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[Mr. Fischer in the chair]

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Designated Supply Subcommittee – Municipal Affairs

Fischer, Robert, Chairman
Barrett, Pam
Clegg, Glen
Gibbons, Ed

Klapstein, Albert
MacDonald, Hugh
Marz, Richard
McFarland, Barry

Paul, Pamela
Renner, Rob
Severtson, Gary
Yankowsky, Julius

THE CHAIRMAN: Okay, folks, if we could get started this morning. I first of all want to say thank you very much for jumping up first thing this morning and getting down here at 7 o'clock. It's a beautiful time of the morning, of course, and I know you all agree with me on that.

We would like to begin by just looking at our motion here. I'd just like to run it by and then get unanimous consent from our group here. The beginning is that we allocate the four hours and that the minister is responsible in her address for the first 20 minutes. Then our opposition subcommittee members have one hour for questions and answers, and then the government members have an hour for questions and answers, and then the opposition members have another hour.

Now, can we have unanimous consent that we give the opposition the first hour, and then the next hour is split between the two opposition parties, 48 minutes for the Liberals and 12 minutes for the NDP. I don't know if I see the NDP here this morning or not, but that would be the way . . .

MS EVANS: Mr. Chairman, could I just interject on that point? Pam Barrett did tell me that she may not be able to be here because Health estimates are on this morning. So I said that if she was not here and she wanted to provide me anything in writing, I'd make sure she had her written responses.

THE CHAIRMAN: Okay. Thank you.

Then our government MLAs would have an opportunity after that time if they so wished. That way there's an awfully good chance that we might be able to get done just a little bit sooner than four hours.

Now, can we have unanimous consent for that?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Now, I think the format of our meeting would be, if it's agreed, that our minister would give her 20 minutes, and then opposition members each have 20 minutes. We'd like to keep the speeches down to a minimum if we can and keep on asking as many questions as possible. We do have some good resource people here today, and it's to everybody's benefit to work it in a question-and-answer period as much as possible.

With that, I think we can begin.

MR. GIBBONS: Mr. Chairman, just with that. I'm the Municipal Affairs critic, so after the minister I'll have a bit of a speech, and then we'll go into three questions each.

THE CHAIRMAN: Okay, and I'm understanding that you would like to have the minister answer after each question?

MR. GIBBONS: Three questions from each of us.

THE CHAIRMAN: Three questions from each of you and then let the minister answer. Okay.

MR. McFARLAND: Mr. Chairman, do you want me to give the speech on behalf of the NDP after?

THE CHAIRMAN: Yes, I really would like it but quite a while after.

So do we have unanimous consent? Are we all in favour of those ground rules?

MR. MARZ: Yes, we are.

THE CHAIRMAN: Okay.

Iris, would you go ahead, please.

MS EVANS: Yes, Mr. Chairman. May I start this morning by introducing to my immediate right Deputy Minister Bob Holmes; Assistant Deputy Minister Eric McGhan; acting assistants Rick Beaupre in housing and Laurie Beveridge in registries; and Bruce Perry, director of finance. So we've got a lot of expertise with me this morning to answer questions that you might have about the Municipal Affairs budget and to add, when you have questions, to some of my answers or completely substitute.

I want to say as a person delivering really the second budget but for the first time delivering a Municipal Affairs budget that I feel I have some ownership of, because I have spent this last year working on this budget and working within the framework of our business plan. Essentially when people in the public hear Municipal Affairs, they probably assume that Municipal Affairs core business is local government services. So I want to remind this body that at least 50 percent of the human dimension in Municipal Affairs works on registry issues on behalf of Alberta Registries, works on behalf of the corporate registry, land title services, works in partnership with many people that deliver the full of the registration, 127 products, to Albertans in the form of capped or uncapped services. So it might come as a surprise to a number of people looking at Municipal Affairs as a title that it is not exclusively managing local government services. It's a very traditional title. It's a title that our department wears with pride. But we are much more than offering local government services on behalf of this government.

I think that housing and consumer affairs also, not in the title but certainly on my business card, reflect at least a good quarter of the budget that we deliver. In terms of housing it's predominantly being out of the brick and mortar business and into the goals of helping other management bodies achieve their objectives, both public and private partnerships.

In consumer affairs – I don't know how many members here have noticed this – in the last three to four months we've had an increasing awareness of not only consumer affairs but the type of innovative enforcement techniques that are being used across

Canada and across North America. Phonebusters, CanShare, and a number of these other projects are actually the leading edge in terms of making sure that the 90 percent vulnerability factor in senior citizens in the province – and I say 90 percent vulnerability factor relating to the fact that most of the people that are hit by fraud artists are in the seniors category. That is creating quite a number of circumstances which we are becoming increasingly conscious of.

Last but not least, the local government services division, which predominantly is responsible for providing advice to local governments, conducting linear assessments. I was just asked about what we do with the machinery and equipment. Management of the machinery and equipment rates, if you will, comes from Treasury Board, but in fact our group is very familiar with machinery and equipment because many of the debates that come to the Municipal Government Board relate to the types of products that actually deliver the energy sector to the consumers. If you are a processing plant, you're likely machinery and equipment. If you're producing a piece of equipment, a pipeline, for example, then you are linear assessment, and linear assessment is a large part of our portfolio.

The assessment division in this budget is increasing this year in order to not only audit assessments but to be sure that we're absolutely up to speed and up to par with the accuracy and efficiency of the system. Mr. Chairman, we are continuing to work on the development with our technology partners of the assessment system. As I said last year when I talked at the standing policy committee about the business plan, all I want for Christmas in 1998, if I had only one wish, would be all of our assessments up to par, working well and easily understood so that everybody's only a little unhappy with their taxes in Alberta. So we've got that tall order for our assessment division.

There is a common thread among all of our businesses, and that is that we do try and serve Albertans and try and help others help themselves. I've never liked the word facilitator, but to some degree that is in fact what Municipal Affairs core businesses are. We work to make sure that our legislation is workable for local government services. Many of the strands you'll see not only in this budget but through our legislative delivery this year relate to trying to continue to improve the Municipal Government Act, to improve our delivery with the updating of prearranged funerals and funerals legislation and also a new piece of legislation, which was the collaboration of seven pieces of legislation, the Fair Trading Act, that Denis Ducharme is taking through.

A lot of the emphasis last year in the questions from both sides of the House related to how we're going to be accountable. I think you'll see throughout the various core businesses accountability built into the framework but also an amount of due diligence that is provided by the leadership within the departments by the collaboration and the strategies with other departments, by an increased awareness of what our customers really want, increased collaboration. So I would also suggest to you that in the controller function of delivering our budget, you'll find that we weigh heavily on performance measures that match the dollars that we spend.

7:14

I'd like to just indicate that the '98-99 budget request of \$472.1 million might take you all by surprise, as it did one of our local newspaper columnists, but it is a figure that is a book entry that is a result of refinancing of a large portion of the Alberta Social Housing Corporation. So in actual fact our budget is not millions higher. It sounds like \$194.4 million higher than last year. But

the refinancing of the Social Housing Corporation in conjunction with Treasury means that although we have a modest increase in our expenditure this year over last year, it's predominantly in the area of targeted municipal assistance grants of \$10 million that we have available to use.

We have made a reduction in this budget year, which concludes at the end of March, of some 62 full-time equivalent staff predominantly in the area of delivering registries and corporate registry services. We have in this coming budget year a reduction of staff in the area of finance and administration to create more efficiencies to be able to work with registries and their provision of audits, et cetera. Also, we have a modest increase in staff in the assessment division to facilitate our assessments and a reduction of staff in the consumer and housing area.

Mr. Chairman, as I indicated in public accounts, it's my most sincere hope that next year we will be able to break out Alberta Social Housing Corporation in a separate budget and that we will in fact separate housing and consumer, even though we have a number of staff that serve both in both the legislative framework and the finance and administration framework. I think it would be much more easily read by people within government, and it's probably as much as anything for the convenience of the reader that I suggest we move in that direction.

MR. ZWOZDESKY: Applause.

MS EVANS: Thank you.

We have a capital investment for programs in the ministry of about \$2.5 million. Predominantly what we have to do is make sure that our hardware and software are up to date. I would say that in Municipal Affairs, predominantly in registries, we're working with five systems, three of which have been here for 15 years. So when you start taking a look at the type of technology that's required today for that better, smarter, faster turnaround in delivery of systems, you know why we have to upgrade. That was part of our business plan in the last year.

The ministry support area, in fact, serves all of the various divisions much like corporate services, almost a supply division, and the new Imagis financial system is going to help us with our year 2000 compliance. We expect to be ready, as other government departments will be, for that year 2000 and the millennium.

Our three key goals in the business plan talk about the assessment division in local government services, leadership in inter-municipal planning – and I want to just pause there and reflect on the success of five Fridays that are being conducted through local government services, some in conjunction with other members who have attended these and who are for the first time in almost 20 years seeing both rural and urban communities sit side by side and talk about collaborative strategies in planning. We have high hopes that this will help them in their governance in a shared fashion.

The targeted municipal assistance program of \$10 million: I want to say a few words about that. We have, as you know, received approval from Treasury and colleagues on the standing policy committee that I answer to to provide a sum of money in order for us to enable local communities who just don't have a way of making it to have a hand up, if you will, to sustainability. Part of this targeted grant will address people that have traditionally requested support but who will be very closely scrutinized on their ability to in fact deliver without a constant framework of financial support.

Many of those communities have already worked to collaborate with other communities and have found innovative ways to get

things done. Some are actually purchasing governance from another area. In other words, their staffing comes from another community, but they pay a user fee for that staffing. Others have dissolved, not because Municipal Affairs has thought it's been a good thing but because the local taxpayers have become involved in the process and have agreed with the council. I must also share with you that we have had a number of those municipalities who have lost assessment, through the loss of grain elevators in some cases or railroad tracks that have been less useful, and who have no hope of easily recovering that. As the Crown lands federally are less used in these communities, we find that they are suddenly without resources.

One other thing we're finding is that the demographics of some of those communities mean that residents are living on fixed incomes and have very little hope of generating – they're not going to go out and start a new plant or industrial location. They are in a retirement mode and looking for some assistance in planning for that.

One comment. If the local governance is not able to satisfy their consumers, if you will, of the tax rates or the planning issues, they come to the Municipal Government Board. This year there have been tremendous strides made by that body, not only in the area of development of a code of ethics and understanding how they can assist in a better fashion but in terms of being able to deliver a product that while not all sides might enjoy the results, even those that are not successful in pleading their case at the MGB have generally found they are satisfied they are getting a fair hearing and being judged on the criteria within the legislation.

I just want to make a comment. Perhaps it's risky to introduce this, but many of you have heard that Calgary for the first time has appealed its provincial assessment and its equalized figures and wants a more transparent process in the examination of equalized assessments. This is not unique in the province. We have other communities that have certainly over the years struggled with that and have commented to our department. It is almost a continual negotiation with our department to make sure that the numbers they illustrate are fair. They want to argue and plead their case relative to their neighbour for example. That is almost a passion with assessors: to make sure they get it right but make sure their neighbour gets it right so they are never paying, quote, more than their fair share. So it's certainly a good part of our emphasis this year.

You will find in our initiatives that we're also helping assessors help themselves with development of training modules. We plan to deliver an excellence in municipal government program, with the sum of \$200,000 to enable the department to showcase where good programming is taking place.

We hope to find also alternatives to the disputes resolution, and we've got an allocation of a quarter of a million dollars for that. Mr. Chairman, I think it's really important to get knowledgeable people who understand local government delivering the kinds of programs for disputes at the local level. They can't be just people who have a general do-well, consensus-building framework. They have to understand the legislation and have to know the art if possible. So a number of our individuals within local government are managing that.

I think this year in our social housing you'll see this onetime grant to pay out a debenture of \$232 million signed by the Treasury, \$61 million, who still manages the corporation. I want to just be quite clear on this. The corporation generates \$79 million in revenues and recoveries for a total operating budget of

\$140 million. If you're familiar with the legislation, the Alberta Social Housing Corporation is not allowed to have employees, so in fact our finance and administrative division and housing have traditionally provided the support, the appraisals, the sales, and all of those services to the Social Housing Corporation. What we have found this year is that the corporation and Treasury have been in a co-operative mode to try to sell surplus properties, those things that are not usable properties, at the request of and in co-operation and collaboration with the communities to try to provide dollars in the places where they can most successfully be used.

7:24

We have, as you know, quite a mix of programs that relate to rent sup and self-contained units. All of those programs that we provide are provided through the housing and consumer affairs division, albeit that some of the properties themselves are owned by Social Housing. We share mortgages for almost two-thirds of our properties with CMHC. One of the deliverables this year will be to try to reconcile with the federal government, with Canada land corporation all of the outstanding issues so that we might have a fair and equitable way to deliver a housing portfolio in collaboration with our partners at the local and at the federal level. We spend a lot of time in consultation with those Albertans.

We also assist in managing registry services throughout Alberta. Most recently, in fact on Saturday, I spoke again with the Calgary registry service. It is not a simple matter of looking at the people with handicap needs and saying: how will you place them? Because today, with low vacancy rates in some of the urban areas, you find us looking at a situation that is quite unique in managing for people with a lot of varied difficulties. Yesterday it used to be that somebody with a stroke would arrive. Today they may have a stroke and other issues, hearing impairments and other issues that they have to take care of.

Mr. Chairman, I want to talk just for a minute, as I wind up about registries, about how there has been a lot of work done this year to put corporate registries into a mode where people out there aren't registering for businesses and waiting six weeks to have their business registration provided. Here we're spending \$33.7 million on registries, and I can't stress too much that for a relatively small outlay of funds you'll find that almost \$270 million may well be generated with the type of activity we have in Alberta, with the type of businesses that are creating there. We are projecting \$251 million in revenue, but very recently we've had a considerable amount of sales activity, so land titles is a very busy area. And for the first time we're seeing some of the home-based businesses register themselves, so it's becoming a very active mode. In '97-98 there's been an overall increase of 13.7 percent, or \$33.5 million, in revenue over the previous year. So you'll see, I think, that this part of the support system for Alberta business is going extremely well.

One of the goals that Laurie has been focusing on in this past year is a tremendous amount of work with the people in the Privacy Commissioner's office and in the Auditor General's office to make sure we're in compliance with all parts of the legislation.

Did you want to interject?

THE CHAIRMAN: Yes, I did. Your 20 minutes is up.

MS EVANS: Okay. Perfect. I didn't know it was so easy to talk so long. I'd just like to do more.

Thank you, Mr. Chairman. I welcome your questions.

THE CHAIRMAN: Okay. Thank you very much.

Ed, you wanted to make a few opening remarks and begin the questions?

MR. GIBBONS: Yeah.

THE CHAIRMAN: We have one other little thing that maybe we should deal with. I understand that Gene, who is not a regular member of this committee, would like to participate.

MR. GIBBONS: I asked Gene to come today because I was on the phone last night to him, and I thought Pam was not going to be able to make it. So if it could be that he could participate – let's have everybody decide on it.

THE CHAIRMAN: I guess that does go against our Standing Orders, is all. If we can have agreement around the committee, then the chair doesn't have any trouble with it. It comes within your time limit anyway, and it would be entirely up to you people on who wants to ask the questions. So can we have unanimous consent?

MR. McFARLAND: It wouldn't set a precedent?

THE CHAIRMAN: Well, it might set a precedent; I don't know. I don't think it's happened before, but I guess if our committee is comfortable with it, then I would be.

Any remarks you have, please speak up now.

MR. ZWOZDESKY: Mr. Chairman, I wonder if I could be allowed to just participate from a discussion point of view but not actually be part of the vote. That's all I'm asking for.

MS PAUL: That's my understanding of these committees as well.

MR. GIBBONS: Okay. All I was doing was ensuring that I was going to have three people here.

MR. ZWOZDESKY: Well, we'll see how it goes.

THE CHAIRMAN: Is there any objection around our table? I realize it would be setting a new precedent.

Yes, Rob.

MR. RENNER: Well, I think it has to be made very clear that there is no extension of time and that there is no opportunity for voting or making motions.

THE CHAIRMAN: That would be expected, yes. Okay. Can we have agreement with that? Any opposed?

Okay, Ed. You go ahead, please.

MR. GIBBONS: Thank you, Mr. Chairman. Good morning. For everybody, especially on our side, it wasn't my decision to come at 7 o'clock this morning, but I'm a morning person, so whatever.

It's been almost a year since we've been elected, and I was very appreciative of our leader putting me in as the critic of Municipal Affairs. What I'm going to actually start stressing is that in the last few months I've been quite critical of what's been happening from the Growth Summit. I've got to admit that I'm thankful for what I heard in the announcement the other day, that there has been a committee picked with the Premier chairing and with a lot of people including yourself, the chairman here.

I think we have to proceed. I must admit that I've been very critical, but at the same time I went to the Growth Summit the last two days and witnessed a lot of good input from people that were coming forward throughout all of Alberta. I think they brought a lot of good discussion through from the small municipalities.

I'd like to quote an item that came at the start of it, leading up to the Growth Summit, from Dr. Percy, in which he says: the summit with economic growth brings many challenges, including increased pressures for improved infrastructure, educational opportunities, new jobs, and higher salaries. Of these, infrastructure is of particular importance to municipalities. One suggestion has been that the infrastructure financing problems would disappear if municipalities undertook the same fundamental restructuring as what the province has done. Since municipal infrastructure is critical to achievement of the provincial government economic development objectives and since part of the reason for the current infrastructure deficit at the municipal level has been the cutbacks in provincial support, it is absolutely necessary that the Alberta government be full partners in addressing the problems.

I put out a survey in July this past year, and this is one of the major items that people in small towns and municipalities all across have come back with. They feel that if we're going to start changing what has been, the department and the government better be there for support. If you're asking for amalgamation and you're helping them to amalgamate, be there for a term afterwards to help them through the period. Crownsnest is probably a prime example. The mayor down there said that it was a tough area to go with, with the amount of small hamlets coming together, but as soon as you helped them through the amalgamation, there was nobody around afterwards. So that is one thing that I'm stressing in what we should be doing.

What we can see there are two basic issues that must be resolved: the extent of the provincial participation and the form that the participation takes. I'd like to congratulate again the Premier's infrastructure task force. I have great confidence with the background knowledge of the people named in the announcement. The remarks I have made over the last few months and the questions we'll be asking today will hopefully bear a fruitful future.

7:34

I must stress that for this government to regain competence, this task force cannot perform their assessment in isolation. With the realization that the fiscal infrastructure is the key to Alberta's future, what should be recognized and respected is that Alberta cities, towns, villages, and municipal districts have been extremely good fiscal managers since 1992, when they faced almost continuous budget cuts and off-loading. As major grants to municipalities have been cut substantially over the past five years, people keep using the word "downloading," which I find has a very negative connotation. I want to emphasize to the government that we find that we should be calling it the "hidden deficit."

Are Albertans really better off? Where is the Alberta advantage? In 1994 the provincial government seized control of the school property tax. I wish I could stand on a soapbox and tell everybody here that I know the answer to this, but I do sympathize with the people throughout the province, especially in the areas where the taxes have soared through the roof. Going into Canmore, you take a look at this house that is probably worth no more than \$10,000 itself on a \$350,000 lot. Older couples have told me that they've had to go into Calgary and borrow money from their children to pay for the educational side of the tax. I do

have concerns. I do explain to these people that it's an equalization tax, but I really stress that it is a tax that is controlled at the provincial level or by the assessments of the towns. Municipalities have been forced to turn to hikes in business and property taxes and user fees in order to compensate.

I do hope that this infrastructure task force can produce a vision and a road map to sustained growth. If this is backed totally by the Ministry of Municipal Affairs, then hopefully this will put some positive spin on the question I keep hearing: is the government really listening? We must work and plan toward a revenue-generating sharing with the MDs. These smaller centres are the backbone of our province, and the importance of their sustainability and stability cannot be emphasized too much. The answer isn't – and they have expressed: just don't start handing out grants. That's one thing that I'm hearing all over too. I do not back just handing out grants for the sake of handing out grants, but I do stress that we have to get into a revenue-generating system with them.

This comes to the secondary or the rural roads. We have farmers that have B train trucks right now, but they are taxpayers. The farmers are the taxpayers. It's when you get into the oil industry and into the logging industry that we have to start looking. Once the wells drilled, then the municipalities are going to get revenue from that, but up until that time the roads are getting beat up quite badly, especially this past year with the wet summer. If revenue-generating sharing is not in the plans, then the realization is apparent that the total grants to these municipalities have been reduced by 56 percent between '92 and '96.

It should be noted that the Alberta government has reduced major grants to local municipalities by \$138 million, or 30 percent, over the past four years while downloading programs and responsibilities onto municipalities. Municipalities have already assessed their infrastructure needs. Maybe this information should form the basis of this infrastructure task force for a comprehensive strategy for all Alberta, but this should not be just another way to produce another futuristic budget. Both the provincial and the federal government budgets are actually items that I really have trouble with, and if we actually went out there and stressed the fact to Joe Citizen and let him realize that everything is futuristic and the dates are down the line – they're not necessarily right now. I'd like to hope that we are going to be setting a new course and we're not going to keep playing the one-string guitar, and that is cut, cut, cut.

My final submission here is that I'd like to thank the minister and the members for Calgary-Glenmore, Banff-Cochrane, and West Yellowhead on this year's nonprofit taxation. I hope the other task force goes as well.

Thank you, Mr. Chairman.

THE CHAIRMAN: Thank you.

Did you want to answer some of those questions now?

MS EVANS: I just wanted to make one comment. Perhaps our department can provide something for all members of the Assembly that illustrates that the revenue sharing that the member indicated is something that has to be very closely scrutinized. Many urban municipalities have looked over their shoulder at the rural municipalities and at what could best be described as delicious assessment and found to their horror that a greater percentage of that is being devoted to education so that it's not the cash cow that it immediately may have been thought to be. That is a misnomer throughout Alberta. I don't suggest that the hon. member was referencing that, but in terms of a great deal of

pressure for partnerships, some of the urban municipalities have been learning that the rural municipalities that are acting as hosts for the major resource industries are dependent on yet additional examination of formulas.

So I'm welcoming the hon. member's comments that this infrastructure committee that our Premier is chairing will have to examine all of those issues very thoroughly, because there are some that pay a requisition of as much as 70 percent based on equalized assessment, and it means that in sharing with urban municipalities, the dollars simply aren't there. I must ask, I think, for us to review that and provide that kind of schedule for all members so that people are quite clear that those resource-based industries have unique needs and pressures on rural communities that have not been easily resolved, and I think that references this hon. member's other comment about tax and assessment task forces that we have under way in our department.

We will provide that. It's been a challenge, I must say, but I appreciate the chance to comment on that.

THE CHAIRMAN: Hugh, you wanted to go ahead.

MR. MacDONALD: Sure. I'd just like to clarify, Mr. Chairman, this morning. I have three questions at a time.

MS EVANS: Okay.

MR. MacDONALD: Okay. My first question would be regarding Alberta Registries. We had some questions for you in the past spring session regarding this issue. It came to my attention from constituents that for the price of \$50 personal information was coming forward from private detectives, and it concerns me that private detectives could go to the privatized registries and virtually find out everything they want to know about a person, particularly now that we have so much of our personal information on databases. I have a concern about that, and I would like you to please explain what security measures your department is taking regarding this issue.

My second question would be in relation to core business number 2. We're talking about social housing, but I would like to ask you about group homes. It has come to my attention that not only in my constituency but elsewhere across the province there are different rules for group homes. I would like you to please explain – and if you don't have the information readily available, the next couple of weeks is fine, Madam Minister – what your department is going to do regarding the licensing of group homes. How many occupants can there be? Is there going to be some formal recognition across the province as to the process? If I were to be an owner or an operator of a group home, how could I set up in a community? Is this going to be standard across the province? Is it an issue that's going to be left with municipal governments? What's going on there? What ideas does your department have on this?

7:44

My third question for the moment would be also on core business number 2, your performance measures, page 303. The cities of Edmonton and Calgary are unable to obtain a simple list of all social housing units in their respective cities. Does your department have such a list? Could you please forward this list to these municipalities as well as providing a copy of it to Mr. Gibbons? Okay?

Thank you for now.

MS EVANS: Mr. Chairman, we may supplement these answers following, but may I just go back to when the all-party committee developed the framework for FOIP, as we know it, freedom of information and protection of privacy. It was an all-party committee that made the presentation to government, and it's my understanding that the all-party committee agreed.

What has been referenced in terms of registries and information that is available from registries is controlled by the registrar in terms of the accreditation of registry agents and search houses and accreditation of those various legal officials throughout Alberta that deliver information, provide information, receive information. For the past several months and, I believe, last July, August, culminating with meetings in September, the Insurance Bureau of Canada has been very actively talking to provincial governments about what is available in terms of transparencies of the registration for license plates and really challenging that the governments would ask for consent by all people that are covered under insurance policies, for example, of vehicles. So it's been a hot topic of conversation.

Last May we approached Mr. Clark, the Privacy Commissioner, and the Auditor General, Mr. Valentine, and asked them if they would review our processes, which have been determined to be up for review – it's been about three to four years since these processes were put into place – to make sure not only that we are in full compliance with the legislation but that we were prudent in our management of regulations. Mr. Chairman, we are very near the conclusion of that review and an opportunity to release further information.

If there has been information that any of the hon. members have received that may lead the hon. member to suspect some impropriety, I would invite them to come forward with it, because we will certainly follow up on that and make sure everybody is acting within compliance. From time to time I believe we've had people come forward with information, and I think it's useful for us to follow up on each particular circumstance. Mr. Chairman, I would anticipate that within the next very few weeks we'll be able to respond more thoroughly on that.

I'd like to comment on the situation with social housing and the different rules for group homes. It's my understanding that our partnership with many municipalities may in fact be the smaller partner, albeit we are looked to for regulation and compliance with legislation. We are partners with Dr. Oberg's department, Family and Social Services, in deliverance of group home circumstances. We've often been the facilitator to put the partnership together for the financing. So a large portion of actual regulation that relates to group homes under certain circumstances would be from Dr. Oberg's department.

We also find ourselves in what sometimes one might even call a minority shareholder circumstance in our deliverance with local governments, with CMHC, and other public and private partnership programs. But I'd like to answer the third question and then ask Rick Beaupre to supplement what I have stated about the social housing, if I may.

We've got 26 management bodies in Edmonton, just to use that as an example, for social housing, and that poses a huge, huge task. Some will have a facility for those that require affordable accommodation. Others in the same accommodation structure might not be so-called in need of affordable housing but in fact fully capable of paying their share. Our estimate is that overall in Alberta we assist just slightly less than 40,000 with units and delivery of services and in partnership with CMHC. It's very difficult to get a grip on. There is some motivation – and we still try to collaborate and get the management bodies together – to

reduce the administrative costs, but some are of particular ethnic persuasion or have a religious affiliation that they don't want to in any way share or neutralize. So it's very difficult.

There are two tasks, I think, that are most important for us this year in the delivery of social housing, besides anything that would be construed as administrative or finance: one, to make sure we're using our dollars in the best way possible, and secondly, to find out if any other partnerships can prevail. To that extent, in development of this budget I have met with developers and communities and had people together in the same room, hon. member, trying to find out if there are any more collaborative structures. Presently in Calgary there's a significant amount of work being done with this positive growth task force, that the deputy is on with other government departments and developers. But almost everybody says that in Alberta while we have low vacancy rates, this is going to be a huge challenge.

Now, in terms of any other comment on group homes, Mr. Beaupre, please.

MR. BEAUPRE: Thank you, Madam Minister. I would add that relative to the cities of Edmonton and Calgary there are forums that are in place that meet approximately every two or three months. They're called in Edmonton, for example, the Edmonton Joint Planning Committee on Housing, and representatives of the city and many of the management bodies do participate on those committees. In Calgary it's the Calgary Housing Committee. Now, as our minister mentioned a minute ago, in Edmonton, for example, there are 26 management bodies. I could point out that the majority of those smaller management bodies provide assistance generally for seniors in terms of seniors' self-contained, or in some of the very larger management bodies like the capital region and the Greater Edmonton Foundation they provide up to as many as 4,000 units. So there is an array of agencies, but primarily there are two or three, including the municipal nonprofit home ad program, that provide the majority of the housing. In Calgary it's a similar situation.

Also, I might want to point out that the ministry does fund housing registries in both Edmonton and Calgary which assist individuals who are in need of housing, particularly certain ones like the hard to house in the inner cities and so on, by directing these individuals to the various management bodies that can assist them with housing.

Thank you.

MS EVANS: Mr. Chairman, we will provide an updated list of what we have, and for what we don't have, if you can provide any embellishments, it would be of great benefit. It is, again, the private, nonprofit, unsubsidized groups that are often very hard to track yet are no less important in the delivery of social housing in our province.

THE CHAIRMAN: Okay. Thank you very much.

Pam, are you next on the list?

MS PAUL: Yes, I am, Mr. Chairman. Thank you for enabling us to have this early, early, early morning privilege of being here talking about Municipal Affairs.

When I think about departments, I'm rather interested in performance measures, and under your core business plan you have three goals, which are outlined in the book here. They start, I think, on about page 300 and go to 307. So my question, Mr. Chairman, through you to the minister: I'm just curious how these measurements on performance are evaluated. Will there be a

survey done by the department in relation to the performance measures? Will it be the municipal councillors, municipal workers, or some other group doing the measurements? If the minister could answer what the procedure would be, that would be acceptable.

I'm also interested when you talk about performance measures, goals, objectives. I would be curious to know how often those assessments would be done. You know, with all the cutbacks and whatever going on, the municipalities are feeling that downloading is on their shoulders, and they feel very weighted down. There's been real concern: the potholes are increasing in the municipalities, and snow is ploughed into the centre of the street rather than onto the sides. I've heard from a lot of mayors across the province; being a former alderman, I still have my ties with municipalities. So there are those kinds of concerns.

7:54

Also, there is a concern that if the surveys are being done at the municipal level and there are big issues brought forward to the government, will there be repercussions? That issue has been addressed to me as well.

I know those are my three questions, but I also want to comment very quickly on housing, the basic shelter issue. I am pleased to see that the minister did ask one of her staff to supplement the answers. In my riding in the north end of Edmonton there are a lot of group homes starting up, and I think in the northern end of Edmonton you're going to find that's quite prevalent with the shortage of hospital care. It has been brought to my attention that there are concerns with licensing, with going in and making sure that things are adequate, and with the whole procedure of taking care of what's being done in the homes. Any comments? When you talk about redefining the method for privatizing new applications for subsidized housing, how are you going to redefine it? What are the parameters? What are you going to do for group homes? That is a big, big concern in the north end of Edmonton, which I represent.

I was interested to hear that there are 26 management bodies in that department. Having said that, I know 26 is a huge number, but I hope that there is some cohesive organization, a strategy put in place, that it is looked at because of the cutbacks in health care. Group homes are popping up, and I hope there is some semblance of order in that.

Anyway, I know that's more than three questions.

MS EVANS: Mr. Chairman, there is an interesting comment I'd like to make about governance. When I was in local government, I used to know what we were doing well, because nobody talked to me about it. For what we weren't doing well, it was sort of crash-and-burn time on a regular basis either on the phone or by letter. So it hasn't been very difficult for me to find out that the one thing we have to put a lot of emphasis on is assessments this year, because the letters from homeowners, from oil companies, from small businessmen, and from communities have asked for that.

Beyond that, the department in consultation with the AUMA and the AAMD and C has collaborated to find various forms of asking the right questions to bring up the solutions. We're meeting with them on a regular basis. In fact, I think there doesn't seem to be a week go by when there's not discussion with one or the other. But there is a formal survey approach which is being modified this year so that we're including those kinds of questions that come in in the letters.

One of the other comments I'd like to make is that if we get our

core business right, we won't have to communicate about it, because we will be doing it well and it won't be as obvious. But I think that through the survey approach, the consultation with the stakeholders that's ongoing, and even through the visits to local municipalities – there are other hon. members out there on the road, and I know that a number of us have not only received comments but have gone out on visits; local communities are very much in touch with their MLAs – I get a lot about what the division's role is in this.

I think you could also look, Mr. Chairman, at the indicator under the Municipal Government Board about our satisfaction in terms of assessments and land use planning in the province. Since 1995 there have been many questions raised about how we're doing things and how we can streamline to improve. Some of our legislation in that legislative review process has helped our understanding in that area.

I want to just comment about the performance measures on housing units. Clearly there is more work that has to be done in terms of the delivery systems in housing. The group home concept, that the hon. member is referencing, is a newer phenomenon, if you will, and requires a greater understanding with the local municipal authority as well in the provision of the right kind of service in development of the plan for accessibility both for safety reasons and for people who require appropriate properties. Again, there's a fair amount of consultation there, and surveying within the department seems to be the predominant way both in consumers and housing to determine whether or not we are achieving our performance measures.

I must say that one of the comments that was made to me the other day by a member of the media was that for performance measures consumer affairs used to be dismissed with a sort of casual: oh, yes, we've got consumer affairs. Now he describes them as being treated with fear and loathing because of the extent to which they are following up on a variety of infractions. So I think our enforcement is gleaning results. I think our collaboration with the Better Business Bureau and our federal counterparts is gleaning results, and our collaboration with Justice and with the policing organizations in Edmonton and Calgary predominantly and across Canada is gleaning results. I think the fact that they have been known as being able to penetrate those situations is also good.

Again, we have a tremendous network there that we access ever since the agreement between Prime Minister Chrétien and President Clinton on those issues on consumerism. Interestingly enough, that is giving us a very good indication of our effectiveness in combating those that would telemarket to defraud. Again, we're doing a lot: measuring in comparison with other provinces, checking our legislative infractions, and hoping that the Fair Trading Act will in fact clean up some of those infractions and those circumstances that we haven't been able to address.

The consumer satisfaction with registries: predominantly the customers overall are still giving us very high rates of satisfaction with that. I want to just share with you that you might be prepared for a little blip in the marketplace that would relate to the fact that we have put it to consumers themselves to pay for corporate registration. So in the early months of this year, while we moved into corporate registration of businesses, people were challenging us about costs, but in fact it's a very big success story. Consumer registration is coming onstream, and some registry agents and lawyers are charging even less.

Now, we did get some immediate feedback there that I should share with the hon. member in terms of performance measures, but it would appear that it was predominantly a cost situation.

The speed with which people are able to get their business registered is now saving them money. So we're keeping very current. Surveys are probably the best way of handling it, but I would share with you that there are other consultations and networks that are giving us feedback as well.

THE CHAIRMAN: Okay. Thank you.
Gene.

MR. ZWOZDESKY: Thank you, and thank you to the chair and to members of the committee for allowing me to join you this morning and participate with some questions to the minister. I appreciate being here with what I've dubbed the 7-11 crowd, 7 a.m. to 11 a.m.

I want to just comment, Madam Minister, with respect to the area of social housing or affordable housing. I was happy to hear you say that you'll be breaking out that particular set of expenses and revenues in forthcoming budgets. I'm a fan of consolidated budgeting provided that there's some detail and some breakouts within that consolidation. So I think that's a very good move.

8:04

My questions are threefold. I'll ask them one at a time, and maybe you can comment on each of them as we go. I have a circumstance in my area where a constituent is enjoying some subsidized housing, but there appears to be the possibility of some incompatibility between the Municipal Affairs guidelines, shall we say, and the Family and Social Services guidelines and then in turn with respect to the Capital Region Housing Corporation guidelines. I'm wondering, Madam Minister – and this may be a bit of a complex answer, I appreciate – is it possible that a person who is enjoying affordable housing could pay as much as, say, a \$200 per month difference depending on which unit that person is in, given that it's a one-bedroom unit in all cases? Is there a difference, in other words, if that person lives in a unit that is owned by the Capital region authority as opposed to one that is subsidized directly but held by another landlord and is under the purview of, say, the FSS or perhaps under your own area?

MS EVANS: Mr. Chairman, again with the several management housing bodies in Edmonton you're going to find differences because they're managed and governed separately, and that creates a challenge for the department as well. I would tell you from the description of the problem and not knowing precisely what the problem is that I would invite the hon. member to share that with us, and we will certainly convene that kind of consultation between all bodies to resolve the problem. We're here to solve problems and sort out issues. We've had a number of circumstances in Edmonton where Edmonton itself has asked us to take back properties, which we have, as you're familiar with, and there are probably still some that we can follow up on. So following today's meeting, I would invite the hon. member to bring forward that circumstance, and we'll look into it.

MR. ZWOZDESKY: Yeah. Thank you. I have in fact had my office apprise the Family and Social Services minister of it, simply to try and resolve this, because \$200 for the people in need is quite a difference. I think it's more a guideline issue, but I wanted to flag it for you: whose guidelines are we following?

MS EVANS: Well, Mr. Chairman, you know that with rents up, nobody is supposed to pay beyond the 30 percent of their income.

I'm not sure if it relates to that. It's different with CMHC at 25 percent. But let us find out about this one and go further on it.

MR. ZWOZDESKY: Yeah. Thank you. I'll be happy to follow up with you on that.

My second question is with respect to the disposal of social housing projects or units, which I think you referred to in your opening comments. Can you give me some idea of how that disposal process works? In other words, is it something that is, quote, tendered in each case? How do you as a department handle that disposal of assets in the social housing area?

MS EVANS: Mr. Chairman, we very stringently follow the guidelines of the Auditor General. There is an appraisal sought from an external realtor. There are people that are contract in our department that certainly also examine, but we have had as many as three appraisals on properties to make sure that we're absolutely fair. It is handled with the very best possible strategy so that there's an assurance for the ministry that we're acting within the prudent guidelines of the Auditor General.

In a response to a question that the hon. member raised, we have provided a schedule of properties we have disposed of in this past year. If it would be appropriate, I can provide and table the strategy for disposal of properties. It would be very useful for us to do that for all members.

MR. ZWOZDESKY: Will that include a listing of the properties disposed of as well?

MS EVANS: Yes. I believe that list has been provided to the hon. member, but I'll make sure that we provide it to everybody.

MR. ZWOZDESKY: Thank you.

My final comment is just one of clarification. On page 316 of the ministry consolidation schedule, under Alberta Social Housing Corporation, I see a transfer in the revenue side of 293 and a half million dollars. It appears as a nonrevenue item. Then later, below that, under the expenses it shows the same amount, \$293.5 million, being reversed out, and it has the appearance of being a credited expense. But we come down to the bottom line, and we see, I assume, a \$293.5 million net loss. Is that a projected net loss on some assets in the Social Housing Corporation area? Do you know, Madam Minister?

MS EVANS: Mr. Chairman, I believe that relates to again the refinancing of the Social Housing Corporation, where until sales actually take place – and I may be addressing the matter of write-down. But on page 316, which I haven't pulled up yet, Mr. Perry perhaps can give the answer. Bruce.

MR. PERRY: Yes. Mr. Chairman, the schedule on page 316 – as you know, the ministry is composed of the general revenue fund, the department, and the corporation. Because the transfers were occurring between two entities through a consolidation, it's reversed back out. So, for example, anything received from the province to the corporation is netted out in a consolidated process. As the minister indicated, the bulk of that is the transfer to pay off the debenture debt.

MR. ZWOZDESKY: All right. Yeah, I got it. Thank you.

THE CHAIRMAN: Okay. Thank you.
Ed, I guess we start a new round.

MR. GIBBONS: Okay. Thank you, Mr. Chairman. To the minister. The group homes. I'm glad it's brought up because the two major cities do have that concern. There's another meeting in Edmonton in April on group homes. So they're going to be asking a lot more questions pretty quickly.

Now, one of the things that is new to me but that I'm trying to learn is consumer affairs. I do know we have a bill in front of us right now, but I'm going to ask a few questions just to help me through some of the things I've been looking at. How many investigators are employed under consumer affairs, the fraud investigators? How much is allocated in the budget in order to achieve the consumer protection goals? Can we have a breakdown of the expenditures of this branch? The third one is: what types of frauds are investigators most busy investigating? For example, how much time is spent investigating telemarketing? I know that you've alluded to some of that. I've got some of your answers out of what you've said today, but I'm just questioning that a bit more. Those are three questions, so I'll keep it very brief.

MS EVANS: Mr. Chairman, relative to the staffing in consumer affairs, may I indicate that really roughly speaking you'll find about 66 staff. There are a number of those staff where there is supplementary assistance from finance and administration for a number of circumstances. Also, in terms of support given to all the departments, the finance and admin area complements the corporation in that capacity. Housing and consumers can often collaborate, if I may share with you, with the finance and administration investigation of, for example, housing bodies that have been reported as failing or not providing properly reconciled accounts. You'll find that there's a difference there. In terms of actual staff numbers within here, can I have that please, Rick?

MR. BEAUPRE: I believe in terms of investigators there are approximately 16.

MS EVANS: Sixteen investigators?

MR. BEAUPRE: That's approximate.

MS EVANS: In terms of other than the various bodies of legislation like the audits that were done with the funeral bodies, with Credit Counselling limited, the support for Credit Counselling, what are the activities? If you could share with the hon. member the activities within consumers in the last recent past, not focusing so much on CanShare or some of the supplementary work there, please.

8:14

MR. BEAUPRE: Mr. Chairman and members, the primary focus of the consumer investigations – and certainly we refer to these, particularly to the phone calls and the written inquiries that are received, as intake. So when I refer to intake, that's what I am referring to. It seems at the moment that the majority of our activity is taken up by inquiries related to – telemarketing is a big issue, and that's enhanced, of course, by some of the media coverage and so on that we've heard about in the last few weeks. Our minister has already referred today to the agreements across Canada now with the various provincial and territorial jurisdictions for exchanging information on various businesses or individuals who are engaged in scams related to seniors particularly or sometimes other vulnerable Canadians. As well, we have recently agreed to share and track individuals who are carrying

out those same sorts of activities cross border, to the south particularly. That's between the U.S. and Canada.

Another area of fairly significant activity currently is the whole matter of home renovations. There are a number of renovators who are in business these days, and as we know, home renovations have become a fairly prevalent activity in the marketplace. As that business picks up, there are more and more individuals getting into that business, and some of them of course are either not licensed or not local. As they see opportunities in this province for making a dollar, they certainly seem to move towards this marketplace, and again we find that senior homeowners particularly are often the target.

MS EVANS: Quite specifically we license 300 businesses per month in consumers. There are some new ones and some renewals. So the department has to do quite a bit of investigation. It's time consuming.

One final point on consumers. There are offices maintained in Calgary and in Edmonton. Where we have field offices, up in the north for example – although they don't essentially do consumers, you'll find that the staff, where we have one staff member in northwest Alberta, will provide the department eyes and ears on those consumer issues as well.

THE CHAIRMAN: Okay.

Hugh.

MR. MacDONALD: Yes, Mr. Chairman. Madam Minister, I have some questions for you now on page 304, program 3, administration of housing programs and consumer services. Line 3.2, element . . .

MS EVANS: I'm sorry. Which line?

MR. MacDONALD: Financial assistance for housing, line 3.2, element 3.2.3., seniors' independent living program. In the last year there was a million dollars allocated to that. This year I see there's nothing. Could you tell us why?

MS EVANS: Mr. Chairman, there is of course the housing adaptation program, line 3.2.5. There was a huge grant demand there. In fact there was a lot more pressure on this particular cost centre. One of the things I would encourage members – and I know this is not an easy task, but in the collaborative fit of what has been provided between Community Development and our department, you will find that essentially there has been a focus from our department to manage the housing issues, in other words the home adaptation. That particular program is assuming many of the things that might have been involved in the seniors' independent living program, and those dollars that are being provided through Community Development may pick this up.

Mr. Chairman, I've had experience with a number of situations where we have had seniors ask us for other ways of doing things. It's a matter of finding that consultation that will provide the best program for them; for example, if they need accessible circumstances or a reconfiguration of a porch so they can access an on-ramp and so on. But this repair and upgrading, that was part of the seniors' independent living program – you'll find the demands now predominantly under home adaptation and given through other programs.

MR. MacDONALD: Okay.

Madam Minister, on page 301 of the same document, the

deputy minister's office, there's an increase of over \$50,000. That's line 1.0.2.

MS EVANS: Mr. Chairman, on the interchange program the deputy minister is in fact still being paid by the city of Calgary through a contractual relationship with our department, and there are costs subscribed to a living allowance in coming up here for the period of 14 months. So the extra costs for travel and living accommodation plus keeping current with the salary and benefits plan at the local level are part of the reason for that cost.

I know the hon. member hasn't asked this minister about the escalation in this minister's budget, but I think it's appropriate that I define that. Mr. Chairman, I think this budget most honestly reflects the fact that there has been increased activity and increased demand almost from the time that I arrived on the scene, where we were managing issues like 3,000 letters in response to CKUA and correspondence to municipalities as well as the issues that have come forward. We have an additional staff member, and rather than place that additional staff member in our office from the department, that additional staff member is in fact doing a lot of work that relates not only to our portfolio but to an increased amount of activity. If you take also for granted that we have an increase in the corporate registry of businesses, it seems throughout the management of the issues that we have found it necessary to increase. There are also increased travel costs, and to the chairman, those are travel circumstances to Drumheller. I think I've had three trips to High Level too. I will without apology mention that I am going seven days a week, and it is certainly putting pressures on our office.

MR. MacDONALD: Mr. Chairman, my last question now is relating to page 309, the consolidated program expense, where there are 76 full-time equivalents less in your department. How many of those jobs have gone through retirement, reorganization, to other departments? How many people have actually lost their jobs, and how many of those people are residents of this city, the city of Edmonton? Can you tell us that, please?

MS EVANS: Mr. Chairman, in management there's been a huge amount of work done by our department, and in collaboration with other departments a lot of strategies have been affected that have allowed for placement of those individuals where natural attrition has taken place elsewhere. In terms of the actual people that have received compensation or so-called packages, who had wanted to have a job in some other place, I don't have a precise number.

Are there any through registries in the loss of the 62 members in this past year, Laurie Beveridge, that you could advise the hon. member?

MS BEVERIDGE: Mr. Chairman, I'm not sure of the exact figure in terms of the number who have taken severance, but it would be, I'm guessing, probably about 25 percent. I can say that there has been no abolishment at all. We have been able to place the majority of the people in other government jobs, as the minister mentioned, in other departments. We've also made available to our staff – and none have had to use it yet – the accreditation program in corporate registries so that if they weren't able to be placed, they would be accredited and could work for the private sector in a law firm or in a private agent's office. To date we've been able to successfully place everybody.

MS EVANS: Mr. Chairman, in the summary of our estimates you

will note that there is a reduction of numbers in finance and administration. Some we anticipate being placed within registries. Further to that, Bruce, did you want to comment on your finance and administration reductions to answer the hon. member's question?

8:24

MR. PERRY: Yes. With the changes in the ministry over the years the property-based support services areas are the last to wind up, and as has been noted in some of the questions on the programs that are ending – for example, the SILP – the finance areas are basically adjusting to that. But I believe there were about 14 FTE reductions on the finance side, and as Laurie Beveridge commented, the positions were all found in other ministries that are looking for good people. So it's been a success story.

THE CHAIRMAN: Okay.

Pam, do you have some more questions?

MS PAUL: Yes, I have one in particular on page 301, the ministry support services, 1.0.3, finance and administrative services. There seems to be a wonderful savings here to taxpayers of over \$750,000, so I was just wondering, through you, Mr. Chairman, to the minister, if she could explain what exactly is being cut from that department, if you could elaborate on that. Whenever I see that there is a savings to taxpayers, I'm delighted. So if I could have an explanation, that would be wonderful.

MS EVANS: Element 3.1.1?

MS PAUL: Element 1.0.3, finance and administrative services, on page 301.

That was actually my one question. If she could just elaborate on that.

MS EVANS: I'm sorry. Division support, 3.1.1; right?

MS PAUL: No. Program 1.0.3.

MS EVANS: Okay. Apologies.

MS PAUL: We're getting all these ones and threes. I mean, it's too early in the morning still. Anytime before lunch is not acceptable.

MS EVANS: Mr. Chairman, on the finance and support services that relate to that, three units make up that branch, including payments for accounts under general revenue. For the budget the agency and fund unit and revenue operation unit are in the finance admin area. I'd have to defer here. Is that relative to Credit Counseling Services?

MR. PERRY: Partially. Mr. Chairman, further to my earlier comment, there is a reduction of 14 positions in finance. The bulk of the reductions are with salaries. There is a new Imagis finance system, that the minister commented on in her opening remarks, and it's really through efficiencies in consolidating all the financial operations and due to some of the restructuring that's occurred over the years. So there's less overhead required to run the ministry.

MS PAUL: So it's directly related in terms of numbers of staff?

MS EVANS: Uh-huh.

MR. PERRY: Fourteen. Primarily it's the savings in salary costs.

MS PAUL: Okay. Thank you.

THE CHAIRMAN: Okay.

Gene, are you next in line?

MR. ZWOZDESKY: Yes. Thank you, Mr. Chairman. My question surrounds the area of, I think, consumer protection or consumer affairs, Madam Minister. You referred in your opening comments to organizational divisions like Phonebusters and CanShare and so on who have as part of their mandate to monitor this situation of fraud and improper, fly-by-night operators and so on. I have a situation in my area, which was brought to my attention last spring, with respect to a contractor who had received a deposit from one of my constituents, not having then thereafter performed the work that was required. As you are no doubt aware, I therefore did draft a motion, which is before the Leg. now, to try and protect consumers from these depositors who would grab the money and run without providing the product or the service.

Quite obviously we need to do something more aggressive to try and put a stop to this. I don't know if the issue is one of just simply bonding everybody. It seems like a horrendous amount of paperwork that we'd be incurring to do that in administration and so on. Nonetheless, I know from your comments that you're not going to tolerate this either. I recall that even when you were reeve of Strathcona county, this surfaced. I used to live there, so I remember it having surfaced, even though it was in a cursory way. Can you give me some idea what it is that we as a province, as a government, might do to help these people who have been perpetrated against get their money back or get the service done or get the product given to them so that we could put a stop to these fly-by-nighters, who will take deposits for everything from trips that don't happen to concerts that don't take place, to modeling agencies that don't provide the service or, in the case of my constituent, carpets and windows that weren't properly installed or not at all? How acute is that problem, either in number form or in dollar form, and what do you think we might be able to do about it?

MS EVANS: Well, Mr. Chairman, this is a very difficult area. I'm really glad to have an opportunity to spend a minute or two on it. One of the things we're realizing is that very few people that actually have a problem with a renovator or with somebody who hasn't delivered a service – the big problem is that they don't want to admit it. They don't want to admit they've got a problem to their children, to their spouse, to their best friend, or to the government. A good part of what has been reduced in our department has been the public education dollars that were available previously, albeit that we're trying to work through other venues.

We've had circumstances, Mr. Chairman, where renovators will take a wet sponge underneath their coat, climb up into the attic, drip it on the insulation. and bring down a piece of insulation to show the person during the rain storm how they've got water in their attic. We've had circumstances in the last six months where scam artists have fleeced people of money, up to a quarter of a million dollars, and then sent along other scam artists who come in to say that they're bank inspectors, could they have their records, and for \$2,500 they'll go and investigate and get their money back.

In the introduction of the Phonebusters guru, if you will, from Ontario, we have had some discussion about putting a session together this spring or later this year in co-operation with volunteers that will specifically target seniors and stay-at-homes, who are the predominant targets for this type of activity, and try and co-ordinate – we've already made contact – with Telus and with a number of people that are involved with the seniors housing to see if we can organize something in communities to profile the circumstance without spending a lot of dollars.

Now, Mr. Chairman, this is going to be a challenge where I believe we have to target people who are middle-aged, whose senior parents may in fact need the help, the support, and the consultation. But many people are busy in their day-to-day lives and are ignoring these folks, and they're the ones that are most vulnerable, the stay-at-homes. So what I've noted is that we will be trying to find innovative ways to aggressively market these things in co-operation with other people and with companies.

We've also talked to, if I may, the people in the home building business and to UDI about those people that aren't doing it properly. They've assured us that this is a concern of theirs and that they will be advertising. I think simply put, when people are lonely at home, if somebody comes over and spends three or four times talking to them about general help, mowing their lawn, driving them for groceries, and befriending them, they are very vulnerable targets, and no amount of consumer awareness is going to get us out of that. So it's a social problem and a problem, I think, that everybody has to lend a hand with. We'll do what we can.

MR. ZWOZDESKY: Just a brief supplemental, Mr. Chairman. I know we have to be careful as we explore this area, because surely our intent will not be to make it more difficult for people to set up a business. I'm a firm believer in free enterprise, as you know, Madam Minister, and I don't want to put up unnecessary stumbling blocks that would somehow preclude people from pursuing business entities. However, I am concerned that there seems to be a growing number of people who are affected by these scam artists, and I'm wondering whether we as a province now have studied other provincial jurisdictions to see how acute their problem is and how they're dealing with it and how soon you might see something coming onstream. As I said, I've presented a motion in the House. We'll see whether it gets debated or not. But you understand the intent of it, and I'm just wondering: how soon can we expect some kind of, let's say, major move by the consumer protection area to activate something concrete, if you will, by way of a plan or something along that line?

8:34

MS EVANS: Well, Mr. Chairman, in conjunction with our Fair Trading Act we had originally assigned some dollars in this area to do a little bit more activity, but we've not pursued that much this year, trying to make sure that we've got some of the other core businesses strengthened. But over the next year or two I think you'll notice in our business planning a very definite networking strategy. One of the things that I've contemplated is through our registry agents and through our local management bodies we may be able to provide them some more incentive to get involved in cross-purpose in our delivery, if you will. I have also approached people that are with the Alberta urban and Alberta rural associations, AMD and C and AUMA, to ask them to help them to help us with the delivery of education throughout. So I hope that as a result of all the initiatives government is doing, there will be more opportunity.

May I say this: I also hope that the legislation will allow us to provide sufficient disincentive so that people will leave. It was music to my ears when I heard this reporter share with me that our staff are looked at with fear and loathing by scam artists, because it suggests they're out there really aggressively pounding the pavement, finding these people, and bringing them to task. There's a lot of co-operation made on this internationally. Our program, the one that was developed here, is now being sold to other centres in Canada for computer tracking of scam artists. So if you phone in, you complain, it's likely that if they've got that same complaint from somebody in Ontario, we'll be able to track them down. That has been a very inexpensive but highly successful program.

MR. ZWOZDESKY: Thank you.

MR. GIBBONS: Just a statement on that one. Maybe we can catch some of these things before they get going by getting the new trends of what's happening out there with consumer affairs. Is there a performance measure that's actually done by your department on that right now?

MS EVANS: Other than the consumer affairs tracking through things like – we really track on our legislation. We have 18 statutes that are managed in this area, so everything on through the Real Estate Council, through the prearranged and funeral bodies there is tracking done, and there is also tracking in credit counseling quite specific to those programs.

In terms of actual other tracking that relates to infractions and with other law management bodies, please . . .

MR. BEAUPRE: Mr. Chairman and members, on the consumer side of our business we have something called the consumer affairs tracking system. We refer to it as CATS. Every call, every activity related to an infraction or even a complaint is tracked. We record it, we follow up on it, and we will very soon be able to track that, an individual case or whatever, through the co-operative enforcement agreement amongst all the provinces and territories and then south across the border. In addition to that we are able through this system to maintain a fairly proactive program against the trends. We monitor the trends through this system, and from that we can detect what the trend happens to be at any particular time. It's a relatively new system; it was put in place this year. Over the years we will also be able to tell what kinds of fraudulent activities and so on are seasonal; for example, the home repair business and so on. So we're fairly confident that we have the ability to monitor trends, to be proactive, and, with other provinces and territories, to be able to improve the consumer protection side of our business.

MR. GIBBONS: My next question is going to be on registries and is more of a statement. As I've been visiting with different registries and so on, one of the big concerns they have, as your 30 some people this year were let go or downloaded on – if you're from a small town, say Hinton, they're having to send people into Edmonton for training. Not only are they putting people up overnight, paying their wages and so on, but when they get here, they feel there isn't the same percentage of people instructing per employee coming in. That's a major concern they have on that one.

Another one on registries, on page 311 of the government estimate document. The cost of a new driver's licence is about \$50. My question to that: if it costs \$3 for the government during

transactions such as a driver's licence renewal, then where is the \$50, since the registries receive \$5 themselves? I don't want to play on this one too much. I do know that we had questions in the House in December that I didn't necessarily agree with, but I do want to know about this particular one on drivers' licences.

MS EVANS: Could I just comment?

MR. GIBBONS: Okay. Go ahead.

MS EVANS: First of all in terms of training, it is a real challenge where you have a one-person office. I visited a number of those one-person offices, and we may end up with one-person offices both in registries and in local government services looking at the kind of programs where somebody could exchange for the day, go out and some knowledgeable person could help them and bring that person in for training. It's a very difficult situation. We've had evening courses and weekend programs. They do have to take the programs in order to be accredited for the corporate registries. I know it's something that the office is still working at.

In the reduction of staff, you can appreciate, Mr. Chairman, that it was very difficult in putting this whole plan together to calculate exactly how many staff you would need. It had never been done before; there was no road map. Although the staff really have struggled to manage within their envelope and within the expectations of the business plan, it isn't without tremendous cost to the individuals within registries themselves, and I can certainly attest to that in terms of the amount of work and commitment they have made to that.

In terms of the actual configuration of what makes up the dollar, before I ask Laurie to provide a little more background to that, may I just say that on an average with capped services, even with a fee increase in this province, we'll be about 24 percent less than anybody else across Canada on average.

Laurie, could you comment, please, on the make-up of the fee, for example, for a driver's licence.

MS BEVERIDGE: The \$40 fee – actually it's a five-year licence, so it's \$8 per year. Then the agents themselves can, as you're aware, Mr. Chairman, charge up to \$4 – it is a capped fee – plus GST. Except for the agent's share, the service fee hasn't changed in about five years, so it has been really stable in terms of the government's share.

In terms of what the actual government fee is used for, almost all of the registry fees go into general revenue, as you're aware. A few years ago it actually used to go to Transportation for road infrastructure. So a great deal of vehicle registration, operator licence fees actually do offset the building and care of our road systems here in Alberta. That's the primary use of all our registration and licensing fees.

THE CHAIRMAN: Okay.

Hugh, I guess you're next.

MR. MacDONALD: Thank you, Mr. Chairman. Madam Minister, you were talking a little earlier in your remarks about scam artists. Well, I would like to ask you about a scam and artist, CKUA. Privatization and deregulation certainly is not working with that situation. Can you tell us what your department is doing to ensure that this does not happen again?

8:44

MS EVANS: Mr. Chairman, frankly, of all the privatization

stories that Municipal Affairs themselves delivered, that was certainly not one of the largest in terms of public/private partnerships but one that it was hoped would deliver but certainly didn't deliver in the way that one would have hoped. In other words, I think throughout government there's clear evidence that millions of dollars have been saved by the public/private partnerships. In this circumstance the dollars that were provided to CKUA foundation were provided to Access corporation, and that corporation leveraged those dollars; in other words, approved those dollars going to CKUA. What we have done at the direction of not only our Premier but the Auditor General is examine all our contracts and look at our contracts so that our contracts in future assure some accountability, assure compliance to the business plans.

As I said in Public Accounts the other day, the one thing that I think was difficult to measure is that in the year of lapse for CKUA to get its licence I truly believe, reviewing all the documentation at that time, people really didn't believe that CKUA would be successful and so were by natural instinct perhaps or by paternalism more lenient in their acknowledgment that "Well, it's taking some time, but you're dealing with another level of government, so yes, it might take some time for your licence." So these objectives hadn't been met. But, frankly, both business plans had been approved by the bodies themselves, Haines Elliott and, I believe, Ernst & Young, and had both been endorsed by the Access board. So the government at the time thought they were on solid ground in terms of providing those dollars at that time in the final payment and were anxious to assist in whatever way they could so that the sponsorships could be maintained.

That one was a huge disappointment that our department took seriously, and although we don't have significant numbers of contracts of that in, we do have a lot of partnerships with the housing management bodies in terms of the fact that we still retain ownership to the property. Audits are done on an annual basis by those individuals, and then the department monitors and evaluates, again looking at all the contracts with housing bodies.

CKUA was a bit of an anomaly for our department, and I think you wouldn't find that happening tomorrow. I hesitate to think of where it could happen tomorrow, because we've really looked over absolutely every portion of our business.

MR. MacDONALD: My second question, Mr. Chairman, to the minister is regarding unconditional municipal grant programs on page 302 of the estimates. The overall estimated expenditures will decrease from \$128.65 million to \$114.58 million. I think we should note that the department is forecasting an underexpenditure in this program from last year of about \$11 million. Now, the unconditional municipal grant on line 2.2.2 is budgeted to decrease. In 1992-93 these grants total \$210 million. They will now be \$36.6 million. This year there will be \$10 million targeted municipal assistance, but this does not even cover the cuts planned for the unconditional grants for this year. My question to you, Madam Minister, is: is it the government's plan to eventually eliminate all of these unconditional grants?

MS EVANS: Mr. Chairman, in our travels and in our discussions with municipalities, we are certainly very well aware of the need within municipalities for those grants which have come historically from some areas; for example, social services and housing, who have provided moneys that are part of that unconditional budget. I think it would be really useful for this committee for me to share that local property taxes pay, in the cities for example, about 18

or 19 percent of the total cost municipally of managing the services. Although the grants are providing some portion of the service, there was a belief that communities may be able to become more self-sustaining, may be able to manage in a way that local people would say yes and recognize that their local property taxes should be covering some of those services. So when I look at what is currently in place, we are trying to assist both those targeted areas. The committee that our Premier has talked about in terms of infrastructure will be one more way of examining the reality of how we're managing with our budgets.

I may also point out something else. When they add growth, local municipal governments are responsible to manage that growth, and if they don't charge the local developers what they should be charged, then they're not going to be managing that growth so successfully. I think that for all members of this Assembly it will be very useful for us to provide for them the actual developer levies that are going along with the growth, because some are lower than others considerably, by thousands of dollars lower. So when local communities grow, they also have an option, and that is to say no to growth, as abhorrent as that may seem. It might enable some of the other communities to grow within infrastructure systems that still have some flexibility.

This is a very complicated area, but I think what we have to do is look at this from both ends of the spectrum. Is it fair for this government to still sponsor communities that are not willing to make the tax effort to sponsor their own programs, who may have two arenas, for example, within six kilometres and 40 kids in one community using an arena and in the other a very precious few less? Are we being asked to subsidize the needs in this province or, in fact, the wants? I think our focus will be on the needs, and the wants will have to be managed at the local level.

Then we will have to look very closely at something we're going through in the targeted municipal assistance funding. If people are paying their fair share of taxes based on their market value assessment and if they are trying to manage their debt, their reserves, and if the sources of revenue are drying up, all of those ifs, there are two questions that come to mind: are they paying enough, or should they find another partnership? If we think they are making every bit of local effort they should be making, then we can say: yes, this is important for us to provide some assistance. But if they're looking to the provincial government for an unconditional grant to provide a tax holiday, that should not happen. That, in fact, must not happen.

When I have a small village where the average market value is \$45,000 and they're paying \$2,200 for their local taxing authority and I look at the \$2,200 and what they're providing, that seems a little bit excessive for somebody with a \$45,000 market value home. But if you contemplate that, you have to take a look at it from all sides of the equation. Some communities, when new growth occurs, are afraid to ask the developer for what is required. So when we look at unconditional assistance, we have to look at what their needs are and try not to make it a one size fits all. We have to figure out whether it is in fact extra policing due to the community next door that requires them to ask for funds or if there are other public/private partnerships that are available.

I'm probably giving this member more than they wanted to hear. All of the things that we have to do this next year will cross other departments to make sure that we're in collaboration - Transportation, Environmental Protection, et cetera - and that we do things as a unit.

MR. ZWOZDESKY: That's why you were such a successful reeve.

MS EVANS: Because I talked all the time?

MR. ZWOZDESKY: No. You got on with it. Action Lady we used to call you. It's true.

MR. MacDONALD: Mr. Chairman, I have one more question.

THE CHAIRMAN: You've got one more?

MR. MacDONALD: Yes.

Now, in your last series of remarks you were talking about market value assessment. Am I to conclude from your remarks that you're not satisfied at all with the productivity value assessment? Can you explain that further, please?

MS EVANS: Mr. Chairman, I would have to be much smarter than I am to explain cost value assessment and a number of other areas, but I can just say this. Within the law in Alberta and within the legislation I'm satisfied of one thing, and that is that we're moving to make sure that our assessments are all fair and equitable. I want to make it abundantly clear that for the farmers of this province we never meant to go into market value assessments to hammer them on the basis of what was sold next door but to try and find a system to recognize exactly what is in place, what should be in place, and what's fair and equitable across this province.

8:54

I'm hoping that again this spring, when we come forward with our response to the request from Education for requisition, we'll be able to host a couple of days giving people everything they wanted to know and were anxious to ask. We will make sure that that's available to anybody in government that wants to come forward and ask questions, because there are always questions that relate to the inflation of property values, to the real estate values, and then the conversion to an equalized value. We'll try and provide that at another time.

I'd be pleased, though, if you have any questions, if you just make an arrangement with the department, and they'll be very happy to go through it.

THE CHAIRMAN: Okay. Thank you.

Pam.

MS PAUL: Thank you, Mr. Chairman. Just two questions that I want to ask with respect to page 302, unconditional municipal grant, line 2.2.2. At the Growth Summit there were specific recommendations made with respect to Municipal Affairs, and I was wondering if the minister could point out the recommendations which indicated that a \$20 million cut is needed to the unconditional grants to municipalities. So if you can elaborate on that.

My second question, Mr. Chairman. This is a sort of statement, and I hope it is accurate. Given that this government has a very strong commitment to getting tough on crime, will the minister restore that portion of grants that were cut from municipal policing? There has been 50 percent, which is \$16 million, of the policing grant cut over the last few years. So if the minister could comment on that, I would appreciate it.

Thank you.

MS EVANS: Mr. Chairman, in terms of unconditional grants and the \$20 million reduction, there is no question that that poses a challenge not only for our department but for the local municipal governments, because they had become accustomed to that amount of money being in place. So within the department we have done some redeployment in order to provide greater assistance for municipalities. The \$5 million that was recently released with the third-quarter funds enabled us to assist with the assessors and assessments, and \$200,000 above that is being provided for assessors. So we have tried to find other ways and other sources of revenues for municipalities that are genuinely in need.

Now, if I may, although the moneys come from Justice to cover policing – and originally about \$32 million came; about \$16 million is in place today – those dollars are unconditional to the municipalities so that they can help them support the policing. But they are not necessarily targeted at having to pay this policeman or that type of law enforcement strategy.

We've had some communities that require extra dollars in that area, so in the case of K Division we have talked to the assistant commissioner at K Division about those needs and also to our Minister of Justice to make sure that we are managing those funds as well as possible. Sometimes the problems are social in nature and also relate to other areas, and that's predominately the rural, where we have border shopping, if you will, in crime. We have to figure out ways so that those dollars can assist communities that are having somebody come in, stop in, and become a burden on their system. So I think there is still need for review in this area.

I would just also comment on the fact that although there is some expectation that the policing grant would cover circumstances in urban communities, this is still under review, I believe, with Justice this year as it relates to provincial policing of highways, et cetera.

THE CHAIRMAN: Have you completed your questions?

MS PAUL: Yes. Thank you.

THE CHAIRMAN: Okay.
Gene.

MR. ZWOZDESKY: Thank you, Mr. Chairman. I want to deal with the issue of registries, in particular the issue of annual returns. Again I have another situation in my constituency, where it's been brought to my attention that small business people and/or nonprofit societies who are filing the required annual report I believe now are not able to send that report directly to government. I'd like confirmation that that is the case, Madam Minister. I'm assuming it is, and given that it probably is, why is it that the local privately owned registry office now apparently charges a minimum fee – at least the one I'm thinking of does – of approximately \$20 just for receiving in many cases one, possibly two sheets of paper? Then all they're doing is simply acting as a conduit to get it to government. Is that the case, and can you comment on why that's the case?

MS EVANS: Mr. Chairman, under corporate registrations this year we have had a number of problems and challenges to resolve. Number one, the first instance, was the management of the technology, and number two was really to manage a system in change, which people aren't comfortable with. I suppose the best news story that surrounds this is that seniors on fixed income will not be paying tax dollars to support government registrations where the private sector can do the job. Increasingly people say

to me: if the private sector can do this job, don't leave it in government.

You will find corporate registration and renewals can go from \$5 to \$26. You phone and shop around, and accredited agents that offer this are about 800 people in number. Courses have been provided at levels 1, 2, and 3 of registering businesses, the simple ones like renewals, et cetera. The reason it's not being done in government anymore – again, I reflect on the fact that we've been able to reduce some 62 positions within registries that formerly did a job that was in support of users or businesses out there that may well be able to find other ways and means of doing that. Although some of those registry agents may be charging more than they should for renewals, we are monitoring that, and if it does turn out to be so, this Crown/corporation partnership will have to take a stronger amount of action. So far we are satisfied that if people will phone around, they will find they can achieve those services for less dollars.

I want to just make one other comment. If you have an extraordinarily difficult and intricate circumstance in a business renewal, registration, et cetera, you will still find our department heavily involved. But presently we cannot manage that. That legislative amendment was passed last year. We would not be able to manage our corporate registrations and renewals with the existing staff, the increase in the numbers that are coming forward, and the complexities of managing the system in a way that achieves all the targeted objectives.

MR. ZWOZDESKY: Thank you. I'm not opposed and I don't think my constituent is opposed to paying a small fee for the purposes of the registry agent acting as a conduit. I think you've hit it on the head there that it might be the case that some of the private registry firms are taking a little greater latitude, shall we say, with some of the user fees, and that's certainly the case here. Overall I, too, support the concept of private industry doing what it is that it does best – and that's the business of business – and keeping government out of those services. I think it streamlines, avoids the duplication, and saves some money.

But there is the issue of the privacy of this information, which we've discussed in the Leg. ever since I've been here, 1993, and of course now the costs of some of these services. So is it possible that we can graduate toward some consistency in these fees? I realize that we're still in the infancy of the program, so to speak, but there must be some assurances we can give to our individuals and organizations that this issue is going to be looked at. I don't want to see us get in the way of private business, and if it's the case that it's strictly laissez-faire in terms of setting of rates, then I'll feed that information back. But I do think that when we're talking about something that is mandatorily required year after year and private business is doing it, there might be an attempt made by government to make it more consistent in its nature.

9:04

MS EVANS: I think for all Albertans in this technological age, Mr. Chairman, we're going through a struggle from a point where we were very comfortable. Letters came in the mail, we mailed things back, and the universe unfolded as it should. I can see a time in the future when so much of our registrations are paperless transactions, much like our transfer of money. I think while we're going through this process and while registry agents themselves are looking as an association to what their leverage can be in the future, it may well be that these things are managed in an even different format than we envision now. But clearly while

we're looking at these things, as long as there is still a cost, it's going to be hard to anticipate.

While some people still want to have the firmness of the paper in the hand, we're going to be as electronically efficient as we're trying to be with this paperless licensure and the kinds of up to the minute and fax benefits we've got. There is even a cost to that and a cost, as you've referenced, to the privacy and security of information. But I'm very satisfied, even in my discussion last Friday with the president of that association, that they're making every attempt to look at it. Although you may never get a standardization of fees, I think there is a recognition that there will have to be changes that evolve in the management of this, and certainly within the department there will be that.

MR. ZWOZDESKY: But there is a consistency, Madam Minister, with respect to driver's licence fees, for example, is there not?

MS EVANS: Yes, there is.

MR. ZWOZDESKY: And all I'm saying is: will you look into the possibility – perhaps you already are – of some consistency with another one of these circumstances which is required on an annual basis and in my view at this stage is a bit exorbitant, at least in the example that my constituent is raising through me to you?

MS EVANS: Mr. Chairman, I would certainly encourage members, if they have that sort of circumstance, to provide it.

May I say that one of the things that I think is making it more difficult is that, with new legislation and with changes in various businesses, you may find that the change isn't only relative to something that seems like it is a rubber stamping but that there are so many other circumstances to consider. Sometimes what seemed like a simple renewal after a visit to the tax man isn't quite that simple. So I would certainly encourage you to bring forward anything that seems to be exorbitant so we can monitor and evaluate that.

MR. ZWOZDESKY: Thank you.

THE CHAIRMAN: Okay. Thank you very much.

I guess we start a new round again, Ed, if you have some other questions.

MR. GIBBONS: Sure. I've got a few. Thank you, Mr. Chairman.

Madam Minister, this is around regional planning, probably close to your deputy minister from Calgary: the fact that the city seems to be getting 20 miles long and it's only 10 miles wide, or it's going to be 50 miles long and 20 miles wide in the next few years, and the regional planning around this. Some of the concern coming in from around Cochrane is the fact that all the acreages and so on have been bought up and, you know, there is no ranchland or farmland anymore. So my question: is there anything in regional planning that's actually coming back to services that are actually working with areas like this?

MS EVANS: Mr. Chairman, I want to be very careful with the specific area that has been mentioned, because in actual fact the member for that area – in fact members, but predominantly the member that relates to Airdrie – has advised me that in the ownership of properties by the Alberta government and the subdivision of those properties, the policies which the local government has engaged itself in may have mitigated against first

parcel out in some circumstances. So it's much more complex than for me to answer just in terms of the category of regional planning.

Clearly, the regional planning commissions are not part of this budget plan in terms of the planning issues that relate quite specifically to Calgary, although we could comment on what we plan to do in support of regional planning commissions generally. We're trying to still maintain as a department a support of good planning and good intermunicipal planning and good planning as it relates to other uses of soils, like agricultural use of soils, et cetera. Certainly we have members of our department that are involved with some municipalities. Quite specifically in the parameters within the Municipal Affairs budget though, regional planning isn't something we do, while we provide guidance.

Perhaps the deputy minister, since you really almost addressed this through him as well, would advise how we're handling the planning that relates to the positive growth in Calgary.

MR. HOLMES: Thank you, Madam Minister, Mr. Chairman, members of the committee. The planning portion of the Municipal Government Act requires that by September of this year all municipalities have municipal development plans in place, and many of them are proceeding with municipal development plans that also have intermunicipal plans with their rural or urban neighbours. Really it's that framework that is being used, as the replacement to the old regional planning commission structure we used to know in the early 1990s, to establish a regional planning framework with all municipalities. The provincial government has expressed its views with respect to land use policies through a land use paper that has been sent to all municipalities and that is to be taken into consideration in those intermunicipal planning processes. It is a challenge, but actually in the Calgary area, since you had mentioned it specifically, it is going better than many of us thought it would when the regional planning commission system disappeared, and it's because municipalities have been able to find ways of working together to create plans.

There are concerns with the loss of farmland. I've heard that in a number of ways, and I think that is something that does need to be monitored. But that is more a growth related issue, I think, than an issue related to the absence of the old regional planning framework that we used to have.

MS EVANS: Mr. Chairman, just to add to that, we still have under review the circumstances that relate to water management and storm water management in the Calgary region, which relates as well to the irrigation district there.

MR. GIBBONS: The second one, Mr. Chairman, is down in the Pincher Creek area. The concern they have in the MD down there is all the small parcels of land being bought up either by people within our province or in most cases, because it's close to the mountains, by people outside our province, whether it's outside our country or whatever. All taxpayers are getting painted with the same brush on the educational tax levy and so on, so it's one of the main concerns coming from down there.

MS EVANS: Mr. Chairman, one of the most difficult things for me to respond to is the fact that it's like getting what you pray for. We prayed for more planning control at the local level, and then there is the matter now where people do come back and say: "That is in the legislation. Yes, I know we could do it, but will you take accountability, please, because it's hard to say no to our neighbours?" That's quite frankly, I suppose, a problem various levels of government have in dealing with it. I think the difficulty

comes down to the fact that you want to give first parcel out to the farmer that you've known for years. It's very hard to find people who come from away, as they say in Newfoundland, coming in and taking advantage of the same process in the subdivision planning process.

MR. GIBBONS: The last one. Are there very many cases in Alberta similar to Wheatland county taking over Gleichen and so on?

MS EVANS: Well, Mr. Chairman, we worked very hard and diligently on that one. That particular dissolution required a number of visits, a number of opportunities where people went from our department and consulted with local residents. There had been a number of resignations from various council members within the community of Gleichen. I think it was one that was fraught with a number of complicating issues. What we're trying our very best to do is to work well with all of the communities, not only in our understanding of their issues but so that at a time when a plebiscite is taken or a vote is taken on the issue, people have a clear understanding of the issues and make their own decision. There have been votes taken where people have denied dissolution as an alternative for the future of the community. But we have, as you know, \$5 million within the budget for restructuring dollars available to communities who do decide to partner together. The department is exploring on my behalf a request to look at an adopt-a-village program for some of these very small centres who may be able to find some compatibility for services and then through the period of an interim phase look at long-range solutions.

In the example that's been provided, there was a 55 percent agreement in voting, and I think, as the hon. member has properly illustrated, we will have to do some shepherding in the upcoming weeks and months to make sure they're comfortable about the new status, working with both the MD and the residents that were formerly part of the village.

9:14

MR. GIBBONS: Thank you.

THE CHAIRMAN: Okay.
Mr. MacDonald.

MR. MacDONALD: Thank you, Mr. Chairman. Madam Minister, it was brought to my attention earlier in the summer that there appears to be a difference. This constituent of mine happens to own a tree farm, and the taxes that are assessed on his tree farm are different than any other type of farm in the district. I believe his tree farm would be located in your constituency; if not, the hon. minister of agriculture's. It's in that vicinity. I found his assessment completely unfair. It is a farm. He has many varieties of trees there. He is hoping to eventually sell some of the wood from these trees. With some of these trees the wood is exotic, and he hopes to make a good dollar at it. But his assessment was completely unfair in relation to his neighbours who are raising cattle and hogs. I want your opinion on that. What are you going to do to satisfy this farmer?

MS EVANS: Mr. Chairman, I'd certainly like to be able to satisfy farmers. I want to say this though. In the period of time prior to the last election we had farmers and a number of stakeholders who sat together and could not define a solution for at least modernizing the farm assessments to reflect the actual farming operations that are out there. Currently we are still in a listening

mode. We have our farm assessment committee working on how we properly value the assessments that should be in place.

In the case of any specific one, I want to just reflect on the fact that I am not responding on any specific issue. There is a process for people who feel that they have been unfairly valued in terms of appealing to the assessment review board at a local level and ultimately the municipal government board level.

Just a simple answer to the hon. member is that we're still working. It is a work in progress. I think it's quite clear that we have operations that are different and that are fluctuating. You can look at the operation, for example, if you had ostriches, which we read recently were exorbitantly priced and now the bird has plunged to be almost as lowly as the pigeon in terms of value. So you're going to find some real changes in farming operations as people value – I think the good part about what the cities have asked us for is that the cities have asked for market value assessment so that it would be easily understood and converted easily. What we're finding difficult is where people don't have a complete understanding of the value of their property, and almost always nobody will value their property at the price they want to sell it for when they're talking to the tax man.

MR. MacDONALD: Okay. On page 310, key performance measures. There are many of them in here. Not only your department but all government departments here have been very strong in promoting key performance measures. I can go down the list on pages 310 and 311: property assessments, property assessment and equalized assessment appeals, viability of municipalities. You have these targets, yet the information for '97-98 is "not yet available." What is going on with this? How do you know where you're at whenever it's not yet available?

MS EVANS: Mr. Chairman, one of the things that we are trying to do and attempting in legislation this year is to tighten up the expectations of response time from communities, because you cannot properly define equalized assessments until you have the data in. So there has been, shall we say, a slightly less rigorous program for getting the data in it, and you'll find it in the future.

It is difficult. It's pretty easy to know, though, when you've got a number of appeals to the Municipal Government Board. That's why when we have a target of 5 percent, we know with what's coming in that we're not perfect yet. If everybody had what they ascribe to be the proper value and the equalized assessments in place accordingly, then they'd be the loneliest people in town. There wouldn't be any work to do. So we're not trying to cut off appeals; we're just trying to get less people feeling the need to appeal what their values are.

Part of the problem that we've had, too, is that some of the larger business stakeholders have been, shall we say, not always proven to be prudent in their reporting of their assessments, where that is a self-reporting mode in the linear assessments. So it takes some time to make sure we've got all pieces of it put together.

Another part of it is that some assessors share constituencies and move across borders to do this work, so it's a very complicated thing. But I can assure you that we're doing everything possible to provide a disincentive to anybody taking their time or doing an improper job of it.

MR. MacDONALD: Mr. Chairman, my third question. In the Agenda for Opportunity booklet on page 308, your ministry consolidated income statement, you have premiums, fees and licences there. You're going to raise a lot of money. User fees, some people would argue, are a tax, and we all know the increase

in fees in licences and registries that's occurred in this province in the last five years. You're getting a considerable sum of money here. Can you give us a breakdown on where this money is coming from: premiums, fees, and licences? Could you do that, please?

MS EVANS: In our overall revenue you'll notice that we have transfers from the federal government, but a good part of what we gain is with the registries, the land and vital statistics, the land titles office. We had a period of time where we'd accelerated almost 30 percent in a number of months, but if I am understanding properly – do we have a copy of that schedule handy from the Growth Summit? I didn't bring my Growth Summit item here. A good part comes from motor vehicles, from land titles, personal property security fees, the Business Corporations Act, vital statistic land information. There are very modest fees collected, almost nothing for the Municipal Government Board compared to the ability of Municipal Affairs to register and engage in those circumstances.

I must say in that area we'll probably have to find some incentives, because we've had at least a third in some centres just cancel, no-shows, and it's a costly proposition. But the largest part of our fee amount that comes in comes from motor vehicle registration, with land titles second and the Business Corporations Act third in terms of registrations.

So those are the fees that are charged in our area, and as you find an increase in activity, you'll find those increase.

THE CHAIRMAN: Okay. Thank you.

Ms Paul.

MS PAUL: Thank you, Mr. Chairman. My questions are going to be directed to page 304, under administration of housing programs and consumer services, line 3.3.1, assistance to Alberta Social Housing Corporation. It seems that there is obviously a large increase, from \$79.76 million to \$293.52 million. We know that the increase is due to a debenture payment to the heritage fund, and obviously the government will pay off the debenture for the corporation and transfer that debt to the general revenue fund. My question is: is any of the increase not related to the debenture payoff?

My second question: are there any cuts to the original \$79.76 million that are hidden within the increase through the debenture payoff?

MS EVANS: I'd like to categorically say no to the last. There has been an unexpected mortgage sale, and again with that schedule we can provide that for you. If I may look forward to what's happening in this next year's budget, you will find that we will be selling lands in the Timberlea area of Wood Buffalo, again by the process that we will table with you. There are no implied reductions except for sales that occurred; is that correct?

9:24

MR. HOLMES: There is a reduction, if I may, Mr. Chairman. The debenture payment results in less debt servicing as well. So there's a reduction in debt-servicing costs, but it does not result in a reduction in services to Albertans.

MR. ZWOZDESKY: Thank you. I want to direct some comments to the general area of percentages of dollars going to the various municipalities. In particular, not wanting to drive a wedge, Madam Minister, in any way – that's not the point here – I wonder if you could share with us in a general sense how it is

that numbers compare between the city of Edmonton and the city of Calgary in particular insofar as the distribution of dollars which come under your responsibility are concerned. It can be programming, it can be administrative, it can be infrastructure, whatever it is. Do you have some general impressions that you can share with us of how the city of Edmonton is faring in comparison with our sister city of Calgary?

MS EVANS: Mr. Chairman, it would appear from my review of the two large cities that they are almost comparable as it relates to dollars. Approximately \$8 million in unconditional funding goes to both of the cities. I looked very closely at all of the comparisons between all the cities and all the communities to find out if anybody was getting more than their fair share. I'd suggest that in Municipal Affairs it would appear to be relatively compatible and would appear to recognize that in the capital region there are costs that are built in to servicing the infrastructure to other surrounding municipalities that might all have been embraced in the city of Calgary infrastructure.

In terms of the actual percentages of social housing, I've looked at that. It's almost spot on with the population and the facilities. Throughout it seems like Municipal Affairs has had a track record of trying to be fair and to some degree on a per capita basis.

I think, Mr. Chairman, what we're challenged to do is to look now even further at all the budgets that relate to municipalities and recognize that, just as in a family all the children don't grow up at the same time, there are various needs for various municipalities. The additional growth that is adding almost the equivalent of an additional Strathcona county to Calgary in the three-year time frame is obviously adding challenges to their infrastructure which is beyond the challenge of road servicing.

Just a short comment would be: it's fair today; I think it has to be looked at for tomorrow as well.

MR. ZWOZDESKY: Okay. Thank you.

I do note that Calgary, I believe you said, is appealing its . . .

MS EVANS: Equalized assessment at the MGB.

MR. ZWOZDESKY: So presumably we'll have some comment on that a little further, in addition to what you've said.

Can you tell us how much money was requested by the city of Edmonton for services and products from your division and in turn how much money was actually received or is allocated for receiving through this year's coming budget?

MS EVANS: Mr. Chairman, in terms of actual written requests from the city of Edmonton, there have not been a number of requests. Edmonton has talked about its social housing issues. I've had visits from two council members that related to management of housing. In terms of infrastructure dollars, they have I believe spoken to people that are part of the capital region caucus, talking about the alignment of transportation routings. This is a consideration that I also hold in terms of the collective planning, intermunicipally, in transportation routing. I know that we haven't sorted out all the issues that are affiliated with it.

In terms of a profile whereby the local council has seen fit to attack any particular area of budget, no, that has not been prevalent.

MR. ZWOZDESKY: A final, but very quickly, is with respect . . .

THE CHAIRMAN: We're getting awfully close to our time limit, but if you want to, make it short.

MR. ZWOZDESKY: It's just really brief. It's with respect to the Alberta Municipal Financing Corporation. I know there's a projection of about a \$4.3 million debt for this coming year, but I think it's well supported by some of the loans that we give to the municipalities and by the sinking fund investments and interest. That would be an interesting statistic as well for us to take a look at: who the recipients of those actual loans are and the projections, the amounts, and the locations. That can be undertaken and answered at another time.

MS EVANS: Mr. Chairman, may I just say that because so many of the municipalities are reducing their debt and are making a real effort to pay off their debt, you will find that those amounts are diminishing. They relate in large part to smaller communities as well. We can provide that schedule at a later time.

THE CHAIRMAN: Okay. Thank you very much.

The chair has allowed your time allotment, which was the one hour and 48 minutes, plus the 12 minutes of the NDP time as well.

We have three questioners from the government side that would like to ask a question, and we'll begin with Richard.

MR. McFARLAND: A point of order, Mr. Chairman.

THE CHAIRMAN: Yes.

MR. McFARLAND: Would it be appropriate for there to be a three-minute recess for the minister?

THE CHAIRMAN: I think we could handle that okay. It'll give them a chance to get up and get a cup of coffee.

[The subcommittee adjourned from 9:32 a.m. to 9:38 a.m.]

THE CHAIRMAN: If we could get going here again. I would like our members to understand that it is time now for the government members to ask their questions. When that is completed – and I don't have a big list – at whatever point it's completed, then we have to end our meeting with unanimous consent that we end early. We have to have that recorded in our minutes, and we can end early.

Now that we've got our minister recharged, we're ready to go. So with that, Richard has the first question.

MR. MARZ: First of all, I want to clear up the misconception about farmers being hard to please. Most of my constituency consists of farmers, and I can assure you they're all very, very easy to please.

With that, I too have some concerns about downloading to municipalities, Madam Minister. Sometimes we can download almost unknowingly through our failure to react in a timely fashion to the way some industries develop. One in particular is intensified industry, as you know. As that industry is expanding in the province, it is creating problems, contrary to what some would have us believe. It is downloading a tremendous cost on municipalities. The failure to have proper guidelines in place for development and the failure to have an equitable assessment and taxation structure add to the administrative costs, policing costs,

appeal costs, infrastructure costs, dust control costs, those types of things. We need to be aware of those situations.

Particularly with infrastructure, the myth that only feed from within a municipality goes to an intensified operation is false. It comes from throughout the province and sometimes from other provinces, creating pressures on roads beyond just within the municipality. That also creates problems on roads that weren't structured for that to begin with, because where grain was going before, roads are generally built up to a central gathering spot. Now they're scattered all over the place, and the municipality is faced with major infrastructure pressures and dust control on top of it.

So we need to be cognizant of that, and hopefully you would try to address those concerns to the task force that's being formed, that the chairman is sitting on. I'm not too sure who all is on that, but I know the chairman is. I recognized his name when it was listed. I've got concerns about those issues, but I'm pleased to see that you are looking at and in your major strategies addressing some of those.

Also, under the key goals on 308, "promote community-based social and affordable housing," I also applaud that, especially working with the private sector and nonprofit housing sectors. I have such a situation in my constituency, and it seems to be working fairly well. On page 311, "Housing Units Provided to Albertans in Need," I see our target is 92 percent to provide housing for Albertans in need. My question is: what is the rationale for that 92 percent? If Albertans are in need, why exclude the 8 percent? I felt that if we're going to provide that service, that's a target that could be justified at 100 percent. We may not ever get there, but I was wondering what the rationale is for the 92 percent.

MS EVANS: On your last point first. I think there's a desire by Albertans to have 100 percent of those in need provided for, but there's not a desire by Albertans that 100 percent of those in need are funded through any portion of government funding. There will always be people who select private, not-for-profit organizations to provide for them within various church communities or other social agencies that are charitable by nature and that will provide.

Although there's a hope that we will be able to achieve 100 percent of the target, we have a very keen sensitivity to the fact that we will have an increase of a hundred percent more seniors in the next few years. If we're going to double our seniors population, it's possible that we could create quite a false expectation that we're going to be able to provide for all of those people. A good part of our activities, Mr. Chairman, will be to focus on public/private partnerships to make it happen for seniors who are not currently being provided for in the future. So we know that we don't provide for everybody, but we would like to be able to ensure that everybody is provided for, and that is always going to be a problem.

It's also a problem in those areas of affordable accommodation for people when you have what you've got in Calgary today, which is the squeeze on accommodation. People come in looking for jobs in the city, and there's homelessness. So we recognize that we will probably not serve all the needs, but we will target to serve as many of the needs of the population out there as we properly can, hoping that other agencies will deliver beyond that.

Could I just indicate that I've driven past almost every intensive livestock operation in the county of Lethbridge – and I've seen some beyond that; the hon. members for Little Bow and Cardston-Taber-Warner have ensured that I visited – and throughout Alberta. Through years of agriculture service tours I'm aware

that the landscape in Alberta is changing and that it has put demands that are beyond the borders of the municipality on the infrastructure.

That is going to be a very special thrust that I believe our standing policy committee should be taking a look at by saying: "What is fair here? What can be done so that everybody pays their fair share?" We have to be very careful and conscious of the fact that we don't impose such rates of reclamation, if you will, on people. This is, after all, taking the food to market and getting the food out at affordable rates for people in communities that don't produce their own food and don't recognize the costs that go into the production end. We've had a lot of cautions on that, but I'm very satisfied that my farm assessment review committee will be able to help sort out those issues. I really am.

MR. MARZ: Well, thanks for that.

One more point on the seniors. As you stated, the demographics in that age group are drastically changing, and when most of this room classifies themselves as seniors, some sooner than others, it could place tremendous pressures on government as well as the municipalities if we don't make some drastic changes. There's an expectation that when you have that 65th birthday, you suddenly are in that category of: in need. What is your department looking to do to change the public's perception, I guess, that when you become a senior, you're perceived as being in need, when many seniors, as we know, are taking advantage of the Alberta advantage and are quite wealthy? We've got to change the way of thinking that there's not an automatic subsidy of some sort that you can get just because you turn 65. Are you looking to trying to change that thinking?

MS EVANS: Mr. Chairman, I know that the long-term care review will be talking about expectations of Albertans, both those that need care and those that don't. Other than what we will be doing ourselves in terms of trying to define our public/private partnerships, I believe that in collaboration with government agencies all across the province – Community Development, Health, and other agencies – this will have to become a collaborative part of our social structure.

Years ago, if I might use this example, people came forward asking for those people that accompany senior citizens on buses to similarly get a senior's pass. At the time, I stated that those people looked better than I did and fitter than I did and that I didn't see any reason to be providing for someone just because they were living with a senior. I think in the heydays of the '70s and the early '80s we may have gotten off on the wrong foot and developed a culture where people feel that the government is going to be the bottomless pit and provider. They're getting a rude awakening now as they take a look at what the interest rates have done to those on fixed incomes.

So I say that what we have to do is ourselves promise that when we reach 65, if we don't absolutely require – and in fact probably if we can fill out a form to get the money, we shouldn't get it. We've become so dependent on government subsidies, I'm rather hoping that people will take a look at some of the other options and provide for themselves. I'm hoping the 50 year olds and 60 year olds that I know will get out there and provide for their parents and not just help them to fill out the forms so that they can get government subsidies. I feel very strongly about this one.

9:48

THE CHAIRMAN: Okay. Thank you very much.

Our next questioner is Mr. Clegg.

MR. CLEGG: Well, thank you, Mr. Chairman. I'd just like to make a few opening remarks too, because I'm kind of on the same wavelength as my friend from Olds-Didsbury-Three Hills. Keep in mind that I represent about 25 municipalities, obviously very rural municipalities. Keep in mind that of the revenue that comes into this province, about 70 percent of it comes from northern Alberta. We've got to keep those facts in mind.

I am very concerned about the news release that was put out this morning. I'm going to hold you to it, Madam Minister, Mr. Chairman, Roelof Heinen, and my friend to the south of me Walter Paszkowski, that we make sure that we in rural Alberta get our fair share of infrastructure. With the fact that we've had tremendous growth in the forestry industry and the oil and gas industry, there is a lot of pressure. This news release tells me that we have a lot of significant pressures on Calgary and other major cities in the province, and I agree with that. But let me assure you that I also agree that we have tremendous pressures on some municipalities in rural Alberta. I do know that you are a rural member; I appreciate that. The county of Strathcona is certainly rural, but it's not rural like I know it.

Revenue sharing. As I travel around my municipalities, every municipality wants revenue sharing, and certainly the cities want revenue sharing. I want revenue sharing too, but I want to know the formula before I will ever agree to revenue sharing. Under any revenue sharing that I've ever known, the first criterion is people, and when you get into people numbers first, then it leaves rural Alberta behind again. We've seen that with our \$50 million in lotteries. Edmonton and Calgary obviously get half, and they've got the numbers of people so that they can afford a lot of the facilities that are needed. Those are my opening remarks.

I want to ask you, Madam Minister, about the \$10 million that you in fact were lucky enough to get from Treasury. Have you an absolute formula for the distribution of these dollars? I don't want it that because somebody cries the most, and again by numbers, they get that \$10 million.

The second and last question is on seniors' housing, especially lodges. The foundations in our area are having a tremendously hard time balancing their books. I do know that there is a formula in place. I'm not a hundred percent sure in the back of my mind, but if it's so many rooms in lodges, then they get a different funding formula. In our area we have many 30-bed lodges, which probably aren't as efficient as when you get 150 or 200. I also know that if I was in the city and had money – and I'm glad that you, Madam Minister, are going to worry about us senior citizens. I do, obviously, recognize your last comments, that, I believe, we spoiled all senior Albertans. I think you alluded to that. Sixty-five percent of the wealth in Alberta is controlled by senior citizens. I don't happen to be one yet, but I'm getting close. I know Richard was saying that to me.

I'm really concerned about our foundations. To get the private sector involved in building these lodges is very good, and I think you can do it in the cities. If you can build a 150- or 200-bed lodge, then it's feasible. But it is not feasible. We've got to keep in consideration that, in fact, people don't want to be 100 or 200 miles away from where they were born and raised maybe 75 years ago. So I think we have to take a look at the funding formula for the lodge beds. The self-contained units are a little bit different, because we haven't got the same care in those, so they work out very well.

Those are my two real concerns, and if you could, Madam Minister, just comment on those two things without all the rhetoric I put at the first. But it isn't rhetoric; it's a fact of life.

MS EVANS: Well, Mr. Chairman, I want to just touch on

revenue sharing. Various formulas have been suggested, like global labour flows, where people work, where they live, tracking them on the basis of employer location. Essentially, I think part of the Alberta advantage has been to provide private sector the opportunity to locate here, and the dollars for acquiring services go home in the lunch buckets with the workers. We have had a number of industries who have suggested some opportunities. We've had some rural and urban discussions about this.

I think the hon. member is quite right. Let's have a look at the formula and let's have a look at the industries, because they can be quite different, particularly if they're providing feedstock for intensive livestock operations from a variety of municipalities. You have to be very careful that the people that are getting the gold are not the only ones that share in the cost structure or that they've paid their fair share of costs. So there's a lot of things that have to go into the circumstances.

Also let's never forget – and I think this is what the hon. member is getting at – that it's much, much, much more expensive to build a road in rural Alberta. I want to point out one statistic: 95 percent of the school bus accidents some years ago used to be in urban Alberta, but they almost never, ever resulted in a death or serious injury. But the 5 percent that are located in rural Alberta have the opportunity to result in a much more dramatic impact. I think for that reason it's important to always remember the safety and the structure of roads so they can be well provided for. When we have children on school buses, we have to be very careful to do things beyond building the road; that's brushing and so on.

The hon. member is quite right. This infrastructure group will have quite a challenge, because there are parts of Alberta where the corners are difficult to see. The configuration of the roads, both in structure and definition, has to be well done. I take his counsel very seriously.

In terms of targeted municipal assistance grants, we're looking at a sponsorship program which we will be unveiling here very shortly. I would just suggest to the people at this table that it's going to look at a number of factors. It will not be of political whim, and it will not be political decision-making. In fact, the criteria we have sent out, outsourced to folks to develop it, looks at not only the equalized assessments and the local tax effort but the debt that they're paying. Where we find people that are borderline, we're hoping that we can encourage them to engage in other partnerships.

You mentioned seniors' lodges and small lodges. We know that we've got a problem there. There are a number of MLAs throughout Alberta who have said: I know you're not in the bricks and mortar business, but isn't there a program to help us? I think what we have to look at is the existing programs and take stock of the programs. For example, we have for-rent supplements in Calgary which are not being accessed, simply put, because the landlords there have not been willing partners. That will be another part of our responsibility over the course of this budget, to try and redefine some of the programs so they're suitable for small communities and take into account that those small communities don't have sources of dollars in the corporate sector and the public/private partnerships that some of the cities have.

9:58

I want to just make one observation though. The public volunteer dollars in rural Alberta are second to none. They come through far better than the volunteer dollars in cities, where people can hide behind anonymous addresses. I just want to say that if people don't think rural Alberta is committing their fair

share, they should look at the types of fund-raising that go on, Mr. Chairman, in your area to support STARS ambulance, where people have given huge dollars not just for the infrastructure but for operational dollars. So we're going to look at volunteer effort in this. If people can't say that it'll be one of the point scale ratings, if they can't say that they've got volunteers helping them with any fair share of their group, then maybe they haven't put their shoulder behind the wheel and lifted their part of wheelbarrow. So we are looking at a number of factors, and we will be able to announce them, but it would be unfair for me to do that at this time because it hasn't gone back to the SPC where I committed it would.

THE CHAIRMAN: That's good to hear.

Okay. We have Barry McFarland.

MR. MCFARLAND: Thank you, Mr. Chairman. I have three comments and three questions to the minister. I'll try to make the comments as brief as I can. They relate to some of the comments that have been made earlier this morning by members of the committee here as well as yourself. The first one that I wrote down dealt with user fees. I was very pleased to hear the discussion based on user fees and maybe the need for a clear definition on what a user fee is and what a service fee is. I think that too often many of us might interpret user fees to mean a tax. Maybe that's done for political reasons. But I think it would benefit everyone if they more clearly understood that user fees are specifically, in my mind anyway, fees that are associated with personal choices that we make for different activities that the government is involved in. The first that come to mind, of course, would be camping fees, hunting fees, and those kinds of things.

I think the question every one of us should ask ourselves is: if you want to call it a tax, then are you also suggesting that all Albertans should be taxed for the choice of a few who choose that activity? That's definitely not my choice, and I hope it's not the choice of most of the members of government caucus anyway. If you choose to do something, don't expect everyone else in the province to pay for it, but if it's a basic, ongoing need, then that falls, in my mind, under a service fee type of category, and yes, you could properly interpret that as a type of tax.

My second comment had to do with seniors. I always go back to a favourite person I thought a great deal of, an uncle who was afraid to be 65 and suddenly realized he was. He was of the opinion – I think he was years ahead of himself – that government has too often put the emphasis on seniors and not enough on young people. I think we've seen that in the last budget. It used to drive him crazy that he could pull up to a service station and have the gas jockey come out and offer him a discount because he had white hair and a pot belly, that suddenly he was 65 and he could get a discount to wash his car. It rankled him to the point that he would fire back a rather curt reply: if I can afford to drive this blank blank blank, I can afford to wash it. I think that's the impression that not all but certainly a lot of seniors today maybe have in their mind. They would rather the emphasis be put on the single mom that's got four kids to raise that doesn't get the same grocery discount that he does just because he's reached a magical age.

Maybe we should be taking some of industry's lead in doing what they've done recently. I've noticed, as an avid grocery shopper anyway, that you no longer see a 10 percent discount Tuesday for seniors in many of the stores. What you do see is a 10 percent discount Tuesday for everyone once a month instead of once a week. I think that's a gigantic move to help people,

especially those with younger families to feed. It's across the board and for the benefit of everyone to access.

The third one that I think some of my colleagues here have talked about: transportation. I would just hope that you and the chairman, when you're involved in this new committee on infrastructure, would really look at the question that was brought up earlier this morning, and that was by yourself, Madam Minister, when you said: do we continue to subsidize the needs or the wants? I hope we identify those areas that claim to have significant pressures and how many of those significant pressures are actually just a wish list and how many are actually something that's really required. The last time I drove through many of the large urban centres, there were very, very few natural resources in those areas, yet you would swear by listening to the accounts presented in the media that everything that happens in this province is happening in two large centres of this province. So I hope we keep that in the back of our minds.

Specifically, my questions, after that long comment period, Madam Minister, deal with viability of communities. On Friday last I had the opportunity to take in your intermunicipal workshop in Coaldale. I can understand where you're coming from on page 310 with "not yet available" figures, because even the municipal administrators and councillors that participated in the workshop down there had a great deal of differing opinions.

This comment may be a little bit political, but I happen to know the political backgrounds of two of the individuals there, and they were on opposite ends of the scale. One municipal councillor who ran for one of the opposition parties felt that there are too many municipalities, yet his colleague, who also ran and is second vice-president of the AUMA, made the statement that you, Madam Minister, have in your department \$5 million targeted to regionalize municipal governments. I don't really see – and I've looked all through here – that you have specifically got that. In fact, I believe it's your intent – and will you correct me if I'm wrong? – that the money is there for those that willingly and voluntarily agree that they want to amalgamate.

Maybe the message has to get out stronger, and maybe it's just to a couple of individuals that have got selective hearing. Maybe it needs to get out in a stronger message that you are not forcing amalgamations, that you're not looking for more regionalization of local municipal government. I know that could be a topic of discussion for many MLAs on both sides of the House. I would like to hear a comment made with respect to that.

The second question, Madam Minister, has to do with social housing, and I'm not too sure if it should be more clearly defined as seniors' housing or lodge housing. There appear to be some who would like to capture the essence of seniors' housing in municipal lodges for the benefit of other people provided they can demonstrate need. I know it's a very real concern. I can think of one case in our riding where those who are in the unfortunate circumstance of having a handicap would like to be able to live in a senior-type arrangement, and I know that your departments work very well with the people, but maybe they're taking things literally when they say: if you can demonstrate need. Would you please indicate for me if the lodge program was not intended just for seniors, albeit those that had to demonstrate need, and if moving into another area that involves Family and Social Services is actually creating a stretch of the definition. I would like to re-emphasize, though, that I know your department and the lodge program people in the local area have been working their best to work it out.

10:08

My last question has to do with registries. It's rather minor and after the fact, but I did experience a couple of instances where

people who took over the registries office ran into a couple of instances where small businesses were setting up to incorporate their operation and felt a little bit of frustration that the registries people weren't up and running and totally cognizant of how that whole system was supposed to work. I know it's before you took over as minister, so I'm not pointing any fingers, Madam Minister. Maybe it's more a comment than a question. I think it was a little unfortunate that all the ducks weren't in a row or that everything wasn't worked out prior to turning it over. In my instance that I cite, there were only two occasions, but I can understand the frustration because a client comes in with a lawyer in hand whose time clock and pay chart is ticking and talks to somebody across the counter that doesn't quite know how to handle her particular request.

Mr. Chairman, those are the comments and questions I had. Thanks for your indulgence.

THE CHAIRMAN: Thank you.

Go ahead, Madam Minister.

MS EVANS: Thank you. To the hon. member, I'm very pleased that you were able to attend at Coaldale and listen to this inter-municipal planning. The bottom line, to all hon. members, is that even if we didn't provide incentives or dollars today for restructuring, it's going to be an absolute essential tomorrow in all parts of Alberta. Simply put, the addition of regulation – some municipalities tell me that they have figures and tracked figures about the costs of the regulation and about higher standards that Albertans seem to want, in environment for example – has prompted expenditures at a local level which they never used to have.

Attending with the hon. member fairly recently down at Lethbridge at a rural association meeting, I noted that the first three questions I received were on lodges. I can swear that 10 years ago that would have been the furthest thing from the agenda, but now that lodge authorities are part of the everyday mandate of local governments, that's part of what's happening. If we think we're being unfair giving them lodge costs, I don't think we are because at the same time, government took back the responsibility to provide land and capital facilities and parking structures for health care institutions, which was a huge albatross off the local governments. So this allows local governments to take care of their seniors.

But I can share with you that the new millennium, for example, is going to require some people to be working at the local level. The freedom of information and protection act that we have as Albertans – and people want to protect their information – will in future cause more impositions to local government. It seems that even the increase in technology and the restructuring of electrical and deregulated utilities and customer choices will provide a much more exciting streetscape in local Small Town or Large Town, Alberta. So for every sort of reason there are opportunities I think to restructure and to re-examine, and that's what we were hoping to provide at the local level.

I want to say that this business of demonstrating need for seniors' housing is going to be crucial. Some of those communities have seniors who have entered who obviously have huge needs and have not been able to fare well as a senior without some affordable housing alternatives, but others, perhaps through providing their families with their funds, have entered seniors' housing enrollments and are perhaps less in need. All of them are in need of long-term kinds of arrangements, so we're going to work with Community Development and Health in order to do that.

Demonstrating need. I'd like to believe that we wouldn't have to resort to some form of a means test. I certainly know that when I speak to seniors in small towns who feel confident that the neighbours have had the right amount of money to be able to afford to provide for themselves or who suddenly spot the offspring driving new trucks and vehicles, there's a tremendous amount of backlash that I get. People will come over and they'll pull me down and whisper in my ear and tell me about that senior over there. God forbid that that senior is drooling, because then they also want them moved to a long-term care facility. So we've got a lot of work to do to sort this out.

I think you're right about definition stretching. When I first came into this portfolio, I wondered if we should have a minister for zero to 6, one from 6 to 18, and go on the basis of demographics, because it's very hard sometimes when we each have programs. You know, some of the local municipal governments believe they can talk to this government about being reduced in the amount they're given, but in actual fact if you look at what the minister of transportation is providing and among some of the shifts between ministries and look at particular communities, some of the communities actually have increased in the amount of money they were given. I don't think we can lose sight of that. I think that's why it's extremely important to have a fiscal model that actually provides a very good streetscape for what is being spent all over this province by a variety of different providers within government services and what they're able to provide for themselves.

In registries you talked about the costs that are there. I hope I've got you correct, but I think that overall the land titles and the vital statistics are being held back for a while, if you will, while we're absolutely clear that we're up and running with it. We'll do some modeling. We're talking about field testing some of our forms and changing them a bit. That corporate registration was a difficult task, and I know you're not being critical, nor is anybody here. I have to share with you that last year when we put in the business plan the reduction of that many staff from one department – and I say this in the fondest way. It almost breaks your heart to see how hard they're working to try and make it work. At the local level, where the registry agents or the lawyers may not be up to speed with it, they have had opportunities for training, and we'll continue to make that happen.

Thanks for your questions.

THE CHAIRMAN: Okay.

We have one more questioner. Julius.

MR. YANKOWSKY: Thank you, Mr. Chairman. I want to thank the minister for taking the time to be here this morning to answer our questions and for her very enlightening opening statements, but we still have some questions.

MR. CLEGG: And you were late.

MR. YANKOWSKY: Yeah, I was late.

MS EVANS: The best ones happened before he came.

MR. YANKOWSKY: We're certainly living in a time of change, and it certainly keeps us from getting bored, I guess, but it also keeps things very interesting. Hopefully, it's all for the better and everyone will be happy. Some of the questions I was going to ask have already been answered, I guess, or in part at least, but the hon. member to my right here says: ask them anyhow in a different way.

I have quite a number of group homes in my constituency. Whether that is because of the proximity to the Alberta Hospital – the hon. Member for Edmonton-Manning . . .

MR. GIBBONS: We have 70 percent between us.

MR. YANKOWSKY: That's right. We have a lot. I guess I have a few less than I had some time ago here because some of them have gone out of business. I have had quite a number of complaints from constituents regarding group homes just popping up next door, but I guess that has to do with city zoning bylaws. Sometimes they wonder how permits were obtained without hardly anybody knowing about it; one just pops up next to them. Maybe you could comment on that.

Also, I have toured some of these homes. Now, I know this probably falls under the regional health authorities, but I've toured some of those homes, and I really have some questions regarding the quality of care, possibly, that is delivered there in regards to the qualifications of the staff, the food services, cleanliness, ventilation, which is at times very bad. Most of the patients there smoke, and it then becomes a matter of safety as well. Of course, the large amount of smoke is a health hazard.

10:18

Of course, we also get the complaints from the operators about lack of funding. They would like more funding. Now, I'm not sure what element or elements these group homes fall into. I don't even know just what involvement of Municipal Affairs is in group homes. It could be reference 3.3.1 on page 304; I'm not sure. Reference 3.3.1 shows a large increase. My question here, I guess: is there here or elsewhere an increase for group home operators? If that indeed falls under your department.

MS EVANS: Mr. Chairman, a good part of the group homes that I think are being referenced relate to other departments. We are not in the group home business. We are often identified as such because they may have had their mortgaging from CMHC. We are into providing for the so-called working-poor facilities by virtue of the joint title and mortgages with Alberta Social Housing Corporation. Most of you can think of places like that. Calls of this nature would automatically be referenced to family and community services, or if it's a halfway house, perhaps to Justice.

But I will say this. I have to be very careful that everybody understands this, especially in the capital region – we have some very small units, that are two people or maybe three or four people, that wouldn't be called a group home by that same definition, that look after, especially, mentally disabled people. The seniors, for example, from Robin Hood Association, might be a group. They are provided custodial care in the context of that. Fairly recently, in fact in the last two years the department has been able to secure co-operative funding with CMHC. The type of housing that would see the social conditions that are being provided, that are being referenced by the hon. member, would not in fact be ours. Am I correct, Rick?

MR. BEAUPRE: Correct.

MS EVANS: Yes, absolutely correct. We do have a couple that Robin Hood Association is looking after, but that's a very recent commodity.

MR. YANKOWSKY: Okay. Thank you.

THE CHAIRMAN: Do you have another question?

MR. YANKOWSKY: Another short one, yes. On page 316, down at the bottom of the page where it says under expenses, "other," you have a valuation adjustment: Alberta Social Housing Corporation deficit. Could you clarify that? It's just listed for '96-97, and then it's not listed for '97-98 or '98-99. Is that just a deficit that continues from year to year?

MS EVANS: If you're looking at page 316, they are expense transfers by department on Alberta Social Housing and relate to the remortgaging and refinancing.

MR. YANKOWSKY: The next one down: other.

MR. PERRY: In '96-97. Valuation adjustments are used for changes in the deficit. For example, if there's been a write-down of the losses of some of the properties, that's where that provision would be applied, sort of noncash. It relates to the deficit of the corporation. So that would be an evaluation adjustment due to valuation of properties and assets.

MS EVANS: Mr. Chairman, it relates also to the disposal of a very large number of assets where the difference at the time of valuation between the market and what was originally paid – while it is recorded, it is not paid, so we're budgeting for that. If you'll notice, in the supplementary estimates we had in excess of \$2 million transferred to pay for fourth-quarter financing for similar adjustments just about a month ago.

THE CHAIRMAN: Okay. Thank you very much. Just before we make our motion to conclude and to give authority to allow our meeting to quit a bit earlier, I would just like to say thank you very much for your co-operation in keeping questions reasonably short.

MR. GIBBONS: Is there any way to ask a couple more questions?

THE CHAIRMAN: I think that we're finished now. In your case, with your department you've had your time limit already, and that was the agreement we originally made.

I want to just say thank you to the minister of the department for providing the information that we were given. I think that we're all quite a little bit wiser this morning for being here.

So with that, I would like to ask someone to make a motion that we conclude our meeting. We need to have unanimous consent. Maybe I should just read the motion.

It's moved by Barry that pursuant to Standing Orders 56 and 57 the designated supply subcommittee on Municipal Affairs now conclude its considerations and debate on the '98-99 estimates of the Department of Municipal Affairs prior to the conclusion of the four-hour period allocated.

We need to have unanimous consent to that. Are we agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Thank you very much. With that, we're all finished. It's been a happy morning.

[The subcommittee adjourned at 10:25 a.m.]

