

Title: Estimates of Municipal Affairs, Monday, March 13, 2000  
 00/03/13  
 8:01 p.m.  
 [Mr. Tannas in the chair]

### Subcommittee C – Municipal Affairs

Tannas, Don, Chairman  
 Fischer, Butch, Deputy Chairman  
 Cao, Wayne  
 Evans, Iris  
 Gibbons, Ed  
 Jonson, Halvar  
 Lund, Ty

MacDonald, Hugh  
 McFarland, Barry  
 Nelson, Patricia  
 Nicol, Ken  
 Oberg, Lyle  
 O'Neill, Mary

Paszkowski, Walter  
 Soetaert, Colleen  
 Strang, Ivan  
 Thurber, Tom  
 Trynchy, Peter  
 Yankowsky, Julius

THE CHAIRMAN: I'll call the subcommittee to order. First of all, I'd like to call upon the subcommittee to grant us leave to introduce guests. Agreeable?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed?

The hon. Member for Edmonton-Manning.

MR. GIBBONS: Thank you, Mr. Chairman. I'd like to introduce to you and through you to the Members of the Legislative Assembly Cubs from both Empire Park and Clareview 66. They're here tonight with leaders Mrs. Gail Idenouye and Mr. Chris Idenouye – Chris is the architect in charge of the new addition onto the University hospital; I've known both Chris and Gail for years – and Mr. Reg McIvor from Empire Park. They're in the public gallery, and with your permission I'd like them to stand and receive the warm welcome of this Assembly.

THE CHAIRMAN: Thank you, hon. member. Before we call upon the Minister of Municipal Affairs, I would just like to explain to the people that are in the gallery that committee is the informal stage, and people can move around. We're even in a less formal part of that, which is a subcommittee. So three-quarters of the members are not here. There's subcommittee A and B and C and D. You've seen C and D, and D has just departed. So we're down to one-quarter of our strength, but we make up for that in quality.

With those words then I think we'll call upon the Minister of Municipal Affairs to begin this evening's deliberations on his estimates. Hon. minister.

MR. PASZKOWSKI: Thank you, Mr. Chairman. Certainly I'm pleased to present the budget and the three-year business plan for Alberta Municipal Affairs and to answer any questions from both sides of the House as they may come forward. If I'm not able to answer them today, we'll provide written submissions to answer all of those questions. I commit to that.

Before I begin, I'd like to introduce some of the staff from my department that are seated up in the members' gallery. They include my deputy minister, Dan Bader; Brad Pickering, assistant deputy minister in charge of local government services; Dennis Gartner, assistant deputy minister responsible for public safety and information management; Bryan Huygen, acting director of finance and administration; Joyce Ingram, executive director, business planning and corporate support; Brian Quickfall, executive director, municipal services; Ken Fenning, executive director, safety services; Marjorie Morris, director of communications; John Beke, manager, business

planning; Mina Montroy, manager of legislative planning; Jim Leitch, executive assistant to the deputy; and Maria Pohl, administrative assistant, business planning, corporate support; and, of course, the world famous Dwight Dibben should be up there somewhere as well.

With that I want to thank staff for showing the interest and really providing guidance throughout the year. I think that under the circumstances the staff has provided excellent direction in working very closely with municipal officials and developing a strategy and working with municipalities that makes this province such a wonderful place to live. Each level of government provides different levels of service, and certainly working with the municipal level is very key. I've mentioned this to municipalities time and time again, that they're really the foundation of this province, and ultimately the strength of the province relies on the foundation.

As we begin the new century, our outlook really couldn't be brighter. The province is strong, it's resilient, and it's ready to take on the 21st century. Albertans have told us that they expect us to keep Alberta strong as well. Albertans want their government to ensure that our province has a strong agricultural sector, economic policies that keep good jobs in Alberta, an education system that ensures that our children can remain competitive, tax policies that respect taxpayers' hard-earned dollars, and a strong and vital health system. These are the components that will keep Alberta strong.

I've long been a believer that a strong province also is built from strong municipalities and communities. With strong and vibrant communities we can ensure that we are positioned to take on the challenges of this new century and to achieve this vision for the future of our province.

Alberta Municipal Affairs is entering a new millennium with a new and more integrated focus. This department is now responsible for local government services, disaster services, safety services, information and privacy, the fire commissioner's office, and the Municipal Government Board. Considering these areas of responsibility, we now have a department that truly reflects the municipal affairs in this province. All of the areas have strong linkages with the municipalities they serve. Equally important, they also have strong linkages with each other.

Our strategy for the next three years is to provide a more focused and co-ordinated approach to the delivery of municipally oriented programs. This new focus is important to the overall direction and goal setting of the ministry, but it's even more important to our clients, who will see a single organization working as a team to address the challenges faced by municipalities.

Mr. Chairman, this budget and business plan were not developed in isolation. To ensure that these documents reflected the views, issues, and challenges being faced by our municipalities, I went on a provincewide tour with our Agriculture, Food and Rural Development minister as well as the Community Development minister and an official from Alberta Infrastructure, visiting 12 regions. We heard presentations from elected officials representing almost half

of the municipalities of this province. The tour provided a good understanding of current municipal concerns as we entered into the business planning and budgeting process. The documents before us today reflect the views that we had heard.

For 2000-2001 the operating expenditure estimates for the ministry total \$141,900,000. This funding is distributed amongst four key areas: local government services, public safety and information management, the Municipal Government Board, and the ministry support areas.

For 2000-2001 our income statement identifies that our revenue is close to \$14.2 million. Of this total, \$12 million is funding that we'll receive from lottery revenues to support financial assistance provided under our Municipal 2000 sponsorship program. The remaining \$2 million comes partially from the licences and fees associated with the issuance of safety certificates from our safety services area. A portion also comes from the cost-sharing arrangements with the federal government for some of our disaster preparation programs.

The local government services area is by far the largest component of our ministry's budget. From this program area we aim to provide support services, policies, and legislation that enhance the development of a sustainable, accountable, responsive, and effective local government sector. The operating budget for this area for 2000-2001 is \$112.6 million, of which \$96.7 million is budgeted for various programs.

The nongrant portion of the budget would allow the ministry to carry out a number of key initiatives next year. For instance, we will complete the capital regional governance review, an exciting initiative involving 22 municipalities to build upon the existing framework of regional co-operation. An interim report is expected by the end of this March.

We will continue to offer the highly successful intermunicipal dispute resolution initiative. This innovative program allows municipalities to resolve disputes at their local level. I'm very pleased to advise that 100 percent of the municipalities that have participated in the program to date have resolved their disputes.

We will continue with two MLA committees to ensure that we deliver a fair taxation system for Alberta. The education property tax MLA committee will continue to investigate issues and develop alternative tax structure options. The MLA farm property tax assessment review committee will continue to study the economic impact of changes being considered on how farm and property operations are assessed and taxed. We'll also look to improve the assessment audit, assessment equalization process, and the linear assessment process.

It's also in our business plan to ensure a co-ordinated provincial government approach towards municipalities. The review of the partnership between the province and the municipalities will help us in more clearly defining roles and responsibilities, thereby improving accountability, service quality, and efficiency.

#### 8:11

Shifting the focus for a moment to the financial component of the municipal programs budget, I'd like to note that our budget for the Municipal 2000 sponsorship program will be \$12 million for the year 2000-2001. This is up \$2 million from the previous year. This program has proven to be very valuable for municipalities. Last year 286 out of 307 eligible municipalities received funding for projects aimed at intermunicipal co-operation and innovation.

Our estimates show that we have reduced the budget in two grant programs: the municipal debenture interest rebate program and the grants-in-place-of-taxes program. These reductions will not impact municipalities. The municipal debenture interest rebate program is

an historical program that was introduced when interest rates were high to subsidize the interest on certain debenture borrowings from the Alberta Municipal Financing Corporation. As the interest component on debentures held by municipalities decreases over time or the debentures are paid by municipalities, the amount that we need to budget decreases.

With regard to the grants-in-lieu-of-taxes program we've adjusted our estimates downward to reflect the current needs of the program. Reasons for the reduction include a continuing reduction in the amount of property owned by the province and the fact that the switch to market value assessment in Alberta did not have as significant an impact on the program as originally thought. The \$32 million that we budgeted for 2000-2001 is much closer to our recent experience, and no municipality will receive less than they were entitled to under this program.

The public safety and information management division, while new to the department, makes a significant contribution to the mission of Municipal Affairs. There are strong linkages with services offered by this area to the municipalities that we serve. Through this area we promote and apply appropriate safety standards throughout the province. We manage provincial disaster planning and recovery programs and provide support to municipalities to ensure that they're prepared to deal with emergencies and, after disasters, to assist in the recovery, and we provide a legislative and policy framework and support to public bodies to enhance access to information and protection of privacy for Albertans.

The expenditure budget for 2000-2001 under this program is approximately \$19.4 million. The increase in this budget for this area is primarily due to a new \$10 million initiative identified in the estimates as petroleum storage tanks. The petroleum storage tank remediation program is a joint initiative with other government departments and the Petroleum Tank Management Association of Alberta. With a \$10 million funding level identified for 2000-2001, we'll focus on completing site assessments to determine the most environmentally sensitive sites, and for high-risk sites we will initiate some of the highest priority remediations.

Another new budget item is a support area for the newly created public safety and information management division. As earlier noted, the division brings three areas together for the first time under one program. We'll continue to improve our assistance to municipalities to help ensure that safety codes are met. To help us meet this objective, we will improve our ability to communicate and cooperate through the better use of information technology, simplify the system so that it's more user friendly and provides greater value to communities, and continue to ensure that our safety codes and standards are appropriate and meet Albertans' expectations of quality.

The pressure vessel inspection backlog reduction program will continue in the 2000-2001 fiscal year. Through this program significant progress was made in improving boiler and pressure vessel safety as the program exceeded its targets to reduce the inspection backlog. The Auditor General has acknowledged the positive progress that we're making in this area in his annual report.

Mr. Chairman, we will continue to work to ensure that public bodies continue to protect the personal information of Albertans and provide appropriate access to information. We'll also conduct a review of the issue of privacy protection in Alberta's private sector.

This issue has been brought to the forefront by the emergence of the electronic commerce industry and one-window approach to service delivery. Privacy concerns have recently been highlighted by the efforts of the European Union to force its trading partners to legislate privacy protection in the private sector. The federal government has responded with the introduction of Bill C-6, with

which we have some specific concerns. Alberta's new review will include a thorough consultation process to ensure that Alberta businesses and consumers have every opportunity to express their views on private-sector privacy protection.

Finally, Mr. Chairman, through this division's area we will continue to provide assistance to local fire departments through the fire commissioner's office. This will be done through fire prevention and education initiatives.

In addition to our two major program areas, we'll also rely on the services of our ministry support services area to keep the ministry running smoothly. It's worth while to note that the majority of our support areas, such as human resources, legal services, information technology, and finance and administration, as well as some communication and corporate support functions, have provided services to Alberta Government Services on a shared services basis since last May. The nature of our sharing will change as the Alberta Corporate Service Centre assumes responsibility for the delivery of a number of common services that all ministries in the government of Alberta use, but the underlying concepts of doing things more efficiently will continue. The ministry's support services area is showing an overall budget increase of approximately \$367,000 compared to last year. This increase is due to changes that have taken place in the ministry since the government reorganization this past May.

I look forward to working with our partners and my staff to carry out the exciting initiatives outlined in the ministry's plan. In the end, I know that we'll continue to provide good service to Albertans and find new ways to keep moving the standard of good service to a higher level, to a higher benchmark.

Mr. Chairman, I'll welcome any questions from my colleagues, and indeed we'll provide as many answers as we have time for. If we're not able to provide those in oral form, we'll provide them in written form. Thank you.

THE CHAIRMAN: Thank you, Mr. Minister.

MR. GIBBONS: I'd like to welcome and thank the department heads that were introduced, and different than last year, I won't ask 286 questions. From a lot of the information we went over the last week or so – and some of it's still on the agenda; some of it isn't – it's interesting how the ministry has changed over the last year. I do believe that there has been some good in the change, and I hope we see results from that.

I'm going to start with an area that has been in contention for the last while, and that's the education property tax. We're looking at a committee that was set up a year ago, probably a year on the 26th of March, I believe it is, and we are reading and seeing that what's coming out of that is that they're just going to do public consultation this year. I did point out a number of times last year that we've been tinkering, tinkering with the actual education tax when the market value that has been coming in has been a point of contention throughout the province. There has been a point of tinkering in areas where market value and the way the assessment actually is going – because the Bow corridor, anywhere from Brooks right through to Banff, Grande Prairie, and Fort McMurray are really booming.

I do realize and try to emphasize to the city councillors, people in our city, the city of Edmonton, that within two years we'll be moving along with our economy quite well, and there might be things that we have to do then. The fact is that they're pointing out in different letters that have been sent to you, Mr. Minister, the dollars and cents that actually have been saved in different areas. I'm looking at a letter you sent to myself on January 27 of this year. You're illustrating in here information with \$162,707,805 for the 5

percent capping. Then I look at a letter that was sent from yourself to the mayor of Edmonton on February 29, and looking at some figures, it's \$167,466,317. So there is a difference in one month of how figures have been passed back and forth. What structured alternatives to the current provincial education property tax system is the MLA education tax committee examining rather than just capping increases in the residential and nonresidential equalized assessment? That is one of my first questions, Mr. Minister.

8:21

What other jurisdictions in the United States have been examined by the MLA education tax committee as a model for funding public education in Alberta in the future? Will the MLA committee on education property taxes be examining the following alternatives to education property taxes outlined in the 1998 education tax review committee report, one being the trade-off between the provincial funding and education tax on residential property – for example, municipalities might be willing to take responsibility for building new schools – two, based on the education tax per capita or per student amount. The third one is to phase out the education property tax over a 25-year period and tie it into the debt interest savings achieved from paying down the provincial accumulated debt. This is a case of arguing one way or the other. In our past policies in 1997 we were pushing for 80-20, 80 percent out of the general revenue, but it is still a circulated item that actually should be looked at.

My fourth question, Mr. Minister, is circuit breaker tax. The fifth is to use live assessment rather than equalized assessment for requisition purposes. Sixth, trade off a portion of the residential education tax by eliminating provincial grants for other programs. The seventh is a trade-off between the provincial funding for school construction and a portion of the residential education tax.

How does the minister respond to the city of Edmonton, which estimates its residents will pay nearly \$8 million more in education property tax in 2000 despite the 5 percent cap on the residential equalized assessment announced by the government last fall?

We also are looking at how we had 10 percent on nonresidential moved down to 5 percent. Is that some of the political push that's coming out of Calgary for reducing property tax altogether? I know that in the last week or so – March 11 was the latest article on the city of Edmonton: "No break for city on education tax." It's a hard one to explain, but we look throughout the province and it's interesting that the chairman of the education tax review committee, who actually hasn't even consulted publicwise at a town hall within her own constituency, has actually brought down every major municipality – that's cities and towns within her constituency – by 22 to 24 and in some cases 33 percent from what it was. It would have been normal if it would have gone through with the market value and the assessment on education tax reform.

The city of Edmonton's complaint is that when compared to the municipality of Rocky View, being minus 28 percent, Edmonton is minus 9 percent. That's actually why the complaint is coming out of Edmonton. I know I have had a few letters from a few councillors in Edmonton, and that's a major factor.

Around the education property tax I've been saying and have hinted in my questions in the House that maybe we should be doing nothing more than freezing it now and trying to work something out. What I mean by that is freeze the current unfairness in the amount of education property tax paid by Albertans across the province. When the province is doing as well as it is, I would almost think we'd be moving along on this one a little bit faster to explain to Albertans where we're going from here. It's really overdue. It's been a year now, and we're just now reading within the business

plan and reading in your letter to the mayor that you're going to start doing consultation this year.

The next one that's probably contentious in and around the municipal department is capital region governance. What have been the total costs incurred by Municipal Affairs up to this point in time for the capital region governance review? What are the total anticipated costs of the capital region governance review once it has been completed this fall? Has the minister examined any of the recommendations contained within the reports prepared by special advisers appointed by Ontario municipal affairs – that's around the Haldimand-Norfolk area, Hamilton-Wentworth, Ottawa-Carleton, and Sudbury – as models for more effective regional co-operation here in the capital region? Will the minister make a firm commitment today that the Alberta capital region governance will not be used as an instrument to force amalgamation of communities surrounding the city of Edmonton?

It was interesting what I was trying to pull off the Net, Mr. Minister. Can the minister indicate whether he actually went forward with his mission to examine regional governance in Toronto, New York, Chicago, Minneapolis, and San Diego between January 26 and February 8? If so, is there a report on that? If you didn't go, why not? If you did, was the mission worth it? I do know that when it did come across, the media called me. I was actually just reading everything I could off the Net at that particular date, so instead of being negative, I did say that I was saving Albertans money by pulling it off the Net myself.

We do look at a few areas of the ministry that were removed this past year. I really believe that the ministry in its entirety has been a very large ministry for the last few years. I don't think a lot of people realize how important Municipal Affairs is to our province. You are the lifeline of the municipalities. You should be the sounding block. You should also be the guiding factor for helping people through their expenditures, their budgets, their whatever. I often say that maybe this department could almost be the major planner and help build a plan for throughout this province of how to help a particular municipality.

With the downloading that's actually been created over the last few years, not only from the federal government down to you but from yourselves down to the municipalities, I find it hard to believe that many MLAs, whether they're ministers or backbenchers, have actually come from the rural, local, town, and city municipalities and still let the downloading go on. I often wonder whether or not most people in here actually came from the have times of the '80s. They just look and think what the bank accounts were back then and not realize that the municipalities – there's the odd one that is lucrative, but in general they are trying their best.

We have the secondary roads this past year. A few years ago the province decided they didn't want that particular part of it, so they downloaded it, and now they're taking it back. I hope that the municipalities are going to be able to do some bidding on that type of work so they won't have to sell their equipment off to whoever will take it.

**8:31**

Now, Mr. Minister, concerning the Ministry of Municipal Affairs 2000-2001 gross operating expenses and capital investment of \$142,890,000, that's an increase of \$2,114,000 from the 1999-2000 comparable forecast of \$140,776,000 and \$10,764,000 from the 1999-2000 budget, which is an 8.14 increase from 1999-2000. The number of full-time equivalents is expected to increase from 342 to 367. As I go through and mention things tonight, for full-time equivalents I'll be saying FTEs, just for the record.

There's no information provided in the estimates or the business

plan of the Ministry of Municipal Affairs regarding plans for capital investment or the change in the numbers of FTEs for 2001-2002 and 2002-2003, and I wonder if I can get an answer on that one. Will the minister provide information on any plans for capital investment by the Ministry of Municipal Affairs for 2001-2002 and 2002-2003? On capital investment I really believe that the study done by the Member for Calgary-North West is a very good study and a direction that I hope the province follows regarding some of these guidelines that are actually put in there.

Will the minister provide information on FTE levels in the ministry for 2001-2002 and 2002-2003? What initiatives will be undertaken by municipal resource services between 2000-2001, 2001-2002, and 2002-2003 to develop a corporate human resource strategy as it pertains to corporate learning, leadership development, recruitment, and community planning?

Will the minister provide an update on the award of excellence program for 1999-2000?

Going to the ministry, will the minister provide a breakdown of the ministry's gross operating expenses of \$141,935,000 for 2000-2001 by subject for the following components: salaries for permanent positions, salaries for nonpermanent positions, salaries for contract employees, travel expenses, advertising, telephone and communication, hosting expenses.

Under program 1, ministry support services, how many FTEs are employed in 2000-2001? What is the breakdown of the three programs: the minister's office, the deputy minister's office, and support services? Can the minister explain why the total program gross expenses are expected to rise to \$8,211,000 from a gross budget amount of \$7,839,000 in 1999-2000? Mr. Minister, what is the breakdown of the \$270,000 for the minister's office budget for 2000-2001 by the following components: salaries for permanent positions, salaries for nonpermanent positions, salaries for contract employees, travel expenses, advertising, telephone and communication, and hosting expenses?

Will the minister explain the \$5,000 increase in the budget for the deputy minister's office for this upcoming 2000-2001 budget? There again, what is the breakdown of the \$302,000 budget for the deputy minister's office in the same year, 2000-2001, for the salaries for permanent positions, for nonpermanent positions, salaries for contract employees, travel, advertising, telephone and communication, and hosting expenses?

Support services. Will the minister provide details of why the gross forecast for capital investment is \$876,000, or 800 percent, over the gross comparable budget for 1999-2000? Will the minister provide a breakdown of the \$7,514,000 in the operating expenses for support services in 2000-2001 by the following components: finance and administration, communications, corporate services, human resource services, internal audit and program evaluation, legal services?

Program 2, municipal programs. How many FTEs are employed under program 2, municipal programs, 2000-2001? What is the breakdown of the four subprograms: division support, municipal services, assessment services, and financial assistance programs? Where does the minister see a need for the relationship between the municipalities and the ministry to be clarified and redefined? How does the minister plan to clarify and redefine these roles?

Vote 2.1.1, division support. We're looking at a few questions here. We see an increase over the forecast and over the comparable budgets of the last couple of years. Will the minister explain why the operating expenses for division support are expected to rise from the '99-2000 budget amount of \$2,975,000 to \$3,113,000 in 2000-01? Will the minister provide details as to why the capital investment budget in division support for '99-2000 was \$150,000 and the

forecast for this fiscal period is 260 percent over the \$401,000? What did the department invest in? Why is the capital investment budget for 2000-2001 receiving over a 500 percent increase from the \$150,000 in 1999-2000 to \$830,000 for the upcoming fiscal year?

Jumping to 2.2.1, municipal services. In this case we're seeing an increase over the budget. Why is the municipal services program receiving an 18 percent, or \$1,057,000, increase in the budget this year? What new services are being offered for this money? How will this improve the services to the municipalities? Who will benefit from the increase?

Assessment services. Will the minister explain why the dedicated revenue for assessment services is expected to rise from \$1,285,000 to \$1,475,000? Also, why are the net expenses expected to rise by \$92,000, from \$4,344,000 to \$4,436,000 in 2000-2001? The percentage of municipal assessment rolls which meet provincial standards for procedures, uniformity, and equity has gone up over the last few years from 66 percent to 93 percent with a target of 95. Will the minister provide . . . [Mr. Gibbons' speaking time expired] Okay. I'm out of time.

THE CHAIRMAN: Hon. minister, would you like to answer some of the questions now, before we have the next question?

MR. PASZKOWSKI: Yeah, I'll try. I'm sorry; I wasn't able to keep up, so I'm not going to answer all your questions. I did try, but you were pretty fast with those questions, my friend. Nevertheless, your questions were good questions, and I appreciate those. Certainly between oral and written form we'll try and respond to any and all that we possibly can.

Your question regarding education property taxes. You know, that's one that is under review. It is a challenge, because virtually every jurisdiction in Canada at the present time uses property tax for their education funding, as does almost every part of North America. Obviously, if there is another way – there is a cost to education, and there's a process that we have to understand and recognize. Alberta has made education their number one priority, and we're quite prepared to meet that commitment, but there is a cost to doing that. To date the property tax assessment has been a part of the overall funding, and I should share that in 1995 property tax was 50 percent of the cost of education. Today it's somewhere in the area of 38 percent of the education budget. So there is a recognition of the importance of working with the property tax people. More and more of the education costing is being shared by the provincial Treasury and general revenue.

8:41

You asked some questions as to what the MLA tax review committee are reviewing. It's chaired by the hon. Member for Banff-Cochrane, and the hon. Member for Calgary-Glenmore and the hon. Member for Calgary-North West are on the committee. They're looking at every possible avenue. They've looked at every possible area. As a matter of fact, they've already shared the information that if we were to put in a sales tax, it would be somewhere in the area of 4 percent. They've looked at the area of income tax, and it would almost mean doubling, a 38 percent increase in income tax, if indeed that were to absorb what property taxes are paying for now, in order to take it right off the property tax venue. So they are looking at all possible areas. There are trade-offs, and as we go through the process, of course, we'll have to weigh and assess the pros and cons.

The whole key in all of this process, at least from our perspective, is to find the fairest possible way, and I think Albertans have pretty well recognized that that's so critical and important too. Education,

in the minds of Albertans, is front and foremost, and they've made it very, very clear that they want the best education system that money can buy. That's what we plan on delivering, and certainly through our minister of education I think we can be very, very proud of the results of our education system in this province. If not the best in Canada, we're right there at the very top, and I'm sure, if anything, we're actually improving our overall position.

The question of Edmonton tax. Yes, they'll be paying about an additional \$7.7 million in taxes this year, but we also have to realize that last year they benefited from this very same process by well over \$5 million. The years are variable, and you can't just pick one year and say as a result of that that they're being picked on, because indeed this process does have variability. Next year, if indeed the growth projections come about, if Edmonton does as well as the country seems to feel they will as far as growth, they may indeed become beneficiaries again. So it's hardly fair to base the whole assessment on one year. Indeed, as I pointed out, last year Edmonton was a big winner in this overall process to the tune of well over \$5 million.

I think it's important to note that property taxes now generate about \$2 for the education budget, and the GRF, or the Treasury, generates about \$9, so indeed we are generating the majority of the revenue for our education system from general revenue, and that's increasing, as I pointed out: 38 percent from 50 percent just five years ago.

The cost of education is increasing, and obviously there has to be money found to be able to deal with that. Do nothing more than freezing? That's a suggestion, and I'm sure that's something the committee is looking at and considering and will be considering in the overall process of making that final decision.

As far as governance is concerned, there's a focus on the Edmonton governance review, but actually there is a review that's going to take place throughout the province. In our travels we did do the mission, and we did meet with people from Ontario as well as several American cities who did some creative things as far as delivery of regional services are concerned. Where we're going to be going and what we're going to be exploring more clearly will be the whole issue of regional services, the delivery of regionalized services more than the particular role of governance.

What we have to be aware of is that 20 to 25 years ago in every jurisdiction that we met with, they did what we're looking at now. They did regionalization of services 20 to 25 years ago. Ontario, for example, just now moved to dealing with governance. When we met with some of the other groups, they pointed out that really it's regional services that provide the efficiency, and that's really where you want to be going. Governance is very low as far as the economics are concerned, so that's something that we have to take into consideration. Really the key, though, is to be able to provide regional services.

I think the group that really brought that home to us was when we met with the site selectors, which are now the headhunters for industry. In North America the majority of industrial sites are now selected by site selectors who make recommendations. They explore various sites that may be attractive for that particular industry. They make a recommendation. The site selectors told us that really they don't look at a community; what they look at is a region. When you stop and think about it, it just makes sense that when you're setting up an industry, it draws from the entire region; it doesn't just draw from that one community. So why would you want to select on the basis of one particular municipality? And that's important.

So, ultimately, what we're going to have to do as far as attracting industry is see that the province delivers its best possible sell with the benefits that a region can provide. We're behind. We're behind

the rest of North America, as a matter of fact. As I said, in Ontario they did this 20, 25 years ago. In the states they did it 20, 25 years ago. It was rather interesting because virtually everywhere we went they all did it at the same time. Somehow we've fallen behind in that particular area, so we're going to have to try and catch up so that indeed we can be on the map as far as site selectors are concerned, so that we can be competitive on the same benchmark or the same basis that the other communities are selling themselves on.

The mission was what I consider an overall success. As a matter of fact, it was a very good experience to basically plan the future, to hear from industry what it is that they are wanting as far as development is concerned, to talk to groups such as the site selectors, for example. We spent a very interesting part of the time meeting with Mayor Daly, who is the guru of North American regionalization, and he was very helpful in the direction that he provided and indicated that he's open for any ongoing discussions that may be required as well, and we will be taking him up on that.

We certainly agree that municipal experience is helpful, but we also agree that municipalities are doing their very best and certainly working very hard to make this a great province that we are in. As far as the growth of municipalities, how municipalities come together, what they really have to concentrate on is providing the most effective, cost-effective service that can possibly come forward, and they understand that. Certainly, as we work together, it is becoming increasingly more evident that that's our future as far as being globally competitive.

As far as FTE mediation, it's difficult to measure some of the FTE categories because of the government reorg. So we've got some different configurations as far as FTEs are concerned, but certainly we'll be providing those where it's possible in the certain areas that are consistent. With government reorg there's been quite a change in this particular department.

As far as capital investment is concerned, those are questions that will have to go to Infrastructure because they're really the ones that are involved in major capital development.

The breakdown of the ministry and the deputy minister, I don't have that information with me tonight to give you an accurate assessment of that breakdown. Certainly we'll have to work on that particular element.

As far as 1.0.2 is concerned, that's the area of salaries and benefits, the deputy minister. The \$5,000 increase is due to increased compensation for provincial government employees.

As far as 2.1.1 is concerned, divisional support, the increase in the 2000-2001 budget is to accommodate the additional staff member to work on the web site and the Internet development, to accommodate a salary increase for public-sector employees, and to cover increased amortization costs that'll occur owing to capital projects that are being undertaken by the division. So that is where that particular area is concerned.

8:51

As well, the 2000-2001 capital investment budget is increasing to accommodate systems projects. Projects that are under consideration include the database centralized initiative, the municipal excellence and the web strategy, and the rewrite of the grants management system. The division forecasts spending additional capital investment funding in the '99-2000 fiscal year to begin work on the database centralized initiative and to work on web-enabling strategies to link divisional databases and build an Extranet interface to allow for secured data exchanges.

Program 2.2.1. The budget shows an increase owing to the addition of seven FTEs and the move forward on a municipal excellence initiative, which will develop a comprehensive manage-

ment framework designed to help municipalities increase their capacities to improve performance, to address increased workloads and the demand for advisory services from municipalities and the public – that's 1.5 FTEs. Dealing with the roles and responsibilities framework project and the climate change initiative and the aboriginal initiatives is another 1.5 FTEs. Handling the increased volumes of preparatory work in the administration and processing of grants in place of taxes owing to the addition of grazing lease lands as eligible properties to receive grants in place of taxes is an additional FTE, and hiring an individual to provide administrative support is an additional FTE.

Funding has also been added to cover the increase in salaries of public service staff, to obtain additional consulting services to assist with the municipal excellence project, to undertake a project to research data relating to municipal governance and administrative practices, and to cover increased printing costs that occur for the production of pamphlets, brochures, and other material related to the *Municipal Administrators Handbook* and the Alberta capital regional governance review, as well as other initiatives.

Program 2.3.1 is assessment services. In that one, the 2000-2001 budget shows an increase owing to the additional four FTEs. They are there to address the concerns raised by the Equalized Assessment Review Panel with respect to the frequency of municipal assessment audits. That's three FTEs there. Increased staff on assessment standards are to qualify and regulate rates for linear properties – they're not currently regulated – as recommended by the linear process audit conducted in '99, and that's one FTE.

In addition to the above, additional funding has been provided to cover pay increases to be received by Alberta government employees, accommodate the attendance for assessment staff at the International Association of Assessing Officers, and to obtain consulting assistance to develop customized client target help plans, and to work with the Alberta Energy and Utilities Board to replace industry's self-reporting system and implement an assessment internship in the summer student program. As you know, there's been a change in the linear assessment process, and the self-reporting process is now going through a more comprehensive auditing system. That, of course, really is making it more effective, and ultimately the municipalities were concerned that indeed there seemed to be some discrepancy between what they felt was the actual lineage or footage of pipelines that were out there and what actually was.

With that, I'll sit down.

THE CHAIRMAN: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Chairman. I do want to make some comments on Municipal Affairs. Let me say, first of all, that the budget process does get a bit more frustrating each year. We're pretty well halfway through our time on a \$143 million budget, and we've had one speaker.

Mr. Chairman, Municipal Affairs, it's . . .

MR. PASZKOWSKI: Percy, do you not want me to answer the questions?

MR. WICKMAN: No, no. It's not that at all, that you shouldn't be answering. I'm just saying that to give us a total of two hours to deal with this type of budget isn't sufficient. Understand that I'm not blaming you; I'm blaming the process. We appreciate the questions being answered, and those that can't be answered here, we appreciate getting the response in writing.

MR. PASZKOWSKI: So would you rather have it in writing? What I'm after is clarification.

MR. WICKMAN: Mr. Chairman, if the minister keeps it up, I won't even have 20 minutes.

THE CHAIRMAN: There are two ways that we can do this, hon. members, and it's up to the subcommittee. In some sections of the subcommittee the member asks to have the minister respond, so you get question and response, question and response, question and response, or you can do it by straight speech or listing of questions, such as we've already had demonstrated. It really is up to the hon. members, so if Edmonton-Rutherford wishes to do it that way, that's fine. If you wish to just get your questions out and then let the minister endeavour to answer them, that's fine. That's up to you.

MR. WICKMAN: I think the preference, Mr. Chairman, would be to have those questions answered that can be answered orally in response, such as he did with the Member for Edmonton-Manning, and those that can't be answered because the information may not be at hand, we would receive in writing a few days later. That's normally the process that has been followed, and that's a good process. I'm just saying that two hours is not sufficient time.

THE CHAIRMAN: Okay. Thank you for that clarification. With that, Mr. Minister, we'll let the gentleman continue.  
Edmonton-Rutherford.

MR. WICKMAN: Let me continue, if I could. When we talk about government – and we have for some reason wrongfully referred to the provincial government and the federal government as the senior levels of government, implying that the municipality or the municipal governments are a junior form of government, and they're not. They're equal. In fact, in a lot of instances I would argue that the municipally elected representatives perform a more appreciated function to the electorate in that they're dealing with day-to-day issues.

Myself having spent nine years as a councillor, 11 years here as an MLA, I had much more contact with the people that elected me. I dealt with various problems, dealing with snow removal, dealing with garbage pickup, dealing with stop signs, things that may not seem that significant in the big picture, but to that individual they were very, very important. So when people are asked about what level of government they feel the closest to, it's the municipal government. Mr. Chairman, it's very, very rare for me now as a provincial politician to even get phone calls in the evening at home. When I was a councillor, I would get them at 2 o'clock in the morning. People do not hesitate to call their municipal politician, because they identify with them much more.

So we should, first of all, recognize that all levels of government are equal and that there's no such thing as a senior level of government. The provincial government is not a big brother to the municipalities. It shouldn't be viewed that way.

There are many members in this House who have had the experience, including the Premier of the province, of participating in municipal politics, and I've been asked on many occasions which I prefer. Quite frankly, I've always preferred municipal politics over provincial politics for a number of reasons. However, after nine years I felt it was my time to sort of move on. Now, possibly if I would have had the opportunity during my three terms here to be part of a government, I may view provincial politics a bit differently than I do, and had I made the decision to run another term, which of course I've indicated I'm not, then I could look forward to being part of a new Liberal government, which the other members here will in all likelihood be part of. That's an experience I'll miss out on, because I've chosen not to go beyond 12 years.

[Mr. Fischer in the chair]

Now, when we talk in terms of a partnership between the municipalities and the provincial government, this goes back, way, way, way back. We talked about partnerships. We talked about some form of revenue sharing. I can recall attending my first Alberta Urban Municipalities Association convention held in Calgary, and it was long enough ago that Grant Notley, who was the New Democrat member in the House here at the time, was one of the observers at that particular convention. So you can imagine how many years I'm going back. I proposed a motion then, and I was quite surprised that it was endorsed by the vast majority of the delegates at that conference. The motion that I managed to have passed was that we urge the provincial government to allocate a specific percentage of revenues from the resources to the municipalities unconditionally so that the province wouldn't be acting like Big Brother and saying: you've got to spend so much on police, you've got to spend so much on libraries, and you've got to spend so much on roadways and such.

9:01

That partnership and that respect for the independence of municipalities and the recognition that they are elected to do a job, just as provincial representatives and federal representatives are, are very, very, important. Now, there are instances where the municipalities have to go beyond the normal funding they receive from the provincial government, whether it be conditional or nonconditional. I'm talking in terms of those types of projects that a municipality can't possibly be expected to afford out of their own budgets or to tax local taxpayers for to that extent; for example, the very, very severe, difficult problems that Calgary is facing now because of the massive growth, the unanticipated growth a number of years ago. That has now suddenly skyrocketed, creating all types of unique problems for Calgary that other municipalities don't share, so that's a special consideration.

When we talk in terms of projects like the light rail transit running to the Heritage Mall, when we talk in terms of the ring road system, the municipalities on their own cannot be expected to fund those types of projects. That's why it's so important to have this partnership so that the municipal government can sit down with the Minister of Municipal Affairs and other members of the cabinet to work out sufficient funding for these particular types of special projects. I know that there is funding going on at the present time. Don't get me wrong; it's not like I'm not aware of that.

I've often heard in this House the criticism by the Treasurer, the criticism by the Premier towards the federal government when we talk in terms of the downloading and how they've reduced the transfer payments to the provinces. We hear quite often the Premier demanding more money for the provincial government or the restoring of some of those dollars from the federal government to the provincial government in areas like health care and such. Now, the very, very same thing of course has happened to the municipalities in terms of downloading by the provincial government. We've seen significant cuts in municipal grants in areas like preventive social services, policing, libraries, and the list goes on and on and on.

The municipal government doesn't have anyone they can download onto other than the taxpayer. Even this year we see the Edmonton council and I believe the Calgary council being forced to raise municipal property taxes, sitting back envying the other two levels of government, not counting the school boards of course, the other two levels of government that have been in a position to advocate tax cuts, to pay down deficits and pay down debt. Citizens at times will ask: why do municipal governments always have to

raise taxes when other governments aren't doing it? Well, the reason why, Mr. Chairman, is because they have nobody that they can download to. They've got to go to the taxpayers. They can't even deficit budget, because the Municipal Government Act does not allow a municipality to operate at a deficit. They have to operate on a balanced budget, many times on a surplus.

Now, municipalities have managed because they've been forced to manage. The late former leader of the Liberal caucus, for example, when he was mayor of Edmonton put into place many, many fiscal policies with the city of Edmonton that allowed the city to sort of keep its books in order and to manage its finances, I thought, at that particular time a lot better than the city of Calgary was doing. That's no knock to the Member for Calgary-*Buffalo*, but that was a fact of life. Calgary was just going ahead and spending, spending, spending on the LRT, counting on the provincial government to bail them out, and it didn't happen.

There was one time when I was on city council that the province was rolling in so much money, they gave the municipalities a billion dollars. What happened? Some of the municipalities just went right back into debt. They said, "Well, we can count on the provincial government to drop another billion dollars sometime down the road," but that never happened. Edmonton was wise enough, under the leadership of that former member, to not get itself caught up in that situation.

I look at some of the other areas that the minister is responsible for in his ministry. He has lost housing. I always thought that housing was a very, very key component of the municipal ministry. Of course, that's been transferred over to Community Development, if I recall correctly. The registries still fall under Municipal Affairs. [interjection] I'm sorry; the registries have also been transferred out. They also have been transferred out.

Now, one of the things that the minister is responsible for, though, is the building code. In the building code, which relates of course to the municipalities, one of the things that is being addressed right now – and I tabled an article in the House earlier on dealing with the solution to the handicapped parking problem. Of course, the handicapped parking specifications are part of the Alberta building code, and that's why I raise this point. I would hope that the Minister of Municipal Affairs, along with the Associate Minister of Health and Wellness and the Member for *Clover Bar-Fort Saskatchewan*, can find a solution to the handicapped parking dilemma that has occurred.

It's time to have the building code revamped, to change a system that worked at one time, but since we privatized registrations, for some reason we now have three and a half times as many placards being handed out as before. Sometimes I'm of the opinion that one with an ingrown toenail can go to a doctor, get a form signed, and get themselves a handicapped placard. Maybe it's not that bad, but when I drive around looking for a parking space, at times it seems that way.

Now, one of the areas, too, that I see when I look in the budget is the reference to the lottery dollars. When we talk in terms of references to lottery dollars, it seems to pop up now in every department. There is a greater and greater dependency of departments to bank on that gambling money, which is not really a stable basis of funding. It's not something that one can count on year after year, because we don't know just how Albertans are going to gamble next year or the year after, though the pattern so far has been a continuous increase. Even when I look at the infrastructure, why is such a great deal of infrastructure being funded with lottery dollars?

The other area that we see lottery dollars used for is the community lottery boards. The city of Edmonton, I believe, gets something like \$11 million, \$12 million a year right now, and then those dollars

are disbursed to in some cases nonprofit groups, in other cases, possibly in too many cases, to city departments that would normally be funded by the local tax dollar. I'd like the minister to talk a bit about those community lottery boards.

I'd like to have the minister also address the question as to why such a dependency on lottery dollars for infrastructure, which is such a basic program that Albertans expect out of their tax dollars. Also, when we talk in terms of infrastructure and the federal government, I can't recall – possibly somebody can sort of nod. When the federal Treasurer brought down this last budget, what were the references in there? Was there a commitment made in there to a trigovernment proposal for infrastructure, a \$5 billion expenditure? I don't recall if the federal Treasurer actually spelled that out in the budget he just announced some short time ago.

9:11

Now, Mr. Chairman, freedom of information falls under the ministry. I'm not going to really get into that, because I know that the Member for *Calgary-*Buffalo** is much more knowledgeable in that particular area than I am, so I'll leave that for him. He is quite anxious to speak on it. I don't want to keep my comments going too long, because there are others here, of course, that want to speak as well. They'd like to speak and then go upstairs to participate in the other committee. The budget process does present some problems.

I've talked in terms of generalities, and I would hope that the minister could respond to some degree on the views that I have made. There is one specific question that I do have, and possibly the Member for *Edmonton-Manning* has already asked it. If so, I don't intentionally mean to repeat a question. When I go through and I look at the various increases, the one that really strikes me, as far as I can see, is under municipal services, reference 2.2.1, where we see an increase in municipal services from \$5,830,000 to \$6,867,000, which is an increase of roughly 18 percent, or over a million dollars. That seems to be a very, very significant amount of dollars. Of course, if those dollars are going to the municipalities directly, that's one thing, but when we talk in terms of municipal services, I'm not sure if that implies that it's administrative costs that may be related to municipal services.

The very, very last question I would have, Mr. Chairman. The whole planning process in terms of the regional planning commissions that we used to have in place at one time – and we had the Alberta appeal board, where individual municipalities or individual applicants could appeal decisions made by the regional planning commissions to a higher body. I recall former councillor Ken Newman being part of that. My question is: how is the current system of planning under the new process working out? Are municipalities by and large happy with it, or are there problems?

I must say that I'd like to have the minister comment on his views of the Lou Hyndman report and on what he feels is the solution for areas like Edmonton, where you have a number of bedroom communities and the problems that some of the councillors have pointed out in terms of persons from outside of Edmonton utilizing a lot of the services here, on that regional co-operation and such. If the minister could make some comments as to what direction he intends to head that process in. Of course, he was not the minister when that whole thing was initially developed. It was the Member for *Sherwood Park*, the current Minister of Children's Services.

On that note I'm going to conclude, Mr. Chairman. Thank you.

THE DEPUTY CHAIRMAN: Thank you. Now the minister gets a chance to give us some words of wisdom.

MR. PASZKOWSKI: I think the hon. Member for *Edmonton-*

Rutherford asked for a response, so I will provide that response. I'll try and be brief though. I'm sure the hon. member was a very, very capable municipal councillor.

There is no senior level of government. What we have is three levels of government that provide three different services. Each level of government is responsible for a completely different line of services, and at least from my perspective and from our department's perspective there is no one level of government that's better than the other. They all are critical, they're all important, and they all are the strength of this province and this country. At no time have I ever thought of it as a senior level or a junior level of government, because indeed the municipal level is every bit as important as the provincial level, every bit as important as the federal level. An improper municipal level would create failure at any other level as well.

These all play very critical roles. They all play a very important role in the delivery of services to the constituents in the region that they serve, and my hat goes off to municipal councillors, mayors. I was one for a period of four terms, and certainly I understand the local connection that you have.

To the hon. Member for Edmonton-Rutherford: perhaps if you left your phone number, you'd get some calls at 2 o'clock in the morning even now. So if you want to share your phone number and if you really feel lonesome, we can probably get you some calls at 2 o'clock if you like.

The hon. Member for Edmonton-Rutherford indicated that there may be a Liberal government sometime in the future and that he'd like to be a part of it. I assure the hon. member that he would be the first great-great-great-great-grandfather that ever sat in this Legislature if he were to be part of it.

The indication was that the municipal government doesn't have ways of generating revenue. Well, they do. They have property tax, so there is that opportunity for the municipal government to raise revenue.

Certainly from the province's perspective, the province tries to assist in things like roads, water, sewer, library, policing, social programming. Just to give an indicator of what the municipal government has indeed done this past year: \$425 million in infrastructure funding to address municipal transportation needs, \$90 million in health facilities and other health projects, \$38 million in capital renewal of postsecondary institutions, \$16 million for water/wastewater facilities, \$10 million for reservoir projects, \$7 million for construction and upgrading of government buildings in at least 19 communities across the province, \$3 million for seniors' lodges, \$11 million for environment and agriculture capital infrastructure needs, \$232 million for disaster relief for farmers, \$1.2 million for new grant initiatives for improved disaster and fire training, \$2 million to assist rural municipalities to conduct road infrastructure studies. Those are all working together whereby the province is working with municipalities to build on what should be a better province and will be a better province.

Federal downloading. The new program that will be coming onstream. For the total length of the new infrastructure program, which is a six-year program, the federal government has indicated that they'll be providing roughly \$200 million over this six-year period to Albertans. Assuming it's on a per capita funding basis, as we have 10 percent of the population, we assume that Alberta will be entitled to 10 percent of the overall funding. Whether that will be the basis, we don't know, because the details have not been worked out and, I understand, probably won't be finalized until the end of the year. But it's interesting. Alberta will be getting approximately \$200 million back over six years, but with the revenue from fuel tax alone the federal government captures over \$600 million for each

year, over \$600 million, and returns \$200 million over six years. Somewhere something isn't exactly running true to form.

There was a question about cutting back on library funding. The last stats that I had – and they may not be totally accurate. In '89-90 library funding in Alberta was roughly 10 and a half million dollars. This year's budget is roughly \$14.2 million. So libraries indeed aren't cut back. They've increased fairly significantly, as a matter of fact, as far as library funding is concerned in this province.

As far as operating off taxes, municipalities aren't the only ones that work off taxes. The provinces, the federal government: their basic revenue is generated through taxes. So all forms of government operate off taxes. That's their major source of revenue. It's not just the municipalities that work off taxes. The provincial government generates the majority of its revenue through taxation. So they're not unique. There's nothing different about municipalities, there's nothing different about the provinces, and there's nothing different about the federal government. That's the basic form of funding governments.

#### 9:21

The building codes. It's very important that we accommodate those who have to deal with handicaps, those that are less fortunate. Certainly the hon. Member for Edmonton-Rutherford has generated my sympathy in a situation where there are parking stalls and they're filled continuously. It must be very frustrating, and certainly you have my sympathy there. But it's doctors that allocate those tags. You know that. It's doctors that allocate those tags. Obviously it's a challenge to try and see that there is a significant amount of parking for those who are in need, but I do share your frustration and your concern.

Lottery dollars are used primarily in Municipal Affairs to fund the Municipal 2000 program. I think it's interesting to note that last year, as I pointed out, 286 out of 307 municipalities benefited from this particular program. They're asked to be creative, and this is a program that is extremely successful in dealing with processes that will allow them to interlink with various municipalities in dealing with new creative programming, in designing something innovative and creative. As was pointed out, 286 out of 307 is a pretty good statistic really.

Lottery boards basically distribute local funds. They're local people who are in charge of distributing to their local community. They're designed to basically have their own local people who can identify with the local needs, and I think that's probably as good a way as any. Rather than having someone from Edmonton distributing it to the entire province, it's far better to have that local participation and that local opportunity. Certainly it seems to be a very successful program and one that frankly I support, because it's the local people making local decisions to allocate the money locally. I don't know how one can be critical of that process.

The tripartite infrastructure program. Yes, the federal government has announced it. We don't know what the details are. It appears that it'll probably be December before there's too much in the works as far as details are concerned, but in the first year it's a \$100 million program. In this process of this first year all of Canada will be receiving \$100 million, all of Canada in that first year. You can probably build 100 miles of road with \$100 million if you dedicate it all to roads, but we have to realize that this is dedicated to roads, to infrastructure, to the climate change discussions, to greening Canada, to water, sewer, to homeless, to a whole gamut. So \$100 million to all of Canada when over \$600 million is captured just from fuel tax alone from Alberta – that doesn't quite ring a true bell. Ultimately, sure, it'll be nice to have that program, but it's not a very significant number, really, when it comes down to it.

Program 2.2.1. The ministry has to increase the budget for the restructuring component from \$5 million to \$8 million to address regional co-operation or significant infrastructure issues with the restructuring of municipalities. So that's the reason for the increase in 2.2.1.

THE DEPUTY CHAIRMAN: Thank you.

Hon. Member for Calgary-Buffalo, before you begin, I would ask that you proceed on the basis that you follow the hon. Member for Dunvegan's father's advice that you learn a lot more by listening than speaking.

MR. DICKSON: Mr. Chairman, thanks so much for your kind and generous introduction. I welcome Mr. Bader here, a former resident of Calgary-Buffalo, as I recall.

Mr. Chairman, I'd make the observation that I'm glad the FOIP unit has finally found a home. My sense is that Ms Sue Kessler and her intrepid band have been wandering around in the desert, and every time they think they've found a home and oasis – first, it was public works, supply and services, but, no, that department doesn't want them any longer. Then it was over to the department of labour, and they're there for a bit. Then we reshuffle the departments, and now they're over in Municipal Affairs. Hopefully that group has found a home that they're going to be able to occupy for a period of time.

I take the minister directly to page 250 of the business plan book. Under goal 3 we find the item Freedom of Information and Protection of Privacy, and we've got two performance indicators. The first one is:

Timeliness of compliance to the access provisions . . . as measured by the percentage of FOIP requests completed by government public bodies within Legislative guidelines.

Mr. Minister, what is a legislative guideline? I know what a legislative requirement is. I have no idea what a guideline is.

If you look at section 10, that's not a guideline. It's a mandatory requirement that access requests be responded to within 30 days barring an extension under section 13 or a transfer to another public body under section 14. I find the wording curious. That's hardly a guideline.

It's clear, Mr. Minister, that the FOIP unit in your department is tracking requests through each one of the provincial public bodies. Understand that I'm not talking about the municipal level; I'm talking about provincial public bodies now. These are the people that have been under the act since it came into force on October 1, 1995. So would you tell us how many general information requests have come in to provincial public bodies by public body in the last fiscal year of this province. How many personal information requests have come in for provincial public bodies by individual public body?

How many times has section 28 been cited? Section 28 is one of the problematic parts of the existing FOIP act, because it's where the profit motives of the provincial government conflict with its fiduciary duty to share information with Albertans. I'm interested in knowing how many times section 28 has been cited as an exception to access requests.

I'd like to know how many times section 15 has been asserted by a provincial public body to deny information in whole or in part. How many times has section 23, being the advice from officials exception? Section 21: I'd like to know how many times it's been cited for any provincial body by public body in the last fiscal year. Section 21 is Treasury Board and cabinet confidences. Then let's go to section 26 and then to section 19, the personal information exception. How many times has that been cited, once again, by

public body? Tell us, Mr. Minister, please, how many times section 31 has been used to disclose information. My recollection is that it's typically been used by police forces releasing information about people with significant sex offence records, but it would be good to have that information, once again identified by public body.

[Mr. Tannas in the chair]

I might say, parenthetically, Mr. Minister, through the chair, that I ask these questions because the annual report that's been prepared by your information unit has been very, very unhelpful. By contrast, the annual report now in its revised form by the IPC, the Information and Privacy Commissioner, gives this member, other members, gives the public some sense of which departments are complying with the spirit of the act and the letter of the law as well as which departments are not. We can never tell with the annual report we get from your public information unit who the information misers are and who the information compliers are. I know that you would want to be able to share that information, and it's obvious from page 250 of the book that in fact you track that information.

I'd like to know how many times section 13 has been invoked to extend the time to comply with a request. That clearly is part of your performance indicator, but, with respect, the performance indicators you've mentioned are so low it reminds me of, you know, the stout kid in the gym class that can't get over the high jump bar so asked the coach to put it lower and lower so he can just sort of fall over the bar.

9:31

Well, Mr. Minister, I think we're looking for a little more than that. Your two performance indicators are not very impressive, and there's a lot more information you could and ought to share so we can determine which public bodies are compliant and effective and which aren't. If you'd tell me then: how many times has section 13 been invoked to extend time for an additional 30 days to comply with an access request? Then, since there's the power to go to the IPC and request a further extension, how many times has that section been invoked? How many requests have been transferred under section 14? That's where I make an access request and I get a letter back after two weeks saying: we don't have the request; the request is with another public body. How many times has that been invoked?

You spoke, Mr. Minister, about co-ordination, and you talked about centralizing data. Well, Mr. Minister, help me reconcile that talk of co-ordination with what I see to be an abysmal lack of leadership when it comes to information practices. Let me give you an example. You have a group of highly trained, highly competent FOIP co-ordinators in every public body, including every one of the provincial government departments. They're trained. They're oriented. They're co-ordinated through your department. If we look at your business plan on page 248, goal 3, the third bullet under the access and privacy part says:

Consult and coordinate with other government departments and local public bodies in matters related to the legislation, and participate in agreed federal-provincial initiatives related to proposed federal privacy legislation for the private sector.

Well, a couple of observations, Mr. Minister. You told us about the EU directive. Curious; your colleagues have been denying the importance of the EU directive for at least the last four years. This has been in force for more than a year, and we put at risk a considerable body of trade with western Europe. I remember the now Minister of Government Services when she was a minister of trade and economic development busy pooh-poohing the whole idea: "What? The EU directive? Big deal. No problem." Well, it is a big

deal, and it has continued to put at risk Alberta international trade. So now you've acknowledged that as being an issue. You talk about – I think you mentioned Bill C-6 in the House of Commons – did you not? – in your initial comments. It looks like that's going to become law.

One might ask, Mr. Minister, why it is that we sit back and we see Ontario, we see Manitoba, we see Saskatchewan and British Columbia undertaking public hearings, public hearings to allow the citizens in those provinces to find out – this is provinces holding public hearings about a federal statute. Why? Because they understand that on the third anniversary, the three-year time after that bill goes into force, the federal rules apply unless the province has its own rules. So what do we see in Alberta? No public hearings. I understand there may be some consultation going on with Ottawa. But is that something the Alberta Chambers of Commerce know about, have been involved in, consulted with? Is it something the Calgary Chamber of Commerce knows anything about? It's certainly nothing that has ever been discussed in this Assembly.

So, Mr. Minister, that's disappointing, and I think it's a blot, frankly, on what I think is the pretty strong record you've always had in whatever ministerial portfolio you've held. On this one, Mr. Minister, this may not be all your responsibility because you're a successor to others before you, but you're wearing the goat horns now, I suggest, in terms of not involving Albertans in this important exercise.

What I started out saying, though, was the lack of co-ordination. I quoted a moment ago from page 248 of Municipal Affairs' business plan. Then, Mr. Minister, if you go to page 132 and we look at Government Services, what you will find there is a whole section where the minister responsible for Government Services is talking about many of the same items.

Then we've got the chief information officer and the chief information council. Now, this, Mr. Chairman, is made up of some of the most senior bureaucrats in the government of the province of Alberta, part of the chief information council. They're busy doing all kinds of plotting and scheming and organizing around information management. Then we've got the Minister of Government Services telling us the other day that she was at a meeting in Banff last November with the ministers of consumer affairs from across the country meeting with John Manley, talking about Bill C-6. Well, who's got the brief on this? Is it you? Is it the Minister of Government Services?

Then we also heard from the Minister of Innovation and Science, and he's busy worrying about how we're going to make use of information technology. I mean, I'm not as cynical as Alvin Toffler, who had said at one point:

We are increasing the sophistication of deception faster than the technology of verification.

The consequence of that is the end of truth. The dark side of the information technology explosion is that it will breed a population that believes [in] nothing.

As I say, I'm not that cynical, but I look at a province that is touted to be on the front edge of information technology – this is going to be our economic future – and I see confusion, I see disharmony between the chief information council, between the Department of Government Services, between the Department of Municipal Affairs, and I see, frankly, not a high degree of co-ordination. So, Mr. Minister, tell me who's got the brief, who's in charge, who is the minister responsible for liaison on Bill C-6. If it's you, are we going to hold public hearings? That was one of the important things that's been discussed.

Mr. Minister, in terms of FOIP fees we continue to have the most

expensive freedom of information and protection of privacy fees anywhere in Canada. Our \$25 application fee I think demonstrably reduces the number of access requests. Are there some current plans to reduce the application fee? Will you do what the former federal access commissioner had recommended and change the way we charge for access requests? Instead of rewarding inefficient ministries by simply charging for search time, will we move past that and simply charge for the number of pages, the number of copies provided? What you do then is you reward efficient government departments that are able to run a tight ship, have good information management practices. The current system rewards those that do not, and I know, Mr. Minister, you wouldn't want to be complicit in that.

I'm interested in knowing, Mr. Minister, particulars of what we're going to do around the response to proposed federal privacy legislation for the private sector. If there are not going to be public hearings, tell us how Albertans are going to find out about this, tell us how Albertans are going to be able to make their views known, because I say that this province, unlike at least five other provinces in Canada, has not shared the secret with their constituents. You talk to people about it and they're amazed. They've never heard of Bill C-6. They don't know the impact it's going to have, and I think frankly, Mr. Minister, we've got some responsibility, you've got some responsibility to address it.

I know my colleagues have lots of other questions, and I want to give them a chance.

Mr. Minister, I don't expect you to have responses to all these things now. I don't require a verbal response now unless you have the statistical information. I'd be happy to receive it later in written form.

Thank you.

9:41

MR. PASZKOWSKI: I do have some statistical information on the questions that were asked, and I don't mind sharing those at the present time. I don't have the intimate breakdowns that were asked for, but I do have the total requests for FOIP, for example. The total requests were 5,481. Of that, 3,550 were personal, 1,905 were general, and 26 were correctional.

Interestingly enough, the point was raised about the expensiveness of FOIP in Alberta. I'd just like to share with the hon. Member for Calgary-Buffalo that the total fees that have been collected to June 1999 are \$128,477. I'll repeat: \$128,477. Total administrative costs to March of '99 are \$10,861,269.

AN HON. MEMBER: How much?

MR. PASZKOWSKI: They're \$10,861,269. That means that the fees as a percentage of cost are 1.2 percent of the total cost. How we could be critical of a cost of 1.2 percent and suggest that we're being exorbitant is something I would really dearly like to hear an explanation for. I very much would, because on that basis I would really like to hear how we can justify the fact that we're being exorbitant in our costing.

There's been a fair amount of concern voiced about Bill C-6, and we certainly have concerns about Bill C-6. Interestingly, the question was asked: why aren't we consulting? This, Mr. Chairman, is a federal government bill. Why is the federal government not consulting? I've met, since my appointment to the ministry, with the Alberta Chambers of Commerce, and they were totally unaware that this bill existed. There had been absolutely no communication. I want to put this on record, that the Alberta chamber was totally unaware that Bill C-6 was moving along. I met with AEDA. They

were totally unaware that there was such a thing as Bill C-6. I met with the economic development authorities for the major cities in this province. They were totally unaware of this federal piece of legislation.

Why should we as a province be out consulting on a federal bill that today has not even been passed? Why should we be out there when they haven't got the bill passed? What is it that you're going to be consulting with, as far as a province? What would you be telling those people? That the federal government is going to be doing these things, but we're not sure what the final legislation is going to be? Is that what we should be doing?

To start with, Mr. Chairman, why is the federal government intruding in something that is provincial jurisdiction? That's a question I'd like answered as well. What role should the federal government be playing, and why are they intruding in this particular area? To date we haven't been able to get that answer, and we've asked the federal government on numerous occasions. The hon. member has asked what I've been doing. I've been asking the federal government why and what it is that's going to be the final.

The third reading passed. It went to the Senate. Now the Senate's made some adjustments. It appears that there are changes in the making, but we don't know what they are. We've asked whether there are going to be. There's no communication back. If you're going to communicate, there has to be communication two ways. To date it's all been one way, and that is the provincial government asking for advice as to what's going to come forward. The answers to date have been zero, zero, zero. There's been no communication whatsoever, and with that it's very difficult to go out and communicate with people.

Yes, I make a point of communicating with people before we make any decision on any issue. We spent two weeks last summer – we met with 12 regions, we met with over half of the municipalities, and from that we came forward with the programs that came forward. I would challenge the federal government to do the same thing, and I wonder: has there ever been a cost-benefit analysis done on what this is going to be costing the small business in Alberta and in Canada? Has there been any thought given to what it's going to cost small business?

Yes, there is a need for this legislation in e-commerce, and we acknowledge that. However, there is more than e-commerce in this at stake here. Small communities, small businesses are going to have to pay the burden of this particular piece of legislation. Where is it at? We'd love to know, and perhaps the hon. member could provide us with some guidance and some information. We'd be very much appreciative, because this is serious. This is something that's going to affect all small businesses in this province in a far more dramatic way.

Remember what I said: the total administrative costs of FOIP that deal with just government agencies is 10,861,000-plus dollars. Can you imagine what that's going to do to small business in this province? Can you imagine how every small business is going to have to respond and react?

This is something that is very, very serious, and to suggest that we should be out consulting when it's not our legislation, when the federal government hasn't even talked to the Chamber, hasn't talked to any of the players in this province, what do I say? Really, how do you respond to something like that? It's not our legislation. It's something the federal government has chosen to go out and do on its own. We don't feel it's their jurisdiction. [interjection] Privacy's important, absolutely, but there is a proper way of doing it, and before it is instituted, the people of this province should know what it's about. And as soon as we know the legislation – by the way, why are they there in the first place? I'd like that answer. I really

have to ask those questions because they are important questions and Alberta businesses are going to be affected.

The plans to reduce the fees. No, we don't have any plans to reduce the fees. We don't feel that 1.2 percent of the total cost is exorbitant. We don't think the taxpayers of this province would feel that is right. We don't think taxpayers should pay more of that particular percentage. There is a balance, and ultimately we think we've got as close to the right balance as can be struck.

So with that I'll entertain additional questions.

THE CHAIRMAN: The hon. Member for West Yellowhead.

MR. STRANG: Thank you, Mr. Chairman. It's a pleasure to stand up tonight and ask a couple of questions. I sort of regret that I have to start off with my first question talking about the freedom of information. The only thing I want to sort of stress and get an understanding from this minister on is the aspect of being able to get names of graduating kids coming up this spring when they graduate. I hope we're not going to have trouble this year with the different interpretations that different school boards would have, since it's been in place for a year or so now. So that's one question, and that's basically your goal 1 on page 246, bullet 6.

The next item is on page 247, goal 3, bullet 3. I would like the minister to give me a bit of an explanation how we're going to improve the equalized linear assessment process because we have a problem in our area, and I'm just wondering if it's going to be rectified in that respect, too.

9:51

If you would turn to page 251 and I guess one line item there under expenses, the public safety and information management, what I really look at is that your comparable 1998-99 actual was only \$9,867,000, but then when you had a comparable budget for '99-2000, you're only at \$8,831,000. Then in your comparable forecast for 1999-2000 you're at \$18,708,000, and looking at estimates for 2000-2001, you jump up to \$19,373,000. Then if we progress to the three-year budget program, we're dropping it down again by about \$10 million. So I guess what I'm really questioning is why, with our budget that we had for 1999-2000, we jumped \$10 million. I'm just wondering what the reason was there. So I'll take my seat and let you answer those questions.

Thank you.

THE CHAIRMAN: The hon. minister has indicated that he'll take both sets of questions at the same time.

MR. DICKSON: Thanks very much, Mr. Chairman. Mr. Minister, just in response to the exchange you heard a moment ago. Firstly, people in your department have told me and told many that only a portion of the costs of the administration of the Freedom of Information and Protection of Privacy Act go to managing access requests, either general information access requests or personal information requests. The bulk of that money goes to developing good information management systems, finding out what kind of information exists in the department and how to be able to retrieve it.

We've had in this province some abysmal information management practices. It's been decentralized. It's been inefficient. We've had some departments that have been, yes, excellent. We've had other departments that wouldn't know where to find a file if it were under the desk. So a good part of that money you keep citing – and I'll ask you now because I know people in your department know this and they haven't obviously shared the information with you. Of the total budget, that you keep citing is specifically attributable to

the processing of general information access requests, how much is specifically attributable to personal information requests and how much of it goes to training employees in a department on good information management practices? How much of it goes to designing systems? How much of it goes to advising the ministers and advising managers and advising department staff? Those are different functions, and it serves a huge disservice to Albertans and certainly to people interested in this issue for you, Mr. Minister, to lump all those things together indiscriminately, come up with a number, and toss it out as if that's the cost to manage information access requests.

Mr. Minister, you ask why you should hold public hearings about Bill C-6. You shouldn't be holding hearings about Bill C-6. You should be doing what the select special committee of the Legislative Assembly of Alberta recommended in 1970, the dying days of Social Credit. They had the foresight to say that privacy is important to Albertans and that this government ought to undertake a consultation. Now, this was before anybody invented a fax machine, a modem. I guess we had photocopiers then, but we didn't have a lot of the information management tools we have now. What the other provinces are doing – this isn't tell us what you think about Bill C-6; it's tell us what you think the rules ought to be around respecting, protecting, managing the privacy of individual Albertans when they do business with a private-sector entity. That's the issue.

Mr. Minister, once again, you do a huge disservice to the issue by wrapping yourself in your Alberta flag and saying that we're under siege from Ottawa. That's nonsense. That's utter nonsense. Albertans deserve to know. Not just the chamber of commerce and not just a handful of selected stakeholders but every single Albertan deserves to be involved in a discussion of what sort of privacy protection they're going to have in the future.

You raised, Mr. Minister, the European Union privacy directive. That's quite distinct from Bill C-6, and even if there were no Bill C-6, we should still be consulting with Albertans around the issue of privacy protection. The government majority shot down every effort to try and do that with the Select Special Committee on the Freedom of Information and Protection of Privacy Act three-year review. It's now in your court. You have the chance, Mr. Minister, to consult with those Albertans, and this has nothing to do with the division of powers and everything to do with respecting the right of privacy of individual Albertans.

Those are my comments, Mr. Chairman. Thank you.

MR. PASZKOWSKI: Well, this can almost turn into a bit of a debate. I'm surprised to hear that the hon. member doesn't think the cost of providing freedom of information isn't a cost, in that when you break it up it actually provides a different source of information, and it doesn't all reflect the cost of providing that freedom of information. I don't understand the logic and the rationale, because it seems to me that in the process it's the total cost that really matters. Training people to deliver the service is a cost of doing business, and under normal conditions that is always considered a cost of doing business. I don't quite understand the creativity of the hon. member in suggesting that perhaps it's really a cost but not a real cost. So obviously we don't agree on that process. The overall cost to government is in excess of \$10 million, well in excess of \$10 million, and administrative fees have only picked up 128,000-plus dollars of that, so I guess we tend to disagree on that particular element.

It was this government that introduced freedom of information and privacy. I want to remind the hon. member that it was this government that introduced this legislation. It's this government that introduced this legislation that we have here, and we're not denying

the importance of freedom of information, and certainly we are working with all the players and we continue to work with the players. But when it comes down to providing for Bill C-6, it still remains very, very strange that we can't even get the federal intentions. We can't get a response. And to me that's a very interesting way – the hon. Member for Edmonton-Rutherford indicated that it's critical that various levels of government cooperate and work together. What a wonderful way to work together. I think that is a true demonstration of what the hon. Member for Edmonton-Rutherford was illustrating. It's sad. It's important that we work together on a process such as this.

The hon. member had mentioned earlier that the process of measurements on freedom of information and privacy weren't – I can't remember the exact wording – really very successful. Our target is 95 percent, and we've moved from 90 percent being able to deliver the information in a timely and compliant manner. We moved from 90 percent in '97-98 to 91 percent in '98-99. Sure, we're not achieving the overall targets, but we're working towards them, and this is based on a 60-day turnaround. Now, a 60-day turnaround on the average – and when you see some of the information that's been asked for, in one particular case there are over 6,000 pieces of paper that were released. Yet our average time is 60 days' turnaround. I think that's pretty good. We're working to be better. Obviously we've set our target at 95 percent. We're at 91 percent. We've set our target higher with the idea of achieving a higher level, and we will continue to do that.

“Satisfaction with the FOIP program as measured by the percentage of FOIP requests completed by government public bodies that are handled without complaint to the office.” In '98-99, 94 percent; our target is 95 percent. In '97-98 it was 92 percent, so we are improving and we are moving and we've set our standards and we've set our objectives higher than what we have and we will continue to work towards that.

**10:01**

So I don't think we're that far out in this process. In delivery of service it's 60 days. Considering the scope of some of these requests, I think under the circumstances we've achieved a pretty good level. In fairness to the employees of this department, in fairness to the employees that work with freedom of information, I really think that they have done the best they possibly could. They've worked extremely hard to be able to provide this information, and to be critical of those people, who've worked so hard to achieve this, I don't think is totally fair.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I have a few general questions. In the last Auditor General's report in referring to the Department of Municipal Affairs the Auditor General made comment about performance measurements. The part I underlined was that “management and stakeholders will thus gain a better view of the Ministry's performance and management will become more accountable for results.” He was asking that the department set targets as a basis for determining whether goals had been achieved. I wonder if the minister might comment on what's been going on in the setting of those performance objectives, because it seems to me that we have fewer now than we've had in the past.

I also wonder about the care, Mr. Minister, in terms of the setting of those objectives. I refer you to page 246. Under goal 1 the fifth bullet down talks about ensuring

that municipalities and businesses are adequately prepared for emergencies by working with them to develop and test their emergency plans and assisting them,

et cetera. I wondered if that is the same goal or strategy that is referred to on page 250 under goal 3, Disaster and Emergency Preparedness. Am I wrong in thinking that those are really the same programs, only that one is listed under goal 1 and the target is under goal 3?

After the number of years that we've been doing business plans, there are still a number of targets that have to be determined, and I wondered about the nature of the targets. For instance, has the department considered a performance objective related to the grants programs and how the receivers of those grants feel about the fairness of the grants? On the delivery of services has there been consideration of going to the recipients of those services and getting some indication from them in terms of how satisfactory the service is? I guess what I was looking for, Mr. Minister – and I'd appreciate maybe some comment – are the measures you're considering that would really be more a reflection on the department and its success so that it meets the kind of comment that the Auditor General was making.

I would like to make a comment about the taxes and the continual battle that we get with one year Calgary saying that they're putting too much money in and that Edmonton is taking too much money out and the next year Edmonton saying that they're putting money in and Calgary is taking money out. It seems to me that sometime, someplace some minister is going to have to remind all of us that we're all in this together, that tax money is pooled for the common interest, that we can't continually attack each other if the system is going to work, and that it's built on trust and sharing and trying to do the best we can for each other. I really think sometimes that we

have to remind ourselves and our municipal and school board counterparts that that's the case.

I had a specific question from a constituent who wanted to know about the emergency warning system and if that emergency warning system, the siren system that was installed in urban areas, is still operational. I didn't have the answer to that.

I have a number of other questions, Mr. Minister, but given the hour . . . [interjections]

THE CHAIRMAN: I'm sorry. I wasn't able to hear you say that the subcommittee should rise and report to the committee.

DR. MASSEY: That's exactly what I was saying, Mr. Chairman.

THE CHAIRMAN: Okay. The hon. Member for Edmonton-Mill Woods has moved that subcommittee C rise and report to the committee. All those in support of this motion, please say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

THE CHAIRMAN: Carried.

[The subcommittee adjourned at 10:07 p.m.]