there are many avenues for Service Alberta to apply our government’s overall approach to red tape reduction. I am challenging my department every day to find as many opportunities as possible and to take action accordingly.

The first example of red tape reduction that I’ll give is the long list of condominium regulations that I paused at the beginning of the summer after hearing numerous concerns from a large number of condo owners, condo boards, and property managers that they
Mr. Carson: Now, looking through your ministry business plans as well as the Residential Tenancies Act that I appreciate the importance of that legislation plays in our province. In your opening statements, and I wanted to point that out.

The Residential Tenancies Act is something that I want to talk about for a few moments. Being an MLA for a community that represents a mobile-home community as well as, of course, being the critic for the Home Site Tenancies Act is something that I care a lot about, too. As you mentioned, on my tour across Alberta I did have the opportunity to meet with a lot of Albertans who are living in mobile-home communities, who have shared with me a lot of the concerns that you mentioned. So I’m very aware of those issues and sensitive to those concerns.

You know, tying it specifically to the budget, this all falls under the consumer awareness and advocacy piece, the same home as, for example, the residential tenancy dispute resolution service for single-family dwellings and condos. As we continue our work on listening to Albertans who are impacted by some of these challenges you’ve described in mobile-home communities, I’m continuing to put a lot of my time in this, and my staff are doing the same. That comes from the portion of the budget for consumer awareness and advocacy.

Mr. Glubish: Sure. Well, thank you for the question. You know, I really appreciated the opportunity to visit with you a number of weeks ago to talk about this very important file. I know it’s something that you care deeply about, and I can assure you that it’s something that I care a lot about, too. As you mentioned, on my tour across Alberta I did have the opportunity to meet with a lot of Albertans who are living in mobile-home communities, who have shared with me a lot of the concerns that you mentioned. So I’m very aware of those issues and sensitive to those concerns.

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Mr. Glubish: Sorry. Just one quick moment here.

Mr. Carson: Thank you very much, Minister. I appreciate that.

Just one more time to clarify, you said that it’s within consumer awareness and advocacy that that funding would come from. Just looking at this budget, the actual from last year, 2018-19, was $23 million. It’s dropped down to $21.5 million. What would be the reasoning – and I might get to this again in further questions – for that drop at a time when I can only imagine that the need for consumer awareness and advocacy is increasing?

Mr. Glubish: Thanks for your time. I'm looking forward to our discussion here today.

The Acting Chair: Great. All right. Well, thank you very much, Minister.

For the next 50 minutes members of the Official Opposition and the minister may speak. The timer will be set for two 20-minute intervals and a final 10-minute interval so that members are aware of the time.

Mr. Carson, I see you looking. All right. Would you like to go back and forth with the minister?

Mr. Carson: I would love that.

The Acting Chair: Okay. Would you like to go back and forth?

Mr. Glubish: I’m happy to do that.

The Acting Chair: Fantasttic. All right. Thank you very much.

Go ahead, sir.

Mr. Carson: Thank you very much, Mr. Chair. I would just like to start off by saying that I’ve been following the proceedings of all the estimates committees, and I think that you are doing a mighty fine job. Not trying to get any brownie points or anything, but I just wanted to point that out.

I also want to thank the minister and their team for joining us here today. I know that creating budgets, I imagine, is not the most fun thing to do, but it is very important.

I would like to start off by just recognizing – you had mentioned the Residential Tenancies Act in your opening statements, and I appreciate the importance of that legislation plays in our province.

Now, looking through your ministry business plans as well as the lack of discussion in your opening conversation about the Mobile Home Sites Tenancies Act is something that I want to talk about for a few moments. Being an MLA for a community that represents a mobile-home community as well as, of course, being the critic for Service Alberta, this is an issue that comes up often, concerns contained too much red tape. We are very near the end of that process, and I look forward to releasing the full list of regulations, due to come into force on January 1, 2020, very soon. Another recent example is this fall’s Bill 15, the Real Estate Amendment Act, 2019, which provided me with the ability to dismiss the entire leadership of the Real Estate Council of Alberta, or RECA, and appoint an administrator to oversee the daily functions and governance until a new council can be put into place. Our work on red tape reduction does not end with those actions. We are continuing to identify and explore options for red tape reduction within the scope of Service Alberta as part of our government’s overall commitment to make life better for all Albertans.

In closing, I would like to thank you for the opportunity to speak about the plans for Budget 2019. I hope that I have been able to illustrate to some extent the unique role that Service Alberta has in supporting Albertans as well as supporting all of the government of Alberta. The estimates that we are considering this afternoon illustrate how we will achieve our goals of providing innovative and modern services to Albertans, all while saving money and increasing access. At the end of the day, it’s about delivering better value to Albertans: better services, better value, more choice, and more convenience to Albertans.

I would be happy to answer, along with my executive team, any questions that you may have. I would just say that there are a lot of acronyms in Service Alberta, so if out of habit I happen to use one that isn’t familiar, please feel free to stop me and ask for clarification. I’m not doing it on purpose. It’s just a habit.

Thanks for your time. I’m looking forward to our discussion here today.

The Acting Chair: Thank you very much, Minister. I appreciate that.

Mr. Glubish: Oh, thank you, Minister. That’s very kind of you.

Mr. Carson: I see you, Minister. I appreciate that.

The Acting Chair: Thank you very much, Minister. I appreciate that.

Mr. Glubish: Yeah, for sure.

Mr. Carson: Thank you very much, Minister. I appreciate that.

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You have said that finding solutions is a priority for your government, but once again I didn’t see any specific line items in your ministry business plans or government estimates. I’m just hoping that you might be able to point to a line item or a key objective within your plans that might show your commitment to these mobile-home communities.

Mr. Glubish: Sure. Well, thank you for the question. You know, I really appreciated the opportunity to visit with you a number of weeks ago to talk about this very important file. I know it’s something that you care deeply about, and I can assure you that it’s something that I care a lot about, too. As you mentioned, on my tour across Alberta I did have the opportunity to meet with a lot of Albertans who are living in mobile-home communities, who have shared with me a lot of the concerns that you mentioned. So I’m very aware of those issues and sensitive to those concerns.

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Mr. Glubish: Sorry. Just one quick moment here.

Mr. Carson: Yeah, for sure.

Mr. Glubish: I’m just looking at line 6 in the estimates here for consumer awareness and advocacy. We’re talking the $22,885,000 for 2018-19?

Mr. Carson: My apologies. I’m actually looking at page 144 of your ministry business plans.

Mr. Glubish: All right. Just bear with me. Sorry.

Mr. Carson: No problem. I guess that maybe – oh, do you have it?

Mr. Glubish: Yes. Okay. I see what you’re referring to on page 144 here for the difference between $23 million and $21.5 million. These numbers are consolidated, including any, you know, crossministry implications. What I might suggest, if it’s okay with you, is that I’ll tie it to the same line item but in the estimates, which is line 6 on page 185. For 2018-19, we have the $22,885,000 actual and the $20,075,000 estimate for 2019-2020. What I’d like to offer, if it would be helpful to you, is to illustrate where that difference is coming from, because that way I can be specific.
Mr. Carson: That’s okay. I might have an opportunity to get back to that.

But just on the same point of the lack of strategic objectives within your business plans around the Mobile Home Sites Tenancies Act, was there a reason that you decided not to include it? Further, does your ministry have any internal measurements that you use that aren’t necessarily in this plan, more so, I suppose, around compliance of management bodies, potentially, of mobile-home sites or complaints that have been raised by mobile-home owners?

Mr. Glubish: I mean, we monitor the complaints that come through our office, which would be one measure. I think the key thing here as it relates to the estimates, again tying it to consumer awareness and advocacy, is that we’ve been able to find some savings through redistribution of staff to their highest use, to serve Albertans where they’re most needed. As we continue the conversation on mobile homes and the challenges that those residents face going forward, you know, this is the line item in the budget where that would fall once we have determined what our next steps will be exactly. At this point we have not made those decisions.

Mr. Carson: Okay. Thank you.

Within this budget you don’t see any increase in investments or funding to potential changes that might be made under that legislation or through regulations. A conversation that we had when we met was that mobile-home owners, I’m sure you know, are looking for the same dispute resolution services that are provided under the Residential Tenancies Act. Of course, I’m sure you know that this would save both the homeowners and management bodies, I would say, overall time and money. Are you prepared to make that change? If so, is it reflected in the budget?

Mr. Glubish: I think that right now it’d be premature to specify exactly what our next steps will look like. This is a complex issue, a challenging task, you know, which is why I understand that it was not something that was solved in the past four years. We’ve been at it now for seven months. I’m optimistic with the work that we’ve done so far, and we will continue that important work and have more to say on it in the months to come. But in the context of this budget, this budget does not have an announcement of a new program for the residential tenancies dispute resolution service related to mobile homes.

Mr. Carson: So you don’t expect that in the ’19-20 budget there will be any changes to accommodate what people are hoping would be a dispute resolution mechanism. That’s not included in here, so we can expect that those changes won’t be made in the ’19-20 budget. Is that what you’re saying?

Mr. Glubish: What I would say to that is that we’re always working to ensure that we are deploying our human resources, our people, to their highest and best use to serve Albertans. As we do that and as we rightsize our teams in the different departments and are able to maintain service levels, that puts us in a better position so that once we have determined what our next steps might look like on the important file of addressing the concerns of mobile-home residents in Alberta, we are able to respond. While there is not an explicit line item here, that does not tie our hands in the event that an opportunity arises to meet that need.

Mr. Carson: Thank you very much, Minister. I appreciate that.

I’m not sure if it’s done from your department, but can you explain when a compliance officer, say, might go to a mobile-home community to ensure that there is compliance with the current legislation? How often might that happen, or how often has it happened in the last year?

Mr. Glubish: Just give me one moment.

Mr. Carson: Of course.

Mr. Glubish: As I referenced earlier, with how complex these challenges are that mobile-home residents face, often it’s not just something related to the Mobile Home Sites Tenancies Act or Service Alberta; sometimes it’s related to a municipal issue. It might be related to the local municipality or a bylaw officer who would need to be involved. Sometimes it might be emergency services like a fire department, or sometimes it would be Service Alberta.

Mr. Carson: Thank you. I apologize for cutting you off. It’s going to happen.

Mr. Glubish: It’s okay. It’s your time.

Mr. Carson: Do you have any numbers specific to compliance officers going in relation to what consumers or what people in the community believe to be noncompliance with the legislation?

Mr. Glubish: I believe that my officials are just checking to see if we have a specific number on that. What I can tell you just as they’re looking at is, as I mentioned, there being different levels of government and different organizations who would be involved in evaluating compliance, that’s why we’re working to put together a task force of those different groups, to make sure that we can coordinate efforts accordingly.

Our statistics show me that we investigated 65 cases related to tenancies. That’s covering mobile homes and other tenancies.

Mr. Carson: It could include residential tenancies as well? Okay.

Mr. Glubish: It’s maybe not a perfect stat for your question, but it gives you at least some sense of magnitude.

Mr. Carson: Thank you.

Moving on, just for a moment, around page 190 of your fiscal plan, I think we’ll go into more detail around this piece. It shows that Service Alberta will have 45 fewer jobs. You alluded to that in your opening remarks, saying that it was mainly through attrition. Can you overall describe to me what these positions would be that are going to not be replaced?

Mr. Glubish: Yes. Happy to clarify that. There are a couple of ways to break this down to help illustrate how we’re reaching these numbers. First of all, ministry-wide there are 39 vacancies that will not be filled. These are vacancies where we have determined that through improvements in technology, through reallocating where our staff are working and putting them to their highest use, we are able to meet the needs of Albertans with a lower head count. That’s for the 39.

Mr. Carson: For one breakdown, are they all full-time equivalent positions, FTEs?

Mr. Glubish: That’s right. This is 39 FTEs.

Mr. Carson: Okay. Would you be able to potentially table what those positions that are not being replaced are? That would be wonderful.
Mr. Glubish: What I might suggest, if this is acceptable to you, is that I can give you a little bit of a breakdown of which programs those come from.

Mr. Carson: Sure. Thank you.

Mr. Glubish: If you still feel that that’s not close enough to what you’re looking for, then we can see what we can do for you. There are 39 pieces from the vacancies that are not being filled, and six are from attrition. These are folks who are retiring or leaving the public service. Those 39 and six are our 45 FTEs.

The breakdown of where they come from. From our other registry services we have a total of four FTEs. Three of those are coming from vacancies and one from attrition. Through our organizational review we were able to merge some registry areas, and that allowed us to reduce some of those staffing levels.

Another category that is impacted is consumer awareness and advocacy. We have two vacancies that will go unfilled. By merging education and awareness activities with the Utilities Consumer Advocate and the consumer investigations unit, we were able to spread the work out among existing resources to achieve the ability to leave those two vacancies unfilled.

In financial and employee services we have a total of three FTEs, two from vacancies and one from attrition.

Mr. Carson: I apologize, Minister. This is very important information to me. I’m going to maybe ask that you do table it. This might take a while.

4:00

Mr. Glubish: There were just two more.

Mr. Carson: Are there? Okay. Well, finish up, then.

Mr. Glubish: I’ll be quick. In information management and technology there are 32 vacancies and three from attrition. Just to note for context, again, because that sounds like a bigger number compared to those other categories, the 32 vacancies represent 3 per cent of the total FTEs in information management and technology.

The final line is the Alberta first responder radio communications system; there’s one position that is going unfilled from attrition.

Mr. Carson: Thank you very much, Minister. I appreciate that breakdown. While it is a small percentage of the information technology management group, that is still concerning to me. I imagine it might be concerning to the other colleagues that might have to pick up the slack of not having 32 people replaced in your department, so that’s concerning, but I digress.

I want to move along to discussions around rural broadband, specifically, of course, high-speed broadband. On page 142 of your ministry business plan, key objective 4.3 of your strategic plan, you state that your goal is to develop a strategy to support widespread access to high-speed broadband and realize the opportunities for innovation and efficiency inherent in the digital service delivery. Actually, I’m going to skip you elaborating on that, but can you tell me how much this strategy will cost to implement in the first place?

Mr. Glubish: Well, at this stage, right now we’re working on building that strategy, so the specific implementation: it would be premature to put a . . .

Mr. Carson: Uh-huh. Once again, there are no dollars in the ’19-20 budget to support the expansion of rural high-speed broadband connectivity?

Mr. Glubish: I mean, there are the resources to ensure that we have the personnel working on the strategy, working with municipalities to make sure that we collaborate with them on achieving their priorities and objectives.

Mr. Carson: Could you tell me where in your budget you are providing funding to ensure that these municipalities are able to . . .

Mr. Glubish: We have some personnel dedicated strictly to the broadband strategy.

Mr. Carson: They weren’t part of the 32 vacancies, were they?

Mr. Glubish: The folks who are working on this are in the OCCIO, so they work for Stephen. That’s a total commitment of $200,000 in the current budget year. Now, just let me check something. That’s for this year for the folks who are dedicated strictly to this file. You know, it’s important that we’re working with municipalities because every community has different needs, challenges, and opportunities for expanding connectivity. These will also be the folks that help as I work to fight for fair treatment from Ottawa to recognize the investments that Alberta has already made in better serving rural and remote Alberta.

Mr. Carson: Thank you very much. I will get to that point here in a moment. Can you give me any figures on the percentage of rural communities who are still waiting on access to high-speed rural broadband?

Mr. Glubish: I’m going to check and see if we have any specific details for that. What I can tell you just off the top of my head is that I know a recent study says that just in the low 80 per cent range of Albertans have access to the minimum standards mandated by the CRTC.

Mr. Carson: But that would be highly skewed by the big cities, of course.

Mr. Glubish: Well, that’s the same as every province in Canada.

Mr. Carson: Fair. Yes.

Mr. Glubish: We’re all in the same boat. By comparison, just for a frame of reference, Saskatchewan, which is a similar province in terms of size and which has two large urban centres and a large rural component, is in the low to mid 40 per cent in terms of access to those minimum speeds.

Mr. Carson: Thank you, Minister. Does anyone have any actual numbers around that? I can move on if we’re unable to . . .

Mr. Glubish: Just to give a little more specific number, based on some of those studies, it’s estimated that about 711,000 Albertans do not have access to the speeds mandated by the CRTC.

The Acting Chair: Okay. Thank you very much. The first 20 minutes has expired.

Member Carson, do you wish to continue?

Mr. Carson: Yes, please.

The Acting Chair: Go ahead, sir.

Mr. Carson: Thank you. I’m quite enjoying the exchange. I appreciate that number as well. Do you have any, not numbers necessarily but documents showing specifically what municipalities right now are working towards getting, I imagine,
most of them – if you have any documents that would show the specific municipalities that are working towards implementing this as soon as possible, I would appreciate that. Would you be able to get that?

Mr. Glubish: What I can tell you is that I’ve been working very closely with the municipalities. As you know, I met with a number of them in person in their home communities on my tour. I’ve also met with many of them at the Legislature, you know, the ones who came for the AUMA conference a while ago and then, more recently, the RMA conference. I’ve invited them to share with me and my officials all of the documents they have prepared, all the business cases they’ve prepared.

Mr. Carson: I appreciate that, Minister. Like I said, I’m just looking to find out if you are able to table any documents about these discussions that have already been happening. I think it’s important that we’re able to track, since it’s not listed in your budget, which municipalities are in the process of moving forward with rural broadband at this point, if you’re able to table any of that.

Mr. Glubish: I’m just trying to think through the feasibility of that. I mean, the challenge is that some of it is the municipalities directly; some of it is regional economic development associations or chambers of commerce who are doing it on behalf of larger groups. Right now we’re still in the process of assembling all of the documentation from these groups to identify where they’re at, what roadblocks they’re facing, and what they’re hoping to accomplish. Furthermore, we also need to make sure that we’re considering what their business case is and what assumptions they’ve made, what technologies they’re considering relying on: you know, is this a business plan to build fibre to every premises? Is this a hybrid fibre and wireless, for example, like what the community of Viking did?

Mr. Carson: Yeah. Thank you, Minister. It sounds like you are going to make decisions for the municipalities as to whether their plan is viable or not, so will there be money attached to these discussions? I mean, if you’re telling them that you’re going to make these decisions, then you must have some commitment in dollars to these communities as well, above and beyond what you said, the $200,000 in this current budget. So is there a plan to publicly fund the development of these rural broadband connections in these communities?

Mr. Glubish: I would like to maybe just clarify something. I am not going to tell municipalities what to do. I respect local decision-making. That’s something that I made very clear when I met with them face to face over the last number of months. I said: look, I don’t want to build a made-in-Edmonton, one-size-fits-all solution; that is, do it my way or don’t do it. You know, what works in northern Alberta in a community like Fairview is not going to work in a place like Crowsnest Pass. The geography and terrain is very different, so . . .

Mr. Carson: Thank you, Minister. I apologize.

Mr. Glubish: That’s okay.

Mr. Carson: I have a lot of questions. I suppose that this one is for myself, but do you see yourself putting in a 90-day clause to be able to cancel contracts without reason, like we see in the commitments under the LRT? Do you see that? That’s okay, Minister. We can move on. Like I said, that was for me.

I just want to point out, back to my discussion around wanting to know which municipalities across the province are still struggling or in the process of moving forward with rural high-speed broadband – I’m sure you’ve seen this stat – that according to Taylor Warwick Consulting they provided that 12.7 per cent of communities in the province have service options that meet the CRTC requirement or target speeds. I think that you made some allusion to that earlier. That’s very concerning to me, and I imagine that it is very concerning to you as well. I hope that sooner rather than later we will see this strategy move forward.

I understand it’s very complex, but I also hope that you appreciate that – you know, we’ve heard conversations from you through the media that under our government we did nothing, which I don’t think is true at all, and I think that actually should be concerning to the department because I don’t think it’s fair to them, to the people who spent the last four years working on consulting with organizations like the AUMA, the RMA, for you to say that they really didn’t do anything over the last four years. That’s concerning to me, but there’s no question attached to that, so I’ll move on.

Can you give us an idea of the economic impact the lack of high-speed broadband has had on these rural communities or, more specifically, the amount of revenue we are losing each year due to the lack of high-speed broadband in rural communities?

Mr. Glubish: You know, I can tell you that I’ve heard from many of these communities who have shared their challenges with me, the difficulties of attracting or retaining businesses to their communities and that the connectivity access in their community was one of the deciding factors. We’re aware of how important this is, and we recognize that the CRTC has mandated certain minimum speeds and certain thresholds. We need to make sure that 90 per cent of Canadians have access to 50 megabytes a second download and 10 megabytes a second upload in the next two years and 100 per cent of Canadians in the next 10 years, or by 2030. There’s a lot of work that needs to be done; it’s not going to be solved overnight.

What I’ve committed to these municipalities and to rural and remote Albertans is that we’re going to work with you, we’re going to come alongside of you, we’re going to do a lot of homework on what technologies are available: how is technology evolving over time? How can we find ways to better harness the existing fibre that is in the ground, whether it be SuperNet, whether it be Telus, Shaw, Eastlink, or someone else? How do we leverage that to go farther out to rural and remote Albertans and to remove risk from those processes so that there are more viable business cases?

Mr. Carson: Thank you very much. I appreciate that. Now, through the consultations that did happen over the last four years, under our government, the RMA and AUMA provided recommendations to the Ministry of Service Alberta to identify measurable targets for rural broadband connectivity and speeds. Once again, I do have some concern that there are no measurements within your ministry business plan to show that we are actually moving forward on this. That’s a little bit concerning for me, but I guess my question would be: why didn’t you include performance measures around this in your budget?

Mr. Glubish: I would say, first and foremost, that I think we all know that telecommunications is a federal responsibility, so we’re looking to some extent to the federal government to outline their plans here. I think that’s a very important piece of the puzzle. I’m sure we’ll learn more from them as the new federal government cabinet will be selected tomorrow, and I’ll certainly be working with my federal counterpart, once they are selected, to identify ways
that we can work together to help work with these local municipalities to help solve their connectivity issues. But I would just also say, to the point you raised about the business plan, that no previous business plan under the NDP government had this performance measure either. I mean, I hear your suggestion. I’ll take that under advisement.

Mr. Carson: Thank you very much. I appreciate that.
Now, you have stated that the consultation process is happening right now, correct?

Mr. Glubish: I’ve been working with, listening to, and meeting with municipalities since the summer.

Mr. Carson: Perfect. Wonderful. Are you able to table the organizations that you have met with? That would be wonderful to see just to ensure that we’re hearing from all sides, which I imagine we are, but being able to see those organizations would be valuable.

Mr. Glubish: We’d be happy to come back to you with a written list of all of those that I’ve met with.

Mr. Carson: Thank you very much, Minister. I do appreciate that.
Moving on now. Obviously related but not necessarily the same thing, the SuperNet, of course, has been a topic of conversation over the last several years. Looking at section 4.3, same section, of your ministry business plan, now the SuperNet high-speed broadband program, as you mentioned earlier, connects schools, hospitals, libraries, and universities to each other in those communities, about 4,200 public institutions is what I’m seeing here. As you also mentioned, last year Bell was awarded a $50 million, 10-year contract to continue running these services. Now, I’m hoping that you can tell me about the progress that has been made on increasing availability of the SuperNet to rural communities.

Mr. Glubish: Yeah. Well, a couple of things I’d like to maybe unpack there. You know, the SuperNet is a very important part of the conversation of tackling rural connectivity. It’s been something that began in the early 2000s, and over about an 18-year period about $1 billion of Alberta taxpayer money was invested into building the beginnings of that infrastructure. That’s how we were able to connect I believe it’s roughly around 3,300 public-sector facilities across the province.
But it’s important to remember that the SuperNet itself is not the Internet and it’s not an ISP, an Internet service provider, to end-users, whether they be businesses or whether they be individual residents. I do believe that it will play a substantial role in reaching the communities that surround the existing fibre backbone. You may have heard me say a few times that it’s important to know where our existing fibre assets are, whether they be SuperNet or whether they be a private telco, so that we know what communities are nearby, so that we can then help, whether it be municipalities or whether it be private companies that are wishing to serve a local community.

Mr. Carson: Thank you very much.
So it is still a priority of your department and of your ministry to continue building on the SuperNet infrastructure?

Mr. Glubish: With the SuperNet, as you may know, we did just recently renegotiate our contract with Bell, and as a result of that new contract, Bell will be investing over the next number of years about $300 million into upgrading and modernizing the SuperNet infrastructure, which will improve connectivity to the communities that it serves. Ultimately, to reach our highest gains in terms of connectivity improvements, it’s going to require other companies or other organizations, including municipalities if they so desire, to expand off the SuperNet and tie into it and then either build additional fibre or wireless towers to take that. And as this is regulated by the CRTC, all of those organizations have a right to negotiate bandwidth off the SuperNet to be able to . . .

Mr. Carson: Thank you, Minister.
Is there any reason why there are no specific measurements or targets within your business plan to show that we are achieving what we should be in the SuperNet category?

Mr. Glubish: I think it’s always important for us to remember that the SuperNet itself is owned by Bell, so it’s not an asset of the government. That would be why it’s not in the business plan.

Mr. Carson: My concern is that last year, I believe, the Auditor General had raised concerns about the tracking of performance around the SuperNet contracts. Of course, there have been new contract negotiations since then, which I imagine may have alleviated some of the concern, not to answer your own question for you. Can you explain how your department is ensuring that these services are in fact doing what we’re paying for?

Mr. Glubish: If you wouldn’t mind giving me a moment to just find some of the relevant documentation.

Mr. Carson: Yeah. Once again, just to elaborate, my concern is that last year the Auditor General brought forward concerns that there wasn’t enough transparency around these, and now we have this budget before us that also doesn’t have any measurable targets for us. That’s concerning. Any response?

Mr. Glubish: What I can tell you is that in response to the Auditor General’s recommendations we’ve been working on that. While the office of the Auditor General conducted the legacy SuperNet contract management processes audit between June 2017 and January 2018, which I believe is the report you’re referring to, Service Alberta has in fact been working on the same issue since 2015, on procuring and implementing improvements needed to bring what was essentially a 17-year-old contract into alignment with today’s modern practices and approaches.

The office of the Auditor General presented three recommendations, that Service Alberta has already worked to address in the new SuperNet contract. With this contract coming into effect, we’ve been working to address the issues that the Auditor General has raised while also improving service delivery and contract management for SuperNet to benefit the entire public sector.

4:20

Mr. Carson: Thank you very much.
The $50 million that was awarded to Bell: does that leave us with any operational costs? They take care of all the costs? Where would I see in the budget any connection that we have to expenses related to SuperNet?

Mr. Glubish: Under 8.5, network services, in the estimates: that’s where all of the SuperNet-related expenses fall. The contract with SuperNet results in $27.1 million for the 2019-2020 estimates year, and that includes the maintenance of the SuperNet.

Mr. Carson: Excuse me. Just to clarify, you’re on page 185?

Mr. Glubish: That’s right. Yes.
Mr. Carson: Okay. The number I’m seeing, unless I’m looking at the wrong line, is that the actual for ’18-19 is $32.249 million.

Mr. Glubish: That’s the actual for ’18-19, at 8.5.

Mr. Carson: Yeah.

Mr. Glubish: Again, the SuperNet portion is just one piece of that line item.

Mr. Carson: Oh. My apologies. Okay. Thank you.

Is any of the reduction that we see, moving towards next year, going to affect the ability of the SuperNet to, well, function over the next year?

Mr. Glubish: The $31.5 million for line 8.5 on page 185 of the estimates for 2019-2020: of that, $27.1 million is the annual portion of the SuperNet contract, and that contract will continue.

Mr. Carson: And there’s been no reduction to that fund at all from last year to this year?

Mr. Glubish: There’s no reduction.

Mr. Carson: Thank you very much.

Now, of course, you mentioned the fact that the federal government should take responsibility for building this infrastructure, and in July you stated – sorry; now I’m jumping back to rural broadband – that rural high-speed broadband is too big a cost and too big a project to do as a provincial government on our own. I would tend to agree with that, but you requested further funding from the federal government. Can you explain where those discussions are right now or, you know, where they were before the election happened?

Mr. Glubish: Sure. Happy to speak to that. And no problem jumping back and forth between broadband and SuperNet, because they’re so related. I see them as being a good discussion to have at the same time.

The federal government has talked a little bit about what their strategy is on the Canada-wide broadband strategy, but it’s very light on details, and that’s made it difficult for us to engage with them on, you know: what do the next steps look like?

Mr. Carson: So they haven’t provided you any ballpark funding number or dollars that might be connected to it for us to move forward?

Mr. Glubish: All we know right now is what funds have been allocated for programs of this nature across Canada, but there have been no details about how we would access them. I’m not surprised. Obviously, with the fact that we just went through a federal election, some of that time leading up to there, it was unlikely we were going to make progress.

Mr. Carson: So they had never written down a number for us in terms of, obviously, not a binding agreement but any kind of idea?

Mr. Glubish: You know, what I can tell you is that this summer I did participate in a call with then Minister Bernadette Jordan, who was responsible for this file federally, as well as with all of my counterparts from the provincial and territorial levels across the country. The federal minister did talk a little bit about what they’re hoping to accomplish, but, as I said, it was very light on details.

Mr. Carson: So no numbers?

Mr. Glubish: There were no commitments from the federal government, but what I will be working on, once we know who my counterpart is in Ottawa, is to ensure that they are acutely aware of the good work that Alberta has done.

The Acting Chair: I apologize. I hesitate to interrupt, but the second block has concluded.

Mr. Carson, you wish to continue?

Mr. Carson: Yes. I have a few more questions, Chair.

The Acting Chair: Okay. Thank you. Do you want the minister to complete his . . .

Mr. Carson: Yes. Continue in the same way. Thank you very much. I appreciate, once again, the conversation.

Now, if the federal government decided to change their mind on funding such important infrastructure for our province, what would be the decision of your department or your ministry? Would you continue moving forward? How do you plan to tackle that if things do change?

Mr. Glubish: I think that regardless of what the federal government decides to do, we need to do the best we can with what we can control. That is why I will continue to work with my department on identifying as much information as possible about what fibre and wireless infrastructure exists in Alberta so far, what communities it is near, what underserved communities are nearby, and what business cases may be better served by having access to that information.

Mr. Carson: Thank you. When do you expect that to finish up?

You’re talking about wires being in the ground, which may or may not, you know, make a difference in terms of whether we do that work now or as the contracts have been signed and we’re ready to move forward. Either way, when do you expect that work to finish, where we’re at a point where we can say, “We need the money now; we’re ready to move forward”?

Mr. Glubish: I think it’s maybe a little more complicated than that. I think that the issue is that, whether we’re going to get federal money or not, we need to identify what projects have the strongest business case, and every one of those is going to be measured and evaluated by different criteria, because it’s the local municipalities that are making the decisions that make the most sense for them and for their residents. You know, to the extent that we can help to derisk those projects or to help them access federal funding or whatever it may be, we’re going to work with them on a case-by-case basis to ensure they are equipped with the best information possible.

Mr. Carson: In terms of ensuring that the municipalities are able to access federal funding, if the federal government makes the decision that the province must have a matching contribution, is that something that you are prepared to move forward with if it’s a third?

Mr. Glubish: I think the argument that I would make to the federal minister responsible for this is to say that for any projects where the SuperNet backbone would serve as a portion of making a project viable, we would submit that the value of that portion of the SuperNet should be considered as a contribution in kind from the province to unlock the federal government’s portion, the reason being that we invested over $1 billion to build our portion of the SuperNet. That SuperNet asset will be necessary to serve a number of communities, and we should not be penalized for having been
Mr. Carson: I can appreciate that, most definitely, and I think that they have an important role to play. Once again, my concern is that if they decide to make it a third/a third/a third and we say, “No, we’re not going to do that,” then we will see further delays, which is a concern for me.

I guess I’m going to move along here. Just looking at page 138 of your ministry business plan, under Initiatives Supporting Key Objectives you state that in the ’19-20 budget $450,000 is allocated to review the Real Estate Act to ensure RECA is well governed. Now, of course, as you mentioned in your opening remarks, this discussion has been ongoing, and you’ve brought forward legislation to, I would say, temporarily improve the ability of RECA to function, and we will see how that goes in the long run. I’m just hoping that you can tell me what that $450,000 is going to be allocated to.

Mr. Glubish: Well, yes. Happy to speak to that. That’s the amount in our budget to cover the costs of the work to bring forward the initial amendments of the Real Estate Act to remove the council, to appoint the administrator, and it will also be what covers the cost of the engagement and consultation that I committed to with the real estate industry as we consider future amendments to the Real Estate Act, from a governance perspective, to ensure that we can prevent any future dysfunction like what we saw arise with the council that was recently dismissed.

4:30
Mr. Carson: Thank you. Again on page 138 you show a performance measure for the “number of new or expanded consumer protection initiatives advanced,” with a target of 15 for this year, which, I believe, is about three higher than it is every other year. I would appreciate, once again, if you were able to tabulate those 15 initiatives. Would that be possible?

Mr. Glubish: I can give you a couple of examples here if that would be helpful.

Mr. Carson: Sure. That would be great.

Chair, if you don’t mind me asking while we’re waiting, how much time do I have left?

The Acting Chair: You have four minutes and 30 seconds, sir.

Mr. Carson: Oh, boy. Okay.

Mr. Glubish: One example, as we’ve already talked about, is the stabilizing of the Real Estate Council of Alberta and establishing a renewed governance framework. Another initiative is the implementation of the stage 2, condo regulations, you know, post the pause.

Mr. Carson: Just to stop you right there, this says: “expanded consumer protection.” I suppose you could call that expanded, but the fact is, of course, that we’ll disagree on this point, that what was changed in the condo regulations was the right thing to do. I don’t necessarily know that that’s expanding, but I suppose, if they’re not in place – anyway, you have more examples? My apologies, Minister.

Mr. Glubish: Sure. I can give you a couple more. The Utilities Consumer Advocate education and awareness program.

Mr. Carson: Don’t tell me anything you’re not supposed to. Or do I don’t know.

Mr. Glubish: Thank you. There’s the conducting of the red tape reduction review of all consumer protection legislation, assessing alternatives to the court system in resolving disputes, integrating the MyAlberta digital ID with the residential tenancies dispute resolution service as an online payment solution for applications.

Mr. Carson: Thank you, Minister.

On page 139, the next page, key objective 2.3 states that you aim to “ensure the confidentiality, integrity, appropriate classification and availability of Albertans’ information.” Can you explain how this budget achieves that goal or strengthens the ability of Albertans’ information to be protected compared to a year ago?

Mr. Glubish: Yes. Malware is a good reminder of how important cybersecurity is, and that is a critical service that we provide to the government of Alberta through Service Alberta’s corporate information security office, which, again, I believe, falls under Stephen’s department. They work closely with the federal government and other provincial jurisdictions sharing cyberthreat information to ensure that threats and risks to public-sector information . . .

Mr. Carson: Just to clarify, does that piece of your department fall under what you had mentioned earlier, that there were 39 vacancies and we’re reducing those staff members? Is that the same department?

Mr. Glubish: I can assure you that there are no reductions in cybersecurity.

Mr. Carson: Okay. Thank you very much.

Mr. Glubish: That was 2(d), you said, on page 140?

Mr. Carson: Yes. Correct.

Mr. Glubish: Yeah. Malware is a good reminder of how important cybersecurity is, and that is a critical service that we provide to the government of Alberta through Service Alberta’s corporate information security office, which, again, I believe, falls under Stephen’s department. They work closely with the federal government and other provincial jurisdictions sharing cyberthreat information to ensure that threats and risks to public-sector information . . .

Mr. Carson: Just to clarify, does that piece of your department fall under what you had mentioned earlier, that there were 39 vacancies and we’re reducing those staff members? Is that the same department?

Mr. Glubish: I can assure you that there are no reductions in cybersecurity.

Mr. Carson: Okay. Thank you very much.

Now, can you describe the costs to your ministry? Are there any costs to your ministry from malware attacks, and where would those costs be seen?

Mr. Glubish: Well, there are, of course, the costs of our cybersecurity resources in order to prevent malware.

Mr. Carson: I guess my question is: has your ministry seen attacks that have ended up . . .
The Acting Chair: I hesitate to interrupt.

Mr. Carson: Oh. We’ll get back to that.

The Acting Chair: We’ll get back to that one. Thank you.

We’re going to go now to the government caucus side for the next 20 minutes. I see Mr. Amery looking. Would you like to go back and forth with the minister?

Mr. Amery: Yes, Mr. Chair.

The Acting Chair: Okay. Thank you very much. You may continue, sir.

Mr. Amery: Thank you, Mr. Chair, and thank you, Minister, for your summary earlier today. Thank you for discussing your role and the work at the Service Alberta ministry. I also want to express briefly the gratitude to your officials for being here as well and the hard work that they’ve been putting forward and continue to do in the role.

Minister, you and I have had a number of discussions in the past, I think, with respect to various areas under your ministry. I take a great interest in the work that you’ve done in your ministry, having learned about it through the various meetings that we’ve had, the discussions, and your open-door policy. Observing the work, I think it’s been well embraced by the government caucus members and Albertans in general. I also note that some of the work that you’ve been doing and some of the initiatives that you’ve been looking into and, in fact, some of the things that you talked about today will prove to be very beneficial to Albertans going forward.

That being said, Minister, one of the biggest issues that I’ve identified, both in my own time while campaigning and in my role as an MLA, and especially now more than ever – and I say this with particular reference to the impacts that are being felt by constituents in Calgary-Cross and throughout Alberta – is the role of registry agents. You’re nodding your head, so I know that you’re probably well aware of where I’m going with this. I think, firstly, I can identify at least half a dozen registries in and around my constituency, both within and, you know, immediately surrounding, and suffice to say that I’m confident that, on a personal level, every single Albertan has or will have some sort of interaction with our registry agents in one way or another.

Minister, registry agents play an incredibly essential role in this province. I’ve had the opportunity to meet with various agents in and around both my constituency and the province to hear their concerns, and I feel that they’re very legitimate and warranted given the uncertainty of past governments. One of the topics and overall themes that I recall was – and you touched a little bit on this – your summer tour, which involved visits with various agents and registries and whatnot. You’ve had the opportunity to meet with agents. I’m certain that you’ve heard what I’ve heard: registry agents are concerned about the long-term viability of their business model, and they’re certainly concerned with what is perceived to be an out-of-date fee structure.

By that I mean, Minister, that one of my recollections during campaigning and thereafter was that registry fees have been fixed for a very long time. You might correct me on this one, but my recollection is that for some 14 years or so registry fees for the agents have been fixed. To put it very bluntly to you, registries have been working under the same fee structure for nearly 15 years, yet the costs of staffing, of utilities, of almost every aspect of operating a business in their industry have gone up. Having said that, I don’t think that any of that is new to you, having, you know, gone on your summer tour.

Not unlike your own experience, I want to give you, firstly, an opportunity to provide your comments on that and also to provide what you perceive to be the plan on registry sustainability going forward. Now, your estimates and your opening comments indicated that Albertans can expect fees to increase on the government side, but registry agents employ Albertans and form, I think, a very important fixture in this province. So can you provide, first off, some of the insights on whether your ministry includes any changes to the registry agent fee structure and comments about some of the things that I’ve identified so that the registry agents, at least in my constituency, can have some idea of where things are going in the future?

4:40

Mr. Glubish: Sure. Happy to address that. Thanks for your comments and question. You know, this is an issue that came up a lot for me as I met with registries across the province, both on my summer tour and since. As you’ve pointed out, the fee structure for a number of fees, the fees that are capped and regulated by the government, haven’t changed since 2005. As their cost pressures have increased over the last many years, this has made it difficult for them to invest in their business, to invest in modernizing, which I think ties to the theme of a lot of what I’ve talked about here today.

You know, it’s important that Albertans have access to more modern services. It’s important that we give them more choice, more convenience, and better value for their dollars when they interact with government services, a lot of which happen through registries. But I understand why registries were not investing in doing that before given the challenges they had with viability, especially for rural registries, who have to serve a large geographic region but often with lower volumes coming through their doors. For me to ask of them as a private registry network to invest in modernizing and taking more services online and providing Albertans with more choice, I knew that we needed to look at the fee structure.

As a part of this budget there are a couple of motor vehicles related registry fees, where we have increased the registry portion of those fees by $4. Those will come into effect January 1, 2020. This is important to ensure the viability of these registries because they are the vital link between Albertans and government services, and we want to work collaboratively with them on modernizing registry services. This is a part of our government strategy to modernize services, to deliver better value, more choice, and more convenience to Albertans, improving access to services connected to registry agents and doing that in collaboration with those registries, not in competition with them.

Mr. Amery: Okay. You mentioned earlier, just right now, actually, the registry fees for motor vehicle registrations. The plan going forward as of next year would be to increase the registry fee or to allow for the cap to increase by $4. Is that fair to say?

Mr. Glubish: Yeah. For the fees that are impacted by this change, the registry portion of the fees will go up by $4.

Mr. Amery: Okay. Thank you, Minister.

I’ve heard you mention, just briefly in your opening statements, that Service Alberta plays a unique role in that it is one of the only ministries that brings about a significant revenue stream for the government. In the statement of operations that you have, I note that the breakdown of revenue on page 190 of the financial statements shows a sort of summary of the revenues that your ministry has provided estimates for. There we see the itemization of a number of revenue streams and, in particular, one at the very bottom, well, close to the bottom, which you list as other revenue. Here I note in
the 2019-2020 estimate that the figure is just over $88 million for other revenue. However, the actual 2018-2019 revenue was listed at 75 and a half million. Is that fair to say? Am I reading that correctly there?

Mr. Glubish: Yeah.

Mr. Amery: Can you tell me what revenue is included in this other subcategory and what accounts for such a large estimate increase for the 2019-2020 year over the 2018-2019 actual receipts?

Mr. Glubish: Sure. Happy to touch on that. The majority of the other revenue, approximately, in the 2019-2020 estimates, about $69.5 million of it, is composed of shared services revenues collected from other government departments. That’s for, like, the technology services we provide, business and administration services like Microsoft licensing or video conferencing or even things as basic as postage or courier services, the vehicle leases for other departments through, you know, the fleet. These are some examples of the shared services that we get cost recovery from other ministries for. So for this period that’s $69.5 million. Another couple of examples: $9 million is from the Alberta first responder radio control system. This reflects the cost-sharing agreement, the provincial police service agreement, that we have with the Royal Canadian Mounted Police. Those are just some examples of what’s making up the $88 million.

In terms of the difference between the ’18-19 actual and the ’19-20 estimate, you know, this is something that varies from year to year as the demand from other ministries on the shared services side varies. This just simply reflects that other government departments needed more services from Service Alberta. Their budgets accounted for the cost recovery that you see in the increased other revenue line item.

Mr. Amery: Okay. Thank you.

On that same note, I note here that your revenues, as shown, again, on page 190 of the financial statements, actually show an estimate of lower revenues for the land titles category in the 2019-20 estimate as opposed to that of the 2018-2019 fiscal year. Why would you expect the revenues here to be lower in 2019-2020 despite the fee increases to the land titles services?

Mr. Glubish: The land titles revenues are projected to decrease a little bit even with the fee increases, mainly due to some of the revenue drivers such as tighter mortgage regulations impacting the real estate markets or transaction volumes or dollar values, which drive those variable fees in land titles services, the impact of interest rates and lower housing starts. It’s worth noting that we do expect revenues from land titles to increase in 2020 as the Alberta economy recovers. Also, you know, it’s worth noting that the fee changes here don’t take effect until January 1, so it’s only in effect for three months of the fiscal year.

Mr. Amery: Okay. Thank you, Minister.

How much time is left?

The Acting Chair: Over seven minutes, seven and a half minutes.

Mr. Amery: Seven minutes. Okay. I’d like to cede my time to another government member, please.

The Acting Chair: Sure. Mr. Walker. Go ahead, sir.

Mr. Walker: Thank you so much, Mr. Chair.

The Acting Chair: Back and forth with the minister.

Mr. Walker: Back and forth with the minister, please.

The Acting Chair: Okay. Thank you very much.

Mr. Walker: Through you, I would say: Minister, thank you so much for being here and for your colleagues being here as well to answer questions from the committee regarding estimates. Usually, Minister, in my time here, as I would say through the chair, I like to sort of start talking about my riding in Strathcona county and how great it is, and I’d tie it into the ministry. It’s a great time to highlight your area. But you know what? I think you know quite a bit about Strathcona county. If I ever need to talk to you about Strathcona county, I know where to find you. You know what? That’s okay. I don’t need to really brag about Strathcona county today.

Mr. Glubish: I’m always happy to hear how awesome it is.

Mr. Walker: I know where to find you.

I’m going to roll right into my questions. I want to also give other members time. Minister, key objective 4.5 on page 142 of the business plan says that you want to “reduce regulatory burden for Albertans and businesses.” Each year we are required to reregister our vehicles. What is the purpose of reregistering each year, and how is this not creating more red tape for Albertans?

Mr. Glubish: I would say, first of all, that Albertans do have the option to register their vehicles for either one year or two years. The two-year option is there to reduce the administrative burden. This is a case where it’s important to balance, you know, red tape with the need to ensure that the appropriate registry data is collected and up to date. It’s important for law enforcement who access that registry data as they keep our roads safe and ensure compliance. It’s important that these renewals happen on a regular basis to ensure that those systems are up to date, current, accurate, and equip law enforcement with the information they need to do their job. In terms of red tape reduction, I mean, the two-year option is certainly one option, and this is an area that I think is ripe for opportunity as we work on further modernization of registry services.

Mr. Walker: Well, thank you for that, Minister.

I just also want to recognize that, as I understand it, your ministry has done an incredible job of reviewing and reducing red tape. You talked about that in your opening statement as well. Job well done there. I also want to say that I know that our government in general really encourages and believes in taking the initiative. As I remember – I would say to you, Minister, through the chair, that I believe you were the first minister to go on a tour to hear and consult with Albertans as per your ministerial mandate, so congratulations again on that as well.

My next question for you, Minister, is that I noticed, under revenues, the statement of operations, that you were forecasting some fairly substantial increases under motor vehicles. Could you explain where that increase comes from?

Mr. Glubish: Yes. Which section? You’re looking at the revenue side of the estimates?


Mr. Glubish: Yeah. Got it. Thank you. Happy to provide you with an update on that. This is related to the motor vehicle fee increases coming into effect January 1, 2020, as well as a function of higher expected transactional volumes. There are three main categories of motor vehicle fees that are changing here. The first is the government fee for all classes of Alberta driver’s licence fees. The
government portion of that fee will increase by $5. The same fee applies to registering a passenger vehicle in Alberta, which would be an additional $5.

The second one is the one-time government fee for any licensed vehicle to pull a noncommercial trailer. That is increasing by $50. This is strictly noncommercial trailers, something like a boat trailer or a tent trailer. It doesn’t apply to semi-trailers hauling loads on Alberta’s highways.

Lastly, there are a number of administrative fees that are increasing by $2; for example, the government fee to duplicate, exchange, or reclassify a driver’s licence or other administrative services such as exchanging a licence plate or transferring a vehicle registration. That’ll also go up by $2.

That gives you some sense of where the motor vehicle revenue increase is coming from for the 2019-2020 estimate period.

Mr. Walker: Well, thank you for those thorough comments and explanation, Minister.

Chair, how is the Member for Sherwood Park for time, if the third person is okay?

The Acting Chair: About a minute and 50 seconds.

Mr. Walker: A minute and 50 seconds. Okay.

I’m going to move on to my final question here, Minister. In your business plan on page 140, outcome 3, that government is modernized, your key objective 3.1 is listed as: “Engage in pilot projects to test global best practices that can help deliver services faster, more securely and at a lower cost.” Do you have any specific pilot projects in mind? Again, this is on page 140.

Mr. Glubish: Sure. Thank you. I’m looking at page 140, key objective 3.1. The government of Alberta’s digital innovation office and also the office of the chief information officer are routinely employing best practices to provide more efficient and secure services to the government of Alberta and also to all Albertans.

I have a few examples of some projects that are completed or under way within these offices. First, there are e-courts, e-traffic, an online dispute resolution service. This project will create a more user-centric service for citizens to manage their traffic tickets and to understand their options for paying online. Early payment and dispute avoidance are some early objectives here. Later phases of the initiative will aim to help move disputes online, allowing better access for citizens across the province.

Another example would be the Alberta business portal. This project includes working with other ministries involved in economic development. This project will develop a multilingual, one-stop . . .

The Acting Chair: Thank you, Minister. I hesitate to interrupt.

We’re going to go back to the Official Opposition for the next 10-minute block. Member Pancholi, go ahead.

Ms Pancholi: Thank you, Mr. Chair. Thank you, Minister Glubish, for being here today and to your staff for being with you as well. I just had a few questions related to FOIP in particular. I note that on page 185, line item 5, freedom of information and protection of privacy, I see the estimate there for this current budget year. It is a little bit up from the actuals and a little bit up from the previous budget year as well. I just wanted to ask a few questions about FOIP, and I don’t see that information in your business plan. Do you have an idea of how many FOIP requests – now, I appreciate, by the way, that Service Alberta would not be tracking FOIP requests that are received by other public bodies outside of government. But do you track the number of FOIP requests that have been received within the government of Alberta?

Mr. Glubish: I’m happy to give you some details there for the three most recent fiscal years where I have data. The total number of FOIP requests received by the government of Alberta in 2018-19 was 3,490, for 2017-18 that number was 3,172, and for 2016-17 that number was 2,853.

Ms Pancholi: Okay. Thank you very much, Minister. That’s helpful because I think that sort of reflects what probably most of us feel intuitively is the case, which is that the number of FOIP requests does tend to increase over time. I think, based on the numbers you’ve given there, that it does look like the number of FOIP requests received by the government of Alberta – full disclosure: I used to work within the government of Alberta and actually was an acting FOIP co-ordinator for Alberta Education for a period of time. So I know that even at the time that I was there, I saw quite a few FOIP requests, and they increased, certainly, over time.

Given that – and I can’t, off the top of my head, do the math to figure out what percentage increase that is – I mean, I think it’s fair to anticipate that the number of FOIP requests will likely continue to go up, have you resourced your ministry with the capacity to be able to respond to the increasing number of requests?

Mr. Glubish: You know, I appreciate the comments. It’s always nice to know a little bit about the context of prior lives of members.

It’s roughly about a 10 per cent increase a year. You know, this is an important question to consider. As you know, we’ve recently undergone the consolidation of FOIP all under one roof, under Service Alberta. By doing that, we’ve been able to achieve some economies of scale, which is allowing us to address these growing demands.

Furthermore, in 2019-2020 $2.1 million is allocated to purchase a new case management system for FOIP to meet the current and future needs of the business and to provide opportunities for improvement through enhanced case management as well as reporting and redaction functionalities. This is a case of looking for ways to harness technology, to streamline, to automate, to allow us to deliver better services for better value and be able to meet the rising demands while maintaining the appropriate service levels to FOIP applicants. This is how budget 2019-2020 is setting us up to be in a position to meet those demands from FOIP applicants.

Ms Pancholi: Okay. Thank you.

So you’re not looking at any increase in – I mean, obviously, I think that overall it looks like there’s an expectation of no significant increase; in fact, there’s a reduction in staff overall. I note that earlier today you didn’t indicate that that area would be seeing any reductions in FTEs. Is that correct?

Mr. Glubish: That’s correct. I can also add that this is an area that is a priority for hiring for us. We do want to make sure this is properly resourced with the right folks as well as the right technology in order to make sure that we can meet the growing demands.

5:00

Ms Pancholi: And are there currently vacancies in that area?

Mr. Glubish: Yes. We are under recruitment at the moment.

Ms Pancholi: Okay. Can you tell us how many vacancies there currently are?
Mr. Glubish: We have currently got eight vacancies in there, and 

Ms Pancholi: Sorry. My apologies for interrupting. Out of a staff of how many?

Mr. Glubish: About 120 staff in the FOIP office.

Ms Pancholi: Okay. Thank you. I appreciate that, Minister. That’s helpful.

I was looking, too, at the budget, and I’m wondering if you can maybe point me to where – I’m looking at page 190, which is the revenue section for the ministry. My question is whether or not – under Revenue it says: other premiums, fees, and licences. Is that where FOIP fees would be captured?

Mr. Glubish: The other premiums, fees, and licences would include, for example, the personal property registry, the Business Corporations Act – that’s the registrations – and other registry revenue: change of name, RTDRS client fees, licence fees, marriage . . .

Ms Pancholi: Does it include FOIP?

Mr. Glubish: FOIP fees are not in that.

Ms Pancholi: Okay. Thank you. So where would that fall, under Other Revenue?

Mr. Glubish: That’s under Other Revenue.

Ms Pancholi: Okay. Can you tell me what portion of that estimated $88 million would be from FOIP fees?

Mr. Glubish: We’d be happy to get that number to you, but at least for the purposes of today I can tell you that it’s a relatively small number as a portion of the overall Other Revenue line item.

Ms Pancholi: Thank you, Minister.

FOIP fees are currently set out in regulation to the act – right? – so they are prescribed in that respect. Is it a consideration that your department is, I guess, reviewing as to whether or not the FOIP fees would be changed in any way?

Mr. Glubish: Not at this time.

Ms Pancholi: Okay. Thank you.

I’m just going to go back to your business plan. It’s on page 139, and it’s outcome 2. I see that you’ve indicated, as you’ve noted already, Minister, that you do seem to be highlighting as an objective that you do want to focus potentially on FOIP. I’m assuming, to some extent, that that’s reflected in key objective 2.1, which is “enhance government transparency and protection of personal information” – well, I’m sure it actually falls a little bit within all of these – but also in 2.4, “improve the way government shares and receives information with and from Albertans.”

I note that one of your performance metrics talks about the percentage of requests that are responded to within 60 days or less. Under 2(a) of the performance metrics it talks about how 88 per cent of FOIP requests were completed within 60 days in 2018-19 and that the target for this year and upcoming years is 95-plus per cent, which I think is a great thing, of course, to have to aspire to respond to those requests in a timely fashion. I guess my question is: how do you anticipate meeting that objective and actually increasing the number of requests that you respond to in that 60-day period of time?

Mr. Glubish: Sure. As I mentioned earlier – I referenced the new case management tool, the $2.1 million investment to purchase that – that implementation is going to be critical in us being able to meet those targets. You know, I’m a big believer in harnessing technology to do better, and this is just one example of where we will be doing that. Our goal is to have that new system implemented and servicing Albertans by the summer of 2020.

But I will also mention that we’ve talked about the benefits of consolidating FOIP services across government into Service Alberta. The economies of scale, the deepening of specialized skill sets in our teams in order to be able to improve response times: there are a lot of factors at play here that will help us to continuously improve and work towards those targets.

Ms Pancholi: Thank you, Minister.

Having managed a number of FOIP requests myself on behalf of a number of different public bodies, we know that sometimes with the measures, perhaps, to actually meet the objective of government transparency and the objectives of sharing information which underlie the act, one of the barriers is actually the amount of fees that are charged. While there is no fee for a personal information request and there is a standard $25 fee for a general information request, often what we see is that once that fee estimate is given to the applicant, it usually can be quite substantive, and that is often a barrier. That’s when the FOIP request process ends – right? – because it’s challenging for many individuals, in particular, to obtain information.

When I look back to your objectives about increasing government transparency and sharing of information, would it be something that you would consider with respect to lowering those fees or making the application process easier so that it’s not the fees that are the barrier to sharing information?

Mr. Glubish: So . . .

The Acting Chair: Thank you very much. I hesitate to interrupt.

We will now go to the next 10-minute block for the government side. Mr. Guthrie. Thank you very much. Back and forth with the minister?

Mr. Guthrie: Yeah.

The Acting Chair: Okay. Thank you very much.

Mr. Guthrie: Well, thank you, Minister, and thank you to your team for being here. I’ve got a handful of questions here, so I’ll just jump right in. Key objective 3.2 on page 140 of the business plan mentions shifting to a one-government approach for corporate service delivery, and then that same type of language is mirrored on page 119 of the fiscal plan. There it’s talking about a one-government approach to financial operations. Can you explain what that one-government approach means, and how are we working towards that?

Mr. Glubish: Sure. Thank you for the question. Happy to maybe dig in a little bit on that. We talked a little bit about this earlier, about a few of the things that relate to that question. At Service Alberta we’ve been leading transformation initiatives to enable a shift to a one-government approach across the whole government. That includes the consolidation of government of Alberta data centres, for example, through our enterprise IT environment initiative. We started with, I think, something like 37 data centres, and we’re on our way down to three. That’s one example of this initiative and focus. Of course, we talked just recently about the FOIP side of things and the consolidation there, and of course
there’s the IMT, the information management technology, consolidation. Then another big one is the 1GX, the one-government experience, enterprise resource planning system, that we are continuing to work on.

You know, taken together, all of these initiatives are going to help us to foster better networks and strengthen linkages between all of our ministries to share leading practices and solutions. It’s going to also provide more consistent and common service delivery experiences for all Albertans as they interact with the government, but it’s also going to provide a clearer role and accountability across the government of Alberta. This leverages economies of scale. That’s one big thing, for sure, as we are able to centralize some of these pieces. That’s going to allow us to deliver these services with lower costs for the common services, and it’s going to help us to reduce duplication across government. Those are just a few ways that, as we talk about the one-government approach, we should see some improvements.

Mr. Guthrie: Yeah. You had mentioned 1GX there, and that’s still within that outcome 3. It’s on the top of page 141 there. It talks about implementing that enterprise resource planning system, that 1GX. Can you explain, I guess, exactly what that is? Where are we in the process of doing that, and when do you expect to be fully operational with 1GX?

Mr. Glubish: Sure. The 1GX is our enterprise resource planning upgrade. This is replacing the roughly 20-year-old IMAGIS system. If you think about it, the system that we’re replacing, that held together all of the Alberta government’s data and systems, was built in the days of dial-up Internet. So this is a welcome update and change with something much more modern and robust. This is an ongoing effort. These kinds of implementations do take time.

We’ve had a number of successes so far with respect to the phased implementation. We’ve had a few successful go-lives in Treasury, for example, and some successes in testing items like bank account management, treasury payment, functions related to cash and liquidity management and forecasting. All of those areas are going to help to make Treasury Board and Finance more productive and effective in their important roles.

5:10

We also have some additional releases that are planned to enhance our supply chain and talent management as well as revenue management functionality. These are some things that will come out through the remainder of 2020.

We’ve also completed the second cycle of parallel payroll testing, with positive results, and we’re moving into our third cycle. This testing allows us to compare our future payroll system, under 1GX, with the current system to ensure we’re getting the same results and ensure that we’ve got a high degree of service and certainty on that data.

We’ve also completed two data conversions. It’s important that, you know, the data that goes into the new system is in the format that works with that new system, and that’s been a big part of this exercise. We’re now through two of those data conversions to prep for the new system. We’re also building over 300 interfaces to make sure that the applications we need across all government of Alberta ministries will work smoothly on this new system.

All of this work is ongoing, and these activities will all work towards keeping the project on schedule. Our implementation for all of this is still planned for the year 2020.

Mr. Guthrie: Okay. Great.

Moving on, on page 111 of the fiscal plan it says that the new enterprise resource planning, ERP, contains the majority of the ministry savings, but it says that there are no contingency amounts that were built in for large projects if they did not meet timelines. I guess, can you comment on this lack of contingency, what that means to your department? Are there concerns that we have, then, over large project development?

Mr. Glubish: Sure. Happy to speak to that. I think that, yeah, it’s important to maybe mention that for a large technology project and implementation of this scope, magnitude, and complexity it would be very customary to have budgeted a contingency to address potential scope changes or any surprises that come up along the way through implementation. Whether you’re a government or whether you’re a large business, if you’re implementing a project of this nature, it would be very normal and, I would suggest, probably necessary to budget for a contingency. So, you know, it was a little bit surprising to see that in the previous budgets where this project was originally approved and began, the previous government didn’t have any contingency.

You know, these contingencies are important to be able to manage the typical kinds of problems that you have to solve as you’re implementing a project like this or as issues arise with systems updates in order to ensure that we don’t create major delays in the implementation, which would be very dangerous. The typical problems that would arise where a contingency would be helpful is, as I said, any scope changes or unanticipated technical issues or resource and contract constraints.

While the previous budget did not take this contingency into account, what we’ve had to do instead is reallocate resources internally, inside of our IMT budget, to ensure that we can keep this project moving in the right direction and deal with those pressures. While there may be some normal system delays as we work through those challenges that we experience in a transition, our department is still working towards a 2020 implementation.

Mr. Guthrie: Okay. Great. Thank you.

In looking at line 8.3 of the estimates on page 185 – it’s business services systems – we’re seeing a pretty substantial increase in funding there. In fact, I think it’s around 11 per cent year over year. Can you just highlight for us what this line item includes and, you know, why we’re seeing this increase?

Mr. Glubish: Sorry. I’m just making sure I’m in the right spot. You said 8.3 on page 185?

Mr. Guthrie: Yeah, on page 185. Business services.

Mr. Glubish: Okay.

Mr. Guthrie: There was a year-over-year increase of about 11 per cent. I’m just looking for some of the details on that line item as to why the increase and what’s included.

Mr. Glubish: The 2019-2020 estimate is $9.4 million higher than 2018-19 and $8 million higher than the ’18-19 actual, and that’s primarily due to just expenses related to changes in scope, as I talked to, as well as the impact of that data conversion and legacy application interfaces. Some of these required some refinement during the implementation, and as the new enterprise resource planning transformation continues, these types of expenses are surfacing and requiring additional resources for successful implementation.

Again, I want to stress that these kinds of expenses would be considered normal for . . .

The Acting Chair: Thank you very much. I hesitate to interrupt.
We’ll now go to the Official Opposition and Member Dach. Back and forth with the minister?

Mr. Dach: Yes, please, if you don’t mind.

The Acting Chair: Thank you very much.

Mr. Dach: Thank you, Mr. Chair. I appreciate the opportunity. Thank you, Minister. I have a couple of questions that relate to a subject that is near and dear to my heart. That has to do with the real estate industry, of course, something that I participated in as a realtor for about 30 years. I’ve been out of it for a little while now, though, having been an MLA now for about five years.

I wanted to ask about the land titles common documents fee schedule and fee increases in relation, in particular, to registration of mortgages on land titles. You’d indicated that they’re going up, in particular, that they’re going to be doubling – but with respect to the land titles common documents fee schedule, roughly 50 of them, the different fees that are charged regarding the registration of documents on land titles, where does that money go? Is it into general revenue, or is it into specific funds, or is there a variety of different funds?

Mr. Glubish: The land title fees here: 90 per cent of that does go to general revenue to fund the delivery of the services to Albertans, and then 10 per cent goes to a fund to deal with the assurance . . .

Mr. Dach: That would be the real estate assurance fund.

Mr. Glubish: That’s correct.

Mr. Dach: Okay. That real estate assurance fund is something that, if I’m correct, goes to satisfy claims made by parties to a transaction to rectify defects in title and registration, mistakes that might have been made. Is that correct?

Mr. Glubish: That’s correct.

Mr. Dach: I’m trying to get at why this fund, the dollars per thousand – like, $50 as a standard flat fee plus a dollar per every $5,000 of the mortgage amount is the fee currently charged. Correct?

Mr. Glubish: Are we talking about the mortgage registration fee?

Mr. Dach: Yes.

Mr. Glubish: Yes, that’s correct.

Mr. Dach: All right. Now, the proposal in this budget measure is to double that fee. Correct?

Mr. Glubish: The mortgage registration fee is going from $1 per $5,000 to $1.50 per $5,000.

Mr. Dach: Okay. That’s a significant increase. I’m just wondering: was this the motivation for that in terms of evidence that you’ve had from stakeholders asking for it to be increased, or is it just something that you came up with on your own? What calls were there from industry stakeholders to actually raise it?

Mr. Glubish: Well, what I would say to that is that the fees in land titles, specifically the ones that are the subject of this budget, are largely out of line with Canada’s largest three provinces, so with these fee changes we’re ensuring that these important services for Albertans are properly funded.

Mr. Dach: Particularly with the real estate assurance fund – and pardon me for interrupting – isn’t there an actuarial formula that decides what is necessary to go into that fund to cover the projected losses or projected claims that made? I’m just wondering if indeed there was a shortfall in previous years that you were concerned about or why indeed you seem to require the fund to be topped up with extra fees.

Mr. Glubish: The actuarial fund is not in a position of a shortfall today, and that, you know, did not factor into the decision on the changes in fees. The intent here is to ensure that these fees are more in line with the average of the three largest Canadian provinces to ensure that we can properly fund these . . .

Mr. Dach: Okay. I guess what I’m trying to get at is that since you’ve introduced a 50-cent, a significant increase in these fees – and the assurance fund will then, of course, grow by approximately a third more as a result of the 50-cent increase, or $1.50 versus $1 per $5,000 – if it reaches a level of funding beyond which is required for satisfying claims, will that money be siphoned off into general revenue?

Mr. Glubish: The assurance fund is technically held in general revenue. It’s just an accounting entry. At this time there’s no intent to make changes to how that’s managed in terms of how it is funded.

Mr. Dach: The government is mandated, then, to actually use that fund even though it may not be particularly a stand-alone fund. It’s in general revenue, but it’s accounted as a real estate assurance fund.

Mr. Glubish: Accounted as a stand-alone, yes.

Mr. Dach: Exactly. Is there a way that the government could just simply decide, “Okay; well, we’re going to stick that into general revenue and, if there are excess monies, just use it for other things”? I guess what I’m getting at is: was there an actual need for that increase to satisfy the needs of the fund, or is this a means of the government raising revenue and raising taxes in a sort of clandestine way that could end up in general revenue to boost your bottom line?

Mr. Glubish: The assurance fund was not a factor in the decision to make these changes, and there’s no intent to change how that assurance fund is managed. These fee changes were to ensure that we are more in line with the other major provinces in Canada to ensure that we can . . .

Mr. Dach: How large is the assurance fund right now? Do you know the number? On an annual basis how much would the increase in fees actually be providing into that fund?

Mr. Glubish: I don’t have the current value of the fund handy just now . . .

Mr. Dach: Okay. Will you provide that?

Mr. Glubish: . . . But I could get that to you in writing later. In terms of the impact on future changes, that’s all dependent on actual transaction volumes, so it’s . . .

Mr. Dach: Of course. It’s a little harder to know for sure what our annual transactions are now.

Do you actually offer a breakdown in your stats as to how many transactions are residential transactions versus commercial so we get an idea as to how it’s affecting homebuyers versus commercial
transactions and whether these fees are going to be a downturn or affect the real estate housing market or commercial transactions as well? Like, what kind of cost is it going to add to the average residential real estate transaction as well as the average commercial real estate transaction?

Mr. Glubish: Sure. Well, that’s maybe a good place to start if that’s okay with you. I can give you sort of a hypothetical scenario and what the end result is in terms of the cost.

Mr. Dach: Yeah. Briefly bullet it if you wouldn’t mind.

Mr. Glubish: Let’s say that we have someone who’s buying their first condo, a hypothetical value of $300,000, just for round numbers’ sake. The current title fee before these changes would be the fixed fee of $50 and then the variable fee of $60, for a total of $110, and then the mortgage registration fee would be the fixed fee of $50 and the variable fee of $50, for $100. So that’s a total of $210. Post January 1, once these new changes take effect, the fixed fees on both the title and mortgage registration stay the same. The variable fee on the title registration goes from $60 to $120, so the total goes from $110 to $170 on the title fee. Then on the mortgage registration the variable portion goes from $50 to $75, and when you account for the fixed fee, it goes from $100 to $125 in total. So you’d have a $295 total compared to a $210 total before.

Mr. Dach: So it’s roughly adding 100 bucks to the cost of an average transaction. That’s a residential transaction.

Mr. Glubish: In this hypothetical scenario it would be a $75 increase for both of those pieces. But the one thing I just want to point out, that’s important for us to remember for context as we consider other provinces, is that, you know, a land transfer tax would typically have been a much larger impact, and Alberta is one of the few jurisdictions in Canada that doesn’t have that.

Mr. Dach: I appreciate that. I’m looking at the context right now.

Mr. Glubish: For example, in . . .

Mr. Dach: Pardon me, Minister. The context that I’m concerned about right now is the Alberta real estate market and the fact that it’s one of, as you well know, our largest economic drivers. Consumer spending is very important, and anything that puts a damper on the real estate transactions – it’s particularly entry-level homebuyers that I’m thinking about or even commercial transactions – is something we should be thinking twice about. This definitely adds cost to the real estate transaction, which concerns me. So I’m just wondering: if it wasn’t necessary for the needs of the assurance fund, why in the world did you go ahead and do this to add costs to real estate transactions in this province right now?

Mr. Glubish: You know, we were very thoughtful in our approach as we looked at these fees, and we made these selective changes to ensure that we are more in alignment with other provinces across the country to . . .

Mr. Dach: I don’t think real estate agents really care in this province whether they’re aligned with B.C. or any other province. They care about the transactions. Real estate agents in this province are significantly under fire, and they’re hurting, and this is adding, putting a detriment. It’s throwing cold water on the real estate industry right now in the province at a time when they need, if anything, to be encouraged. I submit that it was the wrong time, for sure. If the assurance fund was healthy, why in the world, I repeat, did you go ahead? Simply to make us calibrate with other provinces isn’t an acceptable reason as far as I’m concerned.

Mr. Glubish: The other rationale for this . . .

The Acting Chair: I apologize to interrupt, but we have a few minutes left.

We will go back to the government member caucus and Member Yao. Go ahead, sir. Back and forth with the minister?

Mr. Yao: Yes, please.

The Acting Chair: Thank you very much.

Mr. Yao: Thank you so much, Chair. Minister Glubish, I just want to first off thank you and your team and your deputy ministers for really working hard for Albertans and working with a very interesting file. Especially, thank you to that crack team of operatives that you keep in your office chained to their desks. They’ve really helped me deal with a lot of issues in Fort McMurray. For that, I thank you, and I also thank you for releasing them for a couple of hours here so they could watch us.

Health care cards, Mr. Minister. Here’s my health care card. I have carried this since I was a kid, and it’s in the plastic. I still maintain it to this day. It has my health care number, my name, date of birth, and a vague image of a wild rose flower. You know, it’s interesting. Last term I was doing some investigations, and I found out that health care fraud is up in Fort McMurray for the Northern Lights hospital – the CEO estimated approximately $1 million a year in that hospital. He wasn’t able to verify those numbers for me, but he seemed to say it with some good firmness there, and he felt it was a qualified number. That’s $1 million in fraud that they could not collect on.

Not only is it fraudulent, but it endangers those very people that use those health care cards that belong to other people, because their health information is now on someone else’s file and there could be detrimental consequences to that sort of thing, certainly for the person who should have that health file.

Now, I’m kind of curious about how expensive it would be or if there is a desire to get some sort of health care card, because if you think about Fort McMurray’s hospital having about $1 million lost and then you look at, say, Lethbridge, Medicine Hat, Red Deer, Grande Prairie, in those five hospitals alone, at $1 million each, that’s $5 million a year. Over the last term – that’s four years – that’s $20 million. Now, that’s a substantial amount of money that potentially is being lost due to fraud, due to fraudulent uses of health care cards. So I’m wondering: you know, how much effort is required? How much investment can we do? Is this something that is on the radar of this government?

Certainly, when I talked to the previous government, they told me that it was too expensive – straight up, that was the answer that I got: it’s too much money; it wasn’t worth the investment – but when I look at these five hospitals over four years, that’s $20 million. I mean, that’s a substantial amount of money, albeit, you know, math is difficult, right? The previous government certainly had some challenges there.

But I’m just wondering from you: what is your understanding of these things? Do you think this is an initiative that will go far? This is important to Albertans so that we aren’t carrying little pieces of paper like this, that we have something that has a photograph so that we can identify them in the case of some major trauma or that we ensure that there’s no abuse of our system so that we can ensure that all Albertans have the best health care. I’m wondering if you could provide any information on that.
Mr. Glubish: Sure.

The Acting Chair: All right. Thank you very much, Member Yao. I apologize for the interruption, but I must advise the committee that the time allotted for this item of business has concluded.

This meeting completes the committee’s schedule for the consideration of the 2019-2020 main estimates for the ministries within its mandate. I’d like to thank all committee members for allowing me to temporarily substitute on behalf of Ms Goodridge.

You guys all did an outstanding job on both sides, and I thank you very much. Keep up the great work. You have a crucial role within the Assembly.

Just a reminder to everybody, the Assembly will reconvene at 7:30 this evening.

This meeting is adjourned. Thank you.

[The committee adjourned at 5:30 p.m.]