



Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee
on
Families and Communities

Ministry of Service Alberta and Red Tape Reduction
Consideration of Main Estimates

Wednesday, March 13, 2024
8 a.m.

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The 31st Legislature
First Session**

Standing Committee on Families and Communities

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Goehring, Nicole, Edmonton-Castle Downs (NDP), Deputy Chair
Eggen, David, Edmonton-North West (NDP),* Acting Deputy Chair

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Standing Committee on Families and Communities

Participant

Ministry of Service Alberta and Red Tape Reduction
Hon. Dale Nally, Minister

8 a.m.

Wednesday, March 13, 2024

[Ms Lovely in the chair]

**Ministry of Service Alberta and Red Tape Reduction
Consideration of Main Estimates**

The Chair: All right. Good morning, everyone. I'd like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Service Alberta and Red Tape Reduction for the fiscal year ending March 31, 2025.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, when we get to your turn, if you would introduce your colleagues on your left and right, I would appreciate that. Thank you so much. My name is Jackie Lovely, and I am the MLA for the Camrose constituency and the chair for this committee. We'll start to my right.

Mr. Boitchenko: Good morning, everyone. My name is Andrew Boitchenko, and I'm the MLA for Drayton Valley-Devon.

Mr. Lundy: Good morning, everyone. Brandon Lundy, MLA for Leduc-Beaumont.

Mr. Long: Martin Long, the MLA for West Yellowhead.

Mrs. Petrovic: Chelsae Petrovic, MLA for Livingstone-Macleod.

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

Mrs. Johnson: Good morning. MLA Jennifer Johnson for Lacombe-Ponoka.

Mr. Nally: Good morning. I'm Dale Nally, Minister of Service Alberta and Red Tape Reduction. I'm here with Stephanie Clarke, deputy minister; Richard Isaak, senior financial officer and assistant deputy minister of strategic planning and financial services; Ronda Goulden, assistant deputy minister of consumer, registry and strategic services. In the gallery are my two assistant deputy ministers, Joffre Hotz and Michael Hocken, and joining us today is Kandice Machado, chief executive officer of the AGLC.

Member Boparai: Good morning. Parmeet Singh Boparai, MLA for Calgary-Falconridge.

Mr. Haji: Good morning. Sharif Haji, MLA for Edmonton-Decore.

Mr. Eggen: Good morning. My name is David Eggen. I'm the MLA for Edmonton-North West.

The Chair: We do not have any remote participants, so I'll carry on here.

I'd like to note the following substitution for the record: the hon. Mr. Eggen is substituting as deputy chair for Ms Goehring.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff, so no need to turn them on and off when you're speaking. Committee proceedings are live streamed, just in case your parents want to watch, and they're also on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Members participating remotely are encouraged to turn on your camera. If anyone should join us remotely, while speaking, you need to turn your camera on, please. Please set your cellphones to silent if you haven't already done so.

All right. Let's address speaking rotations and time limits. Hon. members, the main estimates for the Ministry of Service Alberta and Red Tape Reduction shall be considered for two hours. Standing Order 59.01 sets out the process for consideration of the main estimates in the Legislative Assembly policy committees. Suborder 59.01(7) sets out the speaking rotation for this meeting. The speaking rotation chart is available on the committee's internal website, and hard copies have been provided to the ministry officials at the table. For each segment of the meeting blocks of speaking time will be combined only if both the minister and the member agree, so it will be up to the minister. If debate is exhausted prior to two hours, the ministry's estimates are deemed to have been considered for the time allotted in the main estimates schedule, and the committee will adjourn. Should members have any questions regarding speaking times or rotation, please e-mail or message the committee clerk here, to my left, about the process.

Ministry officials who are present may, at the direction of the minister, address the committee. Ministry officials seated in the gallery, if called upon, have access to the microphone just back to my left there and are asked to please introduce themselves for the record prior to speaking.

Pages are available, a couple of them here in the room, to deliver notes and material 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.

Points of order will be dealt with as they arise, and individual speaking times will be paused; however, the block of speaking time and the overall two-hour meeting clock will continue to run.

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.

Finally, the committee should have the opportunity to hear both questions and answers without interruption during the estimates debate, and, members, please have conversation flow through the chair.

All right. I would now invite the Minister of Service Alberta and Red Tape Reduction to begin with your opening remarks, sir.

Mr. Nally: Good morning, and thank you, Chair. I appreciate that. Thank you to my colleagues from both sides of the aisle for coming here today. I am pleased to discuss Service Alberta and Red Tape Reduction's budget by presenting the ministry's estimates for the '24-25 fiscal year. I can tell you that creating a budget is a team effort, so thank you to all of my colleagues as well from the department that are here, have joined us today. I know that we will all be happy when estimates is over, me more than anyone because I have one arm longer than the other just from carrying this binder around. So be looking forward to its conclusion.

The theme of this year's budget is a responsible plan for a growing province, and much of what our ministry does supports that anchor theme. As our business plan shows, Service Alberta and Red Tape Reduction has a strategic role within government to support affordability, modernization, and efficient delivery of programs, services, and information.

Our mandate focuses on four pillars: optimize and modernize current programs and services to meet current and emerging needs of Albertans and provide good value for taxpayers; protect individuals and businesses in an increasingly complex and changing economic and social environment; lead, co-ordinate, track, and report on red tape reduction efforts across government; and provide centralized corporate services across government like print services, procurement, citizen contact centres, and requests for information under the Freedom of Information and Protection of

Privacy Act. In addition, we are the ministry that oversees Alberta Gaming, Liquor and Cannabis, also known as AGLC, and we are responsible for setting policy for gaming, liquor, and cannabis in Alberta. We also support Alberta's clean hydrogen economy. We are working with our partner ministries to advance the network of hydrogen fuelling and electric vehicle charging stations in Alberta and add hydrogen vehicles to our government fleet.

Now, I would be remiss if I didn't spend a little time talking about the second half of my ministry's name, red tape reduction. By modernizing regulations and reducing administrative burden, we have saved Albertans and Alberta businesses more than \$2.75 billion since 2019, and we continue to make Alberta the best place to live, invest, and do business. Moving forward, red tape reduction will continue to be driven by opportunities to make important changes that support investment, economic growth, and improve service delivery for Albertans. To support this, we will continue to reach out to industry, businesses, and the public for their recommendations to reduce red tape, lower costs, and make their lives easier. We will continue to focus on jobs and growing the economy by eliminating red tape, modernizing regulations, and reducing costs for Albertans.

To date we've implemented hundreds of red tape reduction initiatives that save Albertans time and money, and we will continue our momentum. We will continue to build on the cultural change occurring within government with a sustained focus on leaner regulatory approaches, reducing unnecessary and redundant requirements, and simplifying and modernizing administrative processes.

We are currently leading efforts to measure benchmark and reduce wait times for permit approvals across government. Using an inventory of permit and processing times across government, our ministry is working with other ministries to develop government-wide strategies to reduce approval wait times based on permit category, type, or circumstance. The intent of this policy is to better support timely processing of applications while ensuring important health, safety, and environmental protections remain in place so applicants are not stuck in limbo waiting for a decision, which can delay projects and slow economic growth.

Turning now to some financials, Budget 2024 allocates more than \$203 million to Service Alberta and Red Tape Reduction. This budget represents a \$21 million, or a 12 per cent, increase over last year. Out of the \$203 million total for '24-25 nearly \$78 million supports consumer registry and strategic services. This includes consumer awareness and advocacy, land titles, motor vehicles, other registry services, and registry modernization. Ninety-six million dollars supports financial and administrative shared services, which includes procurement services, financial and employee services, central logistics, and FOIP services. Fifty-six million dollars supports red tape reduction, audit, and investigations. Finally, \$5.6 million is allocated for ministry support services, which includes the minister's and deputy minister's offices and corporate services.

On the other side of the ledger our forecast revenue is \$3.065 billion, down \$18 million from last year's budget. This change is mainly due to a \$71 million reduction in the net operating income from AGLC to the government. The reduction in AGLC net income is primarily due to a one-time \$51.6 million amortization adjustment due to a change in useful life for slots and video lottery terminals from 96 months to 72 months, effective April 2024, as well as modernization of systems and platforms. That being said, gross revenues from gaming are expected to remain strong.

8:10

Capital investment for our ministry totalled \$64 million, up \$19 million from last year and up \$21 million from Budget 2023's third-quarter forecast. This includes \$15.6 million for ongoing fleet vehicle replacement, \$44.8 million for registry services modernization, and \$4 million for general capital equipment like office equipment.

I would like to discuss a few budget items you may have noticed: registry's modernization, the land titles registration fee, and the seniors' discount. This fiscal year we're investing \$60.7 million to maintain and modernize land titles, motor vehicles, and other registry systems. This funding, which includes funding for some additional staff, will ensure Albertans receive fast, efficient service and that current and future needs are met, keeping wait times low.

In December I was proud to announce that the backlog in land titles had been cleared and processing times had been restored to the normal range of 10 to 12 business days. You may have heard us refer to that as "mission accomplished." It was a one-year project, and we were very pleased that we were able to achieve that objective.

By 2028 the government will have invested more than \$160 million to modernize five aging registry systems, fully replacing the land titles and motor vehicle registries and improving the corporate personal property and vital events registries. The need to modernize our registries is undeniable. The current motor vehicle registry system was created 40 years ago this September, and despite many upgrades, it is nearing the end of its useful life, and it is increasingly costly to maintain. Many of land titles systems are also outdated, paper based, and ill equipped to respond to changing market conditions.

The next item, which also relates to land titles, is our decision to establish a land titles registration levy. The levy will effectively raise land title transfer and registration charges to help keep up with the future needs of our province's unprecedented population growth. The additional revenue from the levy will help fund priorities like schools, roads, and hospitals and help support the efficient, modernized operation of the land titles office, which plays a critical role in Alberta's economy by ensuring prompt transfer and registration of property. I can't stress enough how critical the land titles office is to the provincial economy. Each day \$240 million in economic activity is processed through the office. More than \$50 billion in real estate transactions are conducted every year in Alberta, and they all come through the land titles office.

In 2022, when the backlog was causing delays of nearly four months, it was a massive drag on the provincial economy. These measures we're taking now will help ensure that this never happens again. Even with the new land titles registration levy Alberta still has the lowest overall cost for registering mortgages and transfers in Canada. For a routine residential transaction the proposed payment to government is less than one-fifth the national average and 40 per cent of the next lowest cost jurisdiction, Saskatchewan.

Now, we have the much-anticipated seniors' discount. Budget 2024 includes funding to deliver a 25 per cent seniors' discount on personal registry services such as driver's licence renewals, passenger vehicle registrations as well as medical driving exams. As we all know, seniors are among the most affected by inflation and affordability issues. Many are on fixed or limited incomes, and it can be a struggle just to make ends meet. I am excited to deliver on this promise that will make life more affordable for seniors, and I'm excited to continue to deliver on the objectives of Service Alberta and Red Tape Reduction.

Thank you.

The Chair: Thank you, Minister.

We'll now begin with the question-and-answer portion of the meeting. For the first 50 minutes members of the Official Opposition and the minister may speak. Hon. members, you will be able to see the timer for the speaking block both in the committee room and on Microsoft. You'll see that they got a new timer; one is over here at the bottom of the screen, and the other one is over here at the bottom of the screen. Jody will set it so that the speaking time is shown just on the inside left while the meeting continues to run.

Members, would you like to combine your time with the minister? Yes?

Minister, do you agree, or would you like block time?

Mr. Nally: Yeah. We'll do block time.

The Chair: Block time? Okay. So we will proceed with block time. Let's proceed.

Member Boparai: Thank you, Chair. Thank you to the minister. Also, I would like to start by thanking the public service, who worked hard on behalf of Albertans to produce this budget and to provide advice to the minister. So thank you for all of your hard work.

Through the chair, I would like to go with the electrical vehicle tax. On page 207 of estimates under Revenue we see you have \$1 million in estimated revenue for the electric vehicle tax. This is, of course, a new tax. It is \$200 per vehicle, to be paid at the registration of the vehicle. According to the Finance minister the revenues are to compensate for EVs not paying the fuel tax that should help finance roads, et cetera. Minister, can you elaborate on how you'll ensure this will happen? Are these revenues going to general revenues, or is there a mechanism that will ensure the funds are spent on what they are supposed to be spent on? Will your ministry or another department report on how these new funds are being used? Have you had any conversations with stakeholders, or are there any plans to use some of the funds towards EV infrastructure?

Can you give us an understanding of how the EV tax compares to gasoline vehicles? Can your department provide an estimate of what a gasoline vehicle of similar weight would pay in fuel tax annually assuming average use of the car? How much would that kind of car have to drive to pay \$200 in fuel tax? What kind of gasoline model pays around \$200 annually in fuel tax assuming average mileage per year?

According to the fiscal plan, page 127, the ministry is expecting to collect \$5 million in 2025-26 and \$8 million in 2026-27 from the EV tax. This is quite the increase. Can you explain how the ministry arrived at this estimate? How much is growth in Albertans adopting EVs? How much is due to timing of annual registration? Are there other factors going into the estimate? If you could break that down for us, that would be appreciated.

Through the chair, are there similar EV taxes in other jurisdictions? If so, which ones? How high are the taxes in these jurisdictions on EVs? What has the government been able to learn from these jurisdictions? Has there been any analysis on how the EV tax would influence uptake on EVs?

Another option Albertans have when purchasing a personal vehicle is hydrogen vehicles. Of course, the ministry is very passionate about promoting hydrogen use in Alberta. Has there been any consideration around a similar tax on hydrogen vehicles, or would there be something akin to a fuel tax on hydrogen at hydrogen stations? The government has suggested that it supports widespread adoption of hydrogen vehicles, so they might one day make a large share of vehicles using our roads, and we are trying to understand what the considerations are around that.

Through the chair, on the online gaming strategy I would have a few questions with regard to gaming and online gaming. On page 128 of the business plan you are highlighting that you are working on an online gaming strategy. Can you tell us if there are funds specifically budgeted for that? Is that also funded through the \$1 million review of the Gaming, Liquor and Cannabis Act? It mentions that you are consulting with Indigenous partners on this strategy. Can you explain what this engagement has looked like and how you will engage Indigenous people going forward? What kind of models are you exploring currently, and how would they affect provincial and Indigenous revenue generation? Of course, gaming revenues can be quite significant for Indigenous communities, so how much could be at risk, and what would be the potential impact to communities? Have Indigenous Relations provided you with any analysis?

8:20

Through the chair, the minister had further stated that Alberta can be a leading hub for i-gaming, with a strong emphasis on openness and a free market. Can you describe to us if there would be any tensions between that approach and focusing on Indigenous revenue generation? Are there jurisdictions you're looking at for the model, and are you looking at any metrics that would show Alberta would be a leading jurisdiction?

Through the chair, I suspect there is a substantial grey market when it comes to online gaming. Do you have any estimate of how much revenue from Alberta goes to these types of providers, and how will that factor in your strategy?

Staying on gaming, line item 3.3 of the estimates also includes prevention and treatment programs. Can you walk us through what your department is currently undertaking to address these issues, and what are the metrics that are used to better understand if what the department is doing is making an impact? What effect do you foresee the online gaming strategy to have? What is the analysis you have undertaken with regard to that? Through the chair, Minister, can you give us an estimate on the impact of the initiatives undertaken by the AGLC and the department in that regard? Do additional dollars also support new initiatives for gaming addiction prevention and treatment?

In the fiscal plan, page 67, it appears that gaming revenues this year are expected to be \$71 million lower than last year, and it goes back up in 2025 and 2026 and in '26-27. The fiscal plan explains that this is due to increased operational expenses from system and platform modernizations. Can you explain what that entails and what the expected outcomes are?

Through the chair, for red tape reduction and the renewables ban, on page 127 of the business plan it states that "the ministry continues to focus on reducing approval times for permits and related activities necessary to support growth and development of the province," and then it goes on to state that business investment is a priority area. Under performance metric 2(a) the government has a measure on the percentage of red tape production. Minister, if you could, would you explain how this works? For example, the new rules around renewable energy development that the government announced on February 28 could risk \$11 billion in investment and thousands of jobs. Was your department consulted in terms of red tape and reducing approval times about these changes? If so, could you share your advice please?

In terms of the percentage of red tape reduced, can you explain how you measure the percentage of the red tape increase from these regulations? Do you count these, or is there a weighting system? How do you address criteria such as a 35-kilometre buffer zone around pristine viewscape? That is not defined and risks being subjective. Is that counted the same or differently than criteria that

are easier to understand and assess prior to proposing a project? Does your department in such a case give advice or any input on potential approval times, investment, or the effort in addressing red tape? How closely do you work with other ministries when they implement new rules that are clearly red tape, and what was your input?

Thank you, Chair.

The Chair: Is that your time, then, Member? Okay.

We'll move over to the minister for a response. You have 10 minutes, Minister.

Mr. Nally: Okay. Thank you, Chair, and thank you to the hon. member for the questions. There's a lot to unpack here, so I'm going to do my best to do that. I'm sure I'm going to miss some pieces, but there'll be other opportunities for you to point that out, and I can try to address it at that time.

You asked about the electric vehicle tax. Starting there, yeah, we're going to be collecting \$1 million in the first year, and then the next year it's going to be \$5 million. The reason for that jump is that it's going to take us some implementation time to be able to get that rolled out. You know, we're not going to start collecting the EV tax on day one of the fiscal year. It's going to take us some time to get that rolled out, to get it implemented. Our forecast is that we'll have it rolled out in time to collect \$1 million this year, but when we get the full year revenue next year, then it'll be I think \$5.4 million, in or around there.

In terms of elaborating on how the funds will happen, there were a couple of questions. I'll kind of put them all together. You asked to elaborate on how this will happen to ensure that the funds will be used. You asked me to compare EV versus combustion engines. We'll do the revenues first of all. The revenues will go to general revenues, so we're not going to have, you know, a separate line item in Transportation and Economic Corridors that's related to this. They will get their budget allotment from Treasury Board, and from there, of course, they'll spend whatever that allotment is for maintenance and construction of new roads.

There are a number of jurisdictions that are doing this already, so we're not the first jurisdiction to come up with an electric vehicle tax, and by no means will we be the last. We anticipate that as we see more adoption of these types of vehicles, jurisdictions are going to have to respond, because many jurisdictions, like Alberta, use this revenue to fund the maintenance and the construction of new roads. Because of, you know, the adoption goals of the federal government, we wanted to address this early so that we're not caught off guard, because we don't want to see a large transportation deficit in this province.

The comparison of electric vehicles versus combustion engine: I mean, I'll give you my opinion. I'm by no means the foremost expert, and I'll limit it right now, for the purposes of this question, to battery-powered electric vehicles, because hydrogen vehicles are electric vehicles. I'll leave that for a later point. But, from my perspective, to compare battery-powered electric vehicles to combustion engines – I mean, you know, the electric vehicle is a great car. I don't know if anyone here has had a chance to drive one. I mean, the torque on it is fantastic. The first time I sat behind a battery-powered EV, I was surprised by the torque and how quiet it was. I don't know if all vehicles do this, but some will actually – and this EV was a hydrogen-powered semi vehicle, a large industrial truck, and they actually put a noise in there. They deliberately added a noise so you could hear it coming. So EVs: fantastic vehicles, incredible torque.

You know, I had a friend who had a Mustang that was electric, and he had some challenges in the winter with the cold weather.

That is a challenge of electric vehicles: they perform better in the winter in California than they do in Alberta. So there are those challenges.

Of course, there's also the entire conversation about the weight of the electric vehicle. You know, you'll always be able to find someone who can find a passenger vehicle that is electric that weighs less than this passenger vehicle over here, but at the end of the day, when you look at passenger vehicles, as a general rule the electric ones are heavier than the passenger vehicles. They're going to weigh more, and that is going to add more to the maintenance and the stress on the roads. That's why it's important that we proceed with a plan to collect revenue so that we can continue to maintain the roads.

Then you asked about and you pointed out my passion. You're absolutely right. I'm very bullish on hydrogen, and I like it because it has all the benefits of an electric vehicle, because, as I mentioned, it is an electric vehicle. A hydrogen vehicle: the only difference is that instead of a battery, it has a hydrogen fuel cell. You inject the hydrogen. It interacts with oxygen, creates electricity, and every other feature is similar to an electric vehicle. It sends power to the tires telling them to turn. So it's an amazing vehicle. It has the advantage that it's not as challenged by cold weather as the battery-powered ones were.

Now, we don't have a plan for that EV tax to apply to hydrogen vehicles or to hybrid vehicles at this point. The reason for hybrid is because they'll still be consuming natural gas. With regard to hydrogen it's early days, so we're in the process of rolling out that infrastructure. I can't tell you what it's going to look like because we haven't landed anywhere, but one option will be to proceed with a similar tax for hydrogen vehicles. Another option will be to include it in the cost of the hydrogen. So we haven't landed on that, but it's early days.

If you're looking for more specific comments on the EV tax, I would point out that I think Minister Horner, Treasury Board and Finance, is on this evening, and he would be in a better position to answer those questions because, of course, it's his tax. My role is more in the collection of it. The actual development and the research and analysis: that would fall under his department, so I would refer you to Treasury Board and Finance.

8:30

In terms of the online gaming strategy, you know, this one, it's early days as well. We are doing that work now. There's a million dollars that is budgeted for research, and that will include things like addictions, but it will also include things that will help contribute to the development of the gaming strategy. We are doing those consultations. We have been having informal conversations with First Nations that operate casinos, but we are going to be formalizing those conversations. We are going to be having more formal consultations that will include host casino First Nations as well as First Nations that don't have casinos. We'll also be consulting with land-based casinos, race track operators. We're going to cast the net wide because we want to get everyone's perspective on this as we develop the strategy.

There, of course, will always be tensions in this area because there is the need to develop an online gaming strategy versus the tension of this is – you know, there is an addiction element that is associated with gambling, and we're very aware of that. I can tell you that AGLC invests very heavily in GameSense, which is about responsible gaming, and that's the perspective that we want to bring to online gaming because – and I want to be very clear – online gaming is here right now.

You have two options today in Alberta. You can use Play Alberta, which is a government-regulated provider of online

gaming, or you can go to the grey market. Here is the difference. If you go to Play Alberta, they will send you a notification every hour telling you: you have been gambling for this long. They will do things like monitor your gambling patterns. If your bets change, that's something that they will identify, if your betting habits have changed, because that is one of the indicators of a problem being developed. They have all these markers of responsible gaming that they rely on. These are important initiatives that the grey market will not operate by.

I can tell you that the grey market – which is here; it's alive and well – they don't tell you how long you have been gambling for. They don't tell you if your betting patterns have changed, and they are more than happy to continue to allow you to empty either your credit card or your Bitcoin wallet, however you choose to pay. Our position is that if online gaming is here, we want it to be responsible, and we want it to be regulated so that we can offer a product that is as safe as it possibly can be.

That is not just Play Alberta but the other regulated providers that want to come here: they embrace responsible gaming. There truly is a difference between responsible online gaming versus the grey market. There are some companies that have no desire to enter the regulated space, and we don't want to do business with them. The best way we can keep out the unscrupulous operators is by having a responsible, regulated marketplace to be able to collect some tax on this. That tax creates an interesting conversation of itself because: where are we going to go with that? We are having conversations with First Nations to see how this money can develop First Nations because, as you know, we are very committed to things like economic reconciliation.

We also are having the conversations, and I will continue to have meetings with Minister Williams, who is the Minister for Mental Health and Addiction. We need to land on how we are going to use some of these new revenues to fund addiction spaces, because something I learned is that the addiction beds are – you don't have different addiction beds, some for alcohol, some for gambling, and others for opioids. There is one addiction bed regardless of the addiction. We want to see how we can use some of those revenues to support addictions treatment because that's going to be an important part of the equation, so we are going to be relying heavily on Minister Williams and his ministry and department to provide some advice in that area.

That doesn't leave us a lot of time for my favourite topic, which is red tape reduction, but I have a feeling we'll be able to get back to that over the next hour and a half.

The Chair: Thank you so much, Minister.

We'll now move over to the independent member.

Oh, sorry. You still have how many minutes left? Sorry, I didn't mean to gyp you.

Member Boparai: Thank you, Chair, and thank you, Minister. Next I have the land titles registration levy. On page 207 of estimates under revenue we further see that the government is expecting \$77.4 million in revenue from the new land titles registration levy. According to the fiscal plan, page 128, this is an increase of \$553.50 for an average \$450,000 home purchase with a 10 per cent down payment. Information for average house prices in Alberta differs. Are you assuming that \$450,000 is the average house purchase going forward, or what is the number your department assumed for the \$77.4 million? What would be the increase for that home?

I represent a riding in Calgary where the average home prices are typically higher than the rest of the province. Can you give us an estimate of how much the average Calgarian would pay? Do you

have a regional breakdown of this? To the government \$553 might be a small increase, but it might make a difference to a family that is looking to purchase a new home. Has there been any analysis to what extent this might affect the home purchasing behaviour of families in Alberta? What was the rationale to introduce this levy this year when many families are already struggling to afford a house and housing stocks are not keeping up with the demand, especially with the price of utilities and insurance going way up? Presumably the levy will increase these house prices and the number of families buying a home. What are the revenue expectations going forward? Can the minister share the expected revenues for the out-years and where they might be long term?

Through the chair, now vehicle registration and licensing. Four registries closed in 2023 and 12 have been closed since 2020 in Alberta. In rural Alberta things are particularly bad. In the last two years, six registries have closed in rural Alberta. People have to travel a lot to get their services done as many of these registries serve a large geographic area. Are there strategies to incentivize the registries, particularly in rural areas, to stay open so people, especially the seniors in the rural area, can use those services?

Does the government have a plan to help improve Albertans' access to registries? As we know, lots of people have moved to Alberta. There are always huge lineups at registries. Personally I have seen people waiting for hours in the harsh weather outside the registries. Are wait times a concern for this government? We've seen land titles processing times drop over the past few years, which is nice to see.

From a driver's licence renewal fee of \$93, \$80 goes to the government and \$13 goes to the agent. That's about 14 per cent to the agent and 86 per cent for the government. Registries in rural areas especially are struggling to cover their costs. That's why they're shutting down. There is a reduction of access to the services for Albertans living outside of the medium and large cities; things like drivers' licences and health cards. These are the things that Albertans depend on. Are there concerns about access to registry services based on the current model?

Through the chair, the large increase in the operating expense for motor vehicles. The operating expense for motor vehicles on line 2.3, page 202 of the estimates is almost doubling, going from \$18 million to \$35 million. What is the reason for this steep increase? Is all of the increase related to the new online registration system? Is it costing more because it's been pushed down the road for so long; as you mentioned, 40 years? Could costs have been saved if this had been done earlier, considering how outdated the driver's licence renewal system is? Are there expected savings after the new online system is up and running, and is there a timeline for the new system to get implemented? Have stakeholders been consulted regarding the new registration system? It's clear that the current system is outdated, but I just want to make sure that this is being done right.

8:40

Also, as far as the \$17 million increase goes, could you maybe break that down a bit more? If it's not attributable to the new online registration system, then where else is the money going?

I see that the forecast for '23-24 is already almost \$3 million higher than the budget for that year. I would like to repeat: I see that the forecast for '23-24 is already almost \$3 million higher than the budget for that year. Is the slight increase over the budget for '23-24 related to the massive increase we see for '24-25?

Through the chair, land titles services. According to 1(a) of the business plan on page 129 the land titles processing time is projected to stay around 10 days until '26-27, when it drops to five days. We are, of course, glad to see that the minister finally

addressed the huge backlog. It just took four years. It was a huge mess, and the effect of cuts really affected Albertans, so it is good that this was finally addressed after the cuts we saw in previous years. I see that modern registry services are the reason for the projected drop. Could the minister elaborate a bit more on how this will work? Is there an actual plan to institute some new way to register land titles that will drastically cut down the processing time?

On page 129 it further states that “in 2024-25, \$60.7 million is allocated to maintain and modernize Land Titles services, Motor Vehicles and other registry systems.” How much of that is dedicated to land titles services? Can you break this down between different initiatives? How much did it cost to address the backlog from 2022? Is that why we see that \$2.2 million decrease in funding in line item 2.2? Does the minister have an estimate on allocations for '25 and '26 and '26-27, and what kind of investments are you making that you expect processing times to drop in '26 and '27?

Thank you, Chair.

The Chair: Okay. We'll go back over to the minister now for his 10 minutes, and there are 21 minutes and 41 seconds left in the block.

Mr. Nally: Okay. Thank you. I apologize to you; how much time was added to that?

The Chair: You have 10 minutes; actually 9 minutes, 52 seconds. There are still 21 minutes in the block.

Mr. Nally: Okay. Thank you. Thank you for the thoughtful questions. I get to talk about a couple of things. One is the land title levy. This is an interesting one because, you know, we have traditionally always had the lowest land transfer fees in the country, bar none. But here's the reality that we have to deal with. Our plan is working. We are seeing immigration records at unprecedented levels. It's driving our economy. It's creating investment. It's creating jobs. The fact is that we are seeing first-hand the fact that the Alberta advantage is working.

But as your party has pointed out, you know, when you have unprecedented immigration like we're seeing, you also have to invest in that, and you have to invest in the roads and the schools and whatnot, so we need funds to be able to address that unprecedented migration. This is one of the ways we can do that, to have additional fees. The good news is that the levy that we are raising from this land transfer fee will be significantly lower than the rest of the country, but it will help towards future services for Albertans. It will also help towards the development of the new land title system. As you pointed out – we'll talk about that later – you know, we need to invest in land titles, and it's going to be a \$60 million investment. That money has to come from somewhere at a time when we are seeing some speed bumps in the fiscal forecast, mainly the \$3.4 billion in debt-servicing costs.

We need to get creative, and we took a hard look at this. I don't have analysis in front of me at all the different stages. You're right; we went with the example of a \$450,000 mortgage, and that's what I have with me today. It's a \$400,000 mortgage, and it would be, with this new increase from \$1.50 and \$2 to \$5, a \$955 levy for that \$400,000 mortgage. The nearest jurisdiction would be Saskatchewan at just over \$2,000, and it would be over \$5,000 in Ontario, \$7,000 in B.C. This is a light touch, but we were, to your point, concerned about how this would impact affordability, so I met with Minister Nixon, who's very interested in this.

We know that when you increase costs in this space by 1 per cent or more, you see an impact on real estate sales. The good news is that this works out to .2 per cent of the total cost, and it's a very

light touch. We thought that, with such a light touch as .2 per cent, it would not see a significant cooling of the economy at all and it wouldn't impact people's affordability or stop them from buying homes. But it was something that we did look at, so you're absolutely right. But at the of the day, we felt increasing this to \$955 on a \$400,000 mortgage was necessary, you know, versus the small increase to the total cost of the house.

I'm going to pivot. Instead of pivoting to registries, which was next, you then went back to land titles, so I'm going to stay on land titles just for a bit while we're there. You know, land titles is an interesting dynamic. We will often think of land titles – and I've actually heard them referred to as the velvet thunder of government, because you could walk by that department, and it's a very nondescript department. You wouldn't even know it was there or even what they were doing it's so quiet, yet they do \$50 billion a year of real estate investment that they process through that department. It has significant impact, it's a driver of the economy, and it's an enabler of the economy.

As you pointed out, we had a four and a half month backlog at land titles. This was a tough one. You may not be aware of this. In 2017 the NDP, who was in government at the time, had looked at upgrading systems at land titles, and they did not make that investment. They chose not to do it, which, of course, we all came to regret years later because that was a big part of the backlog, was because we lacked scalability at land titles. When you have a paper-based manual system, like we did, you just can't scale up.

We saw a doubling of land titles because of the immigration that was coming to this province, and it wasn't just the immigration; it was the out-of-jurisdiction investment. Because you can spend, you know, \$700,000 on a condo in downtown Toronto and buy that same condo for \$300,000 in Edmonton, we saw a lot of out-of-town jurisdiction, and the land title numbers doubled. We didn't have the scalability that would have come with automation had you proceeded with that in 2017.

We had to do some analysis, and I remember sitting down with the team, and under the leadership principle of providing a vision, we started there. We provided a vision to the folks at land titles and let them know that this is something that we were going to roll up our sleeves and go after, because it was important to get that land titles backlog reduced. We brought some vision and even – it sort of took me back to my six sigma days. I want to be clear: I'm not a black belt six sigma, but I did do some six sigma lean training. I can see by your smiling that you're aware of it. That's the principles that we leaned on, and with my team we walked through land titles and we spoke to the employees and we looked. We almost used the same process that we have for red tape reduction, looking at every process that was duplication or unnecessary. What can we reduce? There was no stone unturned.

8:50

We even discovered from – our front-line employees told us that 30 per cent of the paperwork that was coming in from lawyers was inaccurate and incomplete. I'm not sure if we have any lawyers around the table – I apologize if there are – but the fact is that we expect more from our legal community. If you send us a document from an officer of the court to government, we need to be able to write a check on that, and we couldn't because 30 per cent was incomplete or inaccurate. That meant we had to touch it two or three times, so that was contributing to the backlog. So we worked with the Law Society. We did a bunch of things, and we were able to reduce that backlog. We were thrilled. We were thrilled that we were able to say at the end of last year: mission accomplished. We've now got the standard under 12 days, and, yeah, we're going to get that standard under five days.

You were asking if there was a plan to continue to improve on that. Yes, there is. We're going to be investing in land titles, and we're going to be bringing automation so that we will no longer lack the scalability that we need if we see volumes double again, because the training to train someone on land titles was up to 18 months. So we're going to be bringing automation. We've got \$60 million assigned to that project. It's going to be complete by the spring of 2026. This is really exciting, because it's 40 years that we've had the same processes, the same systems in place, and the team is very excited, and they're doing a tremendous amount of work.

I want to point out – because as soon as you talk technology and systems, everybody in government except for Minister Glubish gets nervous. But I will tell you this: we've learned from the federal mistakes with the Phoenix system. We will not be doing what is referred to as the big bang implementation of technology. We will be doing it incrementally. We are going to bring incremental improvements to land titles so that eventually, when we roll the system out and it's completed by the spring of 2026, you know, we'll have that automation that we need. But we will not just be doing it all at once and flipping the switch because, quite frankly, as I mentioned, there's \$50 billion worth of annual real estate transactions that go through land titles. It needs to be done practically. We need to be methodical and very thoughtful about doing this, and we need to make sure that we get it right. I'm confident that we have the people in place to do that.

We'll flip over very quickly to one of my favourite topics, registries. I appreciate the hon. member bringing up the sustainability. You asked a very great question: are there incentives to keep registries open? Thank you for the question. Registries aren't just near and dear to my heart; they're near and dear to the heart of Albertans because they provide services to Albertans. By the way, we have the only open and free market for registries in North America. No one else has what we have. Going to registries in another jurisdiction is not unlike going to the post office, but not in Alberta. In Alberta it's a free and open market. It's a jewel in the crown, and we're very proud of it.

We're actually going to be standing up a registry sustainability committee. The registry sustainability committee will consist of five industry members and three consumers, and they are going to be bringing forward some consensus recommendations to government on what registry sustainability is going to look like moving forward. It's particularly important to Albertans, and it's particularly important to rural Alberta, where sometimes it can be a challenge to have access to registries, so we're very proud of that.

The Chair: Thank you, Minister. That concludes your time.

We'll head back over to the member now.

Member Boparai: Thank you, Chair. Thank you, Minister. Through the chair, I would like to go back. Has that committee been established, or what's the timeline for that? Also, what's your plan to open the new registries? I've seen the jurisdictions, the cities where one registry serves almost 100,000 of the population, and that's why there are huge lineups to get those services, delays and all that.

Then I would like to, through the chair, go to liquor. In the fiscal plan, page 98, it states that \$1 million in '24-25 will support a review of the Gaming, Liquor and Cannabis Act and supporting regulation with the objectives of reducing the regulatory burden of businesses and finding ways to increase contributions to Alberta charities and community facilities. My understanding is that you are currently consulting on rules around supermarkets being able to sell liquor products. Is that being financed through the \$1 million?

On selling liquor products in supermarkets or other types of stores, can you explain what the status of your engagement is and when we might see an update? Have you done any analysis on what the effects could be on overall sales of alcohol products in supermarkets? I assume other jurisdictions would provide some valuable data. Can you further provide any analysis you may have done: how this would affect currently existing liquor stores and how this might differ regionally? Have you further looked at how this would affect youth that might work in supermarkets or other affected stores currently? Would they still be able to work there, and what would that look like?

Can you further provide details on which other initiatives are financed through the \$1 million? When are you expecting this work to be completed, and do you foresee further spending in further years? Can you elaborate on what the expected increased contribution to charities and community facilities is, and does your department have a summary of how that might compare to other initiatives currently undertaken by the government? Through the chair, I would like to thank this minister again for the answers.

I do want to go back a bit to some of my earlier questions about EVs and the new EV tax. I know I threw a lot out there in my first round of questions, and it was a lot to cover, so I just want to follow up on a few of those to get some extra clarity. I'm wondering if you had any conversations with stakeholders, or are there any plans to use some of the funds towards EV infrastructure, or is this not a route that the government wants to go down?

As we all know, EVs demand slightly different infrastructure than most cars on the roads these days. This is particularly true in northern and rural communities. I guess I am just wondering if your ministry has access to any studies in this area or has any plans to use some of the funds from the EV tax to help fund infrastructure in this area. I appreciate the minister clarifying that there won't be a new line item, that the funds will just be general revenue, but is there a plan to use some of the extra funds that the government will take in from this new levy? Is the plan to just spend most of that on roads?

Through the chair, I'm also still wondering about some of the details that relate to the EV tax. I guess my main question here is in regard to: is this a flat tax? The gasoline tax is more of a pay-per-use model, so I will bring up a few questions that I asked earlier as I'm hoping the minister can provide some extra clarity here. Can you give us an understanding of how the EV tax compares to gasoline vehicles? Can your department provide an estimate of how a gasoline vehicle of similar weight would pay in fuel tax annually assuming average use of the car? How much would that kind of a car have to drive to pay \$200 in fuel tax? What kind of gasoline models pay around \$200 annually in fuel tax, assuming average mileage per year?

I also want to go back and touch on some of the questions regarding red tape reduction. You seemed eager to answer some of the questions I brought up earlier but, unfortunately, ran out of time during the first block. I would like to go over some of those questions again as I am hoping we can get a few answers. On page 127 of the business plan it states that "the ministry continues to focus on reducing approval times for permits and related activities necessary to support growth and development of the province" and then goes on to state business investment as a priority area. Under performance metrics, 2(a), the government has a measure on the percentage of red tape reduction. Through the chair, Minister, if you could, would you explain how this works? For example, the new rules around renewable energy development the government announced on February 28: that could risk \$11 billion in investment and thousands of jobs. Was your department consulted in terms of

red tape and reducing approval times about these changes? If so, could you share your advice?

In terms of the percentage of red tape reduced, can you explain how you measure the percentage of red tape increase from these regulations? Do you count these, or is there a weighting system? How do you address criteria such as a 35-kilometre buffer zone around pristine viewscapes that are not defined and risk being subjected? Is that counted the same or differently than criteria that are easier to understand and assess prior to proposing a project? Does your department in such a case give advice or any input on potential approval times, investment, or their effort in addressing red tape? How closely do you work with your ministries when they implement new rules that are clearly red tape, and what was your input?

Thank you, Minister.

9:00

The Chair: Those are your questions? Okay.

Back over to the minister.

Mr. Nally: Thank you, Chair, and thank you to the hon. member. I appreciate you bringing it up again. I have been accused of being verbose more than once. I haven't been able to get to everything, so I'm going to start with that first, and then we'll go back, work our way backwards.

In regard to the red tape one I am glad you brought it up because this is something that I'm very passionate about. We're looking at permit approval times. You know, the red tape reduction is another example of mission accomplished. We set out in 2019 and said that we will remove 33 per cent of the red tape in this province, and that's exactly what we've done. We've saved job creators and Albertans \$2.75 billion in the process.

So now we have to decide: where do we go from here? What's next? You know, what we're not going to do – and we have seen other jurisdictions do this. They hit their target, and then they say: mission accomplished; we're done. We're not going to say that. We are going to continue to push forward with red tape reduction.

I'll be bringing forward a piece of legislation this spring that will deal with what red tape reduction looks like moving forward. Now, I'm going to be careful because we haven't done first reading of this bill, so I can't, as you know, from a legislative perspective go into too much detail other than that this will chart out the path forward for red tape reduction and those initiatives that we are going to take to ensure that we maintain the culture of red tape reduction that we have created in government.

You brought up some great questions on renewable development. This is interesting because the minister mentioned in the House just the other day that we took a thoughtful pause on renewable development, as you are aware, to make sure we get this right, and we actually have more investment today than we did before the pause. So I think that, you know, there has been no deterrent of investment. We have the only open and free market for electricity in the country, which is why there's so much attraction to coming to Alberta, but we have to get it right.

Now, you asked some thoughtful questions on, you know: how do we measure the buffer zones related to pristine landscapes? Those are questions that I should defer to my colleague of Affordability and Utilities. I was not involved in that process, I was not involved in those consultations, so I would defer those to him. He's in a better place to answer them.

But I think maybe I can clarify how red tape reduction works. I get a lot of credit for reducing red tape, and here's the reality: I deserve very little of the credit because actually it's all my colleagues that reduce the red tape. My job is to own the process

for red tape reduction. My job is to make sure that we create a culture of red tape reduction. My job is to make sure that we are continuing to measure and manage and always focus on the removal of unnecessary and duplicate red tape, which is why one of the things I'm responsible for in my ministry and my department is that we focus on the release of the annual report for red tape reduction, and we do that because that is, essentially, the reporting mechanism when we tell everyone what a great job all the different departments have done on red tape reduction.

So my job is not to reduce the red tape; my job is to hold my colleagues accountable to ensuring that they reduce red tape. They are the experts on their files, and I certainly am not. I work with them to make sure that the principles of red tape reduction are alive and well, but they actually are accountable for making the decisions of which pieces of red tape to reduce. I thank you for that opportunity to clarify that.

I'm just going to ask my colleague a question.

I'm going to pivot to registry sustainability because you asked about, you know, the timelines for the committee. We have not appointed names. We have just buttoned down on the approval process for this, so we're going to be moving forward with that. Like I said, it's five names from industry. I believe that we have asked and requested the names from industry. I don't know if we've received them or not, but we will be putting together the committee very shortly, and they will come out in the fall.

The Chair: Thank you so much, Minister. That's your time.

Now going back to the independent member. Ms Johnson, please take it away. Do you want to share the time, or do you want to do block time? What's your preference?

Mrs. Johnson: I'd love to go back and forth if the minister is willing.

Mr. Nally: Let's try it, see how it goes. Sure.

Mrs. Johnson: Oh, great. Okay. Thank you, Madam Chair and through you to the minister. I'm curious about the hydrogen economy that is referred to in the budget, the hydrogen fuelling station infrastructure and expanding electric vehicle charging. I was surprised to see it within this ministry, and maybe I'm the only one at this table that's ignorant on this. Can you explain why it is in the ministry? I expected it to be in energy, to be honest.

Mr. Nally: Yes. I really think that this is because the Premier knows how passionate I am about hydrogen. I think that she did this because she knows my passion for hydrogen and she wanted to keep me close to the file because of how closely I worked on it.

It was our team that created the hydrogen road map last term. When I look back and I say, "This is one of my most signature accomplishments," I think there are two that I will look back at. One is getting funding for Jessie's House, which was the first new women's shelter that the government had funded in over 20 years. I was very proud of that. Then the other one was the development of the hydrogen road map. This charted out the path forward for how we are going to create both a domestic economy for hydrogen and how we're going to translate that into an export economy as well. We know that experts are saying that it's going to be an \$11 trillion economy by 2050, so we're very excited about that.

I do want to say that the plan is working on the hydrogen road map. We talked about, you know, promoting the domestic use of hydrogen first. You can't just bring on the consumption. If there's no utilization, the production will fail, and you can't have the consumption without the production or you'll have empty vehicles. You have to make incremental improvements in both the production and the consumption. We're seeing that. We're seeing

that through ATCO, who is now blending 5 per cent hydrogen into natural gas. We're seeing it on the transportation side. We're seeing large industrial vehicles that are going hydrogen, and we've also seen a couple of key announcements. One was the \$11 billion Dow project, which uses the circularity of hydrogen to get to net zero on an ethylene cracker, phenomenal stuff. Also, Air Products is building their first net-zero clean hydrogen facility. They chose Alberta, and they're the world's biggest hydrogen producer.

I would say that our plan is working. The Premier knows how passionate I am about it, so she asked me to stay close to it and gave me responsibility for the rollout of the hydrogen fuelling stations and that infrastructure.

Mrs. Johnson: Okay. Thank you, Madam Chair and through you to the minister.

On the same note you mentioned in your opening remarks that \$15.6 million in the budget is allocated to fleet vehicles. I'm curious: are any hydrogen cars in that fleet yet, and if not, when will this happen?

Mr. Nally: Yeah. We have our first vehicle. To be clear, it's not my vehicle; it's the government's vehicle, and we're using it. Now, we've purchased the first one. It is a Toyota Mirai, and you know this car is coming because it's got more hydrogen stickers on the side of it. It's quite interesting to drive because if you're at a red light, people stop, stare. They take photos because people have not seen a hydrogen vehicle. We have the first one. Yeah. It's fun to drive. I will say that the purpose of this is that this is us doing our pilot to see: how this is going to work? We have over 3,000 vehicles in our fleet. What other vehicles could we convert to hydrogen? We're doing that work now. We're going to be hiring a consultant to help us in determining what percentage of that fleet could be converted over. But, yeah, this is the first one. Global Edmonton has put out a challenge to get to 5,000 vehicles. This is our first one, but we're going to try to contribute to that challenge by bringing as many that make sense forward as we can.

Mrs. Johnson: Fabulous. Thank you, Madam Chair and through you to the minister.

On pages 129 and 131 respectively the key objective 1.2 is to ensure registry services are modernized by maximizing automation and utilizing efficient and effective processes. Have these registration services been modernized yet, and if so, how? This is one of the questions I've heard in my constituency through the registry services, that they are anticipating this move because they have been on such an old system for so long. On page 131, under expenses, consumer and registry services, Budget 2023-24 is \$60,054,000, and the next year, for '24-25, it rises to \$78,135,000. It rises as high as \$80,101,000 for '25-26. Can you explain this 30 per cent increase in that line item?

9:10

Mr. Nally: I'll go back. You mentioned MOVES, and, yeah, it's 40 years old. You may recall that last year – I believe it was a Saturday, or it was one day during, like, I think, the weekend – it was taking hours to produce drivers' licences, and there were a lot of people at Service Alberta that were nervous that day because our MOVES is at end of life. Every time we make a change, we risk the stability of it; that's how old the system is. The people that developed it: certainly, none are working, and I don't know if any are even alive. I mean, that's how old this system is, and it's delicate, so we need to replace it.

We're doing that work now, and as I mentioned earlier, we're doing incremental improvements to this, so the increase that you're seeing is going to be twofold. One, there are some increased costs

when we're doing that implementation that you're seeing, bringing on staff and whatnot, but also what you're seeing in there is the seniors' discount as well because the seniors' discount isn't just a discount; it's an actual cost to government, and it's \$16.6 million. When we campaigned on this and we said, "We're going to bring some affordability to seniors," we didn't say that we're going to do it at the cost – you know, we didn't say that the registry owners were going to pay for it. So government is picking up that cost, and that's why you're seeing those increased costs, which are also due to the \$16.6 million associated with the seniors' discount.

Mrs. Johnson: Well, thank you, Madam Chair and through you to the minister. I always love something that benefits our seniors, really.

Mr. Nally: Yeah. Me, too.

Mrs. Johnson: Thank you for that.

The land titles levy has risen, substantially we might say, yet it is still the lowest in the entire country. You maybe mentioned that it was 40 per cent lower than our next closest competitor. How was the amount in this increase determined, and will there be plans to increase it even more in coming years? I'm curious why, if we're still 40 per cent lower than our next competitor – we could have gone up to \$2,000 to match Saskatchewan and doubled that income or tripled that income, really. I'm wondering how that decision was made and what we see in the future if you want to go there, Minister.

Mr. Nally: Sure. Yeah. Thank you for the question. First, let me apologize. Where are my manners? I'm going to back up two questions. If you want a ride in the hydrogen car, please let me know. I'll put that to anyone around this table: if you want a ride in the hydrogen car, just let me know. I'd be happy to make those arrangements.

Mrs. Johnson: Yes, please.

Mr. Nally: Then just come, reach out. We'll do that. Yeah. Consider it done.

On the land titles levy, yeah, it's over 50 per cent. Saskatchewan is over 50 per cent – no; we're 50 per cent less; that would make it over 100 per cent more. We took a close look at this, because you're right. We could have increased the levy even more and still been lower than Saskatchewan, but we were concerned about affordability. In my conversations with Minister Nixon, you know, we discussed the fact that for every percentage you increase the cost of a home, it impacts the affordability and the amount of people that would have access to buying homes. We didn't want to keep people out of the market, so that's why we landed on a levy that was .2 per cent. We wanted to keep it small. We wanted to make sure that – despite the need to generate revenue, we wanted to still keep affordability at the back of our minds. It was finding that balance. Whether we got it right or not, you'll have to let us know.

Mrs. Johnson: All right. Thank you, Madam Chair and through you to the minister. I love that affordability is top priority, truly.

Red tape reduction is also a passion of mine, and it is an important part of any well-run business or government. On page 130 of the business plan it states that the percentage of red tape reduced has gone from 5 per cent in 2019 to 31.5 per cent in 2022. I'm curious to know if the minister can explain how red tape has been reduced within his own ministry. Would you be willing to share one of the more remarkable red tape reductions that has happened that your ministry has facilitated that has had a significant impact for Albertans?

Mr. Nally: Yeah. Thank you for that question. I appreciate you pointing out the 5 per cent to 31.5 per cent. That last 5 per cent took us a lot longer than the first 5 per cent, because when we first rolled this out, everybody went looking for low-hanging fruit, and we found it. But by the last year all the low-hanging fruit had disappeared, and we were forced to really sharpen our pencils and to look deep.

In terms of some examples in my department, one of the examples that I like the most is about creating convenience for Albertans, and that was when we provided online access to registry services. We basically took most personal registry services, made them available online, things like drivers' licences and things like that. That provided Albertans with convenience. But we know that there are always impacts and unintended consequences, so we wanted to do this thoughtfully and not harm the registry agents.

We did it in a way that we actually still sign a commission to the registry agents if it's purchased within their territory. We did that in a thoughtful manner that respected the job creators and the entrepreneurs in the registry field, but we also did it in a way that offered convenience. I think that in a previous question from the other side they mentioned that there sometimes can be lineups at registries. That's true. I mean, Saturdays can be busier, for sure. Offering convenience through online access to personal registries offers Albertans convenience, and that was something that we were very proud of.

Mrs. Johnson: Thank you, Madam Chair and through you to the minister. Actually, I'm going to stop at that, but I just want to say congratulations on being one of only four other ministries that is running a tremendous surplus. Well done.

Mr. Nally: Thank you.

The Chair: So that's your block? Okay.

Now we go to the government members. Go ahead. Do you want to share time with the minister? What's your preference?

Mrs. Petrovic: I would ask if he would be willing to share time.

Mr. Nally: Sure. Yeah. Let's try that.

Mrs. Petrovic: Thank you, Chair and through you to the minister. I'll just jump right into it since we only have a few minutes. Minister, since being elected, this government has shown a strong commitment to boosting Alberta's advantage and removing needless red tape, making it easier for Albertans to access the government services they need and empowering businesses by streamlining regulations and reducing regulatory and administrative burdens. This commitment has really earned Alberta's government another A grade on its red tape report card and top marks amongst provinces for the fourth year in a row. Congratulations. It's an incredible achievement.

Through your ministry's business plan the importance of red tape reduction is mentioned multiple times, including in key objective 2.1 on page 129, which states that Service Alberta will "lead government's red tape reduction efforts to improve service delivery and remove unnecessary regulatory and administrative burdens on Albertans and businesses." It's a lofty ambition, and it is important to note that this government has met its target of a 33 per cent reduction in red tape and has saved Alberta businesses billions of dollars. That being said, we still hear about businesses that are experiencing many of these daunting hurdles at county or municipal level. What can the provincial government do to ensure that these levels of government remove unnecessary regulations and administrative burdens as well?

On page 130 of the business plan it mentions that in 2024-2025, \$1.7 million is allocated to support leadership of government efforts to reduce regulatory burden and red tape, which includes a focus on measuring, benchmarking, and reducing wait times for permit processing across government.

Can you please explain how the funding will help the ministry achieve this key objective, and can you explain further some of the main red tape reduction initiatives that will be supported through this funding?

Mr. Nally: Yeah. Thank you. Thank you for that, and thank you for the recognition of the A grade that we received from the CFIB. When we took government in 2019, we had just come off three Fs in a row, and this is embarrassing. The Canadian Federation of Independent Business gave Alberta a failing grade three years in a row on regulatory compliance. You know, we have always been a business-friendly place to attract investment, so we set about this initiative of reducing one-third of red tape. To receive an A from the CFIB and to know that it was the highest grade in the country: yeah; we were very proud of that, and we'll continue to focus on that.

9:20

You brought up the question of: what are some things that we can do? We will lead the way in our province by example. One of those things will include the red tape reduction amendments that we'll be bringing forward in the spring, that will talk about the path forward. We are not going to allow red tape to creep back in, so we are going to be taking the principles and the policies of red tape reduction and putting them in regulation and legislation so that, you know, as ministers change, as governments change, as priorities change, the culture of red tape reduction will always be present in our province because it will be legislated. That means things like that ministers will have to report out on their red tape compliance. They're going to have to report out on their red tape count, any new initiatives they brought in, and what red tape they cut.

Ultimately, there's going to be a goal of one in, one out. We will not tolerate any new additions of red tape without there being, you know, some appropriate reductions as well. I can tell you that I've asked the Premier, because the Premier has some initiatives that she has brought forward. I've complimented her on those initiatives and said: "Okay. Great. Now, what are you going to cut? What red tape are you going to cut to accommodate that?" I think she was surprised to see that push-back, but red tape reduction is a culture that exists within our government at every level, and we will not allow regulatory burden to creep back in.

Some things I'll mention because you also referenced other levels of government. You know, we can publicize permit approval times and development times, and I think we have to do that. We need to recognize some jurisdictions that have done a great job. One that has done a great job is where I live, St. Albert. They have reduced business approval times to some of the fastest approvals in the province. The Premier has actually recognized that at different RMAs and other events. We need to give shout-outs to where there's success, and we need to shine a light on jurisdictions that have not embraced the culture of red tape reduction.

Some other things that we can do are living by example to show municipalities first-hand the benefits of this. One that comes to mind that we did is that we brought forward this ability to have a business licence that is good across multiple jurisdictions. This would be things like food licences. You know, food trucks would have a licence for Edmonton, and if they want to go to St. Albert, they have to have one for St. Albert, and if they want to go to Sherwood Park, they've got to get another. It makes it difficult to

attract that type of investment to your jurisdiction if every time they change towns, they need to go get a new business licence. So we put this in place through Municipal Affairs, and it allows them to get a multiple-jurisdiction business licence, which makes it easier to do business in their province, and they can see first-hand the benefits that red tape reduction brings to them.

Mrs. Petrovic: Through the chair, thank you to the minister.

Just one more question on this topic: can you give me a rough estimate of how much the red tape reduction program has saved Albertans and businesses?

Mr. Nally: Yeah. Absolutely. It's more than a rough estimate; \$2.75 billion is how much money we have saved job creators. And that is not a government number; that is an industry number. Industry said to us, you know, "If you do this, these are the savings that will translate," so we are just reporting the revenue savings that industry gave to us.

I'll give you one of the biggest examples: it would be the commingling of abandoned wells. We allow the commingling of wells for permit approval at the AER, but we don't allow it for the cleanup or the reclamation. Instead of allowing for the commingling of those abandoned wells, they have to do it, you know, one, two, three, four, five times. It just costs industry more money. But by allowing the commingling of those abandoned wells in the same way that they approve them, it just means they have to do things once, and it has saved industry over \$500 million, that one initiative. So, yeah, thank you for that question.

Mrs. Petrovic: Through the chair, thank you to the minister.

I just wanted to touch back on the seniors' discount. You touched on it briefly, but I just wanted to chat a little bit more because I think it's extremely important when we're talking about our seniors. They're absolute cherished members of our community. They've essentially built our province and have made countless contributions to our society and to our future. After dedicating their lives to our workforce, our seniors deserve to feel supported by their government through meaningful policies and initiatives that support them and make their lives more affordable, and I can see that we're doing that.

Turning your attention to page 7 of the government's strategic plan, priority 1 is boosting Alberta's advantage. Part of the way the government is doing this is through supporting Alberta seniors by implementing a seniors' discount of 25 per cent to personal registry services and drivers' medical exams.

Page 129 of your ministry plan lists that in 2024-2025 \$16.6 million is allocated to the seniors' discount for personal registry services and drivers' medical exams to support them. Can you give us an update, please, on when seniors can expect this discount to come into effect? Every dollar saved for seniors is another dollar they can use towards what is truly meaningful to them. Can you provide an estimate of how much money this will save seniors through this program?

Mr. Nally: Thank you for that question. Listen, this is one where I know that when I look back on this term, I will look back on the seniors' discount as being one of the accomplishments that I'm the most proud of. It's important to recognize the hard work of seniors. They built this province. This is one of my favourite jobs as an MLA, having coffee with seniors. They're always asking me, "What are you going to do for us?" And I get to tell them: "Well, you know what? We're going to give you a discount. We're going to give you a 25 per cent discount."

It's going to save seniors \$16.5 million to \$20 million annually in savings for personal registry services, for the driver medical

exams, and, of course, camping. We know seniors love to camp as well. The rollout will begin on April 1, and we're going to see a graduated rollout. It'll be personal registry services first – that will happen on April 1 – and then what we'll see after that is driver medical exams, and then we'll see camping happen shortly after that. We're very excited about that.

Thank you for the question.

Mrs. Petrovic: Thanks so much, through the chair to the minister.

Chair, I'd like to cede my time to MLA Singh if you're okay with that.

The Chair: Absolutely. Yes.

Please proceed.

Mr. Singh: Thank you, Madam Chair, and thank you, hon. member, for ceding your valuable time to me.

Madam Chair, through you to the minister, good morning, Minister. I appreciate you being with us here today. I also want to acknowledge the work you have done in this ministry.

My questions are based on your favourite discussion; that is, land titles. Alberta has been attracting people from across the country and the world who want to take part in the Alberta advantage and the endless opportunities Alberta has to offer. Due to this influx, the real estate industry has been front and centre, making sure people can find the homes they want. Due to this population growth and other economic factors, the past few years have seen a significant backlog in processing land titles, which caused massive frustrations for many constituents of Calgary-East, for individuals and also businesses in our province. Recently the government announced that it has eliminated the land titles backlog and is moving forward to modernize the land titles system. That is great news, Minister.

Turning to page 129 of the business plan, performance metric 1(a) measures year and registration turnaround time for land titles and surveys in business days. I am pleased to see that in 2023 and 2024 system improvements brought resolution to the land titles backlog, returning timelines to the target of 10 to 12 business days for the first time in two years. This is an incredible improvement from the peak turnaround times of 84 business days in December 2022.

What changes did your ministry implement to be able to achieve this? What are some of the short- and long-term solutions your ministry has implemented or is considering implementing to ensure another backlog does not arise? What changes does your ministry have planned to transform this paper-focused system to be a more modernized system?

Thank you, Madam Chair, and thank you, Minister.

Mr. Nally: Thank you, MLA Singh. I appreciate the question. You know, you'll have to forgive myself and my staff. Sometimes when we hear the words "land titles," I think we still sometimes twitch because, well, let's just say that it was a laser-like focus on fixing land titles. That laser-like focus came from the Premier, went to myself, went to my team. There wasn't a conversation that we had that didn't either begin or end with land titles, because it was all about protecting that \$50 billion worth of investment. And we knew it wasn't as simple as just hiring because we had done that previously. We had done a mass hire, we brought in a bunch of people, and the backlog got worse. We needed to do something different.

9:30

I mean, we knew that part of the solution would be hiring more, but that wasn't the only solution. It was also at a time when it was difficult to hire. I'll give a shout-out to the human resources

recruitment folks. I guess someone must have explored speed dating at some point in their career because they brought that concept of speed dating to recruitment. You know, we had literally these speed-dating stations that were set up, and they would go from one table to the next, so we were able to recruit people in a very short period of time. We took a recruitment process that could take several weeks, and we brought it down and shortened it substantially.

We brought on I believe it was 51 people in a very short period of time. We had to train them, and it was 18 months to train. Well, when you've already got a four and a half month backlog and your training program ends in 18 months, you've got a problem. So we shortened the training down to three months, and then what we did is we took the new people and we put them on the simpler land titles, and we saved the more complex ones for the more senior, experienced personnel, so being strategic that way.

As I mentioned earlier, the focus on lien processing. We went and we examined every process associated with land titles. We talked to front-line employees. A story that the Premier tells – I've heard the Premier tell this story several times, so I'm going to repeat it here. The Premier called me, as she often will. I forget; it was Boxing Day or the day after Boxing Day, but it was that day between Christmas and New Year's when government is literally shut down. And you can't actually – it's hard to get overtime in that period. She called me – like I said, I forget if it was Boxing Day or the day after – and said, "Minister, what are you doing?" I laughed. I said, "Well, you're not going to believe this, but I literally just left land titles." And she laughed, and she's like, "What are you doing there now?" We had a team that was working. The team had embraced what we needed to get done, and they had committed to working over that time period. They don't need me to come in and help them because there isn't anything that I can do of any value at the land titles office, but there's one thing that I can do: I can bring them lunch. That's what I did. I wanted to acknowledge the hard work of the front-line employees that were working during this time.

The Premier would tell that story several times and laugh, but that was the kind of laser-like focus that we had on land titles, the fact that we had folks working over Christmas, the fact that I was bringing them lunch because it was the only thing I could do because I can't process a land title.

So we brought in those processes and improvements. I mentioned that we talked to the front-line employees. We looked at what steps could be eliminated. We even regretted – we did this and we didn't like the fact that we had to do it, but it was necessary. We even closed the front counter, because what's the point of having a front counter if you're four and half months behind? We took those staff from the front counter, and we had them processing land titles. Anybody that could process a land title was being pressed into action.

And then, of course, discovering that 30 per cent of the paperwork was inaccurate or incomplete for lawyers certainly was shocking to all of us to hear that. We had a meeting with the Law Society, and we said: "Look, this is terrible. We either need the Law Society to fix this, or we'll fix it." I gave them the choice. I'll give a shout-out to the Law Society as they opted to correct it. They reached out to all the lawyers and made it very clear what the expectation is for paperwork that is submitted on their behalf to government. We took the 30 per cent of paperwork that was incomplete or inaccurate, and that dropped down to 5 per cent. We know that we're not going to hit 100 per cent. We'd like to get better than 5 per cent, but that's a whole ton better than the 30 that it was at. So we were very happy to see that. Thank you.

The last piece of your question referred to: what are we going to do to make sure it doesn't happen again? We're going to automate. We are going to bring automation to land titles. Other jurisdictions have done it. We're doing it now. We're making an investment of \$60 million. We're going to bring forward incremental improvements that will basically put us in a position that the next time we see the land titles volumes double, we're going to be able to respond. That's something that we didn't have the capacity to do, but we will in the very near future. I'm proud to say that it's a huge undertaking to do this, but it will be completed by spring of 2026. We'll have full automation at land titles.

Mr. Singh: Thank you, Minister, for the detailed answer, and thank you, Madam Chair, through you to the minister.

My next round of questions is on registry modernization and the electric vehicle tax. I know you have touched on that discussion earlier on with the hon. opposition members as well. Albertans have voiced that they want a more modernized registry system and one that allows them the convenience of accessing some registry services comfortably from their own homes rather than enduring long wait times in lines. This demand highlights the need to modernize the system and reconsider how some of these services are being delivered. I see that on page 129, under initiatives supporting key objectives for outcome 1, your business plan states that in 2024-2025 \$60.7 million is allocated to maintain and modernize land title services, motor vehicles, and other registry systems. This funding is meant to help ensure that Albertans receive fast and efficient services within acceptable wait times. Please, can you expand on how this funding will support key objective 1.2 of the business plan, which is to ensure registry services are modernized by maximizing automation and utilizing efficient and effective processes?

Thank you, Minister.

Mr. Nally: Thank you, MLA Singh, for the question. Yeah. This is something that is important to us. Any time, as I mentioned, we make a change to MOVES, which is the motor vehicles registry system – it's referred to as MOVES. Any time we bring a change, it risks stability. One of the biggest changes we brought recently was the graduated licensing program and bringing that to an end. You know, I remember having the conversation with my ADM Ronda Goulden, who's beside me, and I could hear her cringe when we had those conversations because she knew that every time we bring a change to MOVES, it risks instability. We've even done a couple of things since then, and I can hear her teeth grinding when we have a change that we have to bring to MOVES. [Mr. Nally's speaking time expired] Sorry; I didn't get to elaborate on that.

The Chair: Thank you, Minister.

We've had Member Brar join us. Would you like to introduce yourself?

Member Brar: My name is Gurinder Brar. I'm the MLA for Calgary-North East. Thank you, Minister, and thank you to all the public servants for the work that you do.

The Chair: Thank you, Member.

Now we'll move over to the Official Opposition, who will have up to five minutes for questions and comments, followed by a response from the minister, who may speak for up to five minutes. After both individuals have had an opportunity to speak once, we'll then move on to the next caucus in rotation, which will be the government members. I see that the independent member has left us now.

Please proceed.

Member Boparai: Thank you, Madam Chair and through you to the minister. Before we run out of time, I do want to seek a bit of clarification on some of my earlier questions about liquor. You know, many liquor stores are operated by families. They are small businesses, and we are all aware of how key small businesses are to employing Albertans and boosting the economy. With inflation, current utility rates, and insurances, many small businesses are struggling.

I now have a few questions about potential changes to where we sell liquor in this province. My understanding is that you are currently consulting on rules around supermarkets being able to sell liquor products. I also noticed that in the fiscal plan on page 98 it states that \$1 million in '24-25 will support a review of the Gaming, Liquor and Cannabis Act and supporting regulation with the objectives of reducing the regulatory burden on business and finding ways to increase contributions to Alberta charities and community facilities. Is the consultation on supermarkets selling liquor products being financed through that \$1 million?

This topic of supermarkets selling liquor products interests me because there seems to be some new variables that the government needs to consider. So I do quickly want to revisit a few of the areas I asked questions about earlier. On selling liquor products in supermarkets or other types of stores, can you explain what the . . .

Mr. Singh: Point of order. Thank you, Madam Chair. The point of order is under Standing Order 23(b), the member speaks to matters other than the question under discussion. The committee has convened for the purpose of considering the ministry's 2024 budget, including the estimates, fiscal plan, and business plan. The matter that has been raised by members that Superstores will be selling liquor is not within the boundaries of the said topic.

Thank you, Madam Chair.

9:40

The Chair: Member.

Mr. Eggen: Yes. Well, I think that, you know, as the minister is planning his budget, they're projecting to various choices that they are making into the future. He's talked a lot about all these other things around hydrogen and so forth and the changes to registries and automation and so forth. I think it would be helpful for all of us to learn more about plans for liquor sales. I would like to know myself.

Thank you.

The Chair: Member, if you could tie that in some way to the budget, let's proceed.

Member Boparai: Thank you, Madam Chair. That's what I'm coming to.

Madam Chair, through you to the minister, have you further looked at how this would affect youth that might work in supermarkets or other affected stores currently? Would they still be able to work there, and what would that look like? Can you further provide details on which other initiatives are financed through that \$1 million? When are you expecting this work to be completed, and do you foresee further spending in future years? Can you elaborate on what the expected increased contribution to charities and community facilities is, and does your department have a summary of how that might compare to other initiatives currently undertaken by the government?

Minister, I would like to thank you for your answers regarding my questions on the red tape. You can hear the passion in the minister's voice when we speak about this subject. It's nice to know that our minister really cares about his job. I do want to follow up

on a few of your comments, though. You mentioned that other ministries deserve most of the credit for cutting red tape and that your ministry simply gets guidelines and policy on that. I do wonder: what happens when you see other ministries adding red tape? How would you react to that? I am thinking now of the example of the ban on renewable energy that we just witnessed for over half a year. We are now seeing restrictions on renewable development that seem to go against what your ministry stands for. Would this be an area that you would potentially get involved in? When a ministry starts adding red tape, do you step in? The renewables ban could have severe consequences on investment in our province, possibly to the tune of \$11 billion in investment and thousands of jobs. Was your department consulted, in terms of red tape and reducing approval times, about these changes? If so, could you share your advice?

Madam Chair, through you to the minister, as you mentioned, you are going to form a sustainability committee for the registries. Have you structured how many people from the rural and how many people from the urban registries will be part of it? We would really appreciate if it can be done sooner so people can get their services sooner, and they won't have to travel a lot. As I mentioned in an example, if someone renews a driver's licence and pays \$93, from which \$80 goes to the government, which is 86 per cent, and \$13 goes to the registry agent, which is 14 per cent – a registry agent pays operating expenses – can it be restructured without putting any extra burden on the consumer?

Thank you, Madam Chair. Thank you, Minister.

The Chair: Thank you, Member.
Minister.

Mr. Nally: Thank you. Thank you for the questions. I'm going to start with the end first as well this time. In terms of the registry sustainability committee and the rural versus urban component I want to be clear. There are eight members of this committee. Five will be appointed from industry, and three will be consumers appointed by the minister. I can tell you that the ones that are coming from industry will be appointed by the Association of Alberta Registry Agents as well as the AMA. We have allowed them to cast the net wide. It's up to them to determine – you know, we don't want to be too prescriptive because we want them to be industry-driven. We don't want them to complain that we were too prescriptive. I would like to think, based on the importance of registries to rural Alberta, that that would be a strong component. We will have rural. When we appoint our three members – and we haven't landed on any names – we will always look at applications from rural proponents, for sure. So that will certainly be part of it.

Now, in terms of the liquor, there were a couple of things I'm going to separate. One is that the MLA committee is looking at liquor, and this started because a few other jurisdictions, B.C., Ontario, announced that they were going to start selling liquor in grocery stores and in convenience stores. We said that we'll take a look at this as well. I can tell you that we have not landed anywhere. The committee is doing that work now, and they are having conversations with proponents that might both support it and have concerns about it. They're talking to everyone. They'll be bringing forward some recommendations. I have not seen those recommendations, but they will be bringing those forward shortly.

In terms of the budget that supports that, it's actually just absorbed from current budgets. We're not incurring any additional costs associated with that. The \$1 million that is associated with the AGLC review: this will go towards things like red tape reduction within the AGLC, which I will say – and I've got the CEO of AGLC behind me. She should get a shout-out because they reduced 48 per

cent of the red tape at the AGLC. That is tremendous. I would say that we're not saying mission accomplished yet because we still think there's more. Other departments have more as well. But the AGLC will continue to do that work. Part of this will be associated with that. Part of that money will also fund the research and the study and the analysis on things like i-gaming. Those are two separate initiatives.

You asked about the youth impacts, you know, if we do sell liquor in grocery stores and convenience stores. Yeah. That's part of it. We look at that now. AGLC, which is responsible for both regulating and the enforcement of alcohol, gaming, liquor, and cannabis in this province: they have social responsibility programming. They have DrinkSense. That is the work that they're doing now, and they continue to do that work. The short answer is yes. We do that because we are very serious about things like keeping alcohol away from youth.

Just going through the questions here. Yeah. What happens when ministers add red tape? You know, I should probably back up and go to the principles of red tape reduction. Not all red tape is bad. I like to tell people that I've become quite accustomed to clean air and clean water, and that is something that I want my children to enjoy and I want my grandchildren, if I have some in the future, to enjoy that as well. I think it's important to have regulation.

But the challenge with regulation is to only regulate when you must and keep it at a light touch. What we are against is not regulation. We are against duplication of regulation or unnecessary regulation. Those are the types of regulations that we go after. In terms of when ministers bring in other programs, I'm absolutely involved. I'm right there to ask them, you know, what does this do to your red tape count? They're required to report out on that in their annual report. They report out annually on their red tape count and their reductions, and that's what we'll be bringing forward, that legislation, to put in that piece of legislation.

But I'm not afraid to ask them as I'm working with them: what will this do to your red tape reduction, and what will you be removing or reducing in terms of red tape to accommodate this? These are conversations that are live and well. We are government. Now we've hit our target of 33 per cent. We're committed to one in, one out. These are active conversations. We're always looking at what red tape can be reduced to accommodate programs that are invariably brought in from time to time.

I see that my time is up.

The Chair: Thank you. Yes.

Now we'll move over to the government side. Are you going to share your time, or are you going to go back and forth? What's your preference?

Mr. Boitchenko: We'll probably go back and forth with the minister, right?

The Chair: Minister, your preference?

Mr. Nally: You know what? I like that back and forth if you want to do that. Does that work for you?

Mr. Boitchenko: Yeah. Absolutely.

Well, thank you for the opportunity to speak. First of all, I want to actually thank your team for the absolutely amazing and hard work you guys are doing for our province, specifically in red tape reduction. I think that, you know, when we reduce red tape, we can accomplish more.

You're right that not all red tape is bad, but I'm thinking there is some there that slows us down as a province and businesses in general here.

9:50

I want to also thank you for the absolutely amazing work you did with the land titles wait time reduction. As a realtor for the last 24 years this was one of the hardest things that we were challenged and faced with in real estate, when we had to wait, you know, sometimes up to three, four months in the busiest time in my career that we had. Now it's in the weeks. I'm actually looking forward to having it done electronically, maybe modernize our system a little more and reduce it down to a lot shorter times, hopefully days if not hours. So thank you. Thank you for the amazing work you have done on this file and for your team.

Speaking of modernization, you know, 34 years ago I came from Ukraine, and once upon a time it was a third-world country. Some things were not up to date there. But coming to Canada, and even now, I'm still hearing stories that there are still fax machines in some of the government offices. My question would be on modernization. I have a few questions here. To keep up with the modern world, can you share your plan and your vision on: how do you see our government modernizing not only land titles and registries but also our government in general? If you would be able to share that, and then I'll come back to you with some specific questions as well.

Mr. Nally: Sure. Thank you. Thank you for that, and I appreciate the shout-out. Yeah. It's interesting that – I know that you are a realtor in your background, and I think you've also done some development work as well – most people don't understand the difference. There are two pieces to land titles. There are land titles, and there are surveys. I can tell you that there were some very upset developers because it would take them months to get back their surveys, and they would lose a construction season. People were being laid off because they didn't get their survey approved in time. When we reduced the wait times on surveys to under 10 days: wow. I could be eating lunch in Calgary, and a developer might recognize me and come over and thank me. They were just that over the moon. I had constituents that were developers that were livid when it was a four-month backlog and then just over the moon when we resolved it. I know that that was certainly a life that you lived as well, so thank you for that recognition.

Your comment on the fax machine: that's interesting for me because when I started my career I had to ask someone how to use a fax machine, and now it's been so long since I've used one, I think I would have to ask someone how to use a fax machine because it's been that long since I used one. The fact that we have fax machines in government offices is nothing short of embarrassing. But it is what it is.

The answer to your question of how we are going to modernize government, including land titles: the answer is thoughtfully, methodically, and being as practical as we can. I say that because everybody has this vision of the Phoenix pay system. I mean, what a nightmare. There are very few things that you could do to your employees that would be worse than not paying them on time. I mean, that was just a – you know, from someone who was in business, I can tell you that that was a nonstarter, not paying your employees on time. To be put in a position where federal employees weren't paid for months on end: just absolutely shameful. There's a lesson to be learned in that. The lesson is don't do the big bang theory of modernization, and that's when you flip a switch and you go live with a new system. Quite often, you know, the system works. What doesn't work is the training – right? – and because employees have to have absorbed so many new things all at once, it comes across as a system that is not working or they have bad data, as in the case of the Phoenix system. We're not doing that.

We're going to do it methodically. We're going to do it incrementally. So if we have a problem in our implementation, if we have any issues, it's not going to shut the whole system down. Land titles are not going to grind to a halt because we had a problem during one weekend of implementation. We're going to do it very methodically, pragmatically, and that's why we've started this process and it won't be completed until spring 2026, because we do not want to impact that \$50 billion worth of real estate investment that happens every year at the land titles office.

Mr. Boitchenko: Thank you for the answer. Yes. On the real property report that was a significant problem for not only developing but also construction sites. I also did construction a lot, and, you know, when it gets slowed down by red tape, there's nothing more painful in my line of business. All three prongs of my business – real estate, developing, and construction – were affected by that. So thank you very much. I do have a lot of partners and friends who are actually thanking your ministry for doing the work you do on that part.

Last question, and I hope we have enough time here. In your budget we see that you increased your spending by about a quarter of a million dollars on registries modernization. I would like to see what exactly is getting done and what progress the ministry has made on modernizing registries specifically. One of the good things that I saw last year is that my registry – I can pay for not only this year but also the following year as well, which saves me time at the registry counter. I can do all of my equipment and cars at the same time. In construction and developing, back in my business, it was a big thing to kind of come in the registry office and wait there to be able to pay for it. If you can just touch specifically on registries modernization and how that almost quarter million dollars will improve and what advances we have so far as of right now.

Mr. Nally: Thank you for the question. Line 2.5 on registries modernization includes the modernization of five aging registry systems, including full replacement of the land titles, as we've talked about, as well as motor vehicle systems, while improving the corporate personal property and vital events registries that we have. The systems that support these services are at the end of their useful life and need to be replaced. This is a large-scale, transformative initiative to improve service to millions of Albertans.

Let's not forget that these are services that Albertans come to rely on. When people think of registries, they want to know that their registries are open, they want to know that they're working, and they want to know that they can get – if you're looking to get

married, you know, some people might have a long runway and some people may not. You need to be able to provide this level of support to Albertans, provide them the services that they're entitled to. In order to be able to continue to do that, yeah, we have to continue to invest, and that's what we're doing. It's a core process at Service Alberta of providing services like these to Albertans. As I've mentioned, we have a free and open market for registries, and it is an absolute jewel in the crown.

One thing: I do want to give a shout-out to the team because we are talking about registries so much here. Registries are so important to our day-to-day lives. One of the biggest challenges for people who are vulnerable and have struggled on the street is accessing identification. We know this. When we saw the encampments that came down, one of the challenges was that a lot of these people had been on the street for five years. They didn't have identification. Marshall Smith, the Premier's chief of staff, had reached out to me and asked me to come down and have a look at the navigation centre first-hand so I could see those challenges. I went there with my deputy minister, Stephanie Clarke. You know, no one had engaged us before and talked to us about those challenges. The team was able to put forward a mobile registry unit that was able to provide identification to these people. I believe everybody who needed identification was able to get access to it.

This just shows you how important registries is to the day-to-day lives of all Albertans, and that requires an investment. What we saw in land titles can never happen to registries like motor vehicles and vital statistics, so we will continue to make the necessary investments that we need to provide services to Albertans.

Mr. Boitchenko: Thank you very much, Minister.

The Chair: That concludes our time. Thank you, everyone.

I must advise the committee that the time allotted for consideration of the ministry's estimates has concluded. I'd like to remind committee members that we're scheduled to meet tomorrow, March 14 at 9 a.m., to consider the estimates for the Ministry of Public Safety and Emergency Services.

Just a reminder, everyone, we have another meeting that starts in 15 minutes, so if you would kindly clear out the room. If there are any conversations that you'd like to have, you could do them in the hallway. We would sincerely appreciate it.

Have a good afternoon, everyone. Thank you.

[The committee adjourned at 10 a.m.]

