



Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee
on
Families and Communities

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

Tuesday, March 11, 2025
7 p.m.

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First Session**

Standing Committee on Families and Communities

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Standing Committee on Families and Communities

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

Alberta Liquor, Gaming and Cannabis
Kandice Machado, Chief Executive Officer

7 p.m.

Tuesday, March 11, 2025

[Ms Lovely in the chair]

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

The Chair: All right, everyone. I'd like to call the meeting to order and welcome everyone in attendance. The committee has under consideration the estimates of the Ministry of Service Alberta and Red Tape Reduction for the fiscal year ending March 31, 2026.

I'd ask that we go around the table and have members introduce themselves for the record. Minister, please introduce the officials who are joining you at the table. My name is Jackie Lovely. I'm the MLA for the Camrose constituency and chair of this committee. We'll start to my right. Go ahead, Myles.

Mr. McDougall: Myles McDougall, Calgary-Fish Creek.

Mrs. Johnson: Jennifer Johnson, MLA, Lacombe-Ponoka.

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

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

Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.

Mr. Nally: I didn't get the humour over there, so you've got to bring it this way, okay? We need to do all the way around the table.

I've got Stephanie Clarke, my deputy minister, right here; I've got Richard Isaak, senior financial officer and assistant deputy minister of strategic planning and financial services; Trevor Bergen, assistant deputy minister of consumer, registry, and strategic services; and Joffre Hotz, assistant deputy minister of red tape reduction, audit, and investigations. Joining us in the gallery is Michael Hocken, assistant deputy minister of financial and administrative services; and Kandice Machado, chief executive officer at Alberta Gaming, Liquor and Cannabis.

The Chair: Member Hoffman, please introduce yourself.

Ms Hoffman: Thanks so much. Sarah Hoffman, Edmonton-Glenora.

Member Brar: Gurinder Brar, MLA for Calgary-North East.

Ms Renaud: Marie Renaud, St. Albert.

Ms Sigurdson: Lori Sigurdson, Edmonton-Riverview.

Ms Sweet: Good evening. Heather Sweet, MLA for Edmonton-Manning.

The Chair: All right. Thank you, everyone.

I'd like to note the following substitutions for the record: hon. Ms Sigurdson for Ms Goehring as deputy chair, Member Brar for Member Batten, Mr. Yao for Mr. Lundy, Ms Sweet for Mr. Haji, and Member Renaud for Member Tejada.

A few housekeeping items before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and visual stream and transcripts of the meetings can be accessed via the Legislative Assembly website. Members participating remotely: we don't have any this evening, so we'll skip all that part. Please turn your

cellphones and other devices to silent for the duration of the meeting.

Hon. members, the main estimates for the Ministry of Service Alberta and Red Tape Reduction shall be considered for three hours. Standing Order 59.01 sets out the process for consideration of the main estimates in legislative policy committees. Suborder 59.01(6) sets out the speaking rotation for this meeting. The speaking rotation chart is available on the committee's internal website, and hard copies have been provided to the ministry officials at the table. For each segment of the meeting blocks of speaking time will be combined only if both the minister and the member speaking agree. If debate is exhausted prior to three hours, the ministry's estimates are deemed to have been considered for the time allotted in the main estimates schedule, and the committee will adjourn. Should members have any questions regarding speaking times or the rotation, please e-mail or message the committee clerk about the process.

With the concurrence of the committee I will call a five-minute break near the midpoint of the meeting; however, the three-hour clock will continue to run. Does anyone oppose having a break today? You don't want to have a break tonight? Okay.

Mr. Nally: No. I second it.

The Chair: You don't want to have a break?

Mr. Nally: No. I do. Sorry. I just heard break.

The Chair: We'll have a break midway through. I'll check in with you to see if you're all ready for a break, and then we'll proceed.

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

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

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

Finally, the committee should have the opportunity to hear both questions and answers without interruption during estimates debate. Debate flows through the chair at all times, including instances when speaking time is shared between a member and the minister.

I would now invite the Minister of Service Alberta and Red Tape Reduction to begin with your opening remarks. You have 10 minutes, sir.

Mr. Nally: Thank you, Chair. Good evening. I am pleased to be here today to discuss Service Alberta and Red Tape Reduction's budget by presenting the ministry's estimates for the '25-26 fiscal year.

As you know, the theme of this year's budget is Meeting the Challenge. I think that's a very fitting theme for government as we face uncertainties around resource prices, trade, economy, and security. In this light, Service Alberta and Red Tape Reduction continue to fulfill a strategic role within government by supporting modernization and efficient delivery of government programs, services, and information.

In very broad terms, we optimize and modernize the delivery of registry programs and services to meet existing and emerging needs while providing value for taxpayers. We protect Albertans and Alberta businesses in an increasingly complex and changing economic and social environment. We continue to support economic growth and service delivery through regulatory modernization and reducing red tape. We provide centralized corporate services across the government of Alberta and ensure access to information services to Albertans. We also support Alberta Gaming, Liquor and Cannabis, better known as AGLC, and we are responsible for setting policy for gaming, liquor, and cannabis in Alberta.

Our ministry supports Alberta's clean hydrogen economy by working to advance the network of hydrogen-fuelling and electric vehicle charging stations across the province and by adding hydrogen vehicles to our government fleet. We also work with other ministries on different collaborative initiatives, like exploring emerging industries like blockchain.

Our most important crossministry initiative, though, is red tape reduction. Reducing red tape helps Alberta businesses, taxpayers, and families save time and money while increasing productivity and efficiency. By modernizing regulations and reducing administrative burden, we have eliminated more than 209,000 regulatory requirements since 2019, and hundreds of red tape reduction initiatives have been implemented. This has resulted in cumulative savings for Albertans of over \$2.9 billion. We have updated legislation to ensure that red tape does not creep back and undo our success in reducing red tape by more than 33 per cent, and we continue to explore opportunities that will save Albertans time and money while improving government service delivery, like implementing an automatic yes tool kit to help simplify permit approvals.

Let's turn now to some financials. Budget 2025 allocates more than \$203 million to Service Alberta and Red Tape Reduction, a zero per cent increase from last year's budget. Of the \$203 million for '25-26, nearly \$81 million supports consumer registry and strategic services – this includes modernization of our registry systems as well as initiatives to support consumer awareness and advocacy – \$60.6 million supports financial and administrative shared services, which includes procurement services, financial and employee services, central logistics as well as access to information services for government; \$55.9 million supports red tape reduction, audit, and investigations, the area that is also responsible for our liquor, gaming, and cannabis policy among other initiatives; \$5.7 million is allocated for ministry support services, which includes the minister's and deputy minister's offices as well as corporate support services.

Our forecasted revenue is \$3.2 billion, which is a \$116.6 million increase from Budget 2024. This change is mainly due to anticipated revenue from AGLC, the motor vehicle registry, and the first full year implementation of the land titles registry levy.

Capital investment this fiscal year is \$72.3 million, a \$7.9 million increase from Budget 2024. Overall, this commitment supports ongoing needs and new initiatives, including \$44.7 million for registries modernization, \$10 million for iGaming technology requirements, \$4.8 million for general capital equipment, and \$12.8 million for the ongoing replacement and maintenance of the government vehicle fleet, in line with previous years.

I'd like to speak to some notable items in our budget, starting with our online gaming, or iGaming. Our plan is to establish a regulated market for private companies to legally operate in Alberta. This will give Albertans a wider choice of regulated, socially responsible iGaming operators. The \$10 million in capital funding I mentioned will support the implementation of a

centralized self-exclusion platform as well as systems to support anti money laundering reporting requirements; \$2 million in operating expenses will be incurred on this program, funded from the ministry's '25-26 estimate, bringing total planned expenditure to \$12 million. This means Albertans who do not want to have to access casinos and online – sorry; it's late, and I left my good tongue at home. This means Albertans who do not want to have access to casinos and online gambling sites will have a simple and easy-to-use tool to exclude themselves from being able to gamble. This is an important social responsibility tool, which is why this budget has established the funding needed to make this investment possible. I look forward to sharing more information about the iGaming strategy later in 2025.

7:10

Next up, the establishment of a condominium dispute resolution tribunal. In this year's budget \$5.9 million is allocated for the implementation of the condominium dispute resolution tribunal. Last fall we passed amendments to the Condominium Property Act to establish the condominium dispute resolution tribunal, improve governance as well as enhanced customer protection. The next step is to create an accessible and affordable tribunal, which will provide an alternative method to help condominium owners and boards resolve common disputes outside of the court system. Timelines for the establishment of a condominium dispute resolution tribunal will be determined this year, and I look forward to sharing more information as we move forward.

We're also updating Alberta's liquor markup system by making changes that will simplify the system and increase fairness among different product types, support industry growth, and align with broader government priorities. While these changes adjust markup rates to better reflect the amount of actual alcohol in a product to help improve equity among product types, they also support social responsibility by ensuring that higher alcohol products are subject to higher markup rates. The changes to the markup system will generate an additional \$20 million to \$23 million each year, but the primary benefit is responding to industry feedback on the markup system, supporting the long-term viability of the province's liquor industry, and reflecting the interests of Albertans.

I'd also like to touch on some previously announced multiyear budget items. Budget 2025 allocates \$62.4 million to modernize land titles and surveys, motor vehicles, and other registry systems. This funding will help ensure that Albertans receive timely and efficient services and wait times are within acceptable service levels. Through modernization my department is working to create smooth transitions for the launch of each new feature to avoid customer inconvenience or delays. All in, Alberta's government is investing more than \$160 million to modernize five aging registry systems, fully replacing the land titles and surveys and motor vehicle registries and improving the corporate, personal property, and vital events registries by 2028.

To sum up, you might say that this year's budget is staying on top of ongoing projects and moving forward with a few new ones. The fact is that many initiatives span across multiple years, so it should come as no surprise to see some reoccurring funding for some initiatives. For example, we continue to work towards implementing a category management approach to procurement that will allow us to deliver timely, quality service to Albertans. Through it all Service Alberta and Red Tape Reduction will continue to support investment and job creation and help Albertans navigate their day-to-day lives while keeping spending in check. Our prudent and thoughtful approach ensures we can move forward with important initiatives, like registries modernization, while continuing to deliver day-to-day services that Albertans count on.

Budget 2025 invests in new initiatives to support Albertans and Alberta businesses. As we move forward, we will keep a close eye on our core businesses, like reducing red tape, protecting consumers, co-ordinating government procurement of goods, and providing essential information to Albertans through our consumer contact centre. Simply put, we are following up, following through, and moving forward to make life better for all Albertans.

This concludes my opening remarks, and I would be happy to answer any questions that you may have.

The Chair: Thank you, Minister.

We'll now begin the question-and-answer portion of the meeting. For the first 60 minutes members of the Official Opposition and the minister may speak. Hon. members, you'll be able to see the timer for the speaking block in the committee room and on Microsoft Teams.

Member, what's your preference? Shared or block time?

Mr. Nally: Let's go with block time.

The Chair: Block time. Okay. Then it's block time.

Member Brar: First of all, I would like to begin by recognizing that we have gathered on the traditional lands of Treaty 6. I want to thank all the civil servants here for doing the work that you do every day, and I also want to thank the participants who have joined us in the gallery and online. Thank you very much for being here.

The Ministry of Service Alberta and Red Tape Reduction oversees vital registry services that touch every Albertan, from land title registrations for home purchases to motor vehicle licensing and personal identification. These services not only are foundational for our economy and daily life, but they also generate substantial revenue for the government. This year's budget reveals significant changes in how these registry services are funded and what they will cost Albertans. Notably, the government has introduced the steep fee increase under the banner of levies and new taxes that will hit individuals and businesses using these services.

For example, the land titles registration levy is being dramatically hiked, effectively doubling the government's take from land titles registration. On page 209 of the budget estimates, Service Alberta and Red Tape Reduction, the line item for land titles registration levy jumps from about \$78 million last year to \$161,246 million in 2025-2026. According to the fiscal plan this translates to an extra \$553 in fees for a \$450,000 home purchase, the 10 per cent down payment, a huge added cost for homebuyers.

At the same time, Albertans are seeing long times in processing the land titles application. If I open the website right in front of me, the office is registering the land titles documents received on January 27, 2025. So Albertans are already seeing long wait times in the land titles office and mortgage deals and property sales, facing weeks of delay due to short staff and other cut resources. The government now boasts that it has reduced those backlogs, but the business plan indicates that processing times will remain around 10 days for two more years, only dropping to five days by '26-27. However, even currently those days are not 10 days; as I mentioned, they are still processing the applications from January 27, '25. If the ministry is charging homebuyers hundreds of dollars more per transaction, Albertans deserve assurance that the money will actually improve service quality, not just be an increase in general revenues for the budget.

Similarly in motor vehicle registries, we see major budget swings. The operating expense for motor vehicles, responsible for driver's licences, vehicle registration, ID cards, overseeing registry agents: it has also gone up compared to two years ago. According to last year's estimates motor vehicle operating expenses jumped

from \$18 million to \$35 million, almost double. Well, we assume those costs were due to developing the online vehicle registration system and other digital service upgrades. For 2025-26 the motor vehicle budget remains high at \$33 million operating expense, a figure that will still be about 80 per cent above its predigital expansion level. Albertans are being told that this investment will make renewing plates and licences more convenient, yet we need to scrutinize if these costs are under control and delivering value.

We also see a new source of revenue attached to vehicle registration that government introduced last year, which was the electric vehicle tax of \$200 per vehicle, which will be paid at the time of registration for EV owners. It also estimates that the revenue will increase from \$1 million in one year to \$5 million in the second year and then \$8 million in the third year. This money is collected at the registry counter alongside registration fees, yet it's not clear that any of it will directly benefit drivers through better rules or services.

7:20

In fact, the minister has admitted that these funds are just for general revenue. As the opposition we are concerned that Albertans are paying more in registry fees and new levies, new taxes, but not seeing proportional improvements in service or accountability for how these dollars are used. So the questions are around these issues of land titles, fees, and services.

On page 209 of the estimates the land titles registration levy is budgeted at \$161 million for 2025-26, up from roughly \$78 million the previous year. This is a massive increase in revenue, coming straight from Alberta homebuyers in the form of higher fees. The fiscal plan on page 123 notes that this change adds about \$553 in extra cost on a \$450,000 home purchase. How can the minister justify such a steep hike on families and individuals trying to buy a home, especially during an affordability crisis, and will any portion of this additional \$83 million be specifically directed to improving land title services? For example, hiring staff, upgrading systems to reduce turnaround times, or is it all going to general revenue?

The business plan projects that the land title processing times will stay at 10 days even though they are still higher on the website of the government. How can Albertans expect this to come down to 10 days, with so much more revenue and so much more tax that they will be paying? Why can't Albertans see faster services sooner given they are paying so much more in this year alone? Please detail what service improvements the ministry will implement with this extra funding and when these changes will be made to ensure homebuyers are getting value for their money and they can easily get access to homes. That will also help to get rid of red tape, which has been significantly increased due to this hike.

Backlog prevention and accountability is another issue. The recent backlog in land title registration was a huge mess. As I already mentioned, it forced Albertans to wait months for property transactions because of earlier cuts. Now that the ministry has increased land titles staffing and says the backlog is resolved, how is it going to ensure that such a failure doesn't continue? The estimates show that 28 new full-time equivalent positions were added to Service Alberta and Red Tape Reduction this year. Madam Chair, through you, can the minister confirm how many of those new hires are allocated to land titles operations versus other areas?

Given that the land titles levy is doubling, will the minister commit to a specific performance target? For example, processing standard land title changes in, say, five business days consistently by next year, and tie the use of this new fee revenue to meeting that target? Albertans deserve accountability, and the higher fees should actually result in better service and not just a bigger revenue for the government.

Motor vehicles: a budget spike. The 2024-2025 estimates on page 202, line 2.3, show that motor vehicles registration operating expenses rose from \$18 million to \$35 million in the last fiscal year. This is an almost 92 per cent increase in one year. Since the money has already been in the government's pocket, can the minister also explain in detail what drove this enormous jump, how has this money been implemented, and what services have been improved? We understand a new online vehicle registration system was under development, so just confirming if this money went there and how much money went there and where is the progress.

For 2025-26 the motor vehicles budget is \$33 million, slightly lower than last year's peak. Should we understand that the development phase of the online registry system is winding down? If the project is nearing completion, what efficiencies will that bring? Conversely, if the costs are staying high, is the project overbudget or facing ongoing expenses that weren't anticipated? Why does it . . .

The Chair: Thank you so much, Member. We'll move over now to the minister for his response.

Mr. Nally: Thank you. I appreciate the questions. There's a lot to unpack there, so I'm going to do my best to get through that. I have no doubt that of all the things on there I'm going to miss a couple, but you'll have an opportunity to bring them up again and we'll deal with them then.

Yeah. You brought up some interesting points. Some of the fees are going up at registries, and it starts with land titles.

When I got this file – I will never forget that the Premier gave me this file. I remember being so honoured and telling her I'll do my best. Then I stopped, and I said: "Wait a minute. You gave me land titles." She laughed, and she says: "Yes. And you better fix it." Then she came to me that night, because there was an event going on, and she told me three more times that I had to fix land titles. So, let me assure you, I knew very clearly what we had to do because here was the challenge: land titles had a four-and-a-half month backlog. Four and a half months. What was happening is that towns couldn't get a tax notice out properly. So people, through no fault of their own, were being sent notices for fines because they had tax bills that they didn't know about, which they didn't pay.

Developers. This one was really frustrating. Developers had to let people go because they actually would lose an entire construction season waiting for their land title. I mean, this is unacceptable stuff in an economy like ours, which is business friendly and is about investment and jobs. It was an issue. We rolled up our sleeves, and we went after that backlog. Yeah. I am happy to say that we got it back down under 12 days. It was in 10 days, and I think it even might have gone lower than that. We were super thrilled with that.

Here's the challenge. The challenge is that right now, or at least I should say previously, there was no automation. Land titles was a largely unautomated process and so everything had to be done by hand. Some people thought that the land titles backlog was because everybody was working from home during COVID. In fact, the land titles folks were some of the last – in fact, they didn't get to go home. It wasn't an option for them because they couldn't do that work from home. It was just a reflection of the volume of land titles that they were receiving.

We were a victim of our own success, and we saw immigration levels that we could not have forecasted. I mean, nobody can say that your province is going to see a 4.8 per cent increase in immigration, and I think we saw similar for the last year. We have seen incredible rates of people that are immigrating to this country for the Alberta advantage. What we've seen when we finally got

caught up with backlog – we're actually starting to see volumes continue to exceed forecast. That's how come we've had a backlog that's gone now from 12 days back up to 32.

I can tell you that we are taking some drastic action. We've pressed some people back into service to work on land titles. I've even encouraged my team, and they've responded, "Let's not wait," because we know there's another interest rate drop coming, and we know that interest rate drop is going to drive even more land title volumes. So let's actually hire for that forecast that we think three months from now we might get. We're trying to get ahead of the curve on this one because this piece is, quite frankly, too big to not get it right. We are confident that we're going to be able to get that 32 back down.

But in the course of this we're also automating land titles as well. Now, there's a few different ways that you could go and do your automation. One way to do a big technology move is what they call the big bang theory of technology. Do you remember the Phoenix pay system where the feds couldn't pay anybody for 18 months? We're not going to do that. Okay? What we're going to do is we're going to be implementing this technology in pieces. Once we've had a successful implementation of one module, then we're going to go to the next piece.

I'm happy to say that we've actually seen the first module implemented, and it's called ARLO. ARLO is absolutely amazing because it meets the needs of realtors. Because previously to ARLO, the first module of automation, you couldn't process a land title on evenings or weekends. Well, guess when people sell homes? Evenings and weekends. This was a huge relief to realtors, for them to find out that they can now access land titles on Sundays, on evenings. It was great news. I encourage anyone here if you have any friends that sell real estate: ask them what they think of ARLO. I assure you they're going to have nothing but positive things to say. So ARLO is but the first of many modules that are coming.

7:30

The total cost of all the modernization that we're looking at is \$160 million. The biggest piece of that though is definitely without a doubt the land titles piece. We're going to have land titles fully completed by 2026. This is going to be exciting because here's what this is going to mean. Right now, as you've seen, we don't have the scalability as the volume of land titles doubles. We don't have the scalability to just staff up because it takes four months to train someone for land titles, and that's the abridged training. We used to have an 18-month training program, and we whittled it down. When we have full automation in place, we'll be able to push a button and every land title will be processed within five days regardless of the volume. This is very exciting news, and it's going to be great news for Albertans.

Now, in addition, we're doing some other registry modernization as well. A comment was made about the increased expenses in motor vehicles. I just wanted to point out that largely the increase was to reflect the seniors discount. This is something that we are particularly proud of. We know that affordability is the number one thing on Albertans' minds. We know that, particularly for seniors, they're on fixed incomes, and quite frankly, you know, we feel very strongly that these are the folks that built the province. To offer a seniors discount was something that we campaigned on. I was very happy and I was very proud when we rolled this out because it was, I believe very strongly, the right thing to do.

The total savings to Alberta seniors were – we offered 771,069 services for a total savings in the first year of \$15.1 million. That was just on the registries. We've also, of course, got the camping discount and what not, lots of moving parts there.

We are in the process of updating our MOVES software, motor vehicle software, referred to as MOVES. It is end of life. Now, I know when you hear end of life you think: okay; well, we could probably put a Band-Aid on it and patch it up and go for another couple of years. You actually can't. MOVES will get to a position where it will grind to a halt, and you will not be able to process another driver's licence or get another licence plate. We just, quite frankly, can't allow that to happen. Just imagine somebody who graduates with their truck driver training and they're ready to start their new job driving truck, and they can't get the proper licence because MOVES has ground to a halt. It's just not a position that we want Albertans to be in.

We're investing, but we're doing it responsibly. There were a lot of different choices that we had. We could have built this software, we could have purchased it, but we're actually doing a collaboration and working with another jurisdiction, and I want to be clear, not on sharing data but on sharing the software, sharing the code. This project called reg mod is progressing nicely. I believe that we are going to be done in '28. In '28 this modernization will be completely done. I have to tell you that there are a lot of people at registries at service Alberta that are going to breathe a sigh of relief because every time we do something at motor vehicles – and we've done a lot – we risk the stability of motor vehicles. So there are going to be a lot of happy employees when we get that up and running.

The EV tax. Yeah. It's a light \$200 tax on electric vehicles. At the end of the day we have an obligation to build roads, to repair roads, and that money has to come from somewhere. Right now that money comes from the gasoline tax. The fact is that anybody in an EV is not going to be paying the gasoline tax, so asking for a small \$200 tax is a light touch. The money will, of course, go towards roads.

There was a comment that it goes into general revenues. That's all fees. All fees go into general revenues, and then it gets reallocated from there. It's not an option to put into an account just for roads. Every revenue stream goes into general revenues.

We have enough time to go very quickly into iGaming. You had touched on the number of employees. We are bringing in 33 employees for iGaming. We actually lost five because of a financial and admin services transition, so the net is 28. Those 28 new employees will be for iGaming, and that is to do things like bring in the anti money laundering or AML, also the system-wide self-exclusion. This is one of the concerns that we heard, that some of the – I don't mind calling them repugnant sites. The ones that will never become regulated don't have a system-wide self-exclusion, and they will keep marketing to people that want to quit.

The Chair: Thank you, Minister.

We'll move back over to the Official Opposition to continue their questions.

Member Brar: Thank you, Madam Chair, and thank you, Minister, for the answers.

I would like to continue on the next part of the questions. Modernizing the government's IT infrastructure is a critical task, especially for a ministry that handles large-scale databases and transaction systems like registries. The budget estimates for '25-26 reveal major capital investments under Service Alberta and Red Tape Reduction, indicating an ambitious agenda to upgrade or replace aging systems. However, the details also raised some red flags about execution. Last year the ministry did not spend all the capital funds it authorized, potentially signifying potential delays or capacity issues. Minister, can you make this part clear? This year the capital budget is even larger, suggesting a play of catch-up or

new projects coming online. For instance, the capital investment vote for Service Alberta and Red Tape Reduction is \$72.33 million in 2025-2026, a big jump from the \$44 million actually spent in '24-25. In fact, the '24-25 budget had been \$64.447 million for capital, but the ministry fell short of that, spending only about two thirds of the allocated amount.

The centrepiece of these IT investments is the registries modernization project, presumably the overhaul of the legacy systems for land titles, motor vehicles, and other registries. The capital line for registries modernization was \$44.782 million budgeted in 2024-25, but only \$25.182 million was utilized. Now for '25-26 the budget sets \$44.725 million for registries modernization capital, almost doubling last year's actual spent money. This pattern suggests that the work was either delayed or deferred last year and is now being pushed into the current year, which might strain the ministry's ability to deliver. It is worth probing whether these delays were due to vendor issues, staffing issues, procurement problems, or simply over-ambitious timelines.

Furthermore, we see new IT initiatives in areas beyond the core registries. In the capital plan a completely new \$10 million item appears under gaming, research, and policy. The operating budget for gaming policy actually went down from \$3.116 million to \$2.126 million, yet here we have a significant capital infusion. This could signal the development of an IT system for the gaming and legal side of the ministry's mandate, perhaps an online gaming platform or expansion of private players into the Alberta market for gaming. Notably, the business plan talks about an online gaming strategy being in the works. It would be great through you, Madam Chair, if the minister will be able to explain how this \$10 million will be allocated and used.

The ministry is also responsible for shared IT services and procurement for the government, and we see changes there as well. While much of the internal IT for government like large data systems, cybersecurity has moved to separate ministries, service Alberta still handles financial statements, procurement platforms, technology behind services like health card, driver's licences. In fact, the fiscal plan narrative specifically mentions \$4 million over three years for health care card modernization, an initiative long due given Alberta's paper health cards date back decades. There is also mention that these costs are being off-set by internal service optimization, saving \$1 million per year in the shared services area. It's shared in the budget fiscal plan. We see evidence of this in the budget. The financial and administrative shared service program is being trimmed by a few million dollars.

7:40

Procurement services alone drops about \$3.6 million, and this suggests that the ministry is trying to self-fund some IT upgrades by cutting or finding efficiencies in the back office functions. Well, this can be prudent, but it can also be risky if the cuts outpace the ability to maintain service. We need to ensure that corners aren't being cut on critical support systems in order to fund new projects. In summary, the ministry's IT infrastructure plan is aggressive. The \$72 million in capital is on the table, but last year's expenditure calls into question the realism of these plans. We also want to know whether these projects are properly managed, whether new initiatives like gaming systems are justified and transparent, and whether Albertans can expect real improvements in the service delivery from all this spending.

I want to go over some facts and questions related to these topics, that capital budget execution. I'll start with that. The 2025-26 capital budget for Service Alberta and Red Tape Reduction is \$72 million, which is a 62 per cent increase over what was actually spent in the last fiscal year. In 2024-25 the ministry was budgeted

\$64.447 million in capital but only managed to spend \$44 million. That's roughly \$19.6 million in unutilized capital funds. How much of it is earmarked for the registry modernization project? Can the minister, through you, Madam Chair, explain why such a large portion of last year's IT capital budget went unspent? What specific projects were delayed or scaled back?

This year the ministry plans to essentially double the spending rate of the project, from \$44 million versus \$25 million last year, to make up ground. What has changed to give confidence that the ministry can now effectively invest this much in a single year? Please provide a breakdown of the major capital projects under this \$72 million, particularly how much is allocated to finishing the registry system overhaul and the timelines for each of these overhauls. Albertans have heard promises of new online registries for years, and they want some assurance.

Next is about \$10 million, gaming systems. The estimates show a new \$10 million capital investment under program 3.3. And the question to the minister, through you, Madam Chair, is: please clarify the purpose of this \$10 million. Is the government developing a new online gaming platform or digital system for AGLC? The business plan highlights an online gaming strategy in consultation with Indigenous partners on gaming. Is this \$10 million related to that strategy? If so, why is it not mentioned openly as a new initiative?

Health care modernization and IDs. The fiscal plan notes \$4 million over three years for the health care card modernization as part of the government's digital infrastructure. This is welcome news. Our old paper health cards are notoriously outdated. However, \$4 million spread across three years is quite modest for an IT project of this scope, roughly \$1.3 million per year. What progress can Albertans expect on health card modernization in 2025-26 fiscal year and beyond? Is the plan to create a secure digital ID, a new physical card, or integration of both? And given the small budget, is the ministry doing it in-house or procuring an external solution, and if the procurement is coming from an external solution, how can Albertans trust the process as there have been already lots of questions about the procurements? If \$4 million is truly sufficient, why did it take this long to come up with this upgrading? We want to ensure that the various arms of IT government are working together so that Albertans might one day have a convenient, secure, unified digital ID for health, driving, and other services rather than piecemeal systems.

These are my questions, Madam Chair, so I would hope that minister goes over one by one. Last one is also that, specifically, procurement services is being cut from \$15 million to \$12 million, a hefty 22 per cent reduction. FOIP and King's Printer are slightly reduced as well.

These are the questions that the minister might answer.

The Chair: Thank you so much, Member.

We'll move over to the minister for his response.

Mr. Nally: Thank you. You didn't mention anything about last time, so I'm going to assume you're okay with the answers.

I do just want to touch on one quickly from the last time, and then I'll go to what you've given me now because I think I have the time, and that was just on the cost of land titles. I won't get into the pennies. The land title levy that we brought in: on a \$400,000 mortgage it'd be about \$450 more than it would be today, so it roughly doubled from about \$450 to \$900. That's on a \$400,000 mortgage. That same mortgage would be \$2,000 in Saskatchewan, it would be \$5,000 in Ontario, and – are you ready for this? – it'd be \$6,000 in B.C. So when I say that our land title is a light touch, it is an absolute light touch. It is going to allow us to modernize

land titles so we have full automation. I would like to point out that AREA actually was supportive of our initiative. They saw the pain first-hand of a four-and-a-half month backlog in land titles, and their position to their members was: look, this is a light touch that gets us through modernization of land titles, which is good news for everybody.

You brought up the capital investments. We saw a reduction. This wasn't about not being able to spend it. You know, we reprofiled it. The challenge that we have is that we have multiyear initiatives, particularly with registries. It's a multiyear initiative on not just land titles, but it's motor vehicles; it's all registries. It's \$160 million. Unfortunately, it's hard to plan it around our 12-month fiscal cycle. When we're doing this planning, we plan it around budgets as best we can, but we have to have a bit of an agile approach and adapt the work plan as we go, and that's what you're seeing here.

This was not about going over budget. This was not about any issues other than we simply reprofiled some of that money into this year so we can do that work now. I'm happy to say that it is currently on time, and we are confident that we're going to deliver this budget on time and on budget. So we're very excited about that.

You asked about the iGaming research policy. It wasn't a reduction. We had an extra million dollars that was in there last year for an AGLC review, so we used that money on the AGLC review. We're going to continue to do that review, but we're going to do it from within in-house now. So it wasn't a reduction; it was just that we completed that initiative.

You also asked about the online gaming strategy. Now, this a potentially sensitive one. I want to be very clear. When we launch this, when we go live – and I'm going to say this to the *Edmonton Journal*. I do not want the front page of the *Edmonton Journal* to be, "Alberta government brings online gambling to Alberta," because that is the wrong headline. The headline should be: Alberta government makes online gambling safer. I want to be clear. Gambling will never be safe, but there are ways to make it safer. There are ways to make it more responsible.

Right now online gambling is alive and well. I don't know if you like to make the odd sports bet on the Oilers or not. If you wanted to, you could within five minutes open up an account and be placing bets. There are a few different options; one is PlayAlberta. If you do want to make a sports bet, I would encourage you to go to PlayAlberta because it is the only legal site in Alberta right now. I know for a fact it has more player safety than any other of the sites out there currently.

There are a bunch of other sites out there. Some of them – I will use the word "repugnant," because even when people quit, when they indicate, "I have a behavioural gambling problem, and I don't want to play anymore," they will continue to market to them. Those are companies that will never be regulated. Those are not ones that we want to be successful.

There are other companies that want to join a regulated marketplace, where they're regulated, where they have social responsibility. It's a chance for government to capture some of the revenue. Right now those online gambling companies are cannibalizing our land-based casinos. They're cannibalizing our First Nations from Indigenous funds that they get from land-based casinos on First Nations. We're seeing that cannibalization. I want to be clear. It's happening. So us developing a strategy to capture some of that revenue will help go towards some of that cannibalization that we are experiencing.

7:50

Now, some Albertans have seen what they've done in Ontario. Ontario has done a good job. Ontario has an open and free market

for online gaming. Anybody that wants to join their market, as long as they have responsible gaming tools at their disposal – there are certain guidelines – then they can be part of it. That's the model that we're taking a close look at. We think it is the best model for Albertans, because ultimately we have a fiduciary responsibility to put the safety of Albertans first.

I think that that type of approach works because we get to dictate the social responsibility tools. I had a conversation with my cabinet colleagues, and I told them that there is no light between us when it comes to helping an Albertan who has experienced gambling-related problems; we need to be able to get them help, we need to be able to do it quickly, and there should be no cost to the Albertan for doing that. We know there's going to be a small percentage of people that are negatively impacted by this, so we're going to have those supports in place that will take care of Albertans.

One of those is based on a system-wide self-exclusion. I mentioned the repugnant operators; you know, you could literally quit their system and they continue to e-mail you. I've heard horror stories of the hosts phoning, trying to get them back on. It's repugnant. We are going to have a system-wide self-exclusion. I'm going to oversimplify it, but you're going to push a button, and you will self-exclude from every legal, regulated online gambling site in Alberta; that includes land-based casinos. It'll be a prescribed amount of time that you agree to, so it could be permanent, could be six months, could be a year. It's whenever you decide. There will be no contact between those iGaming companies and the Albertan that has self-excluded.

I'm very excited about that. It's the right thing to do and not for nothing. I spoke to someone who was on Play Alberta – Play Alberta has a self-exclusion tool right now – and they self-excluded, and they got a phone call. First they got an e-mail, and then they got a phone call the next day from a counsellor who said: I saw that you self-excluded from the site, that you're not gambling anymore, and I want to congratulate you for that decision. And then they offered them any supports: did you need any resources? That particular individual did not, but when I heard that story, that made me feel proud, and I thought: that's the kind of self-exclusion that I want to be part of. That's what we mean when we say social responsibility, and that's what we want to have in place.

The commitment that I have given my colleagues is that system-wide self-exclusion will be in place within the first 30 days if not day 1. That's how important this is, so we're making that commitment.

Health care modernization. You were spending 3.3 – oh, sorry. Also, system-wide self-exclusion and AML, anti money laundering. There are strict requirements on reporting, so we need to invest in some technology to allow for that AML. In Ontario it's happening manually. We've committed to the operators that we want to make it a little slicker, a little more efficient than that, so we want to have an automated process.

On the modernization of health care cards, we're working with TI on that. We have heard from Albertans loud and clear that they have too many cards in their wallet and they want less. We can't put everything on the driver's licence, but we're going to put the health care card number on there. This is something that Albertans have told us they wanted, and we're going to do this in phases. The first phase – and I don't want to take all the thunder away from Minister Glubish, but he will be making an announcement very shortly about a verified account that will have access to your online Alberta health care card number. That'll be happening. He'll have that announcement in the near future. Then in 2026: I don't have a date yet, but that's when we will be going live with the driver's licence and the health care number on it. That's something that we're very excited about.

There was some mention of category management as well. This is something that we're particularly proud of. It's part of the capital investment that we're making on the procurement side. We know that out of 24 ministries, they all – I'm simplifying the example – buy pens. Every ministry needs pens. So we go out, and we have 24 contracts to buy pens. Category management lumps this together, so we don't need 24 contracts for pens; we can have one contract for pens. Hey, maybe there are going to be two contracts: one blue, one red. The point is that we're going to bring all these contracts together under one umbrella. It's going to allow us to realize some of the economies of scale so that we're getting a better deal for Albertans. We're getting a better deal for Albertans and a better purchasing experience for all the different ministries.

So that's that category management. We are rolling that out live in the very near future. We've got about, I think, seven modules that we've identified that we are rolling out, but we're going to have more to say in the very near future on category management, because it's going to save Albertans some significant money.

The Chair: Thank you so much, Minister.

We'll move back to the Official Opposition for their questions.

Member Brar: Thank you, Madam Chair, and once again I would like to thank the minister for his answers. I would like to go over another set of questions, and I think I'll start with the \$10 million part, that the government estimates show a new \$10 million capital investment under program 3.3. It would be nice if the minister can, through you, Madam Chair, talk specifically about that \$10 million and where that will be spent, how that will be spent, and how that will make life easier for Albertans.

I'm glad that the minister mentioned something that the Alberta government is looking around the Ontario model when it comes to gaming. We need to understand, Madam Chair, that gaming and gambling is a health care issue. In 2018 Statistics Canada estimated that 1.1 per cent of Ontarians experienced problem gambling. This is the data from 2018. However, Ontario became the first province in Canada to regulate online gambling and sports in 2022, and after that things have significantly changed. A recent study, which is still awaiting peer review by some of the article authors, found that rate closer to 9 per cent just before the launch of this. The study done in December of 2024: there is a report that came out by Mental Health Research Canada, and the report says that 11 per cent of Ontarians are suffering from this issue. It is important that the minister needs to look into this, that online gaming can be a problem, especially during this time of affordability crisis in Alberta.

At one point the minister also mentioned that \$1 million was allocated to AGLC. I think he misunderstood when I said that it was cut. I didn't say it was cut. I think that was a miscommunication.

Anyways, moving on to the next part, which is the procurement part. I would like to refocus on that. The ministry has claimed it found ongoing savings in shared services, about \$1 million. I think the minister was referring to this. Specifically, the procurement services program, 4.1, has been cut from \$15 million to \$12 million, a 22 per cent reduction, as I mentioned earlier. FOIP and King's Printer: a slight reduction as well. This government also introduced legislation that the government would improve the FOIP services. However, these cuts in the budgets paint a completely different story.

Through you, Madam Chair, can the minister detail where these services' optimization savings are coming from? Are they eliminating positions, cancelling or renegotiating vendor contracts, or deferring certain activities? While efficiency is good, a cut of over \$3.5 million in procurement raises concerns, and it would be counterproductive if underresourcing the procurement team led to

slower or less rigorous procurement processes for these IT projects, potentially causing delays or high costs over the long term.

I also say this bearing in mind some of the ongoing issues this government is facing regarding procurement, like with the ongoing corrupt care scandal. For example, I wonder if Rubicon Strategy, the new workplace for Marshall Smith, might have a stake in the \$12.3 million budget for the procurement services.

Mr. Singh: Point of order.

The Chair: A point of order has been called.
Please proceed, Member.

Mr. Singh: Thank you, Madam Chair. The point of order is under Standing Order 23(b), the member “speaks to matters other than the question under discussion.” The committee has convened for the purpose of considering the ministry’s ’25-26 budget, including estimates, fiscal plan, and business plan. The matter that was mentioned by the member is outside of the topic at the hand of the committee today, Madam Chair, making it a point of order, Standing Order 23(b), and warranting the member to be called to order. The issue on the procurement mentioned by the member is not related to the matter that has been under consideration by the committee. That is why this is a point of order under section 23(b).

Thank you, Madam Chair.

8:00

The Chair: Please proceed.

Ms Sweet: Thank you, Madam Chair. Just to clarify, I believe this is a matter of debate. The member specifically was speaking to procurement services found in program 4.1, which is a cut from \$15.91 million to \$12.34 million, and it is found in the 2025-26 government estimates, which was introduced and is the piece that the current member is speaking to. I appreciate that the government doesn’t want to speak about procurements and who’s being able to access those procurement services; however, it is within scope. Again, it’s in program 4.1, within government estimates.

The Chair: All right. At this moment I will not see this as a point of order. However, I do want to offer a word of caution that inflammatory language or inflammatory phrases we’re going to try to avoid and really keep this focused as a business meeting so that we can ask the questions. It’s a privilege for us all to be sitting here at this table. Albertans really want to know the answers to the questions that you have, so if we could stay focused on that and really focus on these documents. I’m sure you’ve all read them, the main estimates and, you know, all these other documents. I mean, there’s so much. The government spent a lot of time focusing on these documents. If we could focus on these in asking our questions, I think that will be our very best approach.

Please proceed, Member.

Member Brar: Thank you, Madam Chair. I would like to continue with the procurement issues. There are many risks that cutting budgets in a shared service strategy could impact front-line delivery indirectly; for example, slower hiring processing of support to the other departments. Has the ministry done a risk assessment to ensure that these internal cuts won’t undermine the very IT projects and digital transformations we are investing in? Basically, how will the ministry maintain capacity in the back office to implement an ambitious infrastructure agenda after these cuts? We need reassurance that saving \$1 million here and there doesn’t cost us \$5 million due to the inefficiencies or errors in project execution.

Project management and delivery is another area where I would like to ask the question. With \$72 million in new IT capital spending authorized this year and multiple projects on the go, how is the ministry ensuring proper oversight and delivery on time and on budget? In the past Albertans have seen IT projects go into trouble for so many different reasons. What governance is in place for these projects? Are there third-party quality assurances or progress reports being produced? Through you, Madam Chair, will the minister commit to providing regular updates on the status of major IT initiatives, perhaps publicly or in the Assembly, including any changes to scope, costs, or timeline? Given that last year’s underspend suggests not everything went as planned, it is important we have transparency this year as to whether these complex undertakings are succeeding.

The next part is the important part of this ministry, which is the red tape reduction. The inclusion of red tape reduction in this ministry’s title is meant to signal the government’s commitment to cutting unnecessary regulatory burden and speeding up approvals. In practice the red tape reduction is a small unit, which is a \$1.7 million line item in the budget for ’25-26, but it is supposed to influence the entire government. The business plan for Service Alberta and Red Tape Reduction cites goals like reducing approval times for permits and related activities and touts the performance metrics for percentage reduction in red tape. On paper, Madam Chair, this sounds really good. However, Albertans have reason to question whether the rhetoric matches reality.

Over the past year some government actions have seemingly increased red tape or created new regulatory hurdles, undermining the progress claimed. For instance, the government’s sudden decision in 2023 to put a six-month moratorium on renewable energy project approvals introduced significant regulatory uncertainty. One could argue that it added a thick layer of red tape by pausing the entire industry’s approval process overnight. That decision announced in August wasn’t explicitly a service Alberta initiative, and I get that, but it absolutely relates to the broader red tape reduction agenda. This raises an important and significant question: does the red tape reduction ministry get a say when other ministries propose policies that obviously increase the red tape or slow down approvals? The business plan’s fine print suggests that they could be focusing on exactly those crossgovernmental approval times.

Moreover, the government is simultaneously introducing new fees and requirements like the EV tax that we discussed; land titles levy, which is another tax; paperwork for extra fees, which could be seen as more red tape for businesses and individuals. A small business, for instance, now faces higher registry fees. The budget includes a 30 per cent increase to certain licensing fees for businesses and charities and a 3 per cent increase to the corporate registry fee. Each fee increase often comes with additional forms or processes. It’s contradictory to claim a war on red tape while nickel and diming businesses with new costs and administrative hoops to jump through.

We also note that the red tape reduction portfolio often speaks about an overall count for percentage of regulatory requirements eliminated. The government likes to say, “We cut X thousands of regulations,” but without context that number is not very meaningful, Madam Chair. Are these genuinely burdensome regulations affecting the public or just cleaned-up old laws that were defunct anyway?

Meanwhile areas that truly frustrate entrepreneurs like complex permit procedures, lengthy wait times for approvals, or unpredictable rule changes might not be captured in a simple count of regulations. The business plan’s metric of percentage of cumulative red tape reduced is also somewhat opaque. How is that

measured? If one ministry adds up rules and the other subtracts some, how do we get the net percentage? We suspect that the minister's metric might not account for new red tape introduced, which conveniently allows them to claim progress even if at certain sectors things have gotten worse.

Madam Chair, these are my questions on red tape, and there are certainly more questions which I will continue in the next set. I will hand this over to minister for the answers.

The Chair: Thank you so much, Member.

We'll move over to the minister for his response.

Mr. Nally: Okay. Well, thank you. There is definitely a lot to unpack there, so I'm going to bounce around a little bit. I've got some Post-it Notes all over here.

On the reg mod and the IT projects, because you were asking about the accountability, we provide biannual reports to Treasury Board on that. We stood up project delivery teams that are intended to ensure that the work is moving forward on time and on budget. So we're comfortable with that.

I'm going to back up now to the iGaming because that's where we started, the \$10 million. The \$10 million is going to be for centralized self-exclusion and AML. Now, this is hugely important because – and I tried to emphasize that last time – the commitment that I have given my colleagues is the importance of social responsibility.

Listen, I have four children, and I know one of them in particular is probably going to make some sports bets when he's older because he's just got that kind of personality. I'm going to encourage him not to, but if he does, I want him to go to a regulated site, and I want it to be one that has centralized self-exclusion so that if he gets in trouble, he's going to push one button, and that will exclude him from all the online gambling sites; it'll exclude him from the land-based casinos. For me this is the must-have, and I've given my commitment to my colleagues that it's absolutely going to have that.

This is a big deal, by the way. Ontario recognizes the importance of it, and Ontario has done a great job. They have led the way in this space in making things safer. But, to be clear, they didn't have centralized self-exclusion in place, and they're working now to play catch-up. We're going to go live with it either within 30 days if not day 1 is what I'm saying to my colleagues. It's just because it's that important.

On the AML, this is something that we have no wiggle room on. There are anti money laundering requirements that we have to meet.

Do I get a time on there?

8:10

The Chair: Four minutes and 48 seconds.

Mr. Nally: Oh, sorry. Okay.

We have no wiggle room on the AML. In Ontario it's being done manually, and we're going to automate it. Really, we want it to be as efficient as possible. They have people that that's all they're doing, entering data manually when there are much faster ways to do it. We're going to invest a few dollars to automate the process and to do it right. The operators are very excited about that.

On the procurement you referenced the cutting of the budget. I want to be clear. There are no cuts here. On the procurement we're particularly investing in category management. It is a multiyear project. It is on time, and it's on budget. Last year we spent \$11.7 million on it. This year we're going to spend \$8 million. That's not a cut; that's how much we budgeted. We budgeted \$8 million for this year. I would say that it's on plan and on time and it's going to

continue to be on budget and on time. It's something that we're particularly excited about.

You know, I don't think we have time to go through the eight categories that we've identified, but this is exciting, for a government to embrace category management, because it's essentially going to meet the definition of better, faster, cheaper, and it's going to be good news.

Now I'm going to move quickly to my favourite conversation, which is red tape reduction. You know, red tape reduction is a funny thing. It has cactus elegance because it's the kind of thing that, you know, you like what you see but nobody wants to touch it when they see it for the first time because they don't know what to say. This is what happened in 2019 when we introduced it. People were shocked. Red tape reduction. Now we're getting that same feedback on automatic yes. I've got to say that there is some exciting stuff happening in this space.

I'm going to try to answer some of your questions. We have an annual report on red tape reduction. We put in a red tape reduction amendments last year into the Red Tape Reduction Act which basically says: no net new. It essentially looks like this. If we're above 33 per cent, then we're going to have no net new and then ministries will have two years to bring out the requisite number of amendments that they brought in. You bring in new programs, you have two years to bring out the commensurate amount of red tape to reflect that. They'll have two years to do that.

Now, if we dip below 33 per cent – and we're above 34 right now – it is an all hands on deck. That's a high-water mark that we just don't want to go below because that's the number that we set, the 33 per cent reduction. If it goes below, it's all hands on deck to cut the requisite amount of red tape.

Now, in terms of the permit database, this is something we're very excited about. This was a huge initiative to get a database of all the permits in government. Everybody wants to know the answer to the question. There are 17 departments in government that have permits, and there are 490 permits in government today. We've created a database. Just by creating the database, we decreased the time of approvals on 20 per cent of those permits. We didn't do anything different other than creating a database. We shined a light on it, and 20 per cent of the permits started getting approved quicker. We thought: wow. I mean, this is already – we didn't expect to see that kind of early progress. It was great news.

We are now moving towards automatic yes, and the ministers are doing that heavy lifting. Here are the Coles Notes because I'm not going to have time to go into a lot of detail. Ministers are going through those 490 permits, and they're dividing them into one of three categories. The first two categories are code of practice and permit by rule. These are for our routine permits, and we're basically going to replace the permits. We're getting rid of the permit entirely, and we're replacing it either with a checklist or some kind of notification to government. Once you fulfill those requirements, then you can break ground. The last category is shot clock, and these are for the more complex permits.

By the way, nobody is getting laid off. If people were involved in the routine permits that we got rid of, we're moving them over to work on the complex permits. Every permit is going to have a different time frame associated with it. Let's go with 90 days. If we say that a permit should be approved within 90 days, if the proponent has not heard yes or no within 90 days, it's deemed approved. There are jurisdictions that have played around with code of practice, they've played around with shot clock, and they've played around with permit by rule.

Nobody has done what we have done, which is all of it. We are going to be an outlier at the forefront of permit approvals, and it's going to light an already hot economy on fire.

The Chair: All right. Member Lundy, would you mind having a seat and introducing yourself? Member Lundy has joined us from the government side, so I'll give him a moment to introduce himself.

Mr. Lundy: Thank you, Madam Chair. Brandon Lundy, MLA for Leduc-Beaumont. Good evening, everyone. I look forward to the rest of the meeting.

The Chair: Thank you so much, Member.

Now, I just want to check in on everyone's energy level to see how you're doing and if you'd like to take a break now or if you'd like to wait until after the government section. Minister, how are you feeling?

Mr. Nally: My throat, my mouth is getting really dry from all this talking.

The Chair: Do you want to have a break?

Mr. Nally: Could we do a break?

The Chair: Yeah. Let's have five minutes, everyone.

[The committee adjourned from 8:16 p.m. to 8:21 p.m.]

The Chair: All right, everyone.

We're going to move now over to the government caucus for 20 minutes of questions from the members. Would you like to combine your time or share with the minister?

Mr. McDougall: Share.

The Chair: All right. Minister, what's your preference?

Mr. Nally: Dealer's choice. What do they say? Share? Let's do it.

The Chair: All right. The block of shared time is 20 minutes, during which time you may go back and forth with questions, comments, and responses. However, neither participant may speak for longer than 10 minutes at a time. Please go ahead.

Mr. McDougall: Thank you very much. Key objective 4.2, on page 155 of the business plan, highlights your department's efforts to modernize procurement practices. Outcome 4, on page 155 of the business plan, aims at ensuring government of Alberta corporate services are efficient, cost-effective, and support partner ministries to meet the needs of Albertans. Modernizing procuring practices, per key objective 4.2, is aimed to create better value for Albertans and make it easier for suppliers to do business with the province. I don't know if perhaps you were going to deal with this when we didn't have enough time when we talked about it, but could the minister, through the chair, provide an update on the progress of this initiative and share some specific examples of the benefits that have been realized?

Mr. Nally: Sure. Thank you. Thank you for that question. Yeah. This is something that we're very excited about. It's a multiyear project to modernize procurement, and that's to roll out category management. You know, I use the very simple example of pens – right? – just to make it easy. We've actually identified eight procurement categories that are already under way. Those are contingent resources, which includes a centralized approach to short-term temporary staffing needs, cafeteria and vending services, aircraft fleet, IT consulting, IT-managed services, furnishings, fleet management services, and marketing services.

Those are pretty significant categories for procurement at the government of Alberta. That's going to allow us an opportunity to realize real savings for Albertans in our procurement. Big companies are already doing category management, and other jurisdictions are doing category management, so let's be clear. We're just playing catch-up. We're late to the game, but we're playing catch-up. We're going to get it done. We're going to get it done right. It's going to create some value for Albertans. We're already starting to see it with those categories.

Also, category management allows us to better engage with vendors by allowing businesses of all sizes to participate more easily in bidding for government contracts. This is important to me because before I got elected and I was telling some friends that I was going to do this, that was one of the comments from one of my buddies: procurement sucks at the government. That's what he said. We had a procurement approach back then that keeps out newer companies. If you don't have, you know, those contacts, if you don't have those networks, it's harder to break in was the point that he was trying to make. So with category management we're going to try to open up those lines of communication and make it easier for not just smaller companies but newer companies to be able to access procurement of the government of Alberta.

We also established a procurement council through two long-standing construction committees to provide a forum for ongoing communication between government and the construction centre. Listen, you want to talk complex procurement? It's construction, right? You know, it takes two years to build some of these projects. We started this procurement council so that we could open up lines of communication with vendors to learn from them. What's working? What's not best practices? That type of thing.

Also, an enterprise-wide vendor engagement program is also being implemented to engage with businesses who supply goods, consulting, and construction services, so I'm confident that Albertans are already seeing the benefits of category management, and that will just continue as we move forward down this path.

Mr. McDougall: Thank you.

Outcome 1 on page 153 of the business plan document is about ensuring Albertans have access to affordable and user-friendly registry services in a timely and effective manner. Under the initiatives supporting key objectives heading the document shows that \$62.4 million is being allocated to maintain modernized land title services – and we talked about that earlier – motor vehicles, and other registry systems to ensure that Albertans are receiving timely and efficient services and wait times are within acceptable service levels. With shifts such as the condominium dispute resolution tribunal and changes in land titles and motor vehicles funding, how is the ministry prioritizing these investments amid rising demand of modernization, and what benefits should Albertans suspect by the end of 2026?

Mr. Nally: Thank you for that question. In terms of the condominium dispute resolution tribunal, land titles, and motor vehicles, to prioritize these investments has been a priority of our government. I'll talk about the condominium dispute resolution tribunal. That's one that we haven't spent a lot of time talking about, but that's one that is very important to Albertans.

I didn't know this. Minister Glubish educated me, but I think it's just a little over a million Albertans that live in condos, and they don't have access to, well, any type of resolution if they have a problem with their corporation, so their only avenue is to go to court. Anybody who has gone to court knows that it's both expensive and time consuming, so what happens is they end up not utilizing the process.

We have been hearing that we need a condominium dispute resolution tribunal, and we're putting that in. We've agreed to fund it for the first year, and that's what you're seeing reflected in there. We're going to fund it, and then there's going to be a per-door cost so that it ends up becoming self-funded as it gets under way. This is something that will be well received. In fact, we've engaged significantly on this, and the industry, both the owners as well as the condominium groups and associations, are very excited about this.

Let's see. We've allocated \$2.5 million for staffing and essential services, ensuring condominium owners and boards have access to mediation and adjudication resources when needed. We're actively working on designing and implementing the tribunal, including developing an ICT system that will support its operations. By the end of this year we will have final recommendations on the types of disputes the tribunal will handle, and I look forward to sharing key details later this year. We're very excited about this one.

In terms of motor vehicles and land titles we are modernizing Alberta's aging registry system to meet the needs of a growing population by making the services faster and more user friendly. Our registry modernization project has already recorded a number of successes to date. The one that I've already articulated is ARLO. This is the new land title system, and I encourage everyone around this table – regardless of your political affiliation, you have realtors in your riding. Ask them what they think. Ask them if they've used ARLO. By the way, I've actually met some that haven't tried it yet. They don't know about it, and they're still on the old system. Ask them about ARLO. If they don't know about it, tell them about it. It's 24/7. They can access land titles in the evening. They could access it on weekends, Sundays. They can access it when they need it. This is an absolute game changer for real estate agents, so we're quite excited about that.

We also launched the driver's licence history report last July, which has improved access to driver records by automating the process of obtaining a summary of an individual's driving history. We also launched the electronic medical death information portal last October, which allows health care providers to electronically report deaths directly to the government, reducing the time and paperwork involved in registering a death in Alberta.

I am pleased to say that more improvements are coming. By 2028 Albertans can expect some major improvements, including a full replacement of the land titles and motor vehicle system as well as upgrades to corporate, personal property, and vital statistics registries. By modernizing or replacing these services, we will ensure that Albertans continue to have access to high-quality registry services and that we are able to keep pace with changing technology and a growing population.

8:30

Mr. McDougall: Thank you very much for that. A bit of a change of pace. Looking at the fiscal plan document, page 53 of the fiscal plan shows a net \$21 million increase in revenue for the Alberta Gaming, Liquor and Cannabis Commission, the Credit Union Deposit Guarantee, and ATB Financial. I also know there's been a recent change in Albert's liquor markup system, and I would like to focus this question on this topic. Could the minister explain how recent changes in Alberta's liquor markup system contributed to that equation for '25-26?

Mr. Nally: Yeah, I would love to. I've got to tell you that I've been on the phone since last week talking about it. We have heard loud and clear from stakeholders that we don't have a fair or equitable

system of markup. We have a situation where we have a small craft brewer markup, which is designed to incent small craft brewers to get into the industry. It's worked very well, but it has a cliff in the markup. There's this incentive or the subsidy that goes along for the small craft brewers. Once they hit the cliff, then the markup shoots up like a rocket. Literally, we've heard stories of brewers and distillers that have said: we're going to stop producing; we don't want to go over the cliff because we'll lose money next year. I mean, we can't have that kind of lack of incentive in the market. We heard that loud and clear.

We also heard that companies were not investing. We were subsidizing companies that were doing up to 400,000 hectolitres of beer. Quite frankly, 400,000 hectolitres is a lot of beer, and if you're producing anywhere near 400,000 hectolitres, you're no longer a small craft brewer. So we made some tough decisions, and we said that we're going to stop subsidizing big beer. We're going to create a bit of equilibrium between the markup – so spirits and wine and RTDs – and have alcohol equivalency. We didn't have alcohol equivalency on the beer just yet because the gap was too great, but we made it a little bit closer. We got rid of the cliff, and we replaced the cliff with something that I like to refer to as a gentle walk up a hill. This gentle walk up the hill on markup has given an incentive to the brewers to grow.

We launched it last Thursday, and I dare say that it is being embraced by industry. We have received tremendous support. Beer Canada is very behind it, and it meant a lot to get their stamp of approval because they represent small, medium, and large brewers. In fact, Beer Canada is actually chaired by Moosehead. With the changes we made, Moosehead actually lost their subsidy under the new markup, but they still supported it because it's good for the industry and it's going to allow them to invest in other – it's going to benefit the whole industry. We've received nothing but accolades.

You know, there weren't a lot of puts and takes on the revenue. I mean, some went up a little bit; some went down a little bit. You may have heard that we brought in an ad valorem tax, which has, of course, not been reported correctly, for the first time on wine. This is just a light tax on more expensive wines. Unfortunately, it's not being – people are reporting that it's as high as 15 per cent on the cost of the wine, and that's not true. It's actually that if it's a higher cost wine, it could be 5, 10, or 15 per cent of the markup, not of the cost of the wine. On a \$25 bottle of wine it's a 40-cent increase, so it's a light touch. In fact, it only impacts 16 per cent of wines sold in this province.

But, like I said, there are some examples of some wines that have gone up. Some RTDs have gone down. Much has stayed the same. When you see it on the revenue forecast, I think it was just over a \$20 million increase, with all the puts and takes on the markup.

Yeah, I think that answered the question.

Mr. McDougall: Thank you very much. I'll cede the rest of my time to the MLA for Calgary-North East.

The Chair: We can say names here.

Mr. McDougall: What's that?

The Chair: We can say names here.

Mr. McDougall: Okay.

The Chair: So to Member Singh, right?

Mr. McDougall: What's that?

The Chair: To Member Singh?

Mr. McDougall: Yes, please.

The Chair: Okay.

Please proceed, Member.

Mr. Singh: Thank you, Madam Chair, and good evening, Minister. I appreciate you coming here tonight, and I also want to express my appreciation on the work you are doing in the ministry, having a strategic role within government, supporting the efficient and organized delivery of programs, services, and information.

Through the chair, my questions are on the residential tenancy dispute resolution service. Performance measure 3(b) on page 155 of the business plan focuses on the turnaround time for tenancy dispute resolution. We have all read the news about Ontario tenants remaining in a rental unit while not paying any rent or demanding the landlord pay them to leave because the tenant knows the landlord will not be able to obtain an eviction order for many months. Obviously, in these cases timely processes are critical. How does Alberta compare, especially in terms of wait times for hearings and orders from the residential tenancy dispute resolution service?

Mr. Nally: Thank you, MLA Singh. In terms of how Alberta performs, we punch above our weight class on this one. To start at the beginning, when it comes to landlord-tenant disputes, they need to be resolved quickly, and they need to be resolved fairly. That's why we have the residential tenancy dispute resolution service, which provides an efficient alternative to the court system, saving time and money for both landlords and tenants.

Now, this fiscal year, the residential tenancy dispute resolution service is on track to receive over 15,000 applications, reflecting the demand for a fast and accessible dispute resolution process. The key measure of success for this service is the time that it takes from when a termination application is filed to when the hearing takes place. On average these hearings happen within 15 days or fewer, a target we are consistently meeting or exceeding. Decisions are issued immediately at the end of the hearing, meaning landlords and tenants don't have to wait for written decisions to move forward. Even when there are some cases with multiple hearings or a reserved decision to find resolution, a written order is usually issued within 30 days.

You asked about how we compare to other provinces. We're getting it done in 15 days or fewer, compared to in Ontario where tenants and landlords can wait 25 weeks, over six months, for a hearing and then another 60 days for a decision. In British Columbia wait times are over four weeks, and in Quebec it's six to eight weeks.

By maintaining a fast, fair, and accessible dispute resolution service, Alberta is ensuring that both landlords and tenants get the timely support they need, preventing the kinds of delays and challenges that we're seeing in other jurisdictions.

Mr. Singh: Thank you, Minister, for the answer. Through the chair, my next question is on streamlined procurement processes, category management approach. I see on page 155 of the business plan document that key objective 4.2 is focused on modernizing "government's approach to procurement to create better value for Albertans and make it easier for suppliers to do business with the province." Under initiatives supporting key objectives I read that "\$8.0 million is allocated to streamline procurement processes using a category management approach." Could the minister please provide context to this committee and those who may be watching these proceedings about what constitutes a category management

approach and how this approach is different from the previous method?

Mr. Nally: Thank you, MLA Singh. The answer is that it's streamlined and it's efficient. We introduced category management as a modernized approach to procuring common goods and services across the organization aimed at enhancing efficiency and delivering timely, cost-effective service to Albertans, or what I like to refer to as better, faster, cheaper. Now, this approach differs from traditional, fragmented procurement approaches and, instead, allows the government to purchase as a single entity to leverage its collective buying power. We are in the second year of implementing category management, and so far eight categories have been initiated, with one category fully completed. Many opportunities to improve efficiency have been identified in the initial phase and will be actioned in the next few years.

For '25-26 we're focusing on aircraft fleet category. This involves establishing additional, long-term strategic aircraft rental agreements to optimize operational and financial efficiencies to fight wildfire. This includes implementing a more effective aviation fuel sourcing strategy to boost operational performance.

Mr. Singh: Thanks for the answer, Minister. How will the \$8 million allocation serve to streamline procurement processes in 2025 and 2026?

8:40

Mr. Nally: By implementing a category management approach across 22 common goods and services categories, the government is going to realize savings of \$171.5 million over five years while incurring \$66.4 million in costs over the same period. Of these costs, \$54.2 million are allocated to the department to cover implementation costs, including salaries, technology requirement, and for engaging external consulting support. The remaining \$12.2 million is for implementing special categories in construction, including Infrastructure, Transportation and Economic Corridors.

Mr. Singh: Thank you, Minister, for answering my questions. I really value the ministry's works that are committed to enhancing the delivery of services to Albertans by streamlining interactions between citizens and businesses with the government.

The Chair: Was there any other comment? We have 22 seconds left. Anybody else want to say anything? We're wrapped up? Okay.

Then I shall say that that concludes the government members' first block of questions. Now we move to the second round of questions and responses. The speaker rotation going forward will be the same as in the first round, starting with the Official Opposition, followed by members of the government caucus. However, the speaking times are now reduced to five minutes for the duration of the meeting.

We will begin this rotation with members of the Official Opposition, who will now have five minutes to ask questions and comments followed by a response from the minister, who may speak for up to five minutes. After both individuals have had an opportunity to speak once, we will then move to the next caucus in the rotation. If the member and the minister agree to share time, we will proceed with a 10-minute segment, during which neither the member nor the minister may speak for more than five minutes at a time. Members are reminded that they may not cede any unused portion of their five minutes to another member during this segment.

Member and Minister, do you wish to share your time or have block time?

Mr. Nally: I like block time.

The Chair: Block? Then block it is.

Please remember that the discussion should flow through the chair at all times regardless of whether or not the speaking time is combined. Please proceed, members.

Member Brar: Thank you, Madam Chair. I'll continue with the red tape part, where I left off earlier. Red tape reduction is a very important part, and businesses and other general Albertans need red tape to be gone. They want as smooth a process as they can see.

The business plan emphasizes red tape reduction and reducing permit approval times as government priority. However, we saw the government impose a renewable energy project moratorium, which by all accounts has created new delays, uncertainty, added red tape, and scared off billions and billions of dollars of investment from Alberta. Through you, Madam Chair: was the red tape reduction ministry consulted about this decision before it was made? If so, did it raise concerns about the obvious contradictions with the goal of fast approvals? If the minister was not consulted, what does that say about this government's commitment to its own red tape principles?

This is concrete test, Madam Chair, that permitting renewable energy projects clearly falls under approval times necessary to support growth and development, which the business plan highlights. Can the minister share any input his department provided on that policy or any analysis of how it would impact the government's red tape reduction metrics? More generally, what is the process for ensuring policy coherence, that one ministry's red tape reduction efforts aren't negated by other ministries' actions?

Alberta investors and businesses are getting mixed messages: on one hand, a red tape war room cheering a 1 per cent reduction here or there and, on the other hand, major policy moves that introduce uncertainty for all businesses. How does the red tape reduction office intervene in such cases, if at all? Small businesses have also shared the concern. Given that the UCP government's recent changes to AGLC policies have already forced multiple small businesses to close, how does the ministry justify a 300 per cent storage fee increase on small vendors while large corporations just see a 2 per cent increase?

I have received direct correspondence from a business owner in my riding who is shutting down due to these increased fees, which they describe as retroactive and abusive fees that disproportionately target small businesses, many of them owned by women, while leaving multinational corporations virtually untouched.

These changes have created a chaotic marketplace where small agents are fire-selling their products, pulling out of Alberta, declaring bankruptcy, all while AGLC and the ministry claim that it is about efficiency and red tape reduction. This policy is actively destroying small businesses in Alberta. Through you, Madam Chair, how can the government, the minister claim to support small entrepreneurs while AGLC has a tool to extract revenue rather than support those small businesses? And how does this budget of 2025-26 further try to help those small businesses instead of creating an unfair environment?

Madam Chair, measuring red tape is another issue. The government often says that a percentage or count of regulatory requirements has been eliminated from here and there. The performance measure in the business plan is the percentage of red tape reduced; we need clarity on this metric. How is it calculated? I know the minister touched on it a little bit, but it would be nice if it can be elaborated a little bit. I'm still trying to understand that. For instance, if a hundred old requirements are scrapped out but 20 new ones are added in another policy, is the net reduction 80? Is this how it works? Does the metric account for the impact of regulations or

just raw numbers? Not all regulations are equal; eliminating 10 minor might be offset by adding one major new process that is very burdensome, yet a simple count would still show that we cut nine more than we added. It would be nice if we can focus on the quality of those rather than just the quantity.

These are the few questions that I have on red tape, so it would be nice if I could get some detailed answers on that.

Mr. Nally: Yeah. Thank you for that. In terms of the renewable energy projects, I'll take you back to 2019, when we put forward the Red Tape Reduction Act and we actually defined what red tape is. Let's remember: I have four children, I hope to someday have grandchildren, and I want them to enjoy the same clean air and the same clean water that I've come to enjoy. So we're not against all regulation. We're just against duplicate regulation and unnecessary regulation, and that's how we define red tape. If it's duplicate or if it's unnecessary, then it's red tape. We're not against every single regulation. We just want it to be efficient, and we want it to be a light touch, and we want it to be accountable.

In terms of the renewable energy projects and the pause, I mean, like I said, it was a very necessary thing that the minister had to do because, quite frankly, there was a tsunami of renewable energy projects coming to this province, and it had to be managed. We were not in a position to receive all those projects all at once without massive investments in transmission, so the minister did that pause so that he could do that heavy lifting to manage that process, and I think he landed in a good place. But certainly no red tape there for the most part.

In terms of competing departments, I mean, I would say the same thing. At the end of the day, red tape is duplicate and unnecessary regulation. It's not all regulation.

Now, in terms of AGLC, I'm glad you brought them up. I've got the CEO behind me, Kandice Machado, and I would like to recognize the phenomenal job that they have done on reducing red tape. They have reduced red tape over 50 per cent. They have absolutely embraced having a culture of red tape reduction, but they didn't stop there. They went after the rules, because we heard from a lot of charities that there were a lot of rules in charitable gaming. In fact, I personally heard from a group of seniors. There was an incident at a seniors centre with the AGLC and some seniors playing cribbage. I was going down there, so I said: I'll be happy to go in and meet with them. I thought I was going in to meet with five directors of the seniors centre, and I walked into a room of a hundred angry seniors. And we listened to them. They basically said, "We don't want government interfering in our game of cribbage," and I agreed with them.

8:50

So I came back and I talked to the chair, Len, and Kandice, the CEO. They have done a phenomenal job of going through all the rules that we have around charities, and they reduced 60 per cent of the rules. They reduced 50 per cent of the red tape and 60 per cent of the rules around charitable foundations and how they use their money. It's great news.

I would like to ask Kandice to come up and talk about the storage fees since this was an operational decision made by AGLC. Kandice, if I could ask you to speak on the storage fees.

Mrs. Machado: Thank you, Minister. Madam Chair, again, for the record, my name is Kandice Machado, CEO of Alberta Gaming, Liquor and Cannabis.

Yes, we certainly took a look at efficiencies in our warehousing and distribution model for liquor, and part of that was that we had a lot of liquor SKUs. We have over 36,000 liquor SKUs in the

province of Alberta, which is a record across the country. So we looked at the efficiency and we looked specifically at SKUs that were in the warehouse for a 12-month rolling period of time. Ultimately, they're in the warehouse and they're not being sold or purchased by retailers in the province, so we did add some extra fees because of the cost of the model. We want to make sure that we're allocating fees to the appropriate activities in the warehouse and distribution centre. So it's not about red tape.

We certainly support Alberta businesses, retailers, and manufacturers of product, but we also need to make sure we have an efficient system, and products that are in there for an extended period of time aren't necessarily adding value to our current model.

Thank you for the question.

Mr. Nally: Thank you, Kandice. I appreciate you coming here today and speaking to that, and I appreciate the work your team has done on red tape reduction and reducing all those rules. You have some very happy seniors in Lethbridge.

I've got seven seconds left, so I'll cede that.

The Chair: All right. Yes. We'll go back over to the government side. Member Johnson, please proceed.

Mrs. Johnson: Thank you, and thank you, first, Minister and to all your staff who have come and joined us here this evening. Thank you for all the great work you've done, especially in the red tape reduction. I share your enthusiasm for that, and thank you for all you've done.

If I could go to the condo dispute resolution tribunal. Key objective 3.3 on page 154 of the business plan shows a continued commitment to supporting condominium communities. To that end, I understand that recent amendments to the Condominium Property Act established authority to set up a dispute resolution tribunal to assist condominium corporations and owners to resolve disputes. Through you, Madam Chair, can the minister tell this committee what progress is being made on implementing this tribunal and what we can expect to see achieved this coming fiscal year?

Mr. Nally: Well, thank you for that for that question. I appreciate that. I'm happy to talk about the condominium dispute resolution tribunal because, quite frankly, this was a significant deliverable of my ministry, and I think the team has done a phenomenal job of putting this together. We know that condominium owners and boards need a fair and efficient way to resolve disputes, and we're committed to making that happen. By the way, those million condo owners I mentioned have been asking for this since we came to government in 2019; they were asking before that. This is a significant deliverable for condo owners.

Last fall we passed amendments to the Condominium Property Act to allow for the establishment of the condominium dispute resolution tribunal. With quicker turnaround times in resolving common disputes, this tribunal will help improve governance and protect Albertans. Our goal is to provide a more accessible and affordable alternative to the regular court system for common condominium disputes.

Work is under way to develop the regulations and build the necessary technology to support tribunal operations. As part of this work, we are also engaging with stakeholders to ensure the tribunal meets the needs of both owners as well as boards. The tribunal's scope is expected to be initially focused on the most common disputes facing condominium owners, like access to documents. However, that could be expanded over time. We expect to finalize key details this year, so Albertans can expect progress very soon.

Mrs. Johnson: Great. Thanks so much for that great answer. It's good to hear. Through the chair – we're good? If I can go on to registry modernization ...

The Chair: Sorry, Member. You didn't request shared time at the beginning.

Mrs. Johnson: Yes.

The Chair: You didn't request shared time at the beginning.

Mrs. Johnson: Oh.

The Chair: So the minister just gets all the last of the time.

Now we're going over here to the Official Opposition. Shared or block time for opposition?

Mr. Nally: I didn't cede my time, though.

The Chair: It's over.

Mr. Nally: Okay.

The Chair: We think that the time is over, and going now to the Official Opposition.

Members, shared or block time?

Mr. Nally: Let's do block. It seems to be working.

The Chair: Block. Please proceed. Go ahead, please.

Member Brar: I can go ahead? Thank you.

Madam Chair, earlier while answering my questions the minister made the comment that the land titles office is currently taking 12 days to process the applications. However, I am hearing a very different story from Albertans, including the people who are in the industry. Whether they are realtors, lawyers, I'm hearing a very different story. They tell me that it takes longer than those 12 days at this point. I also looked at the website during the break, and I can see that the office is processing the applications from January 27, 2025, which means it is taking 44 days to process those applications.

The ministry generates far more money than it spends. It generates \$3.2 billion, and it spends \$203 million. This is a huge revenue generator for the government and the Treasury, and I think it is important that the minister, through you, Madam Chair, can explain why there is so much of an imbalance whereas there are so many services that can be fixed using the money that the ministry generates. Albertans can see registries and AGLC bringing billions into government revenues, yet they ask for more staff to cut wait times in these offices. I think that it would be appropriate if the minister can explain in detail: how is this budget addressing those problems? How is this budget cutting wait times, and how is this budget trying to help those Albertans in need? How do you justify raising fees on one hand while on the other hand keeping the ministry budget flat and not using those fees to improve the services that they relate to?

In the second comment the minister also mentioned that if there is less budget allocation in the next year, that doesn't mean it is a cut. Madam Chair, I just want to clarify that prior to being an MLA I have taught financial accounting at Olds College, Bow Valley College, and I'm sure that allocating fewer funds to a service in the upcoming year means a cut.

The budget for Service Alberta and Red Tape Reduction is essentially frozen at \$211.573 million operating for 2025-26, identical to last year's forecast, and projected to remain \$203

million in the out-years. According to the budget's fiscal plan, \$203 million appears to be the number after consolidations. Last year, however, the approved budget was \$216.5 million, only because horse racing had higher revenues than the actual budget need to draw up to \$211.5 million. By adopting \$211.5 million as the new base, the government effectively cut \$5 million from what it originally thought the ministry would need.

Over the next years no increases were planned, meaning that each year inflation will erode the real value of the budget. Can the minister clarify what the impact of a flat budget will be? Is the ministry expected to absorb those inflationary costs, including salaries, contracts, through unspecified efficiencies? If so, what are those efficiencies, and can they be sustained over the year? It's not transparent to just show flat numbers without an explanation because we all know that costs generally go up. For example, will the ministry be spending less on certain programs by year 3 to stay within \$203 million? Where will those reductions come from? Or is the plan to offset static government funding with higher user fees as we have seen in this budget?

A flat profile is essentially a planned cut being proposed by this government. I'd like the minister, through you, Madam Chair, to clear the intent of the ministry to manage a freeze in operational funding without diminishing service levels and to acknowledge that in real terms this is a budget cut if the budget is not going up in the next year. Budget transparency is important.

9:00

The Chair: Thank you so much, Member.

Over to the minister.

Mr. Nally: Yeah, thank you for that. I just want to clarify. I did not say that we were at 12 days at land titles. I said we will get down to 12 days. We're currently at 32 days, and we've pressed additional people into action. We've also begun a recruitment because we believe there's going to be another interest rate cut, and that's going to create additional pressures. Volumes will continue to rise. So we're just getting ahead of that. But, again, just to be clear, we're at 32 days. What I said is that we will get back down to 12 days, which is what our standard is. We'll get under that. I just wanted to be clear on that.

On the procurement side – and I should probably go back. Also, in terms of other things that we're doing in that space: I mean, we're reducing red tape. We've got reg mod, which we're implementing as well, which is going to replace the MOVES, so it's going to bring more efficiency on the motor vehicle side.

On the procurement the comment was made about – listen, I'm not sure why there's some confusion on this one. Our category management is a multiyear project, and we budgeted \$11 million last year, and we budgeted \$8 million this year. We didn't budget \$11 million and cut it down to \$3 million; we budgeted \$8 million. This is what our plan is. We are on plan, we are on schedule, and we are on budget, so there's absolutely no cut here. Things are proceeding well, and we're very optimistic about what about we're going to see.

You made a comment about a freeze is a cut. You know, I don't want to go too far down the rabbit hole, but this is an ideological conversation that you and I can have over a coffee any time. The left will always see a freeze as a cut, and we always see a freeze as a challenge. I happen to believe that we can always do things more efficiently. We can always do things better, whether it's technology, artificial intelligence, but there's always opportunities to be more efficient, so I don't accept that a freeze is always a cut.

Now, I have a little bit more time left, and I didn't get a chance to finish on the red tape reduction because we got rushed on the last one. On the 33 per cent: if we are above 33 per cent, then we have – and this is in the Red Tape Reduction Act, and it's in regulation that it's a commitment to no net new. Every department that is not currently meeting the 33 per cent has to submit action plans every year to my ministry to show how they are going to reduce by a further percentage their red tape reduction. There are a couple of ministries that have brought in some significant programs, and they've got a big job ahead of them, but they know what they have to do, and they're going to get it done. So they're required to submit action plans to get that done.

For those that are above 33 per cent, they will still contribute to the red tape reduction but obviously not at the same level of urgency if they're at 35 per cent. Now, that is when we're above 33 per cent. If, heaven forbid, we drop below 33 per cent, then it's all hands on deck. Even if the AGLC is at 50 per cent reduction, if we drop below 33 per cent, I'm going to go back to the AGLC and see what else they can do because that's just a high-water mark that we are not going to drop below.

Now, since 2019 we've actually reduced four pieces of red tape for every one that we've brought in. Our goal in the Red Tape Reduction Act last year was to create a culture of red tape reduction that will live on long past our government. We've put processes in place such as the no net new, having ministries to report out in an annual report where they are, so as governments change, these red tape reduction initiatives are carved in stone as opposed to Jell-O. It won't be easy for a future government to simply just move that to the side. The culture of red tape reduction is alive and well in Alberta, and it continues to benefit Albertans, whether it's the 60 per cent of the rules – I mean, that's just one more example of how we made life better for Albertans.

We're now extrapolating that to be more of an outcome-based approach, and we're seeing that with the permit approvals. We, in addition to cutting red tape, now want to approve permits faster than we have ever approved them before. In doing that, we are sending a message that we are a business-friendly environment, and we are the exact kind of place where you want to invest and create mortgage-paying jobs for Albertans.

The Chair: Thank you so much, Minister.

We'll move back over to the government side. Member, would you like shared or block time?

Mrs. Johnson: I would love shared, Madam Chair, if the minister is willing.

The Chair: Minister?

Mr. Nally: Dealer's choice.

The Chair: Let's proceed.

Mrs. Johnson: Hello again, Minister. I would like to go to the registry modernization. Budget 2025 reminds us of the significant investment this government is making in the modernization of our registries. In fact, on page 151 of the business plan document, the first focus of your ministry listed deals with the optimization and modernization of the delivery of registry programs and services. I have a three-part question here, and I'll give all three questions to you and let you take it from there. Would the minister explain first, through the chair, why it is important to Albertans to modernize Alberta's registry systems? Second, what outcomes will the ministry achieve for Albertans? And lastly, how can Albertans be assured we are getting good value for this investment?

Mr. Nally: Every Albertan interacts with registry services at some point, whether it's getting a driver's licence, registering a birth or a death, buying property, or updating corporate records. These are essential services that need to be efficient, secure, and reliable. Many of Alberta's registry systems were built in the 1980s and are now at the end of their useful life. These aging systems weren't designed for today's digital world, and they don't meet the expectations of modern users.

As Alberta's population grows, the demand for registry services increases. A modernized system ensures that people can access the services they need quickly and easily without unnecessary delays or inefficiencies. By investing in new technology, we're not just improving service delivery, but we're also reducing paper-based processes, increasing security, and making it easier for Albertans to interact with government services from anywhere, anytime.

I would also like to point out that one of the things that we've done is moved registry services online. We've heard from Albertans that they don't always enjoy that drive out on a Saturday afternoon to line up at the registry on their day off, so as a red tape reduction initiative we put a lot of registry services online. Now, instead of lining up at the registry office, you could register for your driver's licence in your space at your own pace. It's just one more way that we're making life better for Albertans with red tape reduction initiatives like that. We're very proud of that.

In terms of the outcomes the ministry will achieve for Albertans, our goal is to deliver better, faster, and smarter registry services to Albertans while supporting the network of registry agents that provide in-person services across the province. In the next three years we will have invested over \$160 million to fully replace or modernize Alberta's five major registry systems, which include land titles, motor vehicles, corporate registry, personal property, and vital statistics. You know, I got this approval a couple of years ago from Treasury Board. I got \$160 million from Treasury Board at a time when nobody was getting anything from Treasury Board. That's how important this investment was. Everyone around that Treasury Board table was able to see that, look, land titles does \$50 billion a year. We need to modernize it. The damage to not just our economy but our reputation if motor vehicles grinds to a halt and we can't issue new licences, the damage we would do – so everyone saw the absolute need to make those investments. This substantial investment will ensure that our systems are up to date and efficient, enabling us to serve Albertans better.

With respect to land titles, we are fully replacing our outdated and paper-based system to realize the benefits of digital and automated service delivery while ensuring we are equipped to respond to changing market conditions.

The third question was: how can Albertans be assured that we're getting good value from our money? Modernization isn't just about convenience. It's about long-term efficiency, cost savings, and maintaining public confidence in our registries. By investing in our registries now, government can respond to changes in technology, speed up processing times, and better handle large transaction volumes as our population continues to grow. This ensures that Albertans continue to receive high-quality registry services that are accurate, reliable, and secure.

9:10

Don't forget that when we did a lot of those affordability rebates, we know that some Albertans – and many of them were seniors – did not want to receive them electronically or through e-transfer, so we made the registry services available to receive those affordability payments. That is just one example of a time when they have stepped up to help deliver a service to Albertans. So I

would argue that Albertans are getting value every day from the services that registries provide.

When we look at land titles, as an example, we know this registry has been prone to backlog, so investing in modernization will prevent delays in property transactions and business registrations and personal documentation to help support our construction and real estate industries. We also expect modernization to lead to significant cost savings.

With respect to motor vehicles we expect our code-sharing agreement with Arizona to save up to \$70 million in development costs over four years. This will allow us to build on a proven motor vehicle registry system to continue to provide important and secure services to Albertans.

And more improvements are on the way. New registry services will continue to be rolled out in 2025 and beyond, ensuring ongoing improvements.

The Chair: Thank you so much, Minister.

Back to the member.

Mrs. Johnson: Thank you, Minister. I appreciate that answer. I know that when I met with registries in my constituency of Lacombe-Ponoka, they were very concerned about their 1980s program in their office, and they'll be delighted with this. Thank you for doing that.

If I could move on to another issue that also affects my constituency, it is horse racing. We have The Track on 2 in Lacombe-Ponoka area, and it's very popular and growing all the time. I know that rural Alberta is incredibly important to our provincial economy. It's hard to picture rural Alberta without thinking of horses. With that said, I'd like to turn to the 2025-26 government estimates general revenue fund document. On page 204 I'd like to bring your attention to line item 3.4, which details the horse racing and breeding renewal program. I see an increased investment in this line item at \$44,200,000. That is up from the 2024-25 budget, where it stood at \$42,850,000. Under the Horse Racing Alberta Act could the minister please explain, through the chair, what investments or policy changes are planned for 2025-26 to strengthen the horse racing sector and support our rural economies?

Mr. Nally: Thank you for that question. I can confirm that Alberta's horse racing industry is a vibrant part of Alberta's economy, particularly in our rural communities, and especially since people started watching *Yellowstone*, we see even urban people wanting to jump on horses because they've just made it so exciting, myself included. Under the Horse Racing Alberta funding agreement Horse Racing Alberta, or HRA for short, receives 50 cents of each dollar earned from slot terminals at racing entertainment centres. Budget 2025 estimates a transfer of \$44.2 million to HRA under the agreement, which is up by \$1.4 million from Budget 2024 and is based on anticipated slot revenues. In 2022 the HRA funding agreement was extended to March 31, 2031, which shows Alberta's continued support to the organization and broader industry as we continue to pursue longer term planning and investments for the industry.

Racing entertainment centres will also continue to receive an adjustment to slot revenue sharing until March 31, 2026, providing an additional 2 per cent of slot revenue for reinvestment and facility improvements. HRA's budget also includes several initiatives aimed at boosting the horse racing sector and supporting rural economies, including a significant increase in purse allocations and expansion of the breed improvement program and the continuation of incentive programs like the horse race procurement and shipping incentive program. With all of these investments the HRA is able to fill its key business priorities to facilitate the growth, integrity,

and economic contribution of the Alberta horse racing and breeding industry.

Beyond what I've already noted, HRA will also be implementing a backstretch benefits program to support the recruitment and retention of racing participants, developing web-based certification and training programs for racing participants, implementing online processing for licence applications and renewals, and exploring new racing opportunities, entertainment offerings, cross-merchandising, wagering products, revenue streams, and corporate sponsorships. I can assure everyone that I have gone to my first race last summer, and I can't believe how exciting it was. There are race tracks across this province. If you haven't had the opportunity to do it, I encourage you to do it. It's a lot of fun, and it's an important Alberta industry.

Thank you for the question.

Mrs. Johnson: You're welcome.

The Chair: All right. Thank you, members.
We'll move back now.

Mrs. Johnson: You're very welcome, Minister.

The Chair: Thank you for bringing humour to this.
Back to the Official Opposition. Shared or blocked?

Member Brar: I think blocked.

Mr. Nally: Blocked is working.

The Chair: Please proceed.

Member Brar: Thank you, Madam Chair. Fee increases for businesses is another big issue that I'm hearing from so many small businesses in my community, in my constituency, and all across Alberta wherever I visit them. The fiscal plan lists increases in various fees under the ministry's purview: licensing and registration fees for businesses and charities, 30 per cent increase; corporate registry fees, 3 per cent increase. These are significant for businesses; 30 per cent is not minor for those small businesses while they are struggling at this point. Utility bills have gone up. Their insurance costs have skyrocketed due to the inaction from the government. Homelessness has gone up, and that has also led to so many other issues in our communities. Small businesses are certainly one of those.

Were these increases subject to consultation with those small businesses? I don't recall this government actually being honest with those small-business owners or charities, saying that they were hiking those fees by 30 per cent. It appears in a table at the back of the fiscal plan. What cost or inflation justification is there for that matter? Was there an attempt to align it with service improvements, or is it purely for the revenue generation purpose?

How much additional money will that 30 per cent increase bring in, and is that accounted for in the revenue projections for other premiums, fees, and licences, which show a drop, likely due to reclassification of some lines, including land titles? It would help to isolate how much the ministry expects to collect from business and nonprofit licensing after the 30 per cent hike and how much from corporate registry after the 3 per cent hike. Where can we find those actual numbers or those increases in the budget tables? If it is added into other revenue, I think that is a transparency issue and accountability issue from this government.

We can't tell what portion of approximately \$92 million under other premiums, fees, and licenses comes from those hikes versus other sources. So, through you, Madam Chair, it will be important

if the minister can share the breakdown now. Also, were stakeholders – whether that be Calgary Chamber of commerce, Edmonton Chamber of Commerce, or those chambers of commerce from other towns and other cities in Alberta, mid-cities – consulted?

I'm sure my colleague the MLA for St. Albert has consulted with those chambers, and they were not consulted and they were not included, so I want to ask the minister if they were informed or consulted about these fee changes. The concern is these could be seen as hidden taxes by small-business owners. These could be seen as hidden fees, that this government is not transparent, avoiding the label of a new tax. These taxes have been named as levies. These taxes have been named as fees somewhere, but these are an increase in taxes, and these are effectively taking more money from the public rather than giving back to their pockets.

9:20

Madam Chair, we have seen that this is the same government that gave a \$4.5 billion corporate handout to the wealthy corporations and that gave \$1.9 billion to the pipeline that never got built. However, we are seeing that now the fee increase and the fee hikes and the other increases are on the small-business owners who go to work every day. Their families work in those stores and keep the people employed. And especially during this kind of environment, where President Trump is imposing tariffs on us . . .

Mr. Singh: Point of order.

The Chair: A point of order has been called.
Go ahead.

Mr. Singh: Thank you, Madam Chair. The point of order is under Standing Order 23(b). The member has been speaking at a great length on matters other than the question under discussion. The committee has convened for the purpose of considering the ministry's '25-26 budget, including estimates, fiscal plan, business plan. The matter which has been raised by the hon. member is not within the boundaries of the said topic. For a great length there hasn't been a reference to any line item in the budget or fiscal plan here.

Thank you, Madam Chair.

The Chair: Go ahead.

Ms Sigurdson: Thank you, Madam Chair. This is a matter of debate. Certainly, the member is discussing in detail about service Alberta estimates, and he's addressing the relevant issues that are at hand that we're all experiencing. I don't see this at all as a matter of a point of order.

The Chair: Sure. What I have to say is that, again, we're focusing on these documents. Member, you are drifting. If you could please get back to main estimates and refer to line items and all those sorts of things, it'll help keep our discussion on track, and again, Albertans who are listening will be able to find out the information.

If you could just resume, that would be great.

Member Brar: Thank you, Madam Chair. I was referring to the tariffs, which are in the fiscal plan, and I was also referring to \$91.9 million, which is also in the fiscal plan and categorized as other revenue.

The Chair: Thank you so much, Member.
We'll go to the minister now.

Mr. Nally: Thank you, Chair. Thank you for those questions. A little revisionist history, so I'm just going to sort of go through some of these price increases. A 30 per cent increase in business licensing and registration fees: it is going to generate an additional \$216,000. But I want to be clear. That price hasn't changed in four decades, so it was time to make an adjustment. For a charitable organization the fee was \$60. It's only gone up to 78 bucks. So we're not talking about, you know, anything that is astronomical. It was a small amount, a few dollars. That was the first time we raised that fee in four decades. In fact, I think the last time when that fee was changed, I would have been 12 years old. So, yeah, it's definitely time to increase the fee, for sure.

We had a 3 per cent increase to corporate registry fees under the Business Corporations Act. It's going to raise an additional \$1.3 million.

A \$1 per transaction increase on a limited set of motor vehicle transactions. Now, that's passenger, motorcycle, and off-highway vehicle application and renewals and driver abstracts. I mean, \$1 per transaction is certainly a light touch. Also, another \$1 transaction increase on operator licences and identification card applications and renewals. Again, you know, a dollar. An increase from \$6 to \$12 per annual motor vehicle registration for the MVAC fee. That will raise an additional \$10 million. You can see from this that it's a relatively light touch.

Everything is about choices. You know, we wanted to deliver on the seniors' discount, and this was something that was important to our government. We campaigned on it, and we heard loud and clear that – in effect, after we won in 2023, the seniors in the riding, whenever I would see them, were like: when are you giving us that discount? I couldn't roll it out fast enough. Everybody seemed to think it was just about pushing a button back at the registry office and changing the price. Well, in fact, it was more complicated than that, and there was a lot of work behind the scenes. I forget the length of time that we took to – was it in six to nine months or something we got it done? Which was relatively quick, considering the work that had to be done. In fact, out of all of the seniors' discounts, there was that one as well as the driver's medical and the camping fee. Our fee got done first.

I was proud of how fast we had gotten that fee rolled out, but, you know, listen, everything has to be paid for. If you're going to roll out a seniors' discount, that money has to come from somewhere, so we made difficult decisions about collecting the actual amount of fee to cover off the requisite expenses. In the case of that one, yeah, it went from \$60 to \$78. So it was a slight increase, but it was a light touch.

Lastly, I would focus on the red tape reduction, how it's, you know, helped small businesses. Red tape reduction has helped companies get to yes faster and to break ground and to get to a position where they're able to start generating revenue and hiring Albertans. What we've done for small businesses has been tremendous.

I want to pivot quickly to the automatic approvals because I didn't address this one. I think that there was a question of an example, and I ran out of time. The example I wanted to give, because we're still doing that work now: we actually have the Alberta Utilities Commission. They're like the AGLC, and they've also cut almost 50 per cent of the red tape at the AUC. They took gas generators. For new generators it used to take three months to approve them. We're talking a five- or 10-megawatt generator would take up to three months to get approved. It's a routine approval, so they got rid of the permit. They replaced it with a checklist, and now we're able to get these 10-megawatt or less generators approved in six days. They can break ground. And the feedback that we've gotten from business: because of the ability to

go from three months to six days, what that translates into for small business in terms of jobs and investment is substantial.

For us, we will continue to focus on being more efficient, cutting red tape when we can because we know that at the end of the day it's about making our . . .

The Chair: Thank you so much, Minister.

Back over to the government side. Member Lundy, shared or blocked?

Mr. Lundy: I would do shared time if the minister agrees.

Mr. Nally: Like I said, dealer's choice. Let's do it.

Mr. Lundy: Dealer's choice. All right. Maybe we'll play some poker later. I don't know.

Thank you, Minister. Really appreciate you and your officials joining us here. Your file is one I know my constituents certainly appreciate even if they don't always realize it at the time, that they're appreciating what your department does for them. Just wanted to pass along that thanks.

I'm going to kick off here. I actually want to open the door to what you were just – the time cut you off there on reducing permit decision times. I think this is a really important issue, an important topic. I know Service Alberta and Red Tape Reduction and the government of the whole, of course, made great progress in reducing red tape, so congratulations to the minister and staff on that, once again receiving the highest marks in the country from the Canadian Federation of Independent Business – that's very impressive – probably in large part due to our one-third reduction in red tape.

The ministry seems to have turned your attention, your focus to reducing permit decision times, as noted in key objective 2.2 on page 153 of the business plan document. Through the chair to the minister: what can we expect to see from your ministry this coming fiscal year in this regard? And, I guess more specifically, again through the chair, how will the automatic yes tool kit, which you've spoken about and which has recently been announced, support these red tape reduction efforts, and how will this help Albertans and Alberta businesses in '25-26?

Mr. Nally: Well, let me count the ways. Thank you for that question. Yeah. I am very excited about this. The permit database and the automatic tool kit is a significant initiative in my ministry. I'm very proud of the work that we've done. Quite frankly, I was quite impressed. I got a shout-out from the Premier at the last Alberta Munis on the permit database because we got it done so quickly. We didn't have a database of all the permits, so we couldn't even answer the question: how many permits do we have? We had no clue. Getting 24 ministers to all tell you how many permits they have: it's a little bit like herding cats, especially when they have their own priorities. It was a big job, but we got it done. We identified 17 ministries. We identified 490 permits.

9:30

I mentioned earlier that just by creating this database, 20 per cent of the permits started getting approved quicker, just by shining a light on it. So, we're going to keep shining a light on it. We haven't made the database public. It's not in my mandate letter to make the database public. But guess what? I really want to make the database public, because if you think shining a light on it sped up approvals, just wait till we make it a public-facing document. I want everyone to get a little more comfortable with the database. But, yeah. The next steps are let's publish the database, let's put it out there, and

let's show the world how good we are because we're doing some great things.

You know, I gave a shout-out to Minister Neudorf. He had something like three pages of permits, and out of all the permits on three pages he had one that was red. The rest were all green; all done on time. That was phenomenal. We need to brag about this. We need to break our arm a little bit patting ourselves on the back sometimes, because we don't do enough of that.

This permit database: we want to make it public. Now, the work that's happening now – because the automatic tool kit: it's not live yet because we're doing that work. All the ministries have now got the framework. They know what it's going to look like. They're going to divide all of their permits into either code of practice, permit by rule, or shot clock. Code of practice or permit by rule are for the routine permits. Okay? They're the routine permits that we're just going to get rid of. We're going to replace it with either a checklist or a notification to government or both. This means you're going to have to simply fill out the checklist, you're going to have to do whatever requirements, send to the government, and then you can break ground.

I can't stress enough: this does not take away the ability to stop a project or to audit a project to make sure that it's being done correctly. The ability to say no is still there. The same with the shot clock. It doesn't mean we're going to say yes. If no is the right answer, if there's an environmental issue, if there's a health and safety issue, yeah, we'll get to know if it's the right thing to do. But we have all heard horror stories of that developer that took seven years for a water licence. That's unacceptable. We have to stop that. That's what this does. This basically says that if you're going to get to yes, you don't need to take seven years to do it.

The ministers are going through, they're doing that work now. We have 490 permits today. We're not going to have 490 permits tomorrow. By the time we identify all the ones that meet the definition of code of practice and permit by rule, there are going to be a significant number less. I don't want to prejudge what that number is going to be. I will say this. I threw out the idea of maybe we give some ministerial authority to say: "You know what? We're going to give exceptions in these cases." Cabinet agreed that – you know what? – having the ability to say no is still there, so an exception is not required. There are no carve-outs; there are no exceptions to automatic yes. Every permit in the province of Alberta that is GOA is going to fall under this automatic framework.

It's exciting. We are going to take what is already a hot economy, and – I'm telling you – we are just going to bang on all cylinders. You think we're attracting investment right now and creating jobs? Just wait to see what automatic yes does. I can tell you, because I've gone on those trade missions where you stand on a stage. When you tell people that we've got the lowest corporate taxes, we reduced a third of the red tape, investors get excited. Well, you know what? You tell them about automatic yes, you should see how excited they get.

I had a phone call with Kevin O'Leary. First of all, when he heard my title, he got all excited about that because he just loves the title. But when I talked to him about our automatic yes process, that gave him the confidence to go to the next level with Minister Neudorf and learning about the potential for data centres, and now we're getting billions of dollars of investment. This automatic yes framework is great news for Alberta. It's going to help us attract investment, and – I've said it before – it's going to help us attract mortgage-paying jobs, and that's good for everybody around this table.

Mr. Lundy: Yeah. Thank you, Minister. It's wonderful – you might even say: Mr. Wonderful – news. I'm very excited to hear that.

I will shift gears. I'd like to ask about AGLC income. Specifically, I'd like to reference – this is on page 53 of the '25-28 fiscal plan document. The AGLC's net income is projected to rise significantly in '25-26. As you know, this revenue plays an important role in the province's budget. So I'd like to ask a little bit about risk management and what measures are in place to keep revenue in line with these projections. Through the chair, as always: would the minister explain how the ministry's modelling tools account for risks like changing consumer habits or regulatory hiccups and what strategies are in place to keep these projections on track in '25-26?

Thank you.

Mr. Nally: Thank you for the question. Can I phone a friend? I'm going to use that lifeline. I'm going to ask Kandice, the CEO of the AGLC.

I put you on the spot a little bit. Did you hear that question? Okay. I'm going to let Kandice handle that question on AGLC.

Mrs. Machado: Thank you, Minister. Madam Chair, again for the record my name is Kandice Machado, CEO of AGLC. Certainly, we have a team that assesses consumer behaviour through data analysis, surveys, and research. We also collaborate with the private-sector industry partners we have in gaming, liquor, and cannabis. To better understand their insights, we look across Canada and other jurisdictions to understand. We then feed all of this into some models that we use to predict future revenues and combine that with our operating expenses. We're constantly monitoring for new risks in our environment, and we factor that into any of our forecasting processes. Certainly, we want to achieve our budget projections. AGLC has a long-standing history of achieving the budget projections.

When things adjust, we do look to our bottom line and we look at our expenses and we aim to reduce expenses where we can. Sometimes that's challenging for us as our expenses are only 16.7 per cent of our revenues. But we do what we can to reduce expenses along the way to ensure that we meet our overall projections to government of Alberta.

Thank you.

Mr. Nally: Thank you, Kandice.

You know, I can confirm that Albertans are drinking less. That's good news from a social responsibility perspective, but the reality is that it does impact our markups. AGLC under Kandice's leadership has done a great job of meeting revenue objectives. They've cut expenses when they had to to make sure that they were hitting their objectives. I have no doubt that they will continue to do that. Thank you, Kandice.

Mr. Lundy: Well, thank you, Minister, and check out the Century Mile Racetrack in my riding.

Mr. Nally: You know I will.

The Chair: Back to the Official Opposition. Shared or block time?

Member Brar: Block time is fine.

The Chair: Okay. Please proceed.

Member Brar: Thank you, Madam Chair, for the opportunity to let me ask some critical questions on the important topic of life leases in Alberta. My questions are based on performance metric 3(a), which measures the percentage of investigations into alleged customer protection completed within established timelines. Currently the metrics only measure whether investigations

are completed within a six-month timeline. First, I would like to understand why completion is the only metric being used. Does the ministry not believe that Albertans should be informed about the results of these investigations, any improvements made, or even reductions in red tape? Transparency in these areas is crucial. How does this process and its results contribute to making life safer for Albertans?

Second, consumer protection publishes active consumer alerts online to inform Albertans about dishonest business activities. This is an important service. But I am curious about how the work of the department influences its budgets and business plan. Can the minister, through you, Madam Chair, provide insights into how these efforts are reflected in the department's financial planning and resource allocation?

Third, we know from the Public Accounts Committee that last fiscal year 25 complaints about Greg Christenson's group of companies' life leases were received and investigated. All 25 investigations involved seniors trying to get their money back as they were moving into long-term care. This is a significant issue affecting vulnerable members of our community. How did the work of consumer protection influence the creation of performance metrics? Are there specific measures in place to address such reoccurring issues?

9:40

In an effort to understand Alberta consumer protection legislated timelines and the work stemming from the important department referred in the ministry business plan for Budget 2025, I reviewed the UCP government's Consumer Bill of Rights published in 2022. The UCP government believes that consumers should be protected from abuse, misrepresentation, overcharging, and lying when engaged in transactions such as sales and leases or other goods and services.

Fourth, the minister has mentioned a couple of times how the government has given discounts to seniors. Well, when we talk to seniors, they tell us a very different story. For instance, it has been more than 180 days since the UCP life lease legislation was proclaimed on May 16, 2024, and CGC still owes \$74 million to 217 seniors. This delay is unacceptable. How has the legislation made life more affordable for life lease holders? How many CGC life lease holders have been made whole? What consequences have been applied to bad actors who fail to comply with the legislation?

Fifth, will the minister intervene to reduce the 9 per cent interest penalty applied to CGC for defaulted life lease payments? This penalty is a significant burden. What, if any, concessions will the minister make for CGC on the life lease? It is important to ensure that the penalties are fair and do not disproportionately affect seniors involved.

Sixth, Madam Chair, what activities has service Alberta undertaken to ensure bad actors like CGC do not have government of Alberta contracts renewed or new ones started? What specific amount in this budget is allocated to protect these consumers? Ensuring that companies with a history of unethical behaviour are not rewarded with government contracts is essential for maintaining public trust.

Finally, Madam Chair, how many open and active contracts does the government of Alberta currently have with Christenson Group of Companies? Transparency in this area will help us understand the extent of the government's dealings with this company and ensure that appropriate measures are taken to protect consumers.

Again, thank you, Madam Chair, for giving me the opportunity to ask these important questions. I think the need of the hour is that the minister needs to stop talking to Kevin O'Leary and Christenson

and start talking to these seniors and help them get their money back.

Thank you, Madam Chair.

The Chair: All right. We'll move over to the minister for his response.

Mr. Nally: Thank you. I was a little surprised. I don't know if I heard that right. Are you asking if we're going to be giving a break to Christenson Developments on the 9 per cent interest? If that's the question, the answer is no. We're absolutely – we're absolutely – not. I met with the life lease association, and they asked me, "Are you going to be giving Christenson Developments a carve-out on the interest?" And I said: "No. I'm not." But then I threw it back to them. I said, "Would you like us to do that for Christenson Developments?" And do you know what they said? They said no because that legislation is the only thing that has created a sense of urgency to get them to pay everybody back.

Now, listen, I'm going to suggest to the member to tread carefully on this issue, because we didn't have to be here. It didn't have to come to this. Twenty-seven life lease holders in 2017 wrote to the then minister of service Alberta under the NDP and asked for help. They said: we don't have life lease protection in Alberta, and we need it. Had that minister acted, had that minister done what we did, then we wouldn't be here. Christenson Developments never would have been in a position to do what he did. Unfortunately, they didn't act. They did not act, and because of that we are in this . . .

Ms Sweet: Point of order, Madam Chair.

The Chair: Minister, a point of order has been called.

Mr. Nally: Oh, sorry.

Ms Sweet: Thank you, Madam Chair. I'm just speaking to 23(b), speaks to a matter other than the question under discussion. The member was asking about what the minister is currently doing to support the individuals at Christenson, not about a history lesson of governments previously. I would ask that the minister please redirect and answer the question in relation to Christenson and what he is currently doing and not going down and speaking about other ministers.

The Chair: Is there anybody to this side that would like to speak to this?

Mr. Singh: Thank you, Madam Chair. I don't think it's a point of order. The minister was answering the questions which were related by the hon. member.

The Chair: All right. I've just sought counsel here, and the indication is that we can't direct the minister. He's welcome to give the answers however he sees fit.

Minister, if you would kindly proceed.

Mr. Nally: Sure. Yeah. Thank you. I'll pivot to the life lease legislation. I did what the NDP was asked to do, and we brought in life lease legislation. That legislation ensures that what happened under that scenario will not happen again. If seniors are not repaid, there will be fines of up to \$300,000 and up to two years in jail per transgression. Not per individual, per company; per transgression. This was absolutely the right thing to do. We also put in a 9 per cent interest there, because prior to putting in the 9 per cent interest, there was no incentive for the company to pay back.

We have had several meetings, as have the life lease society. They continue to be frustrated, and they have to date not seen any

repayment. I've had meetings with the life lease association. They are happy with Bill 12, and they will tell you that it is Bill 12 that has created the urgency for Christenson Developments to pay them back. I'm optimistic that that developer is going to do the right thing. We cannot have a situation where seniors are not returned their deposits. It's absolutely unacceptable. To answer the question: no, we are not giving a carve-out of 9 per cent interest to Christenson Developments. The life lease society has said they don't want us to do it, and we've said we're not going to do it.

Now, in terms of the performance measures in 2023 to '24 87 per cent of investigations were completed within the established six-month timeline. To achieve investigative targets, efficient assessment and triage practices will be employed. We continue to improve efficiencies as well as investigative services, including the exploration of a new file management system and alternative ways for Albertans to submit their complaints such as an online submission portal. The most common investigations include various tenancy violations, unfair practices, and criminal matters such as fraud. Investigations range in complexity, and multiple factors determine the length of investigation from assignment to conclusion, many outside of direct departmental control.

The historical investigative baseline was first established by taking the average investigative timeline of simplest investigation to the most complex investigation. I know you're regretting asking the question, right? I'm almost done. A best estimate was then created from this to establish an appropriate target timeline. All files assigned to investigations are captured and monitored to confirm target measures are being met. After an investigative file has been assigned, investigative managers monitor capacity and conduct assessments of investigative progress to ensure that resources are focused on meeting the target.

Now, we do not have a goal to get to a certain percentage of charges. These are objective investigations, weighing the facts and information against the consumer protection legislation. I want to be clear. We do not direct them. They report to service Alberta, but we do not direct them. Because I have that responsibility, I often have people contacting me, saying, "Oh, that business is selling illegal booze, illegal cigarettes," and we will refer this, obviously, to the consumer protection unit or to the AGLC or to whatever the proper investigative authorities are. But they don't follow up with us because they don't report to us on those investigations in that manner.

The Chair: Thank you so much, Minister.

Back to the government side.

Mrs. Petrovic: Thank you, Madam Chair. I'm hoping the minister would do shared time with me.

Mr. Nally: Absolutely.

Mrs. Petrovic: Perfect. Thank you so much.

Through the chair, Minister, I just wanted to first start off with thanking your ministry for all of the hard work. It reflects cactus elegance; you're cutting thorns and allowing growth.

I wanted to first touch on consumer protection. The consumer registry and strategic service division is tasked with safeguarding consumers. Key objective 3.1 of the business plan, located on page 154, tasks the ministry with ensuring consumers are protected when they engage in marketplace transactions through effective industry regulation, licensing, education, and investigations. I also read that in 2025-2026 \$2.3 million is being allocated to consumer protection initiatives, including education, licensing, and enforcement. My two questions are, to the minister: what new educational initiatives are planned for 2025-2026 to enhance awareness of rights and

responsibilities among consumers and businesses? And with the economic and social landscape rapidly evolving, what specific emerging threats to consumers is the ministry prioritizing, and how will these be addressed in the next fiscal year?

9:50

Mr. Nally: Okay. Thank you for that question as well as the elegant prose as well. Yeah. Well done. My answer will hopefully address that as well as the opposition, too, because I had some pieces that I wasn't able to get back to them on in the limited time.

Alberta's government is focused on protecting consumers and fostering confidence in the marketplace. This means striking a balance between protecting the interests of consumers and ensuring that job creators are not impeded by unnecessary red tape. In 2025-26 \$2.3 million is allocated to ensure a continued focus on consumer protection through education, licensing as well as enforcement. We have resources available online to help consumers learn more about their rights and how they can protect themselves in the marketplace.

Consumer protection related web pages were accessed by Albertans more than 827,000 times for the period of April 1 to April 31, 2024. During the same time period more than 1,100 Albertans were also directly engaged through presentations and participation in trade shows and other community events. My department will continue providing education to consumers and businesses through attending public events, giving presentations on various topics to stakeholder groups, and ensuring online and social media content is made available for Albertans to access valuable consumer protection information. When it comes to consumer protection, we take that seriously.

Mrs. Petrovic: Thank you, through the chair to you, Minister.

Moving on from there, I just wanted to touch base on scams and fraud just a little bit. On page 154 of the business plan, it shows an initiative allocating \$3 million to investigate complaints related to unfair practices, unfair competition, and consumer-related online scams and fraud. Would the minister explain how these investigations are conducted and what examples of fraud you are expecting to see in 2025-2026? And how will this \$3 million investment serve to improve investigations into these sort of issues?

Mr. Nally: Thank you for the question. Every consumer complaint file submitted to the consumer investigation unit, or CIU, is evaluated based on the individual factors to determine the appropriate investigative outcome. All complaints are assessed for potential violations against consumer protection legislation, with investigations actioned where warranted. The most common complaints received under the Consumer Protection Act include unscrupulous door-to-door sales tactics and home and property renovators operating without business licences, using noncompliant contracts and misleading and failing to refund customers. A notable increase has been observed in the areas of online lending, online auctions, and products under services, concerns with respect to residential solar or energy related products. We have dedicated March to be Fraud Prevention Month. I forgot what it was. March is Fraud Prevention Month, and we have made it so that March will always be Fraud Prevention Month. Unfortunately, there is no end of villains that are willing to come up with even more unscrupulous ways to separate you from your money. We need to be constantly vigilant in this regard.

Thank you for that question.

Mrs. Petrovic: Thank you.

I think we might have time for maybe one more. I just wanted to jump over, just as we're talking about a number of these things,

especially when it comes to the public. I wanted to touch on transparency and access to information. On page 155 of the business plan, it shows an allocation of \$10.7 million in 2025-2026 for access to information services. From my readings of the document this is to support key objective 4.1, which is about supporting government transparency and Albertans' timely access to government of Alberta records. Performance measure 4(a) tracks the percentage of access to information requests completed by the government of Alberta within legislative timelines. In 2023-2024 99 per cent of requests were completed within legislative timelines. The target for 2025-2026 is 100 per cent. Would the minister outline how the ministry works to ensure these requests are completed within the legislated timelines?

Mr. Nally: Yeah. Thank you for the question. We take responding to access to information requests very seriously. Our government has a strong record of compliance with requirements under the FOIP Act. In 2023-24 the government achieved an overall compliance rate of 99 per cent. The compliance rate remains at 99 per cent as of January 27, 2025. This rate does not include the ministries of Health and Mental Health and Addiction as well as Provincial Archives, which have their own offices and processes to respond to those requests.

To achieve the target for '25-26, the ministry will continue to provide access to information services on behalf of most government departments under the FOIP Act and, once proclaimed, under the new Access to Information Act. Splitting the FOIP Act into two pieces of legislation will sharpen the focus and ensure access to information and protection of privacy receive the dedicated attention they deserve. As well, through continued process improvement, staff training, workload management, and collaboration my ministry will ensure that FOIP requests are completed within legislated time frames by government.

We're looking to enhance transparency because that's something that we've heard from Albertans. They want more transparency. We are coming up with a process of proactive disclosures. It's something that we have now. Proactive disclosures exist, but the problem is that it's not well defined, it's not well articulated, and it's different everywhere you look. We are going to be defining proactive disclosure and giving it to every agency so that everyone can be on the same page. Every agency is different, but there are going to be certain requests that agencies know they're going to get from several Albertans. Well, if we know a request is coming, why would we make an Albertan pay \$20 and wait 30 days for it? Let's just proactively disclose it. We feel confident that a transparent government provides better government, and we're very excited about rolling out the proactive disclosure process.

Thank you.

Mrs. Petrovic: If you don't mind, just one last question. Talking about consumer protection and transparency, the consumer registry and strategic service division is tasked with safeguarding

consumers. Key objective 3.1 of the business plan, located on page 154, tasks the ministry with ensuring consumers are protected when they engage in marketplace transactions through effective industry regulation, licensing, education, and investigations. I also read that in 2025-2026 \$2.3 million is being advocated to consumer protection initiatives, including education, licensing, and enforcement. To the minister: what new educational initiatives are planned for 2025-2026 to enhance awareness of rights and responsibilities amongst consumers and businesses?

Mr. Nally: Thank you for the question. Our consumer investigation unit follows up on complaints that it receives, which can result in administrative enforcement actions or prosecution. There is an ongoing and immediate risk to consumers. Consumer alerts are used to get information out to Albertans to warn them of potential risks. Any resulting consumer alerts or enforcement actions are posted online to ensure transparency and accountability to Albertans. Consumers as well as businesses with questions about business licences, charitable registrations, consumer protections, or complaints can call our toll-free number or visit alberta.ca for more information. The department closely monitors emerging threats to consumers and marketplace issues and works to proactively modernize legislation to maintain a balance between effective regulation and protection of consumer interests while building strong relationships between industry and regulations.

I mentioned it before, but I kind of got cut off. Often people refer consumer protection matters to me, and all I can do is hand it off. I can't tell them to investigate, I can't tell them not to investigate, and I can't ask them where they are with the investigation. They are an investigative authority, and they do not make those reportings directly out to me.

The Chair: All right. Thank you so much, Minister.

We'll move back now to the Official Opposition for the last 30 seconds, I guess 25 seconds. Please proceed, Member.

Member Brar: Sure. Minister, will it be possible for you to provide the list of all the procurements that are awarded this year?

Also, it is time to help the small-business community. The small-business community has been left behind. Trump's tariffs have been disastrous to Alberta. It is not time to impose fees on them. It is time to follow Manitoba's lead and help the small-business community.

The Chair: Thank you so much.

Members, I apologize for the interruption, but I must advise the committee that the time allotted for consideration of the ministry's estimates has concluded. I'd like to remind committee members that we are scheduled to meet tomorrow, March 12, at 9 a.m. to consider the estimates of the Minister of Health.

Thank you, everyone. The meeting is adjourned.

[The committee adjourned at 10 p.m.]

