

Title: Monday, March 14, 1994 Designated Subcommittee

Date: 1994/03/14

[Chairman: Mr. McFarland]

Time: 8:04 a.m.

MR. CHAIRMAN: Good morning. Well, let's get this thing under way, because we've got four hours and everyone here has other meetings as well. So I'll welcome you to this designated supply committee for Municipal Affairs. It's the first one that this committee's had to deal with since we started this process.

Maybe what we'll do first is just briefly introduce each other, and while we're doing that, I'll make a couple of notes on comments I'd like to make before we start. So could we start with Corinne.

MRS. DACYSHYN: I'm Corinne Dacyshyn, the committee assistant.

MR. WICKMAN: Percy Wickman, critic of Municipal Affairs.

MR. BRACKO: Len Bracko, Municipal Affairs critic.

MR. CHADI: Sine Chadi, Treasury critic, allowed to sit on the subcommittee of Municipal Affairs.

MR. SEVERTSON: Gary Severtson, MLA for Innisfail-Sylvan Lake.

MR. DUNFORD: Clint Dunford, Lethbridge-West.

MR. CLEGG: Glen Clegg, Dunvegan.

MS HALEY: Carol Haley, Three Hills-Airdrie.

MRS. GORDON: Judy Gordon, Lacombe-Stettler.

MR. HUDSON: Dave Hudson, the Alberta registries division of Municipal Affairs.

MR. MCGOWAN: John McGowan, local government services division.

MR. FORGRAVE: Tom Forgrave, housing and consumer affairs.

MR. DAVIS: Jack Davis, deputy.

MR. LEITCH: Bob Leitch, finance and administration.

MR. CHAIRMAN: I'm Barry McFarland, the chairman of the committee today.

Okay. I think the very first order of business we have to do is a little bit of an organizational meeting. I just want to encourage committee members to get this out of the way as soon as possible, because the four-hour time clock doesn't start running until the minister starts to speak.

Maybe I can just go through a couple of items that might help in this organizational part. We're going to deal with the five programs under Municipal Affairs, and if we want to go program by program or line by line, that's up to the committee.

MR. CHADI: Can I . . .

MR. CHAIRMAN: Can I finish?

MR. CHADI: Sure.

MR. CHAIRMAN: Okay. Then, Sine, if you've got some comments on how you want to do it, we'll just throw it open for discussion for a minute.

We're going to, as I said, have a brief organizational part. The clock will start running as I indicated. We have to put in the full four hours unless there's unanimous consent not to. I would propose that each member have one main question and two supplemental questions, and we'd rotate back and forth. Seeing as how there's one, two, three, five, and three . . .

MR. WICKMAN: We're missing one, Barry, because she was called away to British Columbia because of illness in the family.

MR. CHAIRMAN: Oh. Well, that's fine then. If you folks decide amongst yourselves how you want to start, we'll get that out of the way.

We'll be following the Standing Orders. We'll be fairly informal, but I'm going to stick to the Standing Orders, and at the conclusion of the meeting we'll have a motion to make recommendations to the Committee of Supply or conclude discussion and rise and report. We have to report by the 17th day of supply.

I would like to remind everyone that the discussions follow policy and this year's estimates only, so we're not going to get off on a tangent.

Management may be discussed in a general way, but I'll leave that up to the minister, as it's the minister's realm to establish policy.

I think that's pretty much it.

Sine.

MR. CHADI: Mr. Chairman, firstly, you do include the business plans in the estimates. No?

MR. CHAIRMAN: No. This is just a Committee of Supply for this year's estimates.

MR. CHADI: This is unusual, Mr. Chairman. Part of the estimates of every other department included the business plans and discussion on business plans as well.

MR. CHAIRMAN: Well, I believe if there's a part of the business plan that applies to this year's estimates – I'll leave that up to the minister, but it's my understanding that we're dealing only with the supply portion of the estimates, and that's for the '93-94 year.

MR. CHADI: With respect to the line of questioning, would it be similar to what we would have, say, in question period, where there would be a preamble and then two supplementaries? Is that your idea?

MR. CHAIRMAN: If you can keep the preamble kind of short, sure.

MR. CHADI: My experience in these subcommittees is that we were on an informal arrangement with the minister. As a matter of fact, just to give you an idea as to how informal it was, in Treasury it was on a first-name basis with the minister. That's how informal it became. We thought that preambles were not – of course, we all wanted to keep it to a minimum, but there were times even in our supplementaries when explanations had to be given prior to the question. That was in order, and I hope that could be given consideration again today because it really worked well when we were here in Treasury last time.

MR. CHAIRMAN: That's fine by me, but I believe it's up to the committee. If you want to call somebody by their first name, that's your prerogative. I still call Dr. West "Dr. West."

Percy. Mr. Wickman, I mean.

MR. WICKMAN: Two points, Mr. Chairman. First of all, I would have assumed it was a given that the business plan relates directly to the estimates. The Provincial Treasurer has made that reference consistently, that there is a plan in place. The business plan is part of that plan that goes with the estimates, so I'd see some difficulty in anyone arguing against that point.

Secondly, the minister doesn't have anybody here from ALCB.

DR. WEST: That's not part of the estimates. It's a Crown corporation that is through the Auditor General with full audits like normal business. They report to the Assembly through a financial report that I table. But if you want to spend the whole morning on this . . .

MR. WICKMAN: Mr. Chairman, with due respect, if it isn't under this particular area that we get the opportunity to question any doings of the ALCB, I don't know when we do. It's similar to the workers' compensation, where the minister has always addressed questions dealing with workers' compensation under the Labour portfolio. I have to assume that under program 1.0.3, finance and administration, some of that cost must involve the minister's office or the department's procedures in relationship to ALCB. There must be some cost attached to the minister's budget.

MR. CHAIRMAN: Well, I think there's ample time given in question period and in the Assembly under estimates to debate that part. So unless the minister's got some other comment to make on how we question the ALCB, I would liken it to questioning Alberta Government Telephones or the Alberta Treasury Branch.

MR. WICKMAN: Well, it's a little different.

MR. CHAIRMAN: All three of the ones that I quoted I believe are Crown corporations.

MR. CHADI: Mr. Chairman, the privatization of ALCB was under the direct control of this Ministry of Municipal Affairs, whereas Treasury Branch and other Crown corporations weren't. That is the link I think we have to focus on in terms of whether or not we're allowed to question it. I do know that the minister never had a problem answering questions on the ALCB, and I don't suspect he'd have any problems today. I would hope that could be the case.

MR. DUNFORD: Well, I'm on this designated committee, I'm here on Monday morning at 8 o'clock, and I think any member of this committee can ask any question they want. It's just that if they want to use their space and their time to ask a question on what we're not here to deal with, you know, that's simply their prerogative. I'm here to deal in four hours with the '94-95 estimates of Municipal Affairs. So if you're going to do the rotation, if somebody on the Liberal side wants to waste a question talking about ALCB this morning, then they'll ask the question, but I would hope you as chairman would cut the preamble on that. If the minister wishes to answer it, that would be fine, but if he doesn't wish to answer it, then it comes back to our side for the next question. We are not here to spend four

hours on a Monday morning going over ALCB and three-year business plans. We're here for the '94-95 estimates.

MR. SEVERTSON: Well, I'm just going to back up what Clint said. We've got two books: we've got the supplementary estimates, and we've got the main estimates book. That's what this subcommittee is about, to talk about the estimates. We've spent 10 minutes now discussing protocol when we've called a subcommittee on estimates. We've got the two books – everybody in the House got them – and I'd suggest to the chairman that we go on and start this meeting on the estimates.

DR. WEST: It's a matter of what we're doing. I can answer questions until my face is blue on ALCB, but it's not an appropriation. You'd have to strike another day for ALCB if that was the case, because we're dealing with appropriations and the ALCB doesn't do that. It doesn't come through the Leg. Assembly. The only thing it does is table a report, and the Auditor General comments on it. It's a corporation, you know, self-funded and directed through an Act of the Legislature.

8:14

MR. CHADI: I just have a couple of comments, Mr. Chairman. One is that I want to echo what Percy Wickman has already stated, inasmuch as there is time, considerable time I'm sure, that is taken by the Minister of Municipal Affairs and his department, particularly with respect to his office's time, that is being used up in terms of ALCB. I don't think there's going to be a lot of questioning on ALCB, but there is some that I think would relate to Municipal Affairs, and we ought to be given the right to ask those questions. I'm positive the minister has not ever had a problem answering any questions. Why don't we just go along and see how it's going? If the minister chooses not to answer it, it's his prerogative. He'll say, "That's not within the realm here," and let's go on.

Another thing I want to talk about, getting off ALCB, is the fact that the different programs – if we go program by program and we're only given a few hours here, I know from my experience in Treasury and in other subcommittees that we end up not reaching certain programs. I would prefer that we just go like we do in estimates in the House, and that is that you can ask about program 4 or you can ask about program 1. The minister and his departmental staff are all here, and we ought to be able to just go from program to program and different questioning.

MR. CHAIRMAN: Well, that's fine, but you're indicating that we don't have time to go program by program and yet you're indicating we might have time to discuss ALCB, so I'm finding a little bit of conflict here. If we're going to start bombing all over the map and not get to some of the program areas, I just have a concern that some other members may not get their questions in.

MR. CHADI: Yes. I suspect that there would have to be a window for the ALCB line of questioning in there. I'm certain that within a program there will be a window, so I think we're going to be okay in that area.

MR. CHAIRMAN: So are we agreed on a short preamble, one main, two supplementaries, alternate?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Anything else?

MS HALEY: Let's just get on with it.

MR. CHAIRMAN: Let's get at it, and we'll open it up to the minister, by my clock at 8:17.

DR. WEST: Thanks very much, Mr. Chairman. Today, as we've stated, we're going to do a cross-examination of the '94-95 estimates of Municipal Affairs. Before we start, I don't want to spend a long time going through a detailed dissertation on the department. I think you have had time to go through the books, and the questions will bring out the answers in detail as you target the different votes and elements of this budget, but I'd like to say what this budget is made up of to start with. There's no doubt there has been a tremendous amount over the last year put into Municipal Affairs, so the discussion today has a broader context than it would have had a year or two years ago. The reason I say that is because if you look at the different programs, the first vote of course deals with the minister's office and the support that goes to the various details of the rest of the budget. I'm sure you'll note that the ministerial office is a lean, mean machine and that it has been contributing in a meaningful way to the fiscal program, but it has responsibility for working in many areas. The office has my executive assistant, Jim Kiss. It also has my personal secretary as well as two other secretaries. One deals specifically with registry and registry directions. The other one does a detailed examination daily of the different directions that come in from everywhere, as you made note: ALCB right through to Access Network to the different areas in Municipal Affairs.

The second vote deals with support for municipal programs, and in that is the new unconditional municipal grant. It's significant to note as you're going through the budget this year that this now has added to and brought into the budget besides the MAG grant increased spending in some other areas, specifically remuneration to urban parks, policing grants, public transit operating grants, and family and community support services. In so doing, this will bring the area of support to municipalities up to \$169 million this year compared to about \$149 million last year in the estimates. Over this period of time you will see this grant diminish. Of course, the numbers involved in that we'll get to in the urban parks and that and what will be happening to those grants as we go forward with them.

Under vote 3 we have the administration of housing programs and consumer services, including Alberta Mortgage and Housing Corporation. Again here is another one. The department of corporate and consumer affairs on the consumer side came over to Municipal Affairs, and we will be rolling that function in with the function of the housing program administration. Throughout time and in this year we will be closing many offices throughout the province and cutting back a tremendous amount of staff that previously had administered certain programs in housing. We're also streamlining consumer services. It enforces some 37 Acts. It meets the public demand as far as breaches of those Acts but transfers as much as we can in the consumer education and dispute mechanisms to the private sector. It's interesting to note in that light that this year the Better Business Bureau is taking on a more focused direction for us in taking over the access line for consumer complaints. We'll get into a discussion of that as we go forward.

Alberta Mortgage and Housing of course is working its way down. Municipal Affairs Sales Ltd. is selling off the nonsocial housing area of this, leaving the administration of long-term debentures, communication with Canada Mortgage and Housing, as well as functioning in the social housing area not only with seniors but with disabled and those with need in our society.

Vote 4 is registries information and distribution, one-stop shopping. Again this was added to Municipal Affairs, bringing together some six program areas from four departments and developing the one-stop shopping registry component. Of course, this year we were in the privatization mode, taking the offices of the motor vehicles division and closing them – they're all closed today – and developing some 68 new private-sector delivery points in the cities to combine with the 149 existing that will be taking on the components of the registry, which again is six areas including vital statistics, corporate registries, land titles, land information centre, and motor vehicles registration and delivery of certain components of that right down to searches and what have you, as well as purchase of properties, liens and other instruments that are used in that direction.

It will become a division, as it's noted here, of Municipal Affairs. Originally we had been thinking of the proverbial agency, and it was Bill 10 in the last session. It has been withdrawn, and now we'll move through into a division of Municipal Affairs and will bring in some 200-plus million dollars this year, some of which is dedicated to transportation. Some \$122 million is dedicated back to transportation, specifically for road maintenance, bridges, and what have you. We're looking more at dedicated funds to specific areas in the province in the future to get better accountability for where the dollars are spent and where they come in. Now, you'll get to questions on that, and after questions as to how it will move in the future as far as a division of Municipal Affairs, certainly Dave Hudson, the agency head, will be able to answer some of those questions.

8:24

Vote 5 is the Alberta Educational Communications Corporation, or Access. It really has not changed its operations from the '93-94 budget. In fact, it was held stable in the budget process while we did a review and the board brought out a report that recommended certain elements in it. The budget itself for the sake of '94-95 was held at 16-plus million dollars, and as we move through the review, certain changes will take place and bring forth some new directions, I believe, for Access and CKUA. At the present time the budget remains unchanged, but certainly there is focus on the report brought out by the board, which indicated that there should be research into certain elements, a division between radio, television, and the educational production studio that's there.

Now, there is a nonbudgetary disbursement related to Alberta Mortgage and Housing. Alberta Mortgage and Housing has a long tradition of not only being a lender but also of accumulating certain properties in the province at peak periods of economic growth in order to ensure orderly development as it relates to our planning programs. For example, in the embryo stages of Fort McMurray, Alberta Mortgage and Housing was indeed one of the sole developers if not the only one for a while. We still have tremendous holdings in Fort McMurray in the form of serviced lots, in the form of a trailer court and certain other properties. This what we call nonbudgetary disbursement, some \$128 million in this budget, relates to the losses that will be taken on mortgages, land, and properties that are deemed nonsocial housing as well as surplus lands, and those will be the estimated losses from the final wrap-up in sales of Municipal Affairs Sales Ltd.

To give you an example of the types of lands, it might be vacant lands at Canmore. It might be a trailer court at Fort McMurray. It might be condominiums in the cities of Edmonton and Calgary that we own, two- and three-bedroom condominiums. It might be some of the old CHIP and MAP mortgages. There aren't very many of them left, but I'll give you an example. The Highland Centre is one of those examples that we've already sold.

West Edmonton Village had 1,117 condominium units that were developed under the modest apartment program; we just sold those. This remaining element and losses therein will be related to those types of properties. The Kingsway land that sits across from Edmonton Inn, 14 acres, is an example of the types of lands we've developed over the time. It may be a subdivision serviced in a small community in Wabasca, or it may be as large as direct, nondeveloped land in some of the other communities in Alberta.

That's what that area of nonbudgetary disbursements related to Alberta Mortgage and Housing means, and hopefully this year we will be able to wrap up the package left over. The hardest pieces to sell are left, and you have to understand that when we sell these, in the beginning you get the nice, beautiful apartments that were developed out there. As I said, Highland Centre – that's that big red one as you go down Jasper Avenue – was one of our government programs, believe it or not. I didn't realize that for years, and I was literally shocked when I found out that that belonged to the people of Alberta in the end. Those are very interesting conversations, but the losses in those are recorded here.

I think I'm going to stop there. I could go on at great length on the level of cutbacks, but many of you will bring those out. We certainly have different elements this year. Because of the bringing in of certain dollars in unconditional grants from other departments, the net realized savings isn't as high as will be seen in future parts of the plan.

Nonetheless the full-time equivalents that we will be seeing moving back this year will be some 389 people throughout Municipal Affairs and the registries. We have to start about 1,800 and some full-time equivalents, and we will be moving that. A big chunk of those will come out of the area that I had mentioned in one of the votes. About 181 of them come out of the consumer and housing offices. We are moving out, significantly out, of what we used to do in support to lodges and management agencies and what have you throughout the province and putting more of the onus and freedom to exercise good judgment in everything from senior apartments to some of the social housing programs in the north. So we will need less bodies involved in the existing 19 offices, which we'll be moving down to about three offices throughout the province.

With what I call the future suitcase serviceman for the government, you don't need an office. You don't need Main Street if you're servicing certain elements, but you need somebody that has expertise, that can get into their car and have a laptop and move and do their job. I think we've been in this bricks and mortar way too long, where we have to focus on an office on Main Street someplace, and I look to a day in the future when many people can work out of their homes. We'll get into another discussion, but I see an implosion of a lot of the space that we have that's been filled with people that could spend a lot of their time at home, and I think it will give a better quality of life in the future.

Part of that will be one of our focuses in some of the downsizing of the housing division and who we have as service people out there and, of course, using other offices. We have many, I think, government offices empty now in provincial buildings throughout the province and many of these people could just piggyback into some desk in there.

All right. I think we'll leave it at that. Somebody brought up ALCB. I don't mind answering questions on ALCB, but remember that it's not part of the Legislative Assembly's process in budgetary questioning. No doubt you find it very intriguing because after one of the most successful privatizations this country, probably North America, has ever seen, you will have some piercing questions on how to do it.

We're at your pleasure.

MR. CHAIRMAN: Thank you, Dr. West.

Just briefly, before we get into questions, Corinne put out some muffins early this morning. Please feel free to help yourself. In this era of free enterprise, it'll be 50 cents apiece. [interjections] Just help yourselves; they're over there.

First question, Sine, then Gary.

MR. CHADI: Thank you, Mr. Chairman. My question will relate to program 4, registries information and distribution. Previously, from my experience, the parts of the province that were subject to agency contracts with the Solicitor General's department I believe in those days worked really well. We had offices in the rural parts of the province we'd actually taken away from places like Treasury Branch and put into offices that stayed open longer and, in my opinion, provided better service. It worked very well in the rural parts. I think bringing it to the cities and establishing them here was a good move.

My question. When we used to run an agency in a small community, it originally started out, if I'm not mistaken, that we got a certain amount for every document that we processed or every invoice that we got paid on. It was, I believe, 50 cents or a dollar or something. If I remember correctly, it went up to maybe \$2 per document, something to that effect. Now, was it the intention of your department, Mr. Minister, to create those agencies here in the cities like we did have in the rural parts of the province?

8:34

DR. WEST: That's the question?

MR. CHADI: Yes.

DR. WEST: The agencies in the city are exactly the same as the agencies in rural Alberta now, except for certain areas that have been historic. We have about a hundred now out of 210 or 211 that are fully converted to the registry components, those five or six areas that I talked about. The city registries signed up for the full components to start with, whereas the offer was made to the 149 to come on stream. In so doing, they all deliver and have the potential in the future to buy into all the services. One thing they have all in common is motor vehicles, and one thing they have all in common today is an equal playing field as far as the charges. We did start out at \$2 a service in rural Alberta. I call it rural. I shouldn't because it wasn't just rural Alberta; Sherwood Park was part of the first.

Many of the registries or the original motor vehicle agents couldn't really make it with some of the numbers that they had. We had mail-ins. We also had low-populated areas where people traveled between centres. So we allowed them to charge an extra dollar, but the cities didn't have to pay that. Therefore, the cities then became the cheaper place to buy your licence plates and services through motor vehicles because we ran it. Of course, AMA, who served about 500,000 citizens, didn't even charge the \$2. They said it was part of the \$35 membership, and they never asked the government to send them back the \$2 for years.

Now came along the privatization to try to sort this thing out and get a level playing field. When we set up the 211 that we have now, we went to a \$4 charge. Many weren't able to make a good living on the original \$3 even. We worked it and said that we're going to a flat \$4 right across the board, eliminate this extra dollar that was optional charged by some of the agents out there, and look at all the fees and services and flatten them out across the province. So now we have the beginning of a flattening out

of all the different policies that originated, so we have indeed one-stop shopping with level playing fields.

MR. CHADI: With respect to the \$4 that you speak about, are motor vehicles branches – I call them motor vehicles; most call them registry branches. Are they working, then, on \$4 per form? Is that the idea here versus the \$2 that we used to get and the dollar increase in the rural parts or the parts that weren't making a profit? What I'm getting at, Mr. Minister, is: is it the same across the entire province versus the way it used to be? Can someone charge more in another area – say, for example, in Fort McMurray – than they can in Edmonton?

DR. WEST: The fees in motor vehicles have been fixed by order in council at a flat rate across the province. The only one that we took the lid off in that sense was driver examiners, because we knew that to service the province with good service throughout, we had to leave a variable option for people to set up a driver examiner to license in rural Alberta. The numbers might not warrant, but those people want the service. They don't want to have to travel 40, 50 miles to another centre or have it done just on Thursday. So we took the cap off that.

The rest of the services in the province have a purchase price to the agencies, but they can then charge the market what they want. Now, motor vehicles has all types of fees. The one that you're talking about, \$4, is to go in and register your vehicle or to get your licence plate. You get \$4 on that. There are all types of fees, from searches to vehicle licences, off-vehicle licences, driver abstracts, administration fees, reinstatement fees for alcohol and related other matters, dealer licences, and many other licensing fees that vary all the way from perhaps \$8 right up to \$165. Those fees are charged and set by OC. Of course, for delivery of those they get the service fee we've set for them that's flat across the province.

Now, if you got into land titles and you were doing a search, registry would pay \$3 for that, and I've seen charging as high as \$8 for a search at a new registry office. I've seen them charge at \$5 depending on who gets it and the volume that they're doing. So there are free-market-driven services under five of the six – motor vehicles is a legislated requirement, and there has to be some consistency under that requirement, because you must have a driver's licence, you must register your vehicle, and there are certain legal components within motor vehicles. Now, you don't have to buy a house in this province. So you want to search land titles; you want to do certain elements around that. Nobody forces you to buy a car, but if you do, you may want to search and make sure that there's no lien against it. There's a marketplace out there that revolves around much of choice, standards, and all those things. There's a legality behind it. You can't be fraudulent and that sort of thing. We allow that to work in a free market environment, too, depending on the situation across Alberta. Somebody may want to pay \$20 for a search in Small Town, Alberta, because they don't want to have to send it into Edmonton or go to a larger centre, whereas in Edmonton, where there are lines of 200-odd in law offices and banks and everything else, they won't be paying that.

MR. CHADI: Mr. Chairman, I appreciate what the minister is saying. The problem that I have in trying to determine what we're doing – are we gaining anything here or not? – is when I look at the total program. I see from the total of 1993-94 estimates \$47 million in expenditures and the total for 1994-95, expenditures of \$44,500,000. See, our expenses, of course, have gone down by \$3 million, but when you look in terms of what

privatization has done, in most cases it's increased the fees and the prices more than three times. So I'm having a difficult time understanding why Albertans would have to pay up to three times more and our expenses are almost the same. Then again our revenues are almost the same. I don't think we lost any revenues. I would assume that if we're going to be expecting the people of the province to pay more, I want more for the province, too, for the government. So I'm wondering here; our expenses have only dropped by \$3 million, and increases in prices have sometimes tripled. Explain that.

MR. DAVIS: Well, there are really two overall things that we're trying to accomplish here. One is that we're trying to move the costs for primary discretionary services onto the user, away from the general tax base. So costs will drop to Alberta registries on that basis.

MR. CHADI: In this year?

8:44

MR. DAVIS: Well, some costs have reduced already because the \$2 was originally part of the voted appropriation. Now it isn't; it's a fee that's charged by the registry. The second thing, though: the minister has asked us to look very carefully at the organizational structure of Alberta registries, and we will be doing quite an extensive review there looking at administrative streamlining and restructuring within the voted appropriation amount. So it's really two elements that are bringing the budget down. At the same time, volumes continue to go up, and services are better. I was deputy Solicitor General at one time, and I used to get the calls from people who were waiting half an hour or 40 minutes at month-end to renew registration or get a licence renewal. Largely they're gone. We don't receive any service complaint calls at all anymore.

DR. WEST: I might supplement that. Of course, if you go back to the original, it was \$54 million, and we've had some movement around the figures and actual costs as we drew it out of four departments. It was quite an exercise to pull over administrative costs, because we had to sort it out from either Justice or Health. We've had to sort out how many secretaries in corporate service and admin support went with that budget. We really to this date don't know how streamlined registry's going to be, because we had brought over a tremendous amount of components in corporate registries and admin that we just estimated was required for that component of that department. What portion of the minister's department, what portion of admin support, what portion of all these things goes to land titles out of Justice?

Therefore, as we brought the budget over, we brought over \$54 million. As we moved down from the thousand people that worked in that and started moving the FTEs back – and we're down to, what, 600? The elements that you see down to this budget of \$43 million will not be the end result of this at all, or even the manpower component. Remember, we've just finished the first phase of privatization of registries. We've set up the agencies. Now we have to streamline the business plan.

The question is a valid question, but you haven't seen the end result of the savings here because, first of all, part of the budget is the hard cost of paying severances. Of course, it ate up just about as much as the estimated savings.

MR. CHADI: They're in here?

DR. WEST: Yes.

MR. CHADI: Severance is included in this? I'm sorry, Mr. Chairman. In the budget?

MR. LEITCH: In the amount for '94-95? Yes. There's a one-time provision for restructuring.

MR. CHADI: Under information distribution? Where would it fit, in registration?

MR. LEITCH: Under the '94-95 program it's under divisional support.

MR. CHADI: It couldn't be.

MR. LEITCH: I'm sorry; not division support. It's split between registration and information distribution. We've just set a lump sum amount in there for restructuring.

MR. CHADI: Thank you.

I think I'm toast right now, am I not?

MR. CHAIRMAN: I'll clarify it. If we get through, Sine, and somebody has some other questions, I'll start a new list. Is that all right?

MR. CHADI: Yes. We'd alternate between us.

MR. WICKMAN: We have Sine, Len, and myself. We're just going to keep rotating.

MR. CHADI: Keep rotating us.

MR. CHAIRMAN: Oh, okay. Good. I wasn't clear on that. I was waiting for someone's hand to go up. Sorry about that.

Gary, and then Mr. Bracko.

MR. SEVERTSON: Thanks, Mr. Chairman. I'd like to stay on program 4 too. When we look at the overall spending that's brought up, we have a reduction of about \$3 million. When you look on line 4.0.3, a \$3.3 million saving reduction is in information distribution. I'd like the minister to explain why that's where the saving is. What is that reduction?

MR. HUDSON: That's the privatization of the motor vehicle offices. That's in that component.

MR. SEVERTSON: So that's separate from the registration aspect then.

MR. HUDSON: The delivery of the services is in the information distribution. The registration component is the people that do the collection of the data and the processing of the data. So the savings were in the delivery of the services.

MR. DAVIS: That's with those offices closing. How many motor vehicle offices?

DR. WEST: Eleven.

MR. HUDSON: So 11 motor vehicle offices in seven cities that shut down. That's where you see the savings.

MR. SEVERTSON: And then the operations of them.

Okay, then. The supplementary question, Mr. Chairman. When you look at the capital investment in that same line, the capital investment went up some \$646,000 over the previous year. What is the cause of the capital investment increase when we're into privatization?

DR. WEST: That has to do with some of our information hardware and computer things that we needed to make the transition.

MR. SEVERTSON: Mainly in computers and hardware?

DR. WEST: That's correct. In note to that, we're half an hour away from releasing what will become one of the major outsourcing of and networking of our computer data into the known world. It's about 25 percent of the total information package of this government. Health and some of the others have large networks, but this one will be going out for a call for proposals to the computer industry to take our complete thing from the source to interface with the information centre, the data centres that we have and deliver it to the world. Right now Public Works, Supply and Services and the different components from the four departments have been working over different mechanisms and different computers and that sort of thing. When we're through, I think in the lifetime of this it will probably be upwards of \$100 million worth of contract, and we'll see major savings of 30 to 40 percent.

This is the end result of technology, and I see it in the future even better than what it is today. Thank God for fibre optics and all of the things that are going on out there. Once we put the information in the brain, the mainframe, and keep feeding it, professionally put it in and supervise it, then these companies will ensure that it hits those registries. The people come in, pick up their information, pay for it, and a mechanism even in the future streamlines the extraction of the wealth that comes from a registry component back to the province. That's where we'll see efficiencies in the future. It goes back to what Mr. Chadi was asking about: where the savings are going to be in this department. Just hang on.

MR. CHAIRMAN: Supplemental?

MR. SEVERTSON: Yes. Did you mention in your final answer there that all departments are going to hook into this information highway?

DR. WEST: All the registry components, and they are those six I named, from vital statistics to land titles, corporate registry, personal properties, land information resource system, and motor vehicles. In the future the beauty of one-stop shopping and setting this mechanism up is that now you come along and, as I said the other night, if Justice wants to use the sheriff's department or that sort of thing for documentation or adoption through social services right down to fishing licences, these registry offices can almost expand. The technology is there. You can add them in, and they can function for many services.

I hope we're not duplicating. I was a little nervous the other night when I heard through Justice that they were looking at, you know, how they were going to interact with the liens and property things they have under maintenance enforcement and the bankruptcies and that sort of thing by setting up a system for the sheriffs. I said, "Why not use the registries?" You've got it in place. I think we'd better start looking at the power of this registry. You can use these registry offices once they start by adding in on that on-line any number of services to the public right down to your

hunting licences or whatever you need there, because after that it's just a matter of interfacing your data.

MR. CHADI: Maintenance enforcement. The whole works.

DR. WEST: Yes, and we have a network in Alberta. What we did in private telephone lines, believe it or not, the \$500 million that we spent putting a private telephone line in every house in this province that was approachable, now gives us the ability over a long period of time to put cheap services in every village and small community operation, if you wanted, in the province. That's the beauty of these registry offices, that you can get information and services out on-line right to Dewberry, New Sarepta, Hanna, or right in the city of Edmonton. Try to do that without a year 2001 updated fibre-optic system run through AGT. Now we're starting to see the reason why we went that way.

8:54

MR. SEVERTSON: I guess the last supplementary is: have you any other privatization initiatives in the works in your department?

DR. WEST: Well, I mentioned the outsourcing, and I think that's not just our department. I think other departments are looking at outsourcing. So that's a privatization model that's one of the future. I mentioned Access Network. I don't know whether you call this privatization, but it's certainly a divestiture of government responsibility. I think one of the recommendations was that CKUA become a foundation supported by its multicultural and corporate and educational components. We'll be looking at Access in the two recommendations as put here, still keeping in mind that we want to keep the educational component with advanced education and education for distance learning purposes.

The term privatization should be curbed to, I guess, the word outsourcing of services for government with caveats. Assessment services, for example, is one that we believe as we move to full cost recovery, which we weren't doing before – municipalities were only charged about 25 percent of the cost of assessment services. We'll be in this year moving to \$40 an hour versus the old \$20, \$25 an hour, and we will be charging the actual hours for the secretarial and the administration work.

As we streamline assessment, it begs the question: do the 150 assessors need to work for the provincial government as part of the Department of Municipal Affairs, or can there be another model used by municipalities to hire them on fee for service, as is done now with some private assessment services out there and the major cities, those over 10,000 in population, who hire their own assessors? As we move in '96-97 to the new streamlined, updated assessment, to answer your question, I think there's an evolution of outsourcing those assessors to a private model. But remember they still work for a form of government, and that's why if you call it pure privatization, it gets masked a little, because they have a specific function in our society that only functions around government. Appraisers work for real estate companies. Assessors work for the government to extract volumes of cash called tax. So I hope that clarifies what we're doing in that area.

As far as other areas of privatization, we will wait for the recommendations from the Official Opposition, because they believe in privatization and they will be bringing lots forward to us. Any ideas they can give me to do something that I can't think of would certainly be appreciated.

MR. CHADI: I don't know if that's possible, that we could think of something that you can't, Steve.

MR. CHAIRMAN: Okay. Moving on to the second one. I apologize; I had three down, Gary, rather than two. Mr. Bracko.

MR. BRACKO: Thank you, Mr. Chairman. My first question is on the formula for the senior lodges. If you spend more, you get more money. You reward incompetence and penalize efficiency. If you spend less, you get more money taken away. Why wasn't that formula changed this year?

MR. FORGRAVE: Mr. Chairman, we're about to launch into consultation with the Alberta Senior Citizens Homes Association on a new way of dealing with the lodge program. We've just received their nominations for people to sit on the committee, their consultation. We've said that we would keep the program the way it is this year, but we would expect a new version to be ready for next year.

MR. BRACKO: Do you have the names?

MR. FORGRAVE: I'm sorry; I don't have them here. They have submitted the names.

MR. BRACKO: You'll supply us with the names?

MR. FORGRAVE: Okay.

MR. BRACKO: My second question. There are various models for senior housing out there operated by the private sector and nonprofit groups. In Linden I guess they have a model where they sell the units to the seniors. There are eight models there; it's a small town. When they leave the housing unit, they get all their money back except \$5,000. There are other models in Wetaskiwin. There are others around North America. Does your department have these models in place in order to supply them to different groups that would be looking at various models out there instead of each group trying to go and find out the models themselves?

MR. FORGRAVE: If a group wants to know about models like that, we'll tell them where they exist so that they can talk to the group that operates the project, rather than us trying to tell them how it works.

MR. BRACKO: You have a list?

MR. FORGRAVE: Yes.

MR. BRACKO: Okay.

DR. WEST: One was in the paper the other day if you noticed. There's an organization looking at building senior apartments that have a model much like you said that's going to have them invest. They'll pay a certain condo fee, if you like, for services while they're there. They are guaranteed exit, and they're guaranteed so much of the market value of the day less a discount. So when they sell their house, they can get into these. They're coming out of the woodwork daily.

What's doing it, to get back to your answer, is that we have said that in the future – in the future, and I clarify this again – we would like the private sector to develop models. We will follow the client through a formula that will determine that this senior needs help. Let the future develop these models. We could give you the names, whether it's Statesman corporation or Prairie Land development or Horizon Village. All kinds of them are thinking

up different models for the seniors, even some of the nonprofit organizations. The Kerby Centre talks about them. There's a Marda Loop group down in Calgary that are talking their own development.

The reason this is happening is because government has made a statement that we want to move from the old standard of bricks and mortar to follow the need base of the person. We don't need to build future senior lodgings in massive proportions to service a needy senior. We just have to give them money or a resource if they need to access these where they can, and we have to find a good model to identify. So then when you get older, you'll be able to buy one of these places and spend your own money and be a responsible citizen.

MR. BRACKO: I plan on looking after myself.

DR. WEST: With your pension you get as an MLA.

MR. BRACKO: Lastly, financing the debentures and that on all these seniors' lodges. Will that be taken over by the government and be completely separate from the foundations now? What's the plan for that?

MR. DAVIS: Well, it is completely separate from the foundation now.

MR. BRACKO: How is it going to be dealt with?

MR. DAVIS: That's one of the things we want to deal with during the consultations, but we realize that we'll have to be responsible for the debentures either through the current system, which is directly paying it, or through some other method. There's no intention at this point to look at moving the responsibility for the debenture payments away from us.

MR. DUNFORD: Steve, I like quantifiable things. What is the total administration savings in '94-95 and '93-94? Is there a total number somewhere?

DR. WEST: I'll let Mr. Leitch answer that.

9:04

MR. LEITCH: Okay. Well, if I may, Mr. Chairman. I'm just kind of working this out on a piece of paper. In terms of manpower, the manpower budget is now approximately \$14 million. Supplies and services is up slightly from \$34.3 million to \$38.7 million, which is approximately \$4 million, and then fixed assets is down from \$2.7 million to \$1.6 million. Those, you might say, are the administration components of the budget. The balance of the budget is in grants in various forms.

MR. DUNFORD: So that's about what? Net about \$12 million?

MR. LEITCH: Approximately \$12 million, yes.

MR. DUNFORD: All right.

Now, in terms of specific manpower – I guess you guys go on FTEs or something like this. I don't know. I never understood exactly whether those are real people or just what they do.

MR. LEITCH: They're certainly real these days, yes.

MR. DUNFORD: What is that number then?

MR. LEITCH: The FTE reduction is from 1,830 down to 1,457.

MR. DUNFORD: What sorts of programs, then, are put into place to assist these people in making adjustments now to whatever the new labour market might be?

MR. DAVIS: We've got kind of a wide range of things we've been doing. Probably the best thing we've done, though, is try to be out front with the staff well in advance in terms of what the business plan numbers look like to give people an opportunity to do some planning and think through their options. So we haven't been hitting them, you know, on Tuesday that we're going to make cuts on Wednesday, type of thing. We've been very open about the numbers.

The voluntary severance arrangement remains in place, and that's been taken up by the vast majority of staff. In fact, we've laid nobody off, and we're close to our target already. There may be some people who receive layoff notices as a result of what we're doing in the housing area, but even there we're confident that we'll be able to come to agreements with most people. We're also putting on a number of courses and programs right from résumé preparation to running your own business, et cetera. We're using the private sector on outplacement arrangements. So we've got a wide variety of things we're doing.

The other thing we're working very aggressively on is trying to move impacted people into other government departments or move them around within our own organization, and that involves some retraining and those types of things. We've been able to, as I say, achieve our targets without actually laying anybody off to this point.

MR. DUNFORD: I guess I'm on my second sup, but just so I understand his answer, Mr. Chairman?

MR. CHAIRMAN: Okay; for clarification.

MR. DUNFORD: Like, we're talking about '94-95 estimates here, and when you talk about no layoffs to date, we're still in '93-94. Is your answer pertaining to '94-95 numbers?

MR. DAVIS: Yeah. With the advantage of the business planning process we're using now where we know our targets, we can start working to get ahead of the game, in other words, on these targets, and that's precisely what we're trying to do.

MR. DUNFORD: Thanks.

DR. WEST: I could supplement that. We have been using some of the private-sector models in getting some consultants or people in to talk to our staff, because there has been a tremendous change in staffing for Municipal Affairs. There are just no ifs, ands, or buts about it. For example, on February 1 and 2 in Calgary and on February 8 in Edmonton we had workshops entitled Anchoring Your Work, Planning Careers in the New Economy, Networking, and Job Search Techniques. We bring in our people who need consultations and sit them down. We have workshops on stress management, different things that detail to the future planning for some of our people that have to make those decisions.

Now, some originally took early severance, but now you ask if these are mythical FTEs. We've graduated from those pools of manpower that were held from year to year, sometimes, in positions rather than actual warm bodies, some filled by part-time, some not. Some were carried forward just for the salary. We've graduated from that right to warm bodies. For example, in motor

vehicles we had about 151 people leave, but a lot of them assimilated into the workplaces of the new private agencies as well as found locations in government. We have been very fortunate because between attrition and the private-sector models, many, many, many of the people have found jobs and resurfaced. In fact, I know a lot of the registries, for example, where they're just tickled pink to have two or three of the people with 17 years' experience working there. They pay them very well, more than – I didn't know how that transition would take. So it's a good question.

I've questioned bringing in consultants to talk to people, because we're always trying to be fiscally responsible. I got this because I asked the department to bring me the consulting contracts: "I want to know where you're spending this money." Then I talked to Amoco and Shell and some of the rest and IBM and some of them that have done restructuring, and I said, "What do you do with your middle management or with your people?" They said, "We have to bring in people, and we have transitional seminars and what have you and work with them as they move on out." So we have to start using private-sector models in this government and working with our people and being sensitive to those needs. I still will question these consulting contracts on an ongoing basis. I'm sure the people that brought this forward to me didn't know I'd bring this up today.

MR. CHAIRMAN: Thank you, Dr. West.
Mr. Wickman.

MR. WICKMAN: Thank you, Mr. Chairman. Mr. Minister, let me say from the outset that I'm one of those MLAs that have a great number of constituent concerns brought to my constituency office, and your staff and your department are amongst the most responsive in dealing with those constituency concerns and problems. They do appreciate that.

Now that we've determined that staff are amongst your greatest assets, I want to follow up on the questioning by the previous member. Can you tell me since you took over the portfolio – I've heard references made in various speeches you've given – the actual number of positions that have been affected by the restructuring, by the privatization, and by the so-called rightsizing?

DR. WEST: Well, if you take the '92-93 budget year and move forward to this budget, we move from 2,174 down to 1,457.

MR. WICKMAN: Without going into my supplementary, is that including those impacted at ALCB?

DR. WEST: No.

MR. WICKMAN: Okay.

My second question, Mr. Chairman: can the minister give me an indication of the ratio of those positions that have been eliminated as to management and nonmanagement?

DR. WEST: I would have to leave that. We can break that out. It's not in the vote, but perhaps somebody could . . .

MR. DAVIS: Give us a minute just to have a look. The ratio is higher for management, I can tell you that, but I need a minute to try to track it down. If we don't have it here today . . .

DR. WEST: I'll leave that. We'll come back to it perhaps in another answer, but we'll leave somebody here working on that estimate. That's a very difficult question. In turn, we have, of

course, codes that state what is management and nonmanagement and what have you. So government reporting on who is a manager – you can be paid as a nonmanager, and you could be managing something. It's a very difficult thing, but we'll try to target that for you.

MR. WICKMAN: Okay.

My last question, Mr. Chairman, to the minister. You talk in terms of the figure of 1,457, and listening to you in Calgary when you addressed the Alberta Urban Municipalities Association, I had the impression that your targeted number of positions that you ultimately want to see within your department is considerably less than that. What is your target?

DR. WEST: Well, the '96-97 target is 1,102 for this department. We haven't done the detailed structure of the management plan on registries yet, so there could be some flexibility in registries for a lesser number. I really want to see a decreased number in registries. At the present time, registries is holding at around 600?

MR. HUDSON: Yes.

9:14

DR. WEST: I see registries probably functioning well under 400, but that's not noted here yet. That's not in this; is it?

MR. HUDSON: No.

MR. WICKMAN: Mr. Chairman, then the other information will be sent over to me at a later date, the management versus the nonmanagement?

MR. HUDSON: Yeah, we can break that down.

DR. WEST: Some of the statements I've made would indicate larger numbers than that. Of course, ALCB was thrown in with that. ALCB had started originally with 2,237 people and will be roughly around 200 when it's finished.

MR. DUNFORD: Just a clarification point on procedure then. Is that distributed to all committee members, Mr. Chairman, or just to the questioner?

MR. CHAIRMAN: All members.

MR. WICKMAN: Thank you.

MR. CHAIRMAN: Okay. Ms Haley.

MS HALEY: Thank you. I'd like to question you on program 3. With regard to the reduction in the program for senior citizens, if you could explain to me the seniors' home improvement grant dropping from \$182,000 down to \$20,000. Is that program just being phased out, or is it being rolled into another department?

MR. LEITCH: Which one?

MS HALEY: It's 3.2.11.

DR. WEST: Yeah. There's a group of grants in here. This a good question, because they're going to create confusion in the amount of dollars that move down. There's a group of grants. Take the \$4,000 grant that seniors got when they hit 65. It ends. On December 31 we stopped it. No new applications. The last

spending of that money will be '96-97. Therefore, the decrease in those will be noted by no new applications plus a variable in who has money left in it.

Remember, you could get \$4,000. You could register that with a bank, the Treasury Branch or some other place, in your name, and if you went through an application – and it was based on income; it was income tested – then you could go and spend that money over three years. So you might – you've heard me say it before – do your eavestroughs this year, and it costs \$1,200. Then next year you want to put in some new cupboards to help fix up the kitchen so that a senior could use it – a shorter basin and whatnot – and that costs \$1,400. You could draw down every year. You got a contractor in, and he gave you an estimate. You sent it to the bank and got it stamped, and you got \$4,000, or down to – there was an income test. Some got \$2,000; some got \$3,000. Well, there are variables here, and they're targets. We don't know how many people will go and get their contractor in this year. So we could have a surplus, or we could have it underestimated, but we have to set a target for that.

The same thing with home adaptations. We're up this year for disabled. The disabled grant of up to \$5,000 that goes in for wheelchair ramps or, as I said, if somebody wants to adapt their sink and their bathroom so that they can fit in and work in their homes, that has been overcalled this year, and we will see an extra I think \$500,000.

MR. LEITCH: If I may, Mr. Chairman, on the seniors' home improvement grant. That was the program that was in existence prior to the seniors' independent living program coming into force approximately four years ago. As the minister has explained, once the grant is made, the recipients have approximately four years to utilize those funds on approved expenditures. So the seniors' home improvement program actually stopped receiving applications four years ago. That four-year period for them to use those funds is now lapsing, and that's why we're down to just \$20,000. This will be the last year of any funds for that program.

MS HALEY: So from there you brought up the seniors' independent living program as something that took the place of that original one?

MR. LEITCH: That's correct.

MS HALEY: And it's being cut in half as well?

MR. LEITCH: No. The seniors' independent living program also stopped receiving applications December 31, 1993. So there's now four years for those people to spend the money they haven't spent on those grants that range anywhere from \$1,000 to \$4,000.

MS HALEY: My final supplementary on this is: are there any other programs to help seniors stay in their homes?

DR. WEST: The home adaptation program is still there. There is a threshold, but that's the one I just explained, where you could get upwards of \$5,000 and renovate your home: make your steps easier or wheelchair ramps or readjust your bathroom heights and things or where your fridge and stove are or change the floor covering because it's sticky or what have you. You could adapt your home so it's easier to function in cooking and the like. So yes, there's one component left, but not this one.

I have a question following on yours. Why in God's name didn't they keep the two the same name?

MR. LEITCH: Actually, there were about four programs in a row. There was the pioneer home program – I forget the exact name – so there have been four of these in a row.

DR. WEST: Yeah, and they changed the name every time they extended them.

MR. LEITCH: Yes, and the benefits change in definition a little bit as well. They've never been kept quite exactly the same.

DR. WEST: Oh, my. But at any rate, we only have the one area now for home adaptation; you're right.

MR. LEITCH: And there's still the property tax reduction component of the Alberta seniors' benefit program.

DR. WEST: I don't want to say this, but this is a program that, if I went across Alberta and looked at it, I'd have to say probably had the greatest variance in abuse that I've ever seen. Some needed it; some didn't. Depending if you had a good accountant and that sort of thing, depending what thresholds you hit. The first program, the pioneer one, I think probably gave new stoves, fridges, carpets, and cupboards to homes while they did all their kids' cottages with it. You could get appliances on it. They took that out, but in the first one you could get appliances, and they just kept moving those out. There must be a better way in the future to establish need in this country, because the discussion that we're having – and we're going to have it on the seniors' programs – is a difficult one. It is difficult when you have a discussion after the trail of programs we've had that really, in perception if not in reality, didn't seem to target definitive need.

MR. WICKMAN: Can I ask him to clarify a point, Mr. Chairman?

DR. WEST: So that's just a little bit – can I do that, Mr. Chairman, once in a while, a little bit of philosophy?

MR. CHAIRMAN: By all means. In fact, I believe Mr. Wickman would like you to clarify some point here, and I'm not going to get the speaking list . . .

MR. WICKMAN: I'm glad that question was asked, because it eliminates some confusion I had on the two programs. The minister didn't touch on the impact of the alert program, as to whether it's impacted because of the elimination of the one program but the retention of the other.

DR. WEST: The medical alert program will sunset at March 31 of '94.

MR. WICKMAN: So it's gone.

DR. WEST: Yes. The medical alert program was well used, and there'll be other management agencies that take on the direction of this program. I did a little research into cost on the medical alert. It was a great introduction, and many people and many agencies, health units, and public health nurses and what have you know about the medical alert. You can probably put it in now at half price. When the government runs things, we get charged noncompetitive prices, but the marketplace out there – I've talked to three or four that have not only medical alerts but they have alarm systems for homes and everything else. The technology

now for a medical alert – well, we were spending \$750; you'll jam these in at \$300-plus.

Yes, we're getting out of it, but we're going to give direction to those agencies, to the names of where you can access these. There are other programs if you have absolute need, but the need will be the marketplace as far as testing it, and it'll be half price. And they'll reuse them. How many of these were left in homes and weren't recycled? I mean, you can get contracts now where the guy will take it back after the person . . .

MR. CHADI: Technology changes, Steve.

DR. WEST: Yeah.

MR. CHAIRMAN: I guess I've caught up on that one faux pas I made with . . .

MR. WICKMAN: That's why I snuck it in.

MR. CHAIRMAN: Okay. Mr. Chadi.

9:24

MR. CHADI: Thank you very much, Mr. Chairman. I'm somewhat concerned over a comment the minister made with respect to registries. In my questioning we'll go back to registries, then program 4.

Firstly, I understand that this is not a simple transformation, going from what we have to take it to agencies right throughout the province, but the comment was made that we don't really know how streamlined registries is going to be, particularly with respect to expenses and expenditures within program 4. I would assume that's what the minister meant, but I would have thought for sure there would be something within a business plan that would give us a target, give us a clear direction as to where we would go in terms of registries so that we would know the upsides and the downsides to the private agency arrangements. In any event, going to 4.0.2, registration, and 4.0.3, information distribution, in my earlier questioning. There were some severances that were included in these expenditures. Is it possible, Mr. Minister, or someone from your staff, to give us an indication as to how much in terms of severances were paid out in registration and in information distribution?

MR. CHAIRMAN: Pardon me just one sec. Sine, did you mean 5.0.2?

MR. CHADI: No. I'm sorry; 4.0.2, under registries, program 4. I'm sorry. I'm in the supplementary estimates, Mr. Chairman.

MR. CHAIRMAN: I'm sorry. Carry on.

MR. HUDSON: To clarify this, are you talking '93-94?

MR. CHADI: In '94-95.

MR. HUDSON: But you want to know what's been paid out in the '93-94 year, or what we're proposing to pay out when we hit '94-95?

MR. CHADI: Yeah. I'm asking what was paid out in 1993-94. What you're proposing to pay out was going to be my next question, but if you want to combine them, that's fine.

MR. HUDSON: Okay. The '93-94 is \$2.1 million.

MR. CHADI: In which vote?

MR. HUDSON: Most of it's in information distribution, some of it within registration.

MR. CHADI: And the anticipated 1994-95?

MR. HUDSON: It's 960-some thousand dollars; \$963,000 or \$968,000 – I can't remember. Again, the proportion there is more in registration than in information distribution because, as I said before, the information distribution covered the privatization of the delivery offices, and the next expected severances are within the registration area.

DR. WEST: May I just catch the lead-in where you said you're concerned about not being able to target where registries is and what is being saved. I want you to know that in the '92-93 years, \$59 million was the brought-over budget for registries. You're dealing with \$43 million this year, and the \$54 million is in there because we saved that kind of money to give back last year. But \$59 million to \$43 million is a start, and we're down to 600 people from 1,000. Now, there are the three-year business plans that will be coming forth. You're dealing in '94-95. If you want to see the efficiencies, we're dealing with from \$59 million to \$43 million, and we're dealing with from a thousand FTEs to 600. So if that isn't cost savings – you're talking about \$3 million here and that. I'm talking in the realm of \$16 million so far and 400 employees. You can do anything you want with figures, but be assured that this thing is moving downward. And the user is paying. If you drive four cars, Sine, you pay. If I don't drive at all, if I don't register a vehicle, I don't want the tax money coming out of my tax to pay for your cars by subsidization. We were subsidizing motor vehicles by no ifs, ands, or buts.

I'm just saying that in the future those who drive cars or those who buy homes and property and use the services will pay. Those that want to rent in an apartment building and don't get into that type of thing and don't have the money to do it shouldn't be taxed as a teller at the bank or any other place to subsidize land titles for the sake of the operations. If somebody says, "Well, the fees are going up," we didn't – the way we accounted before in consolidated budgeting, we weren't including all the costs involved in operations. In fact, in many of our reporting – it's like ADC. The cost of the building itself was over in public works, was it not, against the cost of operating ADC. So was the cost of the buildings and real estate and the cost of service in the 11 offices put against registries?

MR. CHAIRMAN: You have two and a half questions left, Sine. You snuck one in there.

MR. CHADI: Thanks, Mr. Chairman. Again with respect to registries, I do know that we are allowed – perhaps all Albertans or corporations or individuals are allowed – to go on the on-line system directly with registries and land titles, et cetera. There are the private agencies that are out there trying to earn their living, I suppose, and keep some people employed at the same time. Years ago – I don't know what it's like today, and that's going to be my question – with respect to land titles itself there used to be a limit as to how much you would have to spend before you could actually have an account with land titles. I'm wondering: is there a mechanism in place that would ensure that conceivably everybody can go on-line and ultimately put the agencies out of business? Is there a mechanism in place to ensure that indeed there is some limitation as to how many can go on-line? Because

in this new age of technology that we've got, I can see it happening. You're talking about people in the north accessing through their phone lines now. I mean, if they had a computer and a modem, they could go on-line. So I would suspect that there should be something there. Is there, Mr. Minister?

DR. WEST: It's a very good question, because we're right into the throes of that now. The historic nature of some of the policies that we had versus the reality of going to the private sector in these registry offices has caused us some concern. The on-line, for anybody that doesn't know, is a service that we had before for banks and large law firms and some of the large auction services and that, who could tap into certain searches for liens and properties or for titles. We had that before we privatized. Now that we have privatized, certainly the new registries are also buying some of those services and are reselling them. We will be looking at – and there has been a bit of an explosion of the on-line people wanting to access this. We're going to bring in a policy – we're working on that right now – that will grandfather in certain elements because they're historic traditions but will make a differential in the pricing of these as well as look at what you very well said: what's the limit that we will allow? We're going to solve this on-line thing. There will be a different charge to the on-line people, and they won't resell. We'll stem the flow of – you'd have to be quite a sizable account to want to go on-line in the future.

Now, that doesn't stop – there are banks. Banks have the biggest utilization. I think banks are 357 or so out of the 800 that are on-line right today. Of the others, law firms are number two. Then we get into a cross section of oil companies and larger businesses. I said some of the auctions: Nasby's auction.

MR. CHADI: Real estate companies?

DR. WEST: The real estate board itself wants to tap in and then use its services for its members. We had a meeting the other day with the real estate people, and we'll be talking to them about it. Your question is of good timing, because we're going to settle that. It is something that the registries have, but they were never promised to have an exclusive on these other provinces, but they didn't mind going head to head with free enterprise, with one agent or the other. I don't think some of them had realized that on-line was there; I really don't. I think some of them missed the fact that on-line has been there right along the line. There have been law firms in Edmonton that have been using on-line for years.

MR. CHAIRMAN: Finals.

DR. WEST: So does that answer your question?

MR. CHADI: Yes. Thank you.

DR. WEST: The last thing you said I want made note of: the point you made about how land titles was, that you had to have a certain volume before you could access it.

MR. CHADI: That's the way it used to be. I think it was something like a minimum of \$50 a month business with them; otherwise, your account was cut off.

9:34

DR. WEST: I think we should look at something, because, as I say, with the technology today it costs you about \$250 to buy a modem and these things and you're on the way.

MR. CHADI: Exactly.

DR. WEST: The other side. One company came to me and as soon as one of the registries – they have monopolies in rural Alberta, remember. There's only one in some towns, and of course they were charging \$8 to \$10 for a service they are paying \$3 for. Some of these companies were doing around 2,000 a month. They came and said, you know, what's the game here? Now, before we were dealing with the government paying \$3. We don't mind paying some to the private sector, but now you've got us held with a gun to our head. Unless you're going to open up the registries in some of the larger communities – like, we've got communities that we're not talking 500 people in them; we're talking 10,000 to 15,000. They said that unless you allow more than one registry office, then you'd better give us an alternative than being blackmailed for this service. The private sector must be aware. I believe in the private sector very strongly. The way we set up the 149 offices, we wanted them to survive for the legislated responsibility of motor vehicles. When you open up this other, there must be some competitive edge to it, or else you've created an absolute monopoly.

So there are two sides to the coin about on-line. We just want to make it fair, level the historic nature of it out and make it as fair as we can.

MR. CHADI: Okay.

Mr. Chairman. My final supplement then, I believe.

MR. CHAIRMAN: You betcha.

MR. CHADI: Okay. With respect to, again, registries, Mr. Minister, you mentioned that we looked at areas where there was actually 15,000 population and they wanted more than one. I know that – well, I'm not sure, so that's what I'll ask. There were situations here in the city of Edmonton where we had a certain criterion that had to be met prior to establishing an agency, and that would be, say, 40,000 or so in terms of population. My question is: what criteria were used in establishing who would get these offices? What sort of population numbers and this sort of thing? Why did we look at areas that had 15,000 population allowed more than one, according to your previous comments?

DR. WEST: Those are the 149 that have been there and been developed since 1974. We were dealing only with the cities; I think it's 11 offices in seven cities or whatever it was – Calgary, Edmonton. There were criteria on many areas brought forward to it as far as business backgrounds and ability, history. We had about 800 interested groups in the beginning and had to work our way down to 68. It was a very detailed analysis and many trials and tribulations as you waited. There was a waiting system of a matrix that went down through on different criteria. It wasn't an easy process. The strengths of the process were that we had to determine a certain level of the numbers to allow competitive enterprise to take over from what originally had been a government-run operation.

Second of all, it was totally left to a committee. There's one thing that everybody knows when they come out of this. There were no political or other overtones to this. We tried to make it so that you didn't have to be a millionaire; anybody could apply for this. It was a little different than perhaps the ALCB privatization, because again we had to ensure that these offices would be open because of the legislated requirement to have a driver's licence and a registration. You could say: why didn't you just let the marketplace have at each other? Well, if the

amount of money involved wasn't worth the effort to go into it, you wouldn't have an office open at all. You have this and that going on, and you would have people – this is a legislated requirement.

Now, on the other areas I just told you that we want to allow a market force to take place. In the selection of these 68 we had to deem what was reasonable for service to people in the city of Edmonton, but not oversaturation of a marketplace, so that those businesses could get up and running and maintain that service equal to what we were giving before. So the whole process, and I would say the criteria used, was a weighting of business experience versus ability to serve. There was even in the matrix, you know, that this is a public service so you've got to smile; you have to be personable and have some background. The proposals brought forth would isolate certain strengths that they had, and the quality of those proposals was part of the weight too. I mean, if you want a businessman in place that you sustain the service to the public, you weight the quality of their proposals. I'm sure there were people that wrote in on miscellaneous and said, "I'm in business so long, they have to take this." They failed, and they came back and said, "Yeah, but I'm in business; I own this and that and the other thing." "Well," I said, "then put it down, because there was a person over here that was going into business for the first time that outdid your proposal 30 to 1." "Yeah, but you're supposed to know that I'm the best guy in the world."

You see, it isn't all things to all situations. In the end somebody said, "Well, you made a mistake; you could have had this." In a selection process like this the market will sort out over a longer period of time, but we did the best we could without influence. I think there's one thing: we allowed this to be done by a committee that was arm's length to the minister's office and to the other elected representatives, allowed the marketplace to bring forth to the best of their ability proposals, and we sorted it out.

One final statement. Remember what he said. When I went around to estimate how many offices we'd need and that sort of thing, it was a difficult one, but I knew one thing. It gets back to the comment that you made in reference to: how efficient will registries be by this privatization? I remember the day that Bob Dunster was phoned by a guy at a registry sitting in line with a cellular phone. He said, "You'll stay on this line until I get my licence plate." It was near an hour. He said: "I've got a cellular. I'm standing in one of your lines at your motor vehicles office, and you'll stay on this line with me until I get to the wicket."

I went into offices. I used to go incognito and sit down beside people with ticket 84 in the Bowness one in Calgary. "What are you doing in this line?" He said, "I'm waiting." I said, "Do you like that?" He said: "That's the way government operates. I have to like it." I said, "Is your time not worth anything?" There were businessmen and everybody in there. He said, "Absolutely, but this is all the government provides." When I went back to the department, I said, "What does it cost the department to do a motor vehicles licence?" "Oh, we can do it very efficiently. We can do it cheaper than the private sector. We're giving them \$3 now; you're talking about giving them \$4, which is an increased cost to the public. We can do it for \$2.11." I said: "I've got a better idea. Why don't you close two of the stores in Edmonton and Calgary, make them stand in line for 24 hours, and we can do it for 50 cents." People won't stand today at McDonald's for more than 20 seconds. You won't take an old phone and dial your numbers; you have to have Princess phones now. The public paying \$4 is very pleased if they can get in and out of a registry office and get their service done at least in 20 minutes. We had them sitting in theatres, in motor vehicles

offices, sitting – there were more there than in a church, pulling numbers off a ticket, and this is a taxpayer that won't stand in line at a McDonald's for more than an hour.

MR. CHADI: More than an hour? You'd better not.

9:44

DR. WEST: Well, you're standing in line.

So when you come back to saying, "Show me the cost efficiency of privatization," you have to first go back and say: were we providing a service at all under the present costs, and what is the value of that service? Then you get back to the selection process. The idea was to distribute these on a population basis so that we would have the least lineups and better service than we had before. My first recording, and I have to wait for awhile, is that the phones aren't ringing. People seem fairly pleased with the initial response from registries. I have to really respect the private agents, because most of them, on most parts are doing a hell of a job. Now, I've got a list of things, you know, that certainly we have to tighten up, but for an initial transition and having to learn all the things that many of those do that knew nothing about registries, I think they're doing a great job.

Now, that's a little more explanation of the questions of: what was the process; what were the criteria to select them? In that answer lie all the criteria: service, distribution as far as population, as well as trying to get businesspeople with a good smile and personality that would open up on Saturday mornings and stay open on Friday nights and through the noon hours. You know, it's awful nice to have somebody there that recognizes that other people work for a living and only have certain elements of their life in order to get those services done.

MR. CHAIRMAN: Did you have a point on this?

MR. BRACKO: Just a clarification on this. Has the computer been upgraded?

DR. WEST: The new registries, the 68. Some of the other ones have the old system still in place, but all the new registry offices have the updated computers.

MR. BRACKO: Secondly . . .

MR. CHAIRMAN: Are you clarifying or asking questions?

MR. BRACKO: Just for a clarification, yes. You said it's more efficient, so I just wanted clarification.

The complaints that you're paying fines and go to court to get the receipt to come back to registries and they can't get their licence because the computer's down; it's been down for two or three days. So I'm not sure. How's that more efficient?

MR. HUDSON: Did I hear you saying that the computers are going down?

MR. BRACKO: They're down, yeah.

MR. HUDSON: We haven't had any significant delays at all, any more so than we had before. It's the same basic computer system, the motor vehicle system.

MR. BRACKO: It's been down for a couple of days last week. He also brought in the receipt from the court saying, yes, the

fine's been paid, and they wouldn't give him his licence. They said that you have to wait till the computer is up again.

DR. WEST: That happened before too.

MR. HUDSON: Well, it certainly wasn't down for two days.

MR. BRACKO: But can they not if you have a receipt from the courts?

DR. WEST: No. You have to verify it through it. That happened before. That wasn't just unique to . . .

MR. BRACKO: But if you've paid your fine – it's been paid for.

MR. CHAIRMAN: We're getting into a debate here on this thing, and I think if you want to follow up with the minister's office . . .

DR. WEST: If an individual registry had a problem with one of their terminals, I can't clarify that, but you just heard from the head of the registry that we've had no two-day delay in the brain. I mean, the mainframe is where you draw it from, and you interface with that. Now, I can understand how some of the interfacing – maybe one of those units out there is down or in that one office, but the total system isn't down. Of course, if you go to an office and that person's had a problem with their computer, that can happen in any private-sector operation, and you've got a delay. I remember I went to the bank once and I couldn't find out what was in my account for two days. That was the Treasury Branch. I can't deal there anymore.

MR. CHAIRMAN: Mrs. Gordon.

MRS. GORDON: Thank you, Mr. Chairman. Dr. West, a few minutes ago we talked about the financial assistance for housing. I was wondering if you could just tell me how many of our housing programs are cost-shared with the federal government.

DR. WEST: Tom, you're in the limelight.

MR. FORGRAVE: Almost all of the housing programs are cost-shared with the federal government, with two exceptions. One is that very few lodge units are. About 97 percent of the lodge units are entirely provincial, and there is a unilateral Alberta rent supplement program still existing of about a thousand units out of the 4,000 total rent supplement.

MR. BRACKO: I can't hear you. Please, can you speak louder?

MR. FORGRAVE: Sorry. Lodges are primarily provincially funded. About 2 and a half percent of the units had some federal funding involved with them, and there is a unilateral Alberta rent supplement program on about 1,000 of the 4,000 units that are under rent supplement. Otherwise, all the other programs are cost-shared.

MRS. GORDON: Thank you.

Can you clarify for me in the same area, 3.2, financial assistance for housing: what is the property education tax reduction?

MR. FORGRAVE: Both the property tax deduction program and the senior citizens rental assistance program are together known as shelter grants. The property tax deduction one is for – oh, sorry; you're on 3.2.10?

MRS. GORDON: Right.

MR. FORGRAVE: That will probably go to education when the new financing program gets in line. There has been a minor amount of money available to reimburse people who were improperly charged the old school foundation levy. So that's \$30,000. When the assessment appeal board or a court of revision determines that this property was not commercial and therefore shouldn't have been charged a school foundation levy, they get a rebate of the school foundation levy.

MRS. GORDON: Thank you for that clarification.

Under program 2, support for municipal programs, an amount of \$4.3 million is shown for dedicated revenue. What is this for?

MR. MCGOWAN: That's for assessment services fees, where we charge an hourly rate to the municipalities for assessment services.

DR. WEST: Speak up a little. I don't think they can – can you hear that?

AN HON. MEMBER: No.

MR. MCGOWAN: I'm sorry. That was for assessment services fees for their assessors that work for the municipalities, and this is the charge to them.

MR. CHAIRMAN: Mr. Bracko.

MR. BRACKO: Thank you, Mr. Chairman. In the estimates last year Alberta housing was to sell more housing for \$275 million at a loss of \$104 million. Where are we at with that? I don't see those numbers. Do you have those numbers at this time?

DR. WEST: Well, I said at the beginning that we have in this budget \$128 million as our estimated losses. Tom, you may help me here. Here's what remains as of January 31, 1994. That's the beginning, and this is what remains to be sold.

MR. BRACKO: This is from last year's estimates?

DR. WEST: No, this is right out from this year's estimates.

MR. BRACKO: Okay. I guess I'm confused because you have \$128 million this year, and that's more than \$104 million from last year.

DR. WEST: Yeah.

MR. BRACKO: That's an increase.

DR. WEST: That's right. We plan on finishing up the portfolio this year and finalizing the sales that we have. Let me give you an idea of what that means. The remaining assets to be sold as of January 31, 1994, are \$387,667,000. That's January 31, 1994. Anything previous to that was the loss of \$104 million from last year. Now we go into this year. On this amount our projected losses written in are \$128 million. Now, we are selling the land, real estate, and mortgages in that area. The mortgages left are about \$200 million, the real estate left is about \$91,867,000 or 434 pieces of property, and the land is \$95 million including around 1,859 lots and 1,257 mobile-home park stalls and 201 industrial and residential stalls. The mobile-home park stalls are Fort McMurray, which has the largest mobile-home park in North

America, and it's for sale at the present time. The industrial and residential stalls is what I told you. We set up a whole lot of small industrial subdivisions in rural Alberta and in different places.

So again I'll reiterate. You wanted to know about the \$128 million. We estimate that's the loss when we sell this, and this is the final group of sales for Municipal Affairs Sales Ltd.

I'll give you one other thing. If you go back in history, since 1989-90 we have sold \$1.6 billion and we have written down approximately \$880,000. So we have the debt down to the heritage fund on that tremendously. We've sold off a tremendous amount of that land, real estate, and mortgages. Since '89-90, \$1,178,000,000 was in 14,050 mortgages, and some of those mortgages, as I said, were West Edmonton Village or all these CHIP and MAP programs. It takes some study, but the losses we incur are because we have a book value on this land and mortgages with the high interest rates back in the early days, and we sell them on this day's market.

9:54

MR. BRACKO: Just for clarification. It said 131 mortgages and 164 real estate properties in the '93 estimates.

DR. WEST: That's last year's.

MR. BRACKO: Are you adding additional properties to this, or is it just strictly these properties that we're talking about for the \$128 million?

DR. WEST: Well, I'll turn that over now.

MR. DAVIS: Well, there are some additional properties that come on as we deem some of the inventory to be not suitable for social housing. So there is some limited growth in the inventory that's being sold, but basically this inventory has been identified for a number of years as not required for social housing purposes. A lot of it was never designed in the first place for social housing purposes. For example, the whole Fort McMurray inventory is nonsocial housing. It's just a question of getting to it to sell it.

Now, fortunately over the last two or three years with low interest rates most of the attractive properties sold fairly easily. We're now down to the more difficult properties, which also have larger losses against them as well; in other words, they're not worth today what they were when we took the loan out from the heritage savings trust fund back in the late '70s. So that's why the realized loss amount appears larger this year. All those provisions, though, have been made against the AMHC books since the early '80s. So what we're doing really is transferring the loss from the heritage savings trust fund to the general revenue fund. The general revenue fund is reimbursing the heritage savings trust fund.

MR. BRACKO: My next question: how do you determine the point which you sell the properties and the point which you hang on to them, or is it just that you're going to get rid of them at any cost? What formula or what basis or rationale do you use?

MR. DAVIS: Well, what we've been using up to now is a formula based on the current value of the property, and we've been trying to stay with the 90 percent, I believe, wherever possible. There are some properties that are very difficult, though, when you start to move into areas like Wabasca and some of the more remote locations. Fort McMurray is very difficult as well because we've got the anomaly there that we're the only game in town really in terms of owning lands and lots. So it's

difficult to determine pricing, and we've just revised our pricing for Fort McMurray. Then again in the cities we try to be very close to current market value, and we've been able to achieve a bit better than market value in some cases, partly because of low interest rates.

MR. BRACKO: Are there any additional properties that could come on in the next year or two, or is it mainly the inventory listed here?

MR. DAVIS: I believe this is the bulk. Now, there may be some minor additions to it but nothing significant.

MR. LEITCH: This is essentially complete now. We're doing a full review of all the land that the corporation holds with a view that if there's any land there that can't be definitively seen as being required for social housing purposes, then we move it into the sale portfolio.

MR. BRACKO: When do you want to have this completed by?

MR. LEITCH: By the end of this coming fiscal year.

MR. BRACKO: This year here.

MR. LEITCH: Yeah, by the end of '94-95.

DR. WEST: There is some housing held for staff throughout the province that's really what I call on loan to other departments that is held through Alberta Mortgage and Housing. We would like to move that out also, whether it be in parks or whether it be northern. We have a group of houses in that. You'll say, "Well, didn't some come onstream?" If the owners of those homes would buy them, if we could transpose some of that, then so be it. We will. Then we have some northern housing and different units where the owner may request to buy it, and they've been in the house for 10, 12 years. They're responsible. They've met the things, and they've paid into it. We'll look at those as we go on, but I think that if we could get ownership back in some of the models, it certainly would be a lot more beneficial to even the social housing programs. There's nothing like the pride of ownership to make you cut your grass.

MR. CHAIRMAN: Okay.

Mr. Clegg.

MR. CLEGG: Well, thank you, Mr. Chairman. I was starting to worry there. At my age I was thinking I was going to get \$4,000 to shingle my house, but it seems like he's cutting that out. My favourite topic is Alberta Mortgage and Housing, and I have specific questions that I'd like to ask on that. Why has the grant to the Alberta Mortgage and Housing Corporation decreased to \$115.2 million in '94?

MR. DAVIS: Well, it's essentially going down because as we sell this inventory off, the costs of the debentures against the inventory are reducing, so the bulk of it is related to the sale of these assets.

DR. WEST: And an \$8 million decrease in interest rates. Interest rates have made a difference.

MR. CLEGG: Can you name some of the clients on these social housing programs?

MR. FORGRAVE: There are senior citizens in lodges. Universally for seniors that's not income tested. There are self-contained senior citizen apartments, which are for lower income seniors, and that is income tested. Rent is geared to income. There are nonsenior families and nonsenior singles who are looked after through community and special housing programs, and then there are people primarily in the north who are looked after under three separate programs that are aimed at more isolated communities.

MR. CLEGG: Thank you.

There have been so many programs under Alberta Housing and Mortgage over the last 20 years. I haven't been in great favour of Alberta Mortgage and Housing. You know that by now. One program – I think it was alluded to earlier – the home adaption program, there is an increase of half a million dollars in that. I am really in favour of that program because it really is for the disabled. Is that \$500,000 just because you think there's going to be a bigger need, or is the program being expanded?

MR. FORGRAVE: There are two things that contribute to that, Mr. Chairman. One of them is that previously you had three years to spend the money, and most people spent it in a year anyway. So we've said this year that if you get approved, you've got a year to spend the money and do your upgrade. That will accelerate the spending a little bit.

The second thing is that, as the Minister mentioned before, with the elimination of the new applications under the seniors independent living program, we can expect that there will be some seniors who are wheelchair bound who will make application under the home adaptation program rather than under SILP. So there'd be somewhat of an increase there.

DR. WEST: You see some responsibly – I shouldn't say all – did take the \$4,000 and adapt their home, whereas they could have applied under this other. So literally in that case we've transferred some of those to adapt their homes. I would rather augment the home adaptation for the disabled or for the need. It'll target it then because the focus is on that.

MR. CLEGG: Well, just a comment. I certainly agree with that because disabled people should certainly be looked after, and in many cases they did use that money for wheelchair ramps and maybe for lifts for patients and that kind of stuff.

The other program – although at my age I said I was looking forward to that \$4,000. Obviously, Mr. Minister, you've not just taken that away; you're trying to charge me for all my motor vehicles besides.

DR. WEST: You know, I saw a movie the other night called *Grumpy Old Men*. Keep it up; you'll be cast.

MR. CHAIRMAN: Ladies and gentleman, we're going to have Mr. Wickman's questions. Then with your permission we'll take a five-minute break so everyone can stretch their legs. So if we could do that fairly quickly, then we'll be at the halfway mark.

MR. WICKMAN: Mr. Chairman, my questions are going to be directed specifically to the minister and deal with what I call the downloading onto the municipalities. Mr. Minister, with the consolidation of the four various programs into one with the major reduction of – what? – approximately 53 percent if I recall correctly, how do you see the municipalities providing a reasonable level of service without increasing taxes?

10:04

DR. WEST: It's a matter of choices and administration, and you've heard me say it before. Some of you have asked questions right in the Leg. Assembly. But let's put things in perspective so that we can wrap our minds around, then, the ability to make adjustments.

If I told somebody tomorrow that they had \$100 to spend last year and this year they're only going to get \$98.20, can they make an adjustment in their spending in their home? Somebody says, "No, I can't, not without going to the bank and taking a loan." The analogy I'm making is that if in your personal lives you had to adjust your life for 2 percent, would you not be able to do that in how you run your ship? Or would you go to the bank and borrow more money? In some of these municipalities in fact I'm going to go to 80 percent of the population of the province of Alberta.

I'm going to give two answers to your question. The change with the unconditional grant is in the dimension of what I just said. The city of Calgary, for example, on a year basis is minus 1.34 percent of their 1993 operating budget. They spend nearly a billion dollars in their budget, and the amount they would lose from the unconditional grant between the municipal assistance grant, police grant, public transit, urban parks, FCSS would be 1.34 percent of that budget.

MR. CHADI: How?

DR. WEST: What did you say?

MR. CHADI: You're taking away funds. How do you arrive at that when you're taking away funds?

DR. WEST: They're only losing 1.34 percent of their budget, of the \$100 you had to spend, but they happen to have a billion. Because they spend that kind of money and because the amount they're being cut is millions, we lose control of economics. We start saying: "Oh, my God. They're losing \$12 million." Well, 2 cents on the dollar to somebody running their household here is the equivalency. And they're going to turn around and say: we're going to increase taxes? No, you have to go into your operation and cut somewhere, and you have to look at services. Nobody said that we were going to balance the budgets in Alberta without Albertans at the municipal level losing some services. Who said that? Whoever said that we'll just pass it on in taxes and save all these people any hardship, except extracting the volumes of wealth from other people? No.

Now, my second caveat on this. There are areas in the province that have low population, a low assessment base that depend tremendously on the municipal grant and some of the others: the county of Forty Mile, some of the other jurisdictions, some villages. We have said that we are going to look at that in the long range with a \$20 million pool that will go into a formula of equalization and help make the transition on the 20 percent cut or the 100 percent cut in MAG grants by the end. In the other areas, such as the transition in municipal street assistance grants and that, remember that that one that's being cut is to the major cities. That's the LRT grant. The major portion of that is to the big cities on the transportation grants. When we're talking about cutting urban parks, of course urban parks goes only to the large cities. It doesn't help the smaller centres. Therefore, those centres which can adjust their budgets the easiest are losing the most, and they can adjust their budget. I know that when they stand up and say, "We're going to lose \$19 million," whether it's

the city of Edmonton or that sort of thing, I only hear a couple resound. There are more cities than just the two, and I'm not hearing from some of the other cities. They're adjusting.

So the answer to your question is: put it in perspective before we start an image out there in the public that this has devastated and that the only solution is massive tax increases. The term downloading, I believe, is an irresponsible term, because there is only one taxpayer. If I have to contribute, don't raise my taxes, whether it's property taxes, personal income tax, sales tax. Don't bring in any more of those. I can do without some of the frills. If you've got a street landscape program, put it on the burner for five years until you balance the budget. Don't keep merrily going on with street beautification and city beautification and bridges over the river over here and increasing park trails and bicycle trails. Stop it and put that money into transportation and fixing potholes. Don't go on to me about tearing out all the flowers that city parks and rec buys every year. Go into your planning department and start cutting out middle management. Look at your transportation. Look at what has to be done and what was in your 10-year plan. You don't have to continue those. We've had to stop some of our plans.

Other administrations must come to the realization that they must start to think and get internal. I heard one of the aldermen in the city of Edmonton stand up and say: we're to the bones. Nonsense. I'm a taxpayer in the city of Edmonton, and I drive back and forth to work. I don't ever want to get out of my vehicle. Someone should run in this city and start telling them where they can cut some money. You were a city councillor, and you know that.

MR. WICKMAN: A supplementary question, Mr. Minister. I respect what you're saying, but you're missing a very, very important point to try and break it down to a figure of 1.3 percent. There's the additional pressure on the municipalities, the cost of certain goods and services in the other levels of government – like UIC, increased premiums and so on and so forth – that they can't account for by simply raising taxes, because they're feeling the same pressure as other levels of government. So it's not just 1.3 percent they have to reduce their expenditures by. They have to make up for other pressures they face too.

Will the minister give an indication as to what his ultimate target is in terms of assistance to the municipalities? Is what we see on the table the end of it, or are there further reductions down the road?

DR. WEST: Our three-year plans are very specific. Anybody in the municipality can take the three-year plan now and see the window to '96-97. We've notified them of all these numbers. So in answer to your question, they have a window to a three-year budget for the first time in the history of any government, any place. I don't know of one. I lived in Ontario. I've seen other governments. I've studied. We do do some research back and forth. I don't know of anybody else that has laid out this type of target, albeit a cutback. These people have what we have, whether it's urban parks, FCSS, streets operating, and transportation has given them the grant levels for the next three years.

MR. WICKMAN: My last supplementary question, Mr. Chairman. On the assumption – and I think it's a fairly safe assumption. Does the minister have a plan to provide a form of compensation for lost revenue as a result of the probable elimination of the M and E?

DR. WEST: At this point in time in the discussion of the budget here that is hypothetical. The tax review commission has got its report there. We haven't brought forth a decision on M and E or any of the other recommendations.

I know that I'm on record, so I can say this. I said that municipalities would be, I guess, buffered from any losses in the M and E. We have taken over 100 percent of education, and that transition will take place in the next year. That's 63 percent of the M and E across this province. Out of the \$117 million, 63 percent of it was indeed school. That will be taken over by the provincial government and one way or the other will be found. We have already stated that we are looking at a flat school tax across the province, equalized between 11 and 12 mills. If there's a discussion to take place on it, those revenues the municipalities have for operations will be found within the system if there's a new model coming out. The answer to your question is probably yes, but it's hypothetical if we haven't made a decision yet on the tax reform commission.

10:14

MR. WICKMAN: Just to clear that point up, Mr. Chairman, then what you're saying is: in the event of, then there is a buffering plan in place.

DR. WEST: As I say, we have stated that certainly we know there are certain incomes municipalities have based on M and E, and at no time did we say we would leave them financially embarrassed by extracting \$170 million and calling it zero. We never said that.

MR. WICKMAN: Okay. Thank you.

DR. WEST: Part of the problem has been solved by the fact that the province now takes over 100 percent funding. We will have to. It's our problem now, not the municipalities'. Now we've got to find a formula to extract a hundred some million out of that budget.

MR. CHAIRMAN: We are now at the halfway point of this interesting meeting. If we could take a very quick five-minute break and stretch our legs, we'll reconvene at 10:22 a.m.

[The committee adjourned from 10:15 a.m. to 10:27 a.m.]

MR. CHAIRMAN: Our next person on the speaking list is Mr. Dunford.

MR. DUNFORD: Steve, I've been probably getting as many letters in my office in the last little while on Access as any other topic, so I want to make sure I know how to deal with this situation. When we go to the estimates, we see no change in budget. I don't want to get lulled to sleep here that something relatively significant is not going to be happening this year. Is there some guidance you can give me on this matter as to where you see it heading in '94-95?

DR. WEST: Yes, we've got a lot of letters. You got letters, I got letters, and the government got letters showing the interest of a group of traditional Albertans that have followed CKUA and Access over the years. The reason why the budget is unchanged: I didn't want to influence any decision on Access before a study was done and we had time to research it for its evolution. I didn't want money to be the issue at all in the decision-making process. I wanted ample dollars left in it for transitional funding, which

obviously came out of the recommendations. We believe there's a function for these various elements, and it even specified certain transitional dollars in the business plan.

There will be something happening in the '94-95 year. I have never said that we would just go to the '95-96 year and start over again because the budgets held \$16 million. Right now there is a follow-up study being done on CKUA to bring back a final recommendation that will come before the government. I will be traveling at the end of this week down to Toronto to start on one of the recommendations made by the board and, depending on the timing and the decisions made, how much of the transitional funding will be taken out of this year's budget and at what point in time a severance will come of any components of Access.

I concentrate on the radio because no doubt there's only one recommendation from it, and I think it's fairly obvious from that recommendation that the radio station could with transitional funding, even stated by the employees of the radio station, go on its own. I found it interesting that one of the employees said that they would take a 20 percent cut in salaries and forgo their pensions and that they could take a half million dollars out of operations this year. They made that statement because of a positive environment around CKUA that says and has confidence that they could take this radio station forward if they had ample transitional time and moneys to help them make that transition, that they could go back out to their readership or to their listeners and utilize it.

For the television we will be searching out a component of distance education learning and what have you and how we can facilitate that. At the end of the day I see probably a \$10 million decrease in this budget, but in the transition I don't see it. I think we need all the moneys for the transition, the higher costs of certain elements of research and development and transition.

MR. BRACKO: Can we have a copy of that report, or do we have a copy of it?

DR. WEST: It's public. It was tabled in the Assembly. You can have this one when we leave today. I'll just keep it here in case there's a reference to it. Sure, you've got these reports.

MR. CHAIRMAN: Mr. Dunford, number two.

MR. DUNFORD: Okay. Dealing with the radio station then, your discussions with the employees – would they do it under a workers' co-operative or would they just . . .

DR. WEST: I have no idea. That'll be coming back. The board under Gail Hinchliffe has somebody doing a business plan study to come back to us.

MR. DUNFORD: In your discussion this morning and again in the answer to my first question, you've mentioned the word "research." Who's doing what research, and is it at arm's length to Access or to the department?

DR. WEST: Well, there's an appointed board under legislation that sits and oversees the day-to-day operations of Access Network.

MR. DUNFORD: Right. And they've made that recommendation.

DR. WEST: They did this, and they were given a direction from the minister under terms of reference as well as any resources they needed in order to search out.

MR. DUNFORD: I see. Okay. Thank you.

DR. WEST: And sitting on this board are members of the Department of Education, advanced education. From Municipal Affairs, Mr. Jack Davis sits on that board.

MR. CHAIRMAN: Okay.
Mr. Chadi.

MR. CHADI: Thank you, Mr. Chairman. My questions relate to section 3.3 in respect of Alberta Mortgage and Housing Corporation. I note that this year our budgetary expenditures will be in the range of \$115 million. In accordance with our estimates, when I look at the program itself and see housing and mortgage assistance for Albertans in that category, I see that we provide for the province of Alberta a share of costs associated with the provision of subsidized housing including things like seniors' lodges and seniors' self-contained, community and special housing, rural and native housing, rent supplement, private nonprofit, and municipal owned housing. With respect to this category, could you give us a breakdown, Mr. Minister, as to how much of these funds are expended with respect to each of these categories?

DR. WEST: Yes, we sure can. We have complete details of that. Maybe I'll have Bob just go through it from the various elements. There are approximately 41,000-plus different units in the province, and he'll give you a breakdown of that. Is that what you wanted, a breakdown?

MR. CHADI: Yes, a percentage breakdown of how much is allocated to each.

DR. WEST: I don't know how you want to do that, if you wanted a copy of it or . . .

MR. CHADI: I'm particularly interested in things like the rural and native housing. Perhaps you can give me that figure now, and then we'll look forward to getting a copy of what else you have.

MR. LEITCH: Okay. I don't have them on a percentage basis, Mr. Chairman. I can give you the absolute dollars. In the case of the rural and native program, we have approximately 1,830 units and the provincial portion of the subsidy there – actually, there is no CMHC recovery in that one, but our subsidy on those is half a million dollars for '94-95 in total.

MR. CHADI: Our recoveries. Is that what he said?

MR. LEITCH: No, the province of Alberta – I'm sorry; that is a recovery, yes.

MR. CHADI: I'm interested in the expenditure, not the recovery.

MR. LEITCH: Okay.

DR. WEST: How much do we spend out of the \$110 million?

MR. LEITCH: Out of the \$110 million, we actually end up with a bit of a net recovery. This half million dollars is a net recovery on that program.

MR. CHADI: Oh? Come on, Bob.

MR. LEITCH: No. That's correct.

MR. DAVIS: You have to recall that on a lot of these programs we not only recover money from the federal government but we also recover rental or mortgage payments. So what we do is net off the rents, net off any federal recoveries, and then our portion of the subsidy comes in afterwards.

MR. LEITCH: Okay. But that's after we pay a grant of about \$2.9 million into the program.

MR. CHADI: So we pay into the grant \$2.9 million of the program there.

MR. LEITCH: Yes.

MR. CHADI: And it's calculated in the budgetary portion of the expenditures then, that \$2.9 million? Correct?

MR. LEITCH: Yes. The half million I spoke of is net of that amount going in under grants and subsidies. Just to give you the full picture here, we've total revenues out of that program of about \$12.6 million. We have interest costs associated with it, \$9.2 million. Through grants and subsidies we have another expense of \$2.9 million, and when you add that all together, it shows as a recovery here of half a million dollars.

MR. CHAIRMAN: A final supplementary?

10:37

MR. CHADI: No, that was my first question, Mr. Chairman. We were getting some clarification as we were going along.

With respect to rural and native housing, Mr. Minister, it is my understanding – and I've seen it happen in the past, coming from a rural background myself, where homes were either bought or land was purchased and then a home was developed on that site for persons who could qualify under that program. There were times when expenditures were in the range of \$75,000 or \$80,000. In that range was your typical three-bedroom home or two-bedroom home, a bilevel with the land. The payments made by the recipient or tenant or person that qualified for that program – I think it was based on their income. In most cases it would be something in the range of \$250 or \$300, and I've seen that in many cases. So it leads me to believe that when we actually see a recovery of half a million dollars – I'm quite astonished. Actually, I'm surprised and pleased, but I find it hard to believe, unless the feds are subsidizing to a great degree. Could you give me the figure that the feds are kicking in?

MR. DAVIS: Well, I think here we might have misled you a little. Our expenditures out of the AMHC budget for this program are \$2.9 million. Our recoveries are \$500,000. So we're running with a net deficit there. Now, the \$12.6 million in terms of operating revenue though, Bob, I would presume is strictly rents and mortgage payments on this one.

MR. LEITCH: Yes, that's right.

MR. DAVIS: There are no federal recoveries on that portion of the rural and native. There are federal recoveries on other portions of housing that are built out there, but again, Alberta was a little more aggressive in rural and native than some jurisdictions and then in the unilateral programs in that part of the province.

DR. WEST: Well, let's clarify this. We had 1,800 units. Okay? What income do we have against those 1,800 units in a year? How much comes in?

MR. LEITCH: That's the \$12.6 million.

DR. WEST: Okay; \$12.6 million. So the people that live in those houses pay how much?

MR. DAVIS: Twenty percent.

DR. WEST: And how much of the \$12.6 million?

MR. DAVIS: I think it goes up to \$200 a month.

MR. CHADI: Something doesn't jibe.

MR. WICKMAN: Unless we get big bucks from the feds.

DR. WEST: Well, how much comes from the feds then? How much do the feds pay into this program of \$12.6 million that we're calling income?

MR. LEITCH: I don't show any recovery on that one. Tom, we don't have any recovery on the R and N program.

DR. WEST: Seventy percent of the rural and native housing came from the feds.

MR. DAVIS: I think this is one, Mr. Minister, that we're going to have to admit the department has screwed up on, and we're going to have to get those numbers verified and bring them back to the committee. So I apologize.

MR. CHADI: I'd appreciate that. I'd like to see those numbers, as all members would probably.

MR. DAVIS: They don't add up. You're right.

DR. WEST: We cost share this and run the administration of it under a Canada Mortgage and Housing policy, rural and native housing. Their threshold for maximum cost was \$93,000 per unit, and they used to have it at a 1,140 square foot unit. They used to have the threshold at \$22,000, and they dropped it to \$15,000 over the years. So if you had a combined income of \$15,000, you could access one of these and you could balkanize the cost of that home up to \$93,000. It had to be a certain square footage. It was 1,140; I think it's 1,240 now. Some of them got up so that we've spent over \$100,000 in the house, cost shared with the federal government. You're right; it was 25 percent of their income and it could be as low as \$15,000 to qualify. Then not only did we do that, but we did maintenance on these homes besides. If people couldn't look after them, we had people out cutting the grass for them and all types of things. So I'd like a mock-up of the costs. That isn't very clear on this.

MR. LEITCH: No. We've made an error.

DR. WEST: There's no way we do cost recovery. Maybe the federal government puts in on this, but it's still a loss to the taxpayer, a massive loss.

MR. CHADI: Thank you very much, Mr. Minister.

With respect again to rural and native housing and in accordance with the business plans, I'm curious to know – the plan says: “change service delivery of the Rural and Native . . . as federal funding” is beginning to be withdrawn. What sort of

changes are you planning for the rural and native housing within this department? Are we planning on eliminating this program?

DR. WEST: The answer to your question is yes. The previous federal government had stated the end to the 70-30 splits until they reorganized, and that was done on December 31 of '93. We would like to look at a remote housing program to look at certain northern communities that have needs, but we haven't worked on that policy completely yet. We have to bring it forward and discuss it. We would like to get more self-initiative and community-based initiative into it and get out of the maintenance and ownership of these places. If you could kick-start communities with houses, our mindset's on packages, prefabs that they would construct themselves to get us out of the whole business.

The federal government put a hundred million dollars into a RRAP program, \$50 million a year. Starting this year they've been asking some provinces if they wanted to balkanize that with cost sharing. The RRAP is the rural rehabilitation, and some northern communities are using it to upgrade existing houses through a grant process. We have said that we had no problem with that but that we weren't going to balkanize it with cost sharing in this province. The RRAP program traditionally with the federal government has been run by the Metis Association of Alberta. I think they will be the lead agency again in the RRAP program, although we can get dollars available through municipalities and housing registries in the province.

MR. DAVIS: I think you're planning to target the remote housing program only in those communities where there's no market housing available.

DR. WEST: Yeah. We haven't developed that program.

But to get back to your question, yes, the rural and native is probably now gone forever. We felt that the program really didn't target in areas what I considered the need, or anybody did. We heard a lot from all people, citizens of Alberta plus representatives, that indeed it stood as a bad example to what we wanted to create for self-initiative and self-determination.

I know people that have saved for years. They've worked hard, two people working in a family, some of them with not great incomes, and saved hard. They've lived in and kept trailers of their own and saved until they got \$10,000 or whatever it took for a deposit on their home. They turn sideways – somebody that's very young, in circumstances where they're working and only making \$15,000, and because of circumstances they get a brand-new home beside this individual sitting here that's working on their own. They move in, and say: "Why did you work all your life for this? I'm in here, and they'll even come and cut my grass if I tell them that there's nobody around and I'm living out here." A total embarrassment to the structure of social need.

When I was in Toronto, I said: "What have we done in this country? Have we made social housing the end? Or was it supposed to be the means to an end of self-determination?" Literally, what we've done for thousands of Canadians is made social services and social housing the end. There is no progress from that point because our policy in the beginning destroyed self-determination or pride in looking after your own development. A person 22 years old getting an 1,140 square foot, brand-new home, paying 25 percent of a salary of \$15,000 begs the question.

MR. CHADI: Thank you.

MR. CHAIRMAN: Mrs. Gordon.

MRS. GORDON: Thank you, Mr. Chairman. Dr. West, I just wanted to talk about family and community support services for a few minutes. There has been a change, of course, recently announced, and it would fall under your department, under your direction. In the past it certainly did involve the municipalities as they jointly signed an agreement with the province and the agency to implement FCSS in the community. As we move on with the changes here, how will the funding come to the municipality? Do you see things with less involvement as far as red tape and the accounting that was necessary before through the FCSS program?

10:47

DR. WEST: To answer your last question first, yes, I see the option for less red tape and less accounting. As of April 1 the funding for FCSS will be identified as a component of the unconditional municipal grant. The municipalities have been instructed that they have two options.

The first option. The municipality can collect the grant component unconditionally and use the money to support FCSS projects or other priorities in the municipality. The municipality must advise Alberta Municipal Affairs how the funds are spent, but it will not be necessary to meet the current FCSS program requirements for cost sharing, financial reporting. That's the first option.

The second option. The municipality can sign a family and community support services agreement with Alberta Municipal Affairs for the '94-95 budget year. In this case the FCSS component becomes conditional, and all existing FCSS requirements must be met. However, the municipality will not receive additional provincial dollars for FCSS programs. This option will be of particular interest to those municipalities contributing more than the required 20 percent FCSS share, such as the city of Edmonton, and who want to recover federal dollars for the additional contribution under the Canada assistance plan.

Alberta Family and Social Services will be assisting the Department of Municipal Affairs with the administration of option 2 and will keep in place six of its people out in the consultation process as a link between the department and the community to assist municipalities with preventative services and to support community services.

The communities have always said to us: give us the options; give us the flexibility. Those that have a strong FCSS base and have augmented can still make the decision to tie it in. No matter what option they take, they must report to us what they use the funds for. I see, for the most part, municipalities continuing their FCSS programs, but the grant will be delivered to them in the unconditional pool.

MR. CHAIRMAN: Second question?

MRS. GORDON: Do you also, then, see the continuance of the Family and Community Support Services Association of Alberta and the role it plays?

DR. WEST: Social services is out there doing that now, and as long as the majority of the municipalities stay within that circle, yes.

MRS. GORDON: Who will be responsible for recovering the federal dollars through the Canada assistance plan?

DR. WEST: Well, the filing processes will be in place, and the assistance will be with social services. It will be much the same as it is now.

MR. DAVIS: The administration for those municipalities who opt into the agreement will be the same.

MRS. GORDON: Okay. Thank you.

MR. CHAIRMAN: Thank you, Mrs. Gordon.
Mr. Bracko.

MR. BRACKO: Thank you, Mr. Chairman. I'm going to the ALCB now. The market value appraisals: how were they done, and can we have access to them?

DR. WEST: Market value appraisals were done by normally accepted standards from real estate appraisers, which Public Works, Supply and Services had contracted, and utilized certain elements, as they do with all other disposable lands that they have. So it was done under normal, acceptable real estate practices.

MR. BRACKO: The second part: do we have access to them?

DR. WEST: In the end the access will be there. At the present time they're ongoing. We still have 45 properties to sell, and of course the marketplace will certainly be made aware through their realtors and that sort of thing of appraised values. We're still accepting bids, and we didn't want to expose Loblaw's to what Safeway is doing. There is the private-sector area out there that has to function, and until the real estate portfolio is finished in ALCB, we're not releasing some of those documents to protect private interests.

MR. CHAIRMAN: Second question.

MR. BRACKO: The 45 stores: if they don't sell, what's going to happen to them, and what is the cost of grants in lieu to the communities?

DR. WEST: I don't have that answer for you. That's a matter of record, so that can be achieved for you. What happens if they don't sell? They will sell. Eventually we will go to a market-driven thing. At the present time we took 111 properties and 54 leases and moved them above market value. But we're like any realtor; now we give time versus the marketplace. There are units that we don't want, and sometimes you have to take less than you would have in the initial offerings. Therefore, sooner or later these properties will all sell. Guaranteed. Some municipalities are looking at them for alternative uses. Some want to make libraries out of them, some town offices. Some are looking at them for health unit services. I'm sure that the regions might be looking at some of these. Fire departments look at them. There are all types of usages. Many of these properties are in small communities that normally couldn't afford to build these now. Very few of these are left in any major centres where the real estate value is higher.

MR. BRACKO: If they don't sell, will you turn them over to the municipalities?

MR. CHAIRMAN: That was your last question.

MR. BRACKO: No, no. Okay; I'll change it then.

MR. CHAIRMAN: No. You're adding about a half a question to each one asked.

MR. BRACKO: The store in Whitecourt initially sold for \$500,000. Then it was canceled and sold for \$325,000. You said earlier they were looking at 90 percent of market value, so it must have been appraised at somewhere in that \$500,000 range. What's the explanation for it going down to \$325,000?

DR. WEST: Specifically, I can't give you that directly. Just give me a minute. I might have that. You're getting into specific properties. I don't carry 111 properties' appraised values. I mean, I can't.

MR. WICKMAN: Will we get copies of that information too?

DR. WEST: I don't know the circumstances of that story specifically. I'd say most of them sold. There were stores under and over, and Public Works, Supply and Services has the variables they used. Sometimes we accepted an offer, and when it went to the bank, the person with the highest offer didn't get it. So there were changes in the property sales, because we took offers, say, seven on this piece of property. Here's the appraised value, and the one that was the highest, that might have been over the appraised value, then went to the bank, and he didn't qualify. Then we had to go back to the marketplace again. You can be assured that if we have to go back to the marketplace, it isn't going to bring the first price. Very seldom has that happened.

We had one store, for example, that when it went to – and this is an interesting anecdote. We got a good bid on it. The people wanted it, and they went to the bank, and the bank said: we want an environmental audit on the ALCB store. Lo and behold, it was built on an old service station lot, and the parking lot is over two tanks. So they drill down, and they find contamination around the service station tanks. The guy comes back and says, "I really want to take your store, but I can't do the environmental clean-up." So now we do it. We're in the real estate business. We have to do it, just as anybody out there has to. Therefore, while we lease this and go back to the bank, I don't know what value we're going to get on that store. That is part of doing business today, and it's no different for the government than it is for the real world. I know lots of people in the real world that are subject to our laws that are cleaning up their service stations. The only one I know that can really afford to do this well is Petro-Canada. They seem to be able to close and bulldoze down and clean up. Doesn't it make you feel warm and cuddly as taxpayers?

To answer your question, Len – and it's a roundabout way of answering your question – you can pick out examples if you want to make imageries, but remember, this is a market-driven process.

MR. WICKMAN: Are you going to send that information to the committee members?

DR. WEST: What information?

10:57

MR. WICKMAN: The specifics on Whitecourt.

DR. WEST: I'll have to look into it to see where it's at and whether it's been finalized and all that.

MR. CHAIRMAN: Let's remember that this ALCB thing we said at the outset is not part of the estimates. It's up to the minister if he wants to respond, because it's a Crown corporation and he's not accountable to this subcommittee for the estimates of this year.

MR. WICKMAN: And we appreciate his response very dearly.

DR. WEST: We'll be making a full report on ALCB outside of this, so I don't know that as part of these estimates I'll be sending that to you at this time.

MR. CHAIRMAN: Ms Haley.

MS HALEY: Thank you. With regard to comments you made earlier about senior citizens' housing, you said the dollars would follow the client. Could you please explain to me how that would work as opposed to what we have now?

DR. WEST: Let's take lodges, for example, right now. Lodges are subsidized about 50 percent on the cost of operation. A senior pays \$630 for their lodge bed. The cost of running that lodge is \$1,260, plus or minus. It depends on a few of the lodges and how new they are and how old they are. Right now, most of the lodges are universal. There are a few new ones built by the federal government have rent geared to income, but most of them are universal. So no matter what your income, if you get approved for the lodge, you walk in and we supplement about 50 percent of that \$630-\$650. The municipality requisitions it by mill rate from their tax base. If and when we deregulate it and a new housing Act comes through, if we deregulate the rents, there will be a shift in movement towards cost recovery of those rooms on a more equitable basis.

If you look at the private sector, the nonprofit private sector, versus the lodges, it may not cost us \$1,260, especially if we give flexibility to lodges to do their own renovations and what have you. Now you've got a client in there that can't afford \$900 or whatever rent is for that room. You can continue to subsidize it, as we have, through some grant program, but if there's some way that you could target the need of that client, as we have done in other senior apartments – 25, and we're moving to 30 percent of their income – then indeed you would only subsidize those that are at a certain income level, with cash.

Let's move to another. That's the lodge. The lodge rate is a universal program for most lodges, and we pick up the losses between the municipality and this government. So no matter who you are, you get 50 percent of your lodge subsidized.

Now let's move to the apartment. If you're a well-off senior today, you can't afford to move into an apartment because if you're showing on the bottom line of your income tax – we'd say 25 percent of your income to stay in this manor. If you're on the basic \$930 approximately – that's if you had nothing – you would pay 25 percent of that, as your income, which is \$250. Let's round it off to \$1,000 a month. We're going to move to 30 percent because that's in our three-year budget plan. But if you were a senior that showed on your bottom line \$2,500 or \$3,000 a month, then at 30 percent you'd pay \$900 for that, wouldn't you? Well, you won't do that, will you? As a single senior going into a manor, a few might, but how many are going to pay \$900? We've literally income tested half. Yes, over half; 15,000 units are income tested now. The lodges are not, except for the brand-new ones that were through a convoluted program with the federal government, with rent geared to income.

In the future – now I'll get back to your question. If there are seniors in need, we should follow them with a formula that identifies that need and picks up the rest if indeed they have no income, they need accommodation, and we have a place for them. Otherwise, the choice to go out and find his own accommodation comes from the senior. I'll tell you that if you do a 30 percent test on lodges, we'll have room for those seniors in need, and

those people with wealth will go out and find private operations that will give them a cross section of services, as long as we're not in competition building 50 percent subsidized universal housing. That's what we've heard right from the nonprofit organizations, right through the private sector: "Just get out of the business of building universal lodges so that we can build lodges for the people who have income that can afford it." Those with need then will be serviced by the availability of public housing.

MS HALEY: If you have a private group that go ahead and build a place for seniors to retire to, the money then just follows the client?

DR. WEST: If we run out of accommodations for seniors in public housing, then it would go like we do now. We have clients that are out there in private-sector apartments that we follow in social housing. The senior would be addressed the same way. If you're on welfare or in transition to a job and you need social housing today and you find this apartment over here that's private-sector owned, we give you rent supplement. We don't build all the social housing for the young couple that have two children that need help. We give them rent supplements today, whereas maybe your family doesn't need it, so you have your own apartment you rent. There's that. In the seniors business, if it comes to that – right now we have an availability of space in some areas – we would say: "Here's an apartment. It costs \$950 a month." We would deem that this senior, to access that private sector at \$950, needs X dollars, because all they get is \$930 a month and maybe they need \$300 to live on. So if their rent is \$950, we'll subsidize it, but it will still be half what we're subsidizing now.

MS HALEY: My final question to you. You mentioned that the subsidy was going to go from 25 percent to 30 percent of income?

DR. WEST: Yes, graduated over a two-year phase-in till '96-97.

MS HALEY: Has that been looked at as to impact in conjunction with the changes that are coming to the senior citizens' program?

MR. DAVIS: It's automatically factored in because the 30 percent is 30 percent of gross income. Gross income moves up and down. The percent that's recovered for rent is not subsidy; that's rent. The rate moves up or down depending on the gross income.

MS HALEY: Okay.

DR. WEST: And this threshold wasn't established by Alberta. It's the federal government's threshold, and all provinces are moving to 30 percent. I went to a national housing conference in Toronto, and all provinces are moving to that 30 percent threshold.

MR. CHAIRMAN: I believe Mr. Bracko just had a clarification that he wanted from the previous question of Ms Haley.

MR. BRACKO: Yes, on what you were saying on the second question. I'm a senior; I give my money away to my children so that I qualify. That's a disincentive to keep looking after yourself. What is your plan to deal with that?

DR. WEST: Well, I'd just say this. I don't think there's a government policy that can replace with guidelines social conscience and honesty. I believe that the majority of seniors, including the people in this room, are honest, given the parameters of what they work in. The reason I know that is because it's

more beneficial for seniors today to collect rent at \$1,200 absolute, \$100 a month. If the two of them could live one in the basement and one upstairs and they weren't married, they could collect \$2,400. Then why, if that's the case and you could manipulate the system, would 70 percent still own their own homes outright? We're going to test this shortly with this new model coming up.

On what you just said, I have no answer for you if people want to use good accountants and lawyers and the system to evade their responsibility of looking after themselves and make other people pay taxes and use their resources so they can get an advantage out of government while they give their wealth to their children.

11:07

MR. BRACKO: Like the GST and the underground economy, it becomes a normal thing.

DR. WEST: That's right, but I'm saying even a discussion of this promotes it. I just think it's too bad that today there are people that would take government programs aside and manipulate them by the fine guidelines to avoid their social responsibility. All the discussion that's taken place in the last 10 minutes centres around one thing, that what you just said is becoming a greater fact than should be. Therefore, we must change the policy to bring the conscience back into line. There's no better way to do that than to stop building bricks and mortar.

MS HALEY: Look at what they do in Germany.

MR. CHAIRMAN: Okay. Thank you.

Mr. Wickman.

MR. WICKMAN: Thank you, Mr. Chairman. I'm going to direct my questions to the minister, pertaining to municipalities again. I do tend to be a bit protective of them. I really feel they're on the front lines; they're closer to the people than any other level of government so they face more pressures. In the business plan, the reference being made to the Municipal Government Act: can the minister tell us exactly when he intends to table the new MGA and what the process is after that in terms of any public hearings, Royal Assent, and proclamation?

DR. WEST: Okay. The Municipal Government Act, or the previous Bill 51, has gone through more consultation, I think, in the last five to six years than any document I know and to this date has more consensus by all players: AUMA, AMDC, rural improvement districts, special areas, villages, all of them. We had a committee out there that went through this; then we asked for final recommendations. We prepared that, then held it out one more year, and I've been working with the municipalities. They are literally begging that we put this in, because, they said, "We want it; we need it."

So it will be brought in this spring and with all people's good support, because it's supported out there by the majority, including your support. We'll pass it – first, second, committee, third – and then it takes a certain period of time after that to make the regulations and everything consistent with the Act. Proclamation of it will be forthcoming after that, but it's our intent to put it in and pass it this session.

MR. WICKMAN: Secondly, Mr. Chairman, reference is made to municipalities having to rationalize services; they will have to become more efficient. The financial impact will be mitigated to some extent by the new Municipal Government Act. How does

the minister see the new MGA mitigating to some extent the financial impact on the municipalities?

DR. WEST: As we move forward, 80-some regulations will be removed in this Act, regulations that set different parameters for bylaws, regulations that set accounting practices and how you had to prepare financial statements at the end of the year. Those will be streamlined; 21 Acts will be removed in this one and will streamline some of the areas of assessment and other areas, which will definitely have cost-saving measures. [interjection]

Jack just said to me – but this is a given – that they'll be able to contract with different municipalities between each other, where now we have duplication of services. Somebody told me – it's hard to believe – that you've got this municipality sitting here, and here comes the grader. It goes by this door. This person in this county can't send that grader just over here to clear these streets because it's in the Act that you can't. That's got to stop, folks. This Act will allow the cost sharing of services, and of course when we see the new Planning Act and the changes in that too, all of these will allow them to make some self-determination in how they streamline their services, albeit there will have to be a big change in ownership, turfdom, communication. The honing of those skills will be great in the next decade if they want to save money, but the Act will not be an impediment. The Act will allow them flexibility.

MR. CHAIRMAN: Final question.

MR. WICKMAN: Thank you, Mr. Minister. I raised that because I was hoping you wouldn't respond by saying it would give them new taxing powers. Our caucus doesn't believe in additional taxes.

My third question is as it relates to the municipalities, the reference being made to the review of the grant in lieu of taxes to ensure that they coincide with the market assessments and such. Is that an undertaking by the minister that the grant in lieu of taxes will not be discontinued?

DR. WEST: That's correct.

MR. WICKMAN: Thank you.

MR. CHAIRMAN: Thanks, Mr. Wickman.

Mr. Glen Clegg.

MR. CLEGG: Well, thanks, Mr. Chairman. I've been kind of listening here, and I hope you don't call me out of order, because I'm going to shift around here if I could. Firstly, Percy or Mr. Wickman or the honourable or whatever you want to call him mentioned – and the answer that you gave on this \$20 million pool. As everybody knows here, I have a tremendous amount of small jurisdictions in my area. With the municipal grant being cut over a period of three years, it would make them impossible because of the big percentage of their operating. Now, I'm not here to feel sorry for the city of Edmonton, the city of Calgary, but I do for some of the small villages. Have you got the formula in place so I can tell my small jurisdictions how much money they're going to get?

MR. MCGOWAN: No. The formula for the last \$20 million hasn't been arrived at yet. We've advised the municipalities of the kind of range it would be if we used the assessment and the per capita as we have done in the past, but we haven't settled exactly what it would be in 1996 yet.

MR. CLEGG: Okay. Thank you. Most municipalities are really concerned, and the minister did say that with the new municipal Act in place . . . Of course, it's going to be a good Act, because Tom was a resource person and I was on that committee, and I'll tell you: of course it's going to be a great Act. It is going to give that authority to the municipalities.

I want to just go to another topic that was brought up, I think by Mr. Chadi here, on rural and native housing. That's why I say that I'm kind of wandering here. You know, I've been so disappointed with that program over the years, because again I'm in a poor area of the province. I'm putting in these so everybody will start to feel sorry for me. The houses that we have been building or moving in are better than the average houses in my area. You made a comment, Mr. Minister, that that person in this \$90,000 house is in far better accommodations than the majority of the people that are living around him. I'm very happy because I really think there is a need to help the unfortunate, but we've gone far beyond that unfortunate. Now everybody's saying to me that the unfortunate people are the people out there trying to work at maybe \$6 or \$7 or \$8 or \$9 an hour, and here these people sit. I'm glad you're going to bring out some more statistics, because all this money we're making with rural and native housing, that \$12 million that we get in revenue has come from us in the first place in many instances. So you are, Mr. Minister, looking for the private sector to go in to supply these kind of houses for these unfortunate people.

DR. WEST: Well, in some communities there is no economy. In the north you have to study a few things. The only economy is probably establishing that house, and after that you have to really wonder what economy is there. So I wouldn't use the private sector for some of them. I was going to say that we're going to put more responsibility on the community and the individual rather than providing everything and then standing back and administering it over and over and over again.

11:17

I want to clarify one thing in defence of Alberta Mortgage and Housing. This policy is a federal government policy. Traditionally over the years the federal government develops a policy, offers a 70-cent dollar if we'll administer it, and then sits back and pulls the strings on a policy until it gets so out of line with reality that we get blamed for it. Because of the lure of 70-cent dollars both on operation and on administration afterwards, we keep buying into it as if it's a good thing, forgetting, of course, that there's one taxpayer in Canada. We have done that traditionally over many programs with Canada Mortgage and Housing. We allow the 70-cent dollar to drive the policy even though it may be a bad policy. I say that in defence because we take the blame for continuing so long, and sometimes we even balkanize the program a little bit because it had thresholds. So we crept to the upper threshold because we're only paying 30 cents. No longer can we have that type of thing or mentality in this country, where one dollar drives the other.

I'm seeing that right now in the infrastructure program, and I have concerns again that that mentality has not changed in Canada. Somebody putting in 33 cents on the dollar is taking credit for the policy and direction of a program when somebody else is putting in 66. Don't ever think that the taxpayers of Alberta aren't putting in 66 cents on the dollar versus 33 cents coming from Ottawa. There are no new dollars, so let's not fool ourselves. We're just doing this.

Rural and native housing is a glaring example of how through the good times we allowed a policy to be driven by the federal

government when dollars were rich and didn't study the principle of it, and that's what you're getting at. So let's learn from these lessons, and I trust in the future let the policy be driven by the principles of self-determination and resolve and not give all this money out and create disrespect for oneself. That's all you're doing when you're giving socially too much. People totally disrespect their own environment, and who pays for it?

MR. CHAIRMAN: Final supplemental.

MR. CLEGG: Yeah. Well, certainly I can agree with all that, because it's one thing in my area that has really been a sore spot, whether it's is CHAP or RRAP or whatever it is. I go back a long time, and I can remember when we had four or five small contractors in my town. If there was a need for housing, they would build the kind of houses needed. In cases of need we should have been subsidizing the income of some of those people, but we got into a system that rewarded people for not working.

I could talk on this one all day. My specific question. We have self-contained units under North Peace lodge, I think they call it, and then we have some housing that's under Municipal Affairs and then we have something operated by something else. Are you amalgamating in a specific area all of this housing regardless of what program it is to be under one administration?

MR. FORGRAVE: We've had a major project under way for the last year that's been known as the management agency project, and it's driven by the way we're changing the way we do business. We're not going to be in day-to-day advice: you tighten this bolt, or you put that figure in this place in the general ledger. We'll be there to provide general operating advice and look after the provincial interest in the investment in the building. But the agencies will have to be able to stand on their own two feet for day-to-day operations.

About a year ago we started getting the message out that that's what we were going to be doing and that agencies needed to prepare themselves to be able to stand on their own two feet. A lot of them will not be able to do that by themselves because they're too small. So they're going to have to come together either through actual mergers or through some kind of co-operative arrangement, probably to get agencies that deal with about 300 units, which is an economic kind of agency, to be able to stand on their own two feet.

In the Peace River area the foundation took the lead in consulting with all of the other agencies within its boundaries who deliver all kinds of social housing, and they're fairly close to having an agreement on the foundation becoming the agency for property management and administration, and the local groups would have some input in terms of dealing with tenants. The same kind of thing is happening in the Grande Prairie area, but there are other models being developed elsewhere in the province.

MR. CLEGG: Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Clegg.
Mr. Chadi's turn again.

MR. CHADI: Thank you. Mr. Chairman, I think I'd also like to respond to the minister's comments with respect to the defence of the Alberta Mortgage and Housing Corporation. Although I do agree with the minister that sometimes a different level of government might entice you to do something, the fact of the matter remains that the buck stops here. We're the ones that are administering this thing. We're the ones giving the go-ahead for

rural and native housing. We're the ones giving the go-ahead for these MAP and CHAP and everything else that the Member for Dunvegan was talking about. So in all fairness, we have to share this blame. We had no plan. We were drifting rudderless. It appears that we've got some direction now, and I'm encouraged.

I look at the total program of expenditures of \$115 million, and I say to myself: how do we expend these funds? We look at the business plans, and we see some of the moves that are going to be made in terms of social housing to try to tighten up and try to avoid duplication. There is a section there that's clear, and it says that we're going to move from service deliverer to become a service facilitator through the consolidation of housing and management agencies. Could you explain the housing management agencies to us, Mr. Minister? What are we creating here? What are we doing in terms of tightening up some of the expenditures of \$115 million there in the budget?

DR. WEST: Well, really within those are the 41,000 units that we talked about, 41,000 to 46,000 units of social housing components. Today there are 430 housing agencies. Now, they may be as organized as the Edmonton Housing Authority, or they may constitute an agency that's in Dewberry, Alberta. That's in my own constituency. This one's a fourplex.

MR. CHADI: You continue using Dewberry as an example. Use Lac La Biche. That's my area.

DR. WEST: Pick any one you want. One might be a Lions Club that runs it and one might be the Good Samaritan and one might be the Calgary Housing Authority. Some are sophisticated, and some have groups of individuals in the communities that meet. They all hire managers to run certain numbers of those 41,000 units. Then we have the lodges over here. How many lodge boards are there?

11:27

MR. FORGRAVE: Fifty-nine.

DR. WEST: Fifty-nine lodge boards running how many lodges? How many lodges have we got in the province?

MR. FORGRAVE: About 140.

DR. WEST: So what we're saying is that much like you see other things being done, we want you to come to us, and we'll develop a facilitator, and pretty soon I have to get a steering committee out. Tell us how you could streamline this. There must be some cost savings to duplicating that many housing authorities and housing registries and what have you. There must be, if you've got a manager looking after these, and you're buying a lawnmower, and you're doing this and calling in the plumbers and that; then down the road seven, eight miles you've got another 25 units, and it's being managed by a board that sits and hires another manager. When you get into Calgary and Edmonton, you see the number of various groups three blocks apart that have full-time managers and have people coming in to put in the conditioning salt and doing the rugs. Then you put that against our policies, which say that every six years you must replace the rugs, so the manager is coming in. All these decisions being made by 430 plus 59.

There must be a better way in our society. When they amalgamate, and they will, I don't know whether there will be 200 agencies left or 300, but there won't be 430. The lodges will look at streamlining with the housing authorities or whatever they

have to do. Right now there's some turfdom out there. Then we'll say, "How much savings was there?" They'll say, "Well, these are the savings." I'll say: "Then put that in your sinking fund and run your operation. Then when you come to repaint your walls, you make the decision and replace the carpets and the eaves troughs and the hot water heater or the washers and dryers that you've got in here. Start running it, and any savings you make, you keep in your own operations." We'd like to take out 5 percent of these, 5 percent a year over the next three years. So there's our cost savings. I think we'll see more efficiency and a better bang for our buck in the end on capital expenditures and upgrades of these operations.

We've also said that if the management groups in the end come to us and say, "Well, we'd like to take over that fourplex ourselves," or that sort of thing, then we will talk to that non-profit community. The Temple Villa in Cardston today has offered to take over the ownership of it. We're trying to figure out how they can take over the debenture with the federal government. They would like to have complete self-governance. As long as the mandate is to deliver social housing, then why not? It's in their community. Can somebody in Edmonton or in Lethbridge know what's going on in Cardston every afternoon? The length of the grass, the pipe that froze, the calling of the plumbers, the sewer. Why wouldn't the housing agency or somebody that lives in that town, if they want to take it over, deal with it right there?

Where's the savings? Well, as we move to that, plus taking out 250 people that used to work for housing, the closing of some 13 offices that used to send somebody out if the small group needed some advice – pick another town; I won't pick Dewberry. They wouldn't turn to themselves for advice or a housing registry that had a better manager. They would phone St. Paul, who had seven staff to run out and say: "Yes, your sewer is frozen. I think you should clean that out." And he's in a vehicle. So where's the cost savings going to come?

MR. CHADI: Oh, there's no question there will be a cost savings there.

DR. WEST: He doesn't have to drive out in a four by four anymore.

MR. CHADI: There's no question about it. When I see this in the business plans, then I'm wondering where it all fits.

My second supplementary, Mr. Chairman, is: in the scope of privatization of our social housing, we start talking about \$430 million. I think there was a report out the other day that thought that we would privatize our social housing, and I think it is a move that must be considered. Where do these programs fit in the scope of privatization when we talk about housing management agencies and rent geared to income programs and remote housing programs and this sort of thing? When we're making our moves towards, perhaps, privatization with the use of social services to pick up the differences there, et cetera, and especially given the fact that we're taking hits of over a hundred million dollars a year in our write-downs on these properties, how does it fit in the scope of things?

DR. WEST: First of all, I'll clarify; the headlines the other day were totally erroneous. The headlines made – and we've had retractions in the newspapers – were totally, unequivocally erroneous. I'll call them "erroneous" because it sounds better than exactly what they were.

The social housing portfolio. The 41,000 units as stipulated in this are not for privatization. We never did. What was said the

other day was a continuation of the discussion we had earlier on the \$387 million. I had generalized the 430, but it's the last part, that municipal sales is selling off the nonsocial housing. When I made reference to the 110,000 units, it was erroneously taken as now we're starting. We've been doing that since '89-90. I showed you that was part of the \$1.6 billion. Remember our previous question?

At the present time we are not privatizing the social housing component, although anything that's nonsocial – there's a borderline there of a few units – will go over into Municipal Sales and sold. So there's no intention to privatize the existing, but if the nonprofit organizations or foundations want to take over control of their units by themselves – it's still not privatizing, because there's still a public, nonprofit body doing it – then so be it.

The term for where we are is that we've stopped the clock. We have stopped the clock on building new. When you stop the clock socially and say that we're going to follow the client, you've stopped the clock on bricks and mortar. We're not talking about what we're doing with social housing that we've already built, because in it are some things that can't be privatized, called debentures with the federal government, and settling all of those things that we have to do.

From then on, the term I use in privatization is: let the private sector build. Let us follow the needs of our citizens with the resources of the day. We have had very, very, very good lessons of why you can't build bricks and mortar for the situation of certain individuals. The lodge program is well established in that. In 1959 we built lodges that won't last today for seniors: they're too small, the narrow hallways. They're built for 65-year-olds, not 85- and 89-year-olds. So when you get into this issue, remember we separated out what municipal sales limited has been selling as nonsocial. We have sold most of them. The article in the newspaper was erroneous. We've only got 11,000 or whatever units left, maybe less than that. The social component of it is not mentioned in the same breath.

MR. CHADI: Okay.

Mr. Chairman, I believe it's my final supplementary.

MR. CHAIRMAN: It is.

MR. CHADI: It relates again to program reference 3.2, financial assistance for housing. It is my understanding that senior citizen homeowners will have certain costs sheltered until June 30. I think one of those costs, perhaps, would be the property tax reduction and whatever benefit the seniors get. My first question is: is that the cutoff date? Is that June 30 or July 1, 1994? If it is, then would a senior who paid a certain municipality their property taxes on a certain date – say the date that is collectable by certain municipalities, including the city of Edmonton, would be, for example, June 30. Other municipalities collect their taxes for the year at later dates. Is there an advantage here for somebody who lives in a municipality with a closer date, sooner than July 1, 1994?

11:37

DR. WEST: No, because up till that time they would have received only half of their benefits. They have to pay only half, and we will work it out with the municipalities to pick up any interest and covering charges.

MR. CHADI: So we prorate it.

DR. WEST: By December 31, 1994, if they miss the deadline, then at that point in time there's an advantage to prepaying your taxes. The full amount, I mean. If you knew that you were in a bracket that you made \$50,000 a year, under the new formula there's no advantage. I suppose there's an advantage in the carrying charges for six months. But don't go over December 31, 1994, and slip into '95, because then the municipality will apply a penalty to you. We said that we would save those seniors up until December 31, '94, because we think that it's only fair that when the program changes midseason, we don't pass any of the cost of interest, late charges, and that sort of thing back on the senior citizen.

MR. CHADI: So it's actually going to the end of the year.

DR. WEST: Yes, in that sense. Their benefit that they will get universally will only be half up until the end of June. So they'll all receive the \$325 or the benefit under the renter's assistance and that, half of it up until that point. Then after that, the formula will be applied. Really there will be people that have got a benefit on that program up to that point.

MR. CHAIRMAN: Okay.

Just to remind all the committee members, we're down to about the last 50 minutes.

DR. WEST: To clarify that, there was a question the other day in the Legislative Assembly that you asked.

MR. WICKMAN: Yeah. Who pays that deferred interest?

DR. WEST: Yeah, and I missed saying it to you in definitive. I got it right at the end. We are paying that; we will pick it up for the municipalities.

MR. WICKMAN: Steve, they weren't informed of that.

DR. WEST: Well, they have been now.

MR. WICKMAN: At that particular time they hadn't been.

MR. CHAIRMAN: Thank you.

Mr. Clint Dunford.

MR. DUNFORD: I want to go back to the unconditional municipal grant program. First of all, I'm heavily in favour of the envelope concept rather than sending down an accordion file with little pockets of money for this, that, and the other thing. I know that the municipality, being the city of Lethbridge, which I represent – well, they've expressed agreement to me personally that that's a good idea. I believe that they, through the AUMA, have long argued for this kind of a situation.

Now, having said that and within the context of my general agreement, there's a couple of areas that I'd like to explore. One is under the urban parks program, the operating grants. As you're aware, I'm chairman of the standing committee on the heritage savings trust fund, and I believe that we had a minister in front of us who made a commitment that the operating grants for the urban parks would continue whatever the contract period was. I think, if I'm recalling correctly, it might have been 20-year or 25-year agreements. How will the government, then, in line with that contractual agreement, ensure that those commitments are met under this unconditional municipal grant program?

DR. WEST: I was minister at one time in this program. When the new one came forward, we dropped the operating portion to 3 percent instead of 5. Remember when we paid 5 percent on capital? We dropped it to 3 percent because in my study of parks over the long range 5 percent was very generous. In the initial phases after you built, you pooled quite a bit up front until your depreciation started taking place. When I traveled around the world, I couldn't find very many parks that didn't function on 3 percent. We could be a lot more efficient in some of those operations, especially where you have large capital investment that you were getting 5 percent on versus what I call the soft costs, the bicycle trails and what have you, that probably have more maintenance in the earlier years than the others do. At any rate, the best-laid plans . . . The agreement we had in place is like the MRTAs and all the rest. We have to balance budgets, we have a fiscal plan in place, and we're in a partnership. It's therefore in the three-year business plan that the operating grants of existing urban parks would be rolled back by 3 percent. I have urban parks in my constituency, the Bud Miller park in Lloydminster.

MR. DUNFORD: But what mechanism does the provincial government have to ensure that that commitment is met? I don't understand the mechanics.

DR. WEST: That's our budgeting. We're just cutting it back. There's no mechanism. It's just that the operation of those parks will be 2 percent less on their capital, and they'll have to operate within those budgets.

MR. DUNFORD: I have another question, but I need clarification then, because I'm not understanding the answer here.

MR. CHAIRMAN: In an abbreviated way.

DR. WEST: Are you trying to say that we had an agreement in place and we've broken it?

MR. DUNFORD: No. Oh, no. But we have an agreement in place, and where we used to send the accordion file thing, as I call it, there would have been a little pocket there that said "Urban park operating, 3 percent" and that would have been X dollars.

DR. WEST: Oh, I missed your question. I thought you were – well, it's unconditional.

MR. DUNFORD: That's right. Well, what I'm asking is: given that it is unconditional, from the perspective of the heritage savings trust fund, how does the government then continue its commitment to those urban parks to the tune of 3 percent operating grants?

DR. WEST: Well, you're saying: do we still have a paternalistic means to ensure that the intent of those investments in an urban park is met that way? No. It's now totally on the shoulders of the municipalities.

MR. CHAIRMAN: Mr. Chadi on that.

MR. CHADI: I need some clarification here. Clint, you were asking with respect to the different programs, and I think one was 3 percent. We had it reduced from 5 percent for operating within the heritage savings trust fund. Aren't those operating funds paid for out of the heritage savings trust fund and not out of this GRF?

DR. WEST: No.

MR. CHADI: They're not?

DR. WEST: No, they're all out of GRF.

MR. CHADI: Okay.

DR. WEST: Have always been. That's the catch-22. Our policies were that we spent money for capital and then drove it out of a budget that went on for time immemorial. Those were good philosophies if you could guarantee your cash flow. I don't know today how you would ever set policies for 30 years based on economic variations that we might see. How would you ever do that in your home life? I don't know how government fixed it. I don't mind building the park, but you can't guarantee that you'll be able to keep it open during a depression. Just because you have it written in the policy doesn't mean it's so. Money is money.

MR. DUNFORD: Then my last question: given that the FCSS '94-95 grant is listed under here at 2.2.3, do you see FCSS funding being continually in that particular envelope under Municipal Affairs in the long term?

DR. WEST: I can't answer that. I know that it's there now, and it's in the unconditional grant with some caveats, options for the municipalities. It's brought over to facilitate the unconditional package. There's nothing written in stone as far as flexibility. There's no secret or special thing for putting it in one department or the other to deliver it. It's wherever the envelope and package and delivery mechanisms are, I guess, easiest to administer. We don't drive policies. We have the policing grant and all that. We're just a mechanism, Municipal Affairs, to deliver certain dollars and services to municipalities. Where those dollars come from is a choice day to day by you yourselves or other people that direct them. So no, I'm just a servant of the government of the day, and I do what I have to do to deliver them. The connotation that it went to Municipal Affairs because the minister of the day would administer this policy is wrong. I deliver it as efficiently as I can, the package and the administration behind it, but the policy, if those municipalities continue FCSS, is social services.

11:47

MR. DUNFORD: Well, I like it where it is. Take specifically the city of Lethbridge. There are eight aldermen and a mayor that are out in the community continuously, and I think that's a good place for FCSS to be.

DR. WEST: And there's where the pulse is. You feel right on the street in the afternoon a good pulse. I don't have a pulse for FCSS, and the minister can't either every day. The minister of social services goes to the street corner where the people have to deal with the need.

MR. CHAIRMAN: On this point, Mr. Clegg.

MR. CLEGG: With just a little bit of difference. MRTA grants. I know it's not under you, but what have we done with that? Give me something somewhere.

DR. WEST: The MRTA grant – because of a previous minister and it's not part of this. They had \$100,000, a onetime grant, out of the heritage fund or blocks thereof and \$20,000 operating.

MR. CLEGG: A percentage of it.

DR. WEST: Yeah. It will be cut 50 percent, 25 percent this year and 25 percent the next year, down to \$10,000. Again it comes out of the general revenue fund, but the capital came out of the heritage fund.

MR. CLEGG: I missed that somewhere.

MR. CHAIRMAN: Okay.

Mr. Bracko.

MR. BRACKO: Thank you, Mr. Chairman. I appreciate the minister's words about the effect on Alberta Mortgage and Housing from the federal level, and it did have a great impact. Also, some of the programs came down to the municipal level from the provincial level, and then the funding was cut off also, so it left the municipalities with paying or . . .

MS HALEY: I can't hear you.

MR. CLEGG: Len, could you speak louder?

MR. BRACKO: Oh, sorry. Yes, I'd be glad to.

I appreciate the minister's information on the federal level, the 70 percent dollar, and how that tied into programs. The municipalities were also tied into provincial programs at that level. Then the funding would be cut off, and the municipalities would be left holding the bag to either continue them or stop them.

The other thing is: I always expect an Alberta solution for Alberta problems and concerns, and I don't want an Ottawa solution or for the municipalities necessarily an Edmonton solution. An example of that: I've shouted loud and clear about the 35, 50 year mortgages at North Ridge lodge, and the next year there were two of them. I'm sure it was because of my speaking up. The budget was \$2 billion, and they ran out of money for new houses. It's just servicing mortgages now, which is, I feel, a very poor way of doing things.

So when we look at ways of doing things, an 80-room lodge would be cost efficient compared to a 44-room lodge, and that in the private sector will now be looked at and taken care of. My question is for lodges like Legal, and there are many others like it which were built in the late '50s, early '60s. They need to be rejuvenated or upgraded, and some foundations will have new lodges. Like Lethbridge has a new 80-room lodge. Some of these smaller foundations will be stuck. What's the fairness going to be or how are we going to address the problem of rejuvenation of lodges that are needed?

DR. WEST: It's a good question, because we've put it on hold for a year. This year's budget in Public Works, Supplies and Services – and I'm sure you'll be doing that in estimates – will show some \$20 million over the next two years in lodge regeneration. The formula that we brought back as far as how we target lodges has changed a little bit, and the amount of moneys they get and the scope of those major renovations will change according to what the foundations deem as necessary themselves. We are just in the final throes of negotiating with public works and ASCHA and the foundations to determine the flexibility they want in how they use those regeneration funds.

We're trying to find a formula that will do a lot more lodges, but we're saying this: "If you want it in the form of a grant, then say so. Put it in a bank account and renovate those lodge rooms and redo the roof and the carpets and that sort of thing and be

your general contractor, deal with it locally. If it's a major renovation of larger consequence and you want site supervision and some direction from public works and supplies, you have the option." If somebody is doing a \$200,000 renovation on a lodge, you don't need 10 people from Public Works, Supply and Services and four from Municipal Affairs to be on the site every day in order to have the carpenter and the people in your local community that can do this work and have just got through building five buildings – we have been oversupervising, overcoding, overbuilding, and I'm not ashamed to say that.

Many of the lodges and some of these things can get the job done at a third of the cost. We had one down in Cardston where the cost was going to be \$130,000 for a roof. They got it done for \$70,000 as soon as we turned the money over and said, "Do it". I know of one lodge – I don't want to get personal in this – that for two years we held up. The floor was shifted. The plywood underneath it shifted, and we had to redo the carpet. In all it was a \$10,000 contract, and we had five visitations from Red Deer out to see this and four ministers. They couldn't spend \$7,000 to \$10,000 without – I said finally: give them the money. They got the floor done. Meanwhile for two and a half years – if you've ever seen a floor like this with the carpet on it, ladies tripping and walkers . . . Then we do brain surgery on \$10,000, and we go ahead and build a \$3 million one that has solid silver sets, and we can't get \$10,000 into one little floor that goes like this. We've got to smarten up.

MR. BRACKO: My supplement to that – and what you said is very true. It sounds unbelievable. The same thing with maintenance. Some lodges will need more. Is that going to be government formula when you're discussing it with them so that they're able to do the same thing?

DR. WEST: Yes, we'll be looking at the individual lodges. The dollars can only go so far. There has to be a tapering, and we've already had agreement with many of the foundations that their dreams of this complete renovation of \$3 million to \$4 million – no, we don't need that, but we do need a half million dollars or \$700,000. We're finding a formula and will work with them. But we want to really determine the age and the need of those lodges. I think this will respond better in that way. We'll do more lodges. There will be more done. If we were doing huge renovations and the dollars weren't going as far as they should, we would have been here until 2010 renovating a lot of these lodges, and I think we'll get a lot of them done in the next three or four years.

MR. CHAIRMAN: A final supplement?

MR. BRACKO: Yeah. My last one has to do with the government buildings. Is there any plan to sell those off by 1996-97 or in the future?

DR. WEST: What government buildings?

MR. BRACKO: The provincial government buildings.

DR. WEST: Provincial government buildings?

MR. BRACKO: In the small towns across Alberta, like the ALCB stores.

DR. WEST: When somebody else's estimates come up – but that's not me. We just pay the taxes on those buildings. Is that a recommendation you're making?

MR. BRACKO: That's a question I'm asking.

DR. WEST: Well, it's hypothetical today, because there's been nothing that I've seen in the business plan, but if you'd like to make that recommendation to the Assembly . . .

MR. BRACKO: No. I'm asking the question: is it in the plans for 1997? Yes or no. Not a hypothetical question, it's a real question.

DR. WEST: But I want your recommendation. You asked me if there was anything else. I was thinking . . .

MR. BRACKO: I'll be part of your research budget of \$17 million, if you'd like.

DR. WEST: No. But if that's a recommendation you're making, I would like to stand up and say Len Bracko, MLA, recommends that . . . I'll bring it to the mayor of St. Albert and ask her if she agrees with you.

MR. CHAIRMAN: Let's get out of the debate. You can discuss that with the minister of public works.

The next one on the order paper is Ms Carol Haley.

MS HALEY: Do you have to stick to one topic for all three questions, or can you float around just a little?

MR. CHAIRMAN: Float around. We all have.

11:57

MS HALEY: I've got one quick shot at Access, and then I'd like to talk about something else for a second.

MR. CHAIRMAN: Sure.

MS HALEY: I have a question with regard to Access and the study that was just done, and I don't know if the study that the board did ever addressed it. KSPS, out of Spokane, is a public broadcasting service. Their total budget is \$4 million. They have in that \$4 million \$3.1 million that is generated through public donation. About \$450,000 comes through the school in that area for distance education and educational types, and the rest is split between the state government and the federal government, and that's the total budget. They do a very good job. I've watched their station, and it's good. This is not a put-down to Access, but it is a question as to why the budget for Access exceeds theirs fourfold. I don't believe they're doing anything a whole lot different than KSPS is. I'm wondering if that was addressed in the study, and if not, why not?

DR. WEST: Yes, we compared to other public television. I guess there is some conclusion, as you said, that the reason the review was done was: can we get a bigger bang for the buck? They have a fund-raiser here at Access, and I really am thankful that people have spent the type of money they have by donations. But in proportion to the budget the amount of donations is not very high for 2.7 million people, when 800,000 people in Montana . . .

MS HALEY: I know. They get two-thirds of their money from Alberta.

DR. WEST: There you are. I've just brought it up, so you answered your own question. Two-thirds of their money is supporting public television someplace else.

Here is a Crown corporation that is supposed to serve public television in Alberta. It reaches 430,000 people. When we do viewer polls on Access and radio listening polls, many times they don't register on the formula used for whose listening when. It's very low in percentage to the total air time and radio time that people actually listen to these in a percentage of 2.7 million people. So we've got to get a better bang for a buck and get this thing refocused. When that radio station goes on at home – I don't know how many here know what the dial is; I didn't know what the dial was – if you listen to it, you listen to it, and if you don't, you don't. If you like the jazz and the other type of old-time music that's on there, then send your money in instead of buying CDs.

When we get focused on what the original intent of Access was – it was to be for distance learning and educational development materials to work and interact with our school system – it will cost us half the money to do that, and it will stay focused on that. Right now they travel – they had traveled; they're not any more – all over the world to interact with other public television. It was a culture of itself to I guess expand the role of the television network versus the educational component.

I trust in the future that the donations will be larger for our purposes, but if they're not, then they'll continue to support Montana instead of Alberta. But as long as the provincial government was pouring money into these operations, the people of Alberta didn't have to fund their own public television, did they? They could use their money to fund somebody else's. I think in the future we want service, but we don't want operations of convenience.

MS HALEY: Thank you.

There was a second one on my floating regime here. Is there any assurance that groups like Alberta Home Mortgage Corporation or MPI or municipal sales or whoever they are will not ever again be allowed to buy with impunity property all over this province?

DR. WEST: Well, MPI and municipal sales weren't buying. They were the instrument of evolution. To answer your question is this: if historically we can learn by our mistakes and leave administrations in place that remember them, then the answer to your question is yes; we will never get into that type of problem again. I'm not very secure in my mind that if \$50-a-barrel oil came back and the golden spoon was there again for certain administrations, they wouldn't take their positions of power and start waving the wand again. The history in Alberta was Alberta Mortgage and Housing. It had a lot of money and based it against a principle of giving. So that's a good question, Carol, an excellent question, but I can't answer it for you, I really can't, because when you and I are gone and somebody else is administering it, they have to look at history and learn something and not repeat it again.

MS HALEY: My last comment that I wanted to make is actually just that, a comment as opposed to a question. Somebody raised the M and E tax, and I just want to let you know that Airdrie has just made an announcement that they are phasing out the M and E tax. They do not have a business tax and they have a balanced budget. So it can be done.

MR. CHAIRMAN: Thank you, Ms Haley.

We're getting down to the short strokes. Mr. Wickman.

MR. WICKMAN: Yes. This will probably be my last set of questions, so if you'll allow me some latitude.

Before I ask my question though, as I go to the budget target, if the minister could, first of all, under Access three-year spending targets for '95-96 and '96-97, is the N/A not applicable, no answer, not appropriate? Which one?

DR. WEST: Not applicable at this time because we haven't made a decision on those. We didn't make a three-year budget plan for Access because we're dealing with it in the ninety – somebody else asked that earlier: will it be left unscathed? No; the solution will be by the end of this year. So it's the '94-95 budget period.

MR. WICKMAN: Okay. Yeah, I understood that. My questions are on Access. That was not a question. That was just to get it cleared up. [interjections] Well, it wasn't. It's not my fault if the minister misuses short forms.

I know we touched on Access previously. You made reference to \$10 million, for example; it could end up with a budget of \$10 million. The minister must have some thinking in the back of his mind: is Access going to be privatized? What's going to happen to it?

DR. WEST: We are taking the recommendations of that and following up on all the recommendations.

MR. WICKMAN: Which recommendations though?

DR. WEST: Well, first, there is a consultant working on CKUA at the present time to report back to me. I've asked the board on that one, because it was only a recommendation, to give me the business plan; give me what it takes. The second one: I'm traveling, I said earlier, to Toronto to talk to Canadian Learning Television this Friday. I will be meeting with Moses Znaimer, and we will be discussing the details of his proposal, which will likely have a caveat on the CRTC decision in March. As we move forward – there are only three recommendations. You made reference to the money that I said could be saved. It's just straight arithmetic. You take the present budget and you take the recommendations in the Access report, and if any one of those recommendations were met at the end of the day, that would be the savings.

MR. CHAIRMAN: Second.

MR. WICKMAN: Well, my first supplementary. My second question, first supplementary.

MR. CHAIRMAN: Right.

MR. WICKMAN: Just so I'm clear, when you refer to the recommendations, you're referring to the recommendations that will result from the existing process, the process now under way, not the recommendations that were brought forward earlier by the board of Access. Like, whatever happened to those recommendations?

DR. WEST: Well, this is it. They've tabled a report. This is the report.

MR. WICKMAN: Yeah, that's the report. That's been turned over to the consultants.

DR. WEST: No. This report said what to do. So we said: "Fine. Your recommendations on CKUA, follow them up now. I want to see a business plan. Work with CKUA, the radio station." They're working right with them. It's so simple. All you have to do is read the report, and then if you were in charge, what would you do next? You'd take the recommendation and see what meat there is to it and then present it to a committee who would then make a final decision.

12:07

MR. WICKMAN: The difficulty is that I guess that report was tabled in the House, but I'm not sure it was distributed. I guess I could have made the effort to go and get one, but I didn't, though, unfortunately. I will get a copy to follow that through separately.

My last question then, Mr. Chairman, to the minister. Consumer protection: we've seen on CBC, for example, highlighting the need for some consumer protection, whereas we've been going less and less and less. What does the minister visualize happening with consumer protection?

DR. WEST: Well, there is no less consumer protection in this province. The issue is the method of that protection. We have 37 or 39 Acts. There is everything from the Landlord and Tenant Act to cemeteries to fair trades and practices. Those are all in force today. They're law in this province. If somebody breaches that law, then through various mechanisms, the law profession or directed by the department – we'll tell you what your options are to move forward – that Act will have to be enforced by a judge or by some appeal mechanism through one of the organizations set up under the real estate agents or those types of quasi-judicial boards that we have set up under legislation in the insurance industry or whatever you have. So there's no less protection of Alberta citizens today with what we're doing.

We're just saying that we've spent a lot of money producing pamphlets and things on how to buy toys, what you do when your credit card runs out. You know, that may have come out of a day when consumers were growing in Alberta and needed that type of recommendation, but I think today there are a lot of support systems out there to help individuals know what to do when their credit card runs out. We're saying that there are different organizations. We're trying to encourage the car dealerships association to have a disputes mechanism to arbitrate privately, law firms to arbitrate their problems with the bar on sorts of things. We're asking the Better Business Bureau to take a more proactive level to get businesses involved in their organization and start to arbitrate.

What happens if you buy a CD player that doesn't work? Do you phone the government? One of the surprising things I found when I first became minister was that we had 20 consultants out there to go and train you how to be a good businessman, how to smile at your customers when they came through the door, and what to do when they complained about the broken CD. Somebody said that there are 280,000 Albertans who can't look after themselves that phone this hot line. So I started to monitor it. My first four calls – I won't tell you them all, but I'll tell you two of them.

One was somebody that had bought \$30,000 worth of drapes and stuff from Simpsons-Sears and wanted to know what the government would do because when they delivered them, they didn't send a service man over, they weren't the right length, and they had to get it straightened out. I thought: go and do your complaining locally. But I didn't say anything. I said, "You're phoning the government so that I can send an agent out there to

arbitrate between Simpsons-Sears and you over \$30,000 worth of drapes?" I said to the guy on the end of the phone: "Do you want me to raise your taxes? Why in hell do you have this number?"

Another guy phoned me in his new Lincoln. He said: "You know, there's something wrong with it. It has a lock on the rear end, a new emergency lock system inside, and they didn't disconnect it. So when they towed it into the garage, they broke it. I want somebody from the government. Now they're refusing, saying that it's up to the tow truck operator to fix this." I said: "You're phoning the government to arbitrate on your Lincoln with a dealer that's been in business 50 years? Is that what we collect taxes from the average citizens to do in a free democratic country?"

I could name you more of these. That hot line wasn't just for those people that have trouble with their credit cards and their accounts. We still have a group in that will work out debt, a debt servicing board, which they'll keep. I don't think the taxpayers of Alberta should be arbitrating between somebody buying a Lincoln and a dealership that's been in business 50 years and is one of the top leaders in the dealer associations of this province, and I don't think there's anybody at this table that agrees with that either. But that's what we got to in universal programs and corporate consumer affairs. There is such a thing as buyers must beware.

I could go on and tell you about people that went back three times to buy fish out of a pet store, got burnt every time and kept going back and got the government to dispute: come and tell me why the fish was \$14 and it's on sale for \$3.99, and I should have got it. I said, "Why are you going back to the pet store?" Because it's a good pet store and the government will arbitrate.

MR. WICKMAN: I guess you don't want to hear about the Rolex knock-down I bought.

DR. WEST: But I thank you for the question, because sometimes we don't talk real enough among ourselves. We talk about the worst case scenario. We talk in generalities, but I think government policies in the future should talk reality. Those of need, we can help them. We will come down hard on fraud in this province. If there are people phoning around – and it just infuriates me to tell you that you're going to win a jeep if you buy a hundred pens. I'm fed up with this telemarketing and this sort of thing, and we're going to work with the federal government. This is ridiculous. The reason I know that is because maybe some people are still waiting for their free trip to Hawaii.

MR. CHADI: Can I just ask a little one?

MR. CHAIRMAN: Sine.

MR. CHADI: Thank you, Mr. Chairman. I know that time is running out, of course, but I've got one question with respect to the grants in lieu of taxes. The expenditures from last year and even the year previous, Mr. Minister, were around the same numbers of 46 and a half million dollars. My question is with respect to the sales that we're doing and the reduction in the amounts of properties that the government owns as we go along and privatize in the scope of that picture. Are we to see these grants in the future, then, reduced? First of all, why are they still the \$46.5 million? I would have thought there might have been some sort of reduction by now. Are we going to see them in the future?

DR. WEST: In the social housing?

MR. CHADI: No. With the grants in lieu of taxes. I know we're privatizing. We're selling off some of our buildings as we go along.

DR. WEST: The answer to your question is yes. It'll go down as related to the amount of real estate we have. You know, you're not paying grant in lieu on liquor stores. Were they paid?

MR. FORGRAVE: No.

DR. WEST: They were paid direct.

MR. CHADI: ALCB paid its own taxes?

MR. FORGRAVE: Yeah.

DR. WEST: But the answer to your question is obvious. I mean, if we paid grant in lieu of taxes on a building and we don't own it anymore, it'll go down. If we still own it, we'll pay it. But all we're saying is that we're going to assess it on today's market and pay the same taxes as anybody else would in that community on that property.

MR. CHADI: Are you suggesting, then, that we are going to do our own assessments or at least to confirm the assessments?

DR. WEST: Yeah. We're going to have an independent appraisal done, an assessment on our properties.

MR. CHADI: Is that going on right now?

DR. WEST: Yes, it's under way right now, and we're using arm's-length private assessors. But they're under the same values. Remember, you can assess property. We use a standard that's across Alberta, and any municipality can go to the appeals board and challenge it. But if somebody says, "Because you're doing it, will it be a fair appraisal?" you bet.

MR. CHADI: I guess I want to thank the minister for responses this morning and this afternoon.

In light of the time, Mr. Chairman, I would submit that we adjourn.

MR. CHAIRMAN: I'd love to accept that one, Mr. Chadi, and we will, but under the Standing Orders, first of all, if we're going to conclude – we're about 13 minutes short of the four hours – we have to have unanimous consent to do that. Do we have unanimous consent?

HON. MEMBERS: Agreed.

MR. WICKMAN: I wanted to go on record, too, as saying that I appreciate the straightforwardness of the minister in responding to our questions. It's very helpful.

MR. CHAIRMAN: And I would require also under Standing Orders one more motion to be made, and that's that the debate is now concluded on the consideration of the 1994-95 budget estimates of the Department of Municipal Affairs.

MRS. GORDON: I would be delighted.

MR. CHAIRMAN: All in favour, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Okay.

As we wrap up, I just want to thank every one of you for the co-operation and the minister and his staff, as Mr. Chadi pointed out, for some straight-out answers. I think we've probably come away with a little bit better understanding. A lot of questions have been answered.

With that, I will accept the motion to adjourn from Mr. Chadi.

[The committee adjourned at 12:17 p.m.]