



Legislative Assembly of Alberta

The 31st Legislature  
First Session

Standing Committee  
on  
Public Accounts

Service Alberta and Red Tape Reduction

Tuesday, November 26, 2024  
8 a.m.

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**Legislative Assembly of Alberta  
The 31st Legislature  
First Session**

**Standing Committee on Public Accounts**

Sabir, Irfan, Calgary-Bhullar-McCall (NDP), Chair  
Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Deputy Chair  
Lundy, Brandon G., Leduc-Beaumont (UC), Acting Deputy Chair

Armstrong-Homeniuk, Jackie, Fort Saskatchewan-Vegreville (UC)  
Cyr, Scott J., Bonnyville-Cold Lake-St. Paul (UC)  
de Jonge, Chantelle, Chestermere-Strathmore (UC)  
Dyck, Nolan B., Grande Prairie (UC)\*  
Ellingson, Court, Calgary-Foothills (NDP)  
McDougall, Myles, Calgary-Fish Creek (UC)  
Renaud, Marie F., St. Albert (NDP)  
Schmidt, Marlin, Edmonton-Gold Bar (NDP)

\* substitution for Garth Rowswell

**Office of the Auditor General Participants**

W. Doug Wylie	Auditor General
Brad Ireland	Assistant Auditor General

**Support Staff**

Shannon Dean, KC	Clerk
Trafton Koenig	Law Clerk
Philip Massolin	Clerk Assistant and Executive Director of Parliamentary Services
Nancy Robert	Clerk of <i>Journals</i> and Committees
Abdul Bhurgri	Research Officer
Rachel McGraw	Research Officer
Warren Huffman	Committee Clerk
Jody Rempel	Committee Clerk
Aaron Roth	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications
Christina Steenbergen	Supervisor of Communications Services
Amanda LeBlanc	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Public Accounts**

### **Participants**

#### Ministry of Service Alberta and Red Tape Reduction

Stephanie Clarke, Deputy Minister

Lois Flynn, Acting Assistant Deputy Minister, Consumer, Registry and Strategic Services

Michael Hocken, Assistant Deputy Minister, Financial and Administration Shared Services

Joffre Hotz, Assistant Deputy Minister, Red Tape Reduction, Audit and Investigations

Richard Isaak, Senior Financial Officer, Strategic Planning and Financial Services

#### Alberta Gaming, Liquor and Cannabis

Nick Knight, Vice-president, Corporate Services and Chief Financial Officer

Angelle Sasseville, Vice-president, Policy and Public Affairs



**8 a.m. Tuesday, November 26, 2024**

[Mr. Sabir in the chair]

**The Chair:** Good morning, everyone. I would like to call this meeting of the Public Accounts Committee to order and welcome everyone in attendance.

My name is Irfan Sabir, MLA for Calgary-Bhullar-McCall and chair of the committee. As we begin this morning, I would like to invite members, guests, and staff at the table to introduce themselves. We will begin to my right.

**Ms Armstrong-Homeniuk:** Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville. Good morning, everyone.

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

**Mr. Dyck:** Nolan Dyck, MLA for Grande Prairie.

**Mr. Cyr:** Scott Cyr, MLA, Bonnyville-Cold Lake-St. Paul.

**Ms de Jonge:** Chantelle de Jonge, MLA for Chestermere-Strathmore.

**Mr. McDougall:** Myles McDougall, MLA for Calgary-Fish Creek.

**Mr. Hotz:** Joffre Hotz, assistant deputy minister for red tape reduction, audit and investigations.

**Mr. Isaak:** Richard Isaak, senior financial officer.

**Ms Clarke:** Stephanie Clarke, deputy minister.

**Ms Flynn:** Lois Flynn, acting assistant deputy minister, consumer, registry and strategic services.

**Mr. Hocken:** Michael Hocken. I'm the assistant deputy minister for financial and administrative shared services.

**Mr. Wylie:** Good morning. Doug Wylie, Auditor General.

**Mr. Ireland:** Brad Ireland, Assistant Auditor General.

**Ms Renaud:** Marie Renaud, St. Albert.

**Mr. Schmidt:** Marlin Schmidt, Edmonton-Gold Bar.

**Mr. Ellingson:** Court Ellingson, Calgary-Foothills.

**Ms Robert:** Good morning. Nancy Robert, clerk of *Journals* and committees.

**Mr. Huffman:** Good morning. Warren Huffman, committee clerk.

**The Chair:** Thank you.

I will note for the record the following substitutions: Member Dyck for Member Rowswell, and Member Lundy has been appointed acting deputy chair.

A few housekeeping items. Please note that microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Assembly website. Please set your cellphones and other devices to silent for the duration of the meeting, and comments at all times should flow through the chair.

Approval of the agenda. Hon. members, are there any changes or additions to the agenda? If not, can a member move that the Standing Committee on Public Accounts approve the proposed

agenda as distributed for its Tuesday, November 26, 2024, meeting? Any discussion? All in favour? Any opposed? The motion is carried.

We have minutes from the Tuesday, November 19, 2024, meeting of the committee. Do members have any errors or omissions to note? Seeing none, can a member move that the Standing Committee on Public Accounts approve the minutes as distributed of its meeting held on Tuesday, November 19, 2024? Any discussion on the motion? All in favour? Any opposed? The motion is carried.

I would now like to welcome our guests from the Ministry of Service Alberta and Red Tape Reduction, who are here to discuss the ministry's annual report 2023-24. The Auditor General has no outstanding recommendations for the ministry. I invite officials from the ministry to provide opening remarks not exceeding 10 minutes.

**Ms Clarke:** Thank you, Mr. Chair, and thank you all very much, to the committee members, for the opportunity to join you today. As noted, I'm Stephanie Clarke. I'm the deputy minister of Service Alberta and Red Tape Reduction, and, as the chair mentioned, I'm here to discuss Service Alberta and Red Tape Reduction's 2023-24 annual report. Just a reference to our folks here notwithstanding we just did introductions. To my right here is Lois Flynn, the acting assistant deputy minister of consumer, registry and strategic services; to her right Michael Hocken, assistant deputy minister, financial and administrative shared services; to my left Richard Isaak, our senior financial officer and assistant deputy minister of planning and financial services; and to his left Joffre Hotz, our assistant deputy minister of red tape reduction, audit and investigations. They're long titles, so I think they're worth noting again.

Service Alberta and Red Tape Reduction, as many of you are aware, has a strategic role to play within government in terms of modernizing the delivery of programs, services, and information across government. We strive to make it possible for government to consistently deliver faster, better, and smarter services to Albertans. As you may know, Service Alberta and Red Tape Reduction supports other ministries across government by providing them with a variety of services. This includes the procurement of goods and services across government, managing the government's vehicles, our vehicle fleet, and operating several of the government's citizen contact centres as well as the King's Printer and mail services.

We also process freedom of information requests on behalf of the government of Alberta ministries, with the exception of Alberta Health and Mental Health and Addiction, which process their own. In terms of delivering public-facing services, we manage five government registries, which include land titles, motor vehicles, corporate, vital events, and personal property registries.

We also ensure that consumers are protected through various means. We ensure that consumer rights and obligations for businesses are clearly set out in our policy and legislative framework. We provide consumer education and ensure businesses are aware of their responsibilities. We conduct investigations in response to consumer complaints, and we take enforcement action against businesses who are noncompliant.

We also lead, track, and report on government's efforts to reduce red tape, which are unnecessary regulatory burdens, more commonly, again, known as red tape.

We're also responsible, more recently, for the policy and legislative framework for gaming, liquor, and cannabis in the province.

Collectively, these activities are carried out by ministry support for the government's vision for a strong economy and, of course, economic diversification.

Now I'll take a minute here to talk about some of the positive outcomes of our work in 2023-24 fiscal year. Consumer registries and strategic services is our department's largest division. Although CRSS provides policy, governance, and legislative support to the ministry, the division's main lines of business are registries and consumer protection.

On the registry side we've achieved a lot this past year. For example, in collaboration with registry agents we implemented a 25 per cent discount for seniors on personal registry services to make life more affordable for seniors. The groundwork for this program was laid in the 2023-24 fiscal year. We eliminated the two-year backlog in land titles this past year, and we've continued our work to modernize land titles, motor vehicles, and other registry systems to ensure Albertans receive effective and efficient services. We've also initiated the replacement of our land titles system with new search, volume data, and customer service functions being implemented this current fiscal year.

We established a reciprocal code-sharing agreement with Arizona Department of Transportation. This allows us to leverage a proven motor vehicles registry system as part of our modernization work to establish a system in Alberta that is much more responsive and adaptive to the changing needs in our province.

We implemented a regulation to add flexibility into the Prompt Payment and Construction Lien Act to address the unique needs of very large projects, following industry consultation. Lastly, we set up services to provide identification cards to unhoused and vulnerable Albertans at government navigation centres, both in Calgary and Edmonton, removing one of the barriers to employment and reintegration.

On the consumer side there's also lots to be proud of. Perhaps most notably, work was undertaken in '23-24 to establish protections for life lease holders, most of who are seniors, which was realized with the passing of the Consumer Protection (Life Leases) Amendment Act in May of 2024. We improved residential tenancy dispute resolution hearing times, resulting in 95 per cent of urgent tenancy applications being heard within 15 days, and we engaged with condominium stakeholders to identify and explore options to address issues, including the potential development of a condominium dispute resolution tribunal, which we are moving forward with right now.

The second division I will speak about is red tape reduction, audit and investigation. This growing division now includes Alberta Gaming, Liquor and Cannabis and has accomplished many things over the past financial year. We were the co-ordinating and leading ministry in the government-wide efforts to achieve 33 per cent reduction in red tape across the government of Alberta as of February 2024, and we did of course achieve that. This contributed to Alberta being recognized again by the Canadian Federation of Independent Business as the top performer across Canada for red tape reduction. Working with AGLC, we also simplified gaming, liquor, and cannabis regulations to give retailers more time to focus on their business.

And, finally, I'm proud to highlight that we were also successful in meeting our business plan target to complete 87 per cent of consumer investigations within the established timelines.

**8:10**

Next up is financial administrative shared services, which delivers a lot of shared services that I mentioned earlier. Some highlights for this division. Modernizing government procurement

was a key focal point for us in 2023-24 through the formation of a procurement council, the advancement of our category management approach, and the beginning of a stakeholder engagement program, and we have much more to come on that in the current fiscal year. Processing approximately 2,088 FOIP requests in the 2023 fiscal year was also a highlight, achieving 99 per cent compliance to legislative timelines. The team also established support lines, including lines related to wildfire, Ukrainian evacuees, and affordability. Finally, we generated revenue and savings of around \$5.3 million through the sale and deployment of government surplus assets, which is always a good use of those assets. So 2023-24 was certainly a busy time for Service Alberta and Red Tape Reduction.

In addition to the divisional highlights, I'm also happy to report that our ministry met or exceeded all performance targets set in our 2023-26 business plan.

In terms of financials, here are some highlights, which are spelled out, of course, in greater detail in our annual report. Ministry revenue totalled \$3.5 billion in 2023-24, which is an increase of around \$389.8 million from '22-23. The large variance was in the fees and licence category. Ministry expenses were \$5 million lower than the budgeted amount in 2023-24. This is mainly attributed to lower salary, wage, and benefit expenses, lower than anticipated expenses for postage and mailing services, and lower amortization than budget.

As we look ahead, we have and will continue to work on registries and procurement modernization, red tape reduction, and consumer protection in today's dynamic environment. We have also initiated new work on updating the Prompt Payment and Construction Lien Act and reviewing Alberta's liquor markup system. As well, as some of you may know, we've also begun work to examine the development of a new iGaming strategy for the province, which would enable private companies to operate here in Alberta alongside our Play Alberta, currently the only regulated online gaming site in the province.

We'll also continue to lend support to crossgovernment initiatives like making life more affordable for Albertans and helping to grow Alberta's hydrogen industry.

To sum up, Service Alberta and Red Tape Reduction has achieved many objectives in 2023-24, and we hope that we are making life better for Albertans. We are developing better, faster, and hopefully smarter services than we have in the past, and we hope that that trajectory will continue into the 2024-27 business plan. Our ministry will continue to do its work to optimize programs and services, protect Albertans and businesses in an increasingly complex business and consumer environment and provide leadership to red tape reduction across the province.

With that, Chair, I'll conclude my remarks. I'm happy to answer the questions that you have.

**The Chair:** Thank you.

I will now turn it over to the Auditor General for his comments. Mr. Wylie, you have five minutes.

**Mr. Wylie:** Thank you, Chair. I'll be brief. As the committee is aware, in Alberta we follow a ministerial model, and AGLC, the reporting organization, as part of this ministry: we do the audits of the financial statements of AGLC. This year we had one new recommendation resulting from our financial statement audit, and that was that AGLC strengthen controls over liquor operations. Specifically, there were three areas. First was clarifying guidance about the different liquor categories to ensure consistency and fairness, improving the processes over obtaining and reviewing small manufacturer declarations and verifying that correct markups

are applied, and clarifying and restricting access permissions over the markup master data to ensure that appropriate personnel have access only and that they are verifying any changes that were made are accurate and retaining documentation of the reviews and approvals.

Chair, the operations of AGLC are significant. It controls liquor products in Alberta, as we all know, and in '23-24 AGLC oversaw more than 35,000 products sold from more than 5,000 manufacturers within the province. This recommendation that we are making is focusing on the revenue processes and controls. We believe some improvements can be made, and we understand that management and the board agree with this and are moving forward to implement the recommendations.

Thank you, Chair.

**The Chair:** Thank you. We will now proceed to questions from committee members. We'll begin with the Official Opposition. You have 15 minutes.

**Ms Renaud:** Thank you, Mr. Chair. Thank you for being here this morning. Just before I begin, I had a question just to clarify some of your comments. I think you said something about Mental Health and Addiction managing their own FOIPs. Is that correct? Did I hear it correctly?

**Ms Clarke:** Yes. That is correct. We have centralized FOIP services within Service Alberta and Red Tape Reduction for all ministries with the exception of Alberta Health and Mental Health and Addiction.

**Ms Renaud:** Can you explain why those two were left out?

**Ms Clarke:** Yes, yes, we can. Essentially, they have additional requirements and additional responsibilities within their areas. They have separate FOIP offices due to their added roles as custodians of health information under the Health Information Act. Just for full disclosure, we also don't handle FOIP requests for Provincial Archives either. Those are very specialized due to the nature of the records that they have custody over.

**Ms Renaud:** Thank you. On page 24: in 2023-24 \$3.1 million was spent to investigate consumer complaints, and the department tells us that 1,773 consumer complaints were received with 418 investigations. The ministry goes on to tell us that they identify emerging trends and issues. So in this reporting year, what emerging trends and issues were identified by the ministry?

**Ms Clarke:** Yes. Thank you very much for the questions. Our consumer investigation unit, just for a bit of context, is a specialized unit that we have within the department that is responsible for enforcing consumer protections and tenancy laws in the province. They do try to serve to minimize the loss and the risks, of course, to consumers and to level the playing field with regard to businesses.

As you've indicated, they did receive 1,773 complaints in '23-24 and opened 418 investigations with a suite of charges that were raised. The top three areas of complaints made by Albertans on consumer issues were residential tenancy complaints, prepaid contracting and direct selling complaints, and high credit complaints.

**Ms Renaud:** Those were the emerging issues and trends identified by the ministry?

**Ms Clarke:** Apologies. Those are the general trends that they've seen overall. In terms of emerging trends – thank you for the clarification – there were a number in terms of technology-assisted frauds and scams, scams driven by artificial intelligence-generated

voice and materials, use of technologies to punish consumers for nonpayment of debt or filing complaints, phone and e-mail masking to hide or falsify actual sources of the call, and unlicensed or deceptive online sales and markets, often, unfortunately, targeting vulnerable populations in the province.

**Ms Renaud:** Great. Glad you're on that. Okay. How many consumer complaints were received by the consumer investigation unit in this reporting year by residents holding a life lease?

**Ms Clarke:** We did receive some. I'll just look to the team if we have any numbers for '23-24, but we absolutely did receive a number of concerns raised by life lease holders in the province, particularly in relation to one operator and particularly in relation to entrance fees not being paid back upon termination of the lease and long queues that have been developing. In terms of the number of actual complaints, I will have to get the number for you. I don't have that at my disposal.

**Ms Renaud:** Okay. So you'll get the number and report back to committee?

**Ms Clarke:** Yes.

**Ms Renaud:** Thank you. So how many of those – well, I guess you don't have a number, but if you have a number for this, perhaps: how many of those consumer complaints by life lease holders were investigated?

**Ms Clarke:** The complaints that were identified by life lease holders were investigated. Again, I will have to check the number of them. I do know that they were all looked into, absolutely, so yes, they were all investigated. The team reaches out to the complainants, in this case, to understand information around whether or not there were unfair practices.

**8:20**

We did not have, of course, the life lease legislation in place at the time that some of these complaints were raised. We now have some of those requirements in place that can fill some of the gaps and reduce the risk to consumers, but at the time, the focus in terms of the Consumer Protection Act was on whether or not unfair practices had occurred. Unfair practices could include things like folks being . . .

**Ms Renaud:** Sorry. I'm just going to cut you off here. I don't have a lot of time.

**Ms Clarke:** Okay.

**Ms Renaud:** Are you saying that all of the life lease holder complaints were investigated?

**Ms Clarke:** Yes, that is my understanding.

**Ms Renaud:** Okay. Great. How many formal enforcement actions were taken in this reporting period related to complaints made by life lease holders?

**Ms Clarke:** There were no enforcement actions taken.

**Ms Renaud:** Zero enforcement actions?

**Ms Clarke:** Zero enforcement actions.

**Ms Renaud:** Okay. How many of the 549 enforcement warnings or advisories were issued in relation to consumer complaints made by life lease holders?

**Ms Clarke:** There were none.

**Ms Renaud:** There were zero enforcement warnings or advisories made on behalf of life lease holders.

**Ms Clarke:** That is correct.

**Ms Renaud:** Okay. How many consumer complaints total, and perhaps not even life lease holders, were received in this reporting year related to Greg Christenson Group of Companies?

**Ms Clarke:** I would have to check the numbers on the complaints.

**Ms Renaud:** Okay.

**Ms Clarke:** My understanding is that the vast majority, if not all, were in relation to the operator that you've referenced.

**Ms Renaud:** Okay. So you'll check and get back to the committee if that's a different number?

**Ms Clarke:** We absolutely will.

**Ms Renaud:** Thank you.

The government of Alberta continues to renew contracts with Greg Christenson Group of Companies. He's a major donor. He is a bad actor, clearly, and at the end of September '24, he owed 220 people over \$71 million. Does the government of Alberta check on consumer complaints before renewing contracts with the Greg Christenson Group of Companies? I guess my question is: would another ministry, let's say it was Health or seniors, contact service Alberta at all to check consumer complaints related to, say, Greg Christenson Group of Companies before renewing a contract?

**Ms Clarke:** I think that is a question better directed towards Alberta Health and the other ministries.

**Ms Renaud:** Actually, my question is for service Alberta because that is the umbrella under which investigations remain. Correct? So do any of the ministries contact that investigation unit to find out if there are any problems with this particular actor?

**Ms Clarke:** Right. It would depend on the contracts and the processes within their contract, but I'm not aware of any in relation to the situation you're asking about.

**Ms Renaud:** So no other ministry has contacted Service Alberta and Red Tape Reduction to inquire about any of the complaints filed about Greg Christenson Group of Companies? There's been no communication?

**Ms Clarke:** Not that I'm aware of, that we've been consulted on, on contracts.

**Ms Renaud:** Okay. Any consumer complaints by guardians or families of life lease holders who had to move or did move to long-term care and have not had their life lease investment returned? Do you have any of that data?

**Ms Clarke:** I don't have the data, but I can tell you for sure that some of the guardians were those who did contact the ministry to express those concerns on behalf of the family member.

**Ms Renaud:** Yeah. I guess I was just looking for a number. I think you might not have this number, and that's fine. I was looking for a number. Let's say there were 100 people with life leases, some of which have already gone into long-term care. They're not well enough to stay independently in their life lease home. So my

question is: how many of the complaints relate to people that have already moved to long-term care? I don't know if you can get that information for the committee.

**Ms Clarke:** We don't have that information specifically.

**Ms Renaud:** You don't have that.

**Ms Clarke:** I don't believe we track that information, but we certainly will look at the complaints that we do have, and if we're able to dissect, we can provide that information.

**Ms Renaud:** That'd be great. Thank you.

On page 25 it discusses life leases and the typical life lease holders, which are seniors, as you mentioned in your opening statement. The ministry goes on to say that life leases are a "reliable housing option for seniors." I'm assuming the ministry has some data to substantiate this claim. So in Alberta today, approximately how many seniors are life lease holders?

**Ms Clarke:** Well, I can't say for sure how many seniors are life lease holders; I can tell you that there are 47 life lease facilities in the province, 21 of which are operated by five for-profit operators. The vast majority are operated by not-for-profit operators. The 21 for-profit facilities have a total of 561 units, and the 26 not-for-profit facilities have a total of 1,688 units. I suspect that the vast majority, if not all of the folks occupying those units would be seniors.

**Ms Renaud:** So you said that 21 private operators or private sort of life lease situations, 21?

**Ms Clarke:** Twenty-one operators. We have 47 total life lease facilities in Alberta and 21 operators.

**Ms Renaud:** So there are 21 separate and distinct operators offering life leases in Alberta.

Okay. Let me just go a little further. What information and data supports the claim of life leases being a good option for seniors? Now, I understand that if you've got 688 units that are operated by a for-profit – I'm not going to assume they're all wonderful; I'd like to hope that they're all wonderful and everything's going well – what data do you have to share with Albertans to say that life lease is a good option for seniors? Because that's not been the story that we've been hearing.

**Ms Clarke:** Yes. Well, we certainly have heard concerns with regard to one operator, so the vast majority of operators and facilities that we hear about actually have very positive, successful stories. I don't know that we have quantitative data, but what really influences our perspective that these are good options for seniors is that they do obviously allow seniors to occupy a residence with an entrance fee in place that is able to lower some of their monthly costs. They're able to be in facilities where they have independence and still access different levels of support in the vast majority of facilities and different services that can make their lives much more easier, and they get monthly fees that are at more affordable rates, as we understand it, than what would be market rentals. For that reason we believe that they are affordable and sustainable solutions.

We are hopeful that the legislative changes that we did make can help further provide that confidence in life leases, because we do want to ensure that we're striking the balance where we have good consumer protections but we do ensure that this is a form of housing that is sustainable in the province.

**Ms Renaud:** The majority of life lease holders are indeed seniors and, you know, I'm quite sure that it's a limited amount of time



before they're having to move on to additional supports, whether it's long-term care, whatever that might be. Any idea what the average length of a life lease is?

**Ms Clarke:** Unfortunately, no, we don't. In the conversations we've had both with life lease holders and with the range of operators, we've seen quite a variation in the terms, and it partly depends on the circumstances in the leaseholders' lives.

**Ms Renaud:** The reason I bring it up, why I think it's actually important to know, is that there is a very limited amount of time that people will hold the life lease, then they need to get their money out so they can secure more assistance. Now, the problem we've heard with Greg Christensen Group of Companies is that people are just stuck for years, not getting their money, but anyway.

What happens to the savings of a senior in a life lease arrangement when the owner goes bankrupt? Any idea?

**Ms Clarke:** Well, my assumption is that they would have to deal with the bankruptcy provisions associated with that circumstance.

**Ms Renaud:** Would service Alberta ever issue any kind of warning or, you know, notice to people looking at life leases, that perhaps here are some important questions to ask or to check when shopping around?

**Ms Clarke:** In our legislative framework, that I'll just take a moment to touch on because I think it is quite relevant to the questions here, we did identify a number of met new requirements. That does include disclosure requirements so that life lease holders or prospective life lease holders are aware of all the provisions and are fully educated with regard to the arrangements there. It also allows for a 10-day cooling-off period so that if there are some thoughts or concerns that get expressed afterwards, there is a way to undo, if you will, some of the decisions made, and then . . .

**Ms Renaud:** Sorry, I'm going to cut you off again. I'm about to run out of time. Let me just fire my last question out to you. Could you tell the committee, in this reporting period, how many times did the service Alberta minister meet with Greg Christensen Group of Companies and how many times did the minister meet with the victims of the Greg Christensen Group of Companies life lease holders?

8:30

**Ms Clarke:** I don't have exact numbers on those in particular. I know with the development of the legislation that we did hold and the minister was present for three fairly large round-tables with all leaseholders. With the protection society that was formulated after that engagement process, the minister has met multiple times with them as well.

**The Chair:** Thank you.

We will now proceed to questions from government-side committee members. You have 15 minutes.

**Mr. Dyck:** Excellent. Well, thank you, Chair. I appreciate service Alberta being here today. I have a few questions. Good job so far this year. I really appreciate what you guys have done in your reporting.

My first question is on key objective 1.1, page 15. It just says that you're wanting to focus on and respond to increased demand and resulting delays in land titles processing and also develop some solutions for this to lead to better efficiency and faster approvals. I can see that has happened this year, so thank you for that. I do want to ask Deputy Minister Clarke if you can please expand upon the

improvement and changes made to the land titles processing system.

**Ms Clarke:** Yes. Absolutely. Maybe I'll just start with a little bit of context. More than \$50 billion in real estate transactions occur in this province every year. That's great for the economy, but it does place quite a bit of pressure on our land titles office to keep pace with those processing times, which, of course, we did find ourselves struggling with in previous years, where the volume of those transactions exceeded our capacity and resulted in a two-year backlog, which I think most are aware of.

Fortunately, as of December 2023 we have successfully managed to eliminate that two-year backlog, returning to standard processing times of 10 to 12 days. This was achieved through a couple of strategies. We certainly did bring on additional human resources, for sure, to process those transactions and optimize our service delivery model with more efficient processes as well.

In October 2023 we also reopened our front counter services, which had been closed previously to allow us to focus on the backlog, and that has really helped to work directly with clients to ensure that information is provided accurately and is well understood by the folks who are seeking transactions.

We've continued to find efficiencies throughout the course of 2023. For example, we have allowed for certain documents to be now executed and submitted digitally on the system, which has streamlined our processes quite a bit as well.

That said, though, our system is quite antiquated and does rely on a lot of paper and a lot of manual processing, so we will continue to be at risk for backlogs until we actually redesign and modernize the system. As a part of our registry modernization initiative we are committed to replacing the land title system. We are in year 2 of a three-year process right now, so we expect to see much more tangible results in 2026.

In 2023-24 the province did commit \$10.5 million into land titles modernization and, again, towards the replacement, but that modernization takes time. The nature of our modernization initiative is to have a process that is agile and iterative, so we will have different releases that get rolled out as we move forward. We recently rolled out certain capacities to be able to search within our new system and track transactions much more readily than we have before.

**Mr. Dyck:** Thanks for the answer on that.

Then, just to be clear, how has this improved service delivery for Albertans here across the province? What have you been able to execute for the people of Alberta?

**Ms Clarke:** Yeah. Well, I think for sure reducing the backlog and not having as much of a wait time has absolutely helped Albertans in being able to move on with their business and keep the economy going. The digitization of some services has provided quite a bit of ease as opposed to having to assemble wet signatures and make sure it gets to the office. The vast majority of the more tangible ways in which we will make lives better for Albertans are yet to be seen. Those will start to roll out through the course of our modernization, and we'll see more of that over this year and into the next year.

**Mr. Dyck:** Moving on, still just the next key objective here, 1.2. Now this is talking about the Alberta registry services and just maximizing automation, which you've mentioned in land titles. Can you just chat about how, I believe, you got \$7.6 million investment into the modernization and automation of the vehicle registration system? How do you utilize this to ensure the efficiency in the system?

**Ms Clarke:** The current motor vehicle system, what we call MOVES, again, a little bit of context, was created 40 years ago. So despite many upgrades over time it is very much reaching its end of useful life. It's a system that Albertans rely on quite significantly for key personal registry services like your driver's license, vehicle registration, and so on, as do registry agents.

So as a part of our overall registry modernization initiatives, again, like land titles, we will replace the motor vehicle system with a new system. As noted, though, that will take time and investment to do so. So the tangible benefits of that work are still to come. The motor vehicles plan is to have the system replaced by 2028, so we have a longer time to be able to demonstrate supports there. The \$7.6 million in capital that you referenced was invested in more of those foundational changes to modernize the system.

Things that we did this year to focus more on automation and digitization: we did work to analyze the foundational requirements to deliver motor vehicles. Any time you replace the system, it's important to kind of reflect on what is it that we're trying to achieve. What are we trying to deliver? What's the design that we are looking for? Implementation of reporting tools; development of training programs that help the implementation of those new tools. We've streamlined the motor vehicle document review process to create efficiencies in day-to-day workflows, and of course we've brought on some new teams to be able to do that. We've also rolled out some early tools to improve service delivery.

Again, much of the more significant changes are yet to come, but \$1.9 million of that budget that you referenced did help to implement changes to motor vehicle systems to support transportation and economic development with graduated driver's licenses. We also developed and launched the driver's license history report product, which has shortened the time for folks to get their driver's license history. It used to be about 10 days, and now you can do it in a matter of minutes while you wait in the registry office. Much more to come, and again the intention is to do this in an iterative way with a series of releases over time but certainly some progress made.

**Mr. Dyck:** Excellent. Well, I'm very much looking forward to seeing this model continue to be modernized and automated, so well done so far.

Just moving on to key objective 3.2, I am really fascinated by the self-regulation and self-accountability process as well. My understanding is that the consumer protection outcomes are expected through regulatory frameworks, but then also how do you guys measure effective self-regulation in industry? I think for many people this seems maybe counterintuitive, but I've seen industry really step up to the plate. Now, saying that, can you just unpack this a little bit for me and explain how this works?

**Ms Clarke:** Sure. Service Alberta and Red Tape Reduction oversees a number of the situations that you describe. We oversee the Real Estate Council of Alberta, or RECA, the Alberta Motor Vehicle Industry Council, or AMVIC, and the Alberta Funeral Services Regulatory Board. As you've noted, those organizations provide for self-regulation of their industries through a significant presence of their industry members within their governance structure. However, there is considerable industry presence in the governance. They also, as you've indicated, carry a consumer protection mandate to be able to deliver that on behalf of Albertans through effective regulation.

One of the ways in which we assure that is every year the department reviews the business plans and financial plans of these organizations: their annual report, their audited financials that were prepared by these delegated regulatory organizations. We look at

making sure that they have appropriate use of funds that are collected from licensees, they're appropriately engaging in terms of enforcement and holding folks accountable, and they're otherwise meeting the mandate that has been delegated to them under our legislative framework.

**8:40**

We also help ensure that these delegated regulatory organizations really take engagement within the industry seriously, that they have good processes to reach out to industry associations, licensees as well as the public in terms of the work that they do and any changes that might be required, whether it's relative to their rules or our broader legislative and regulatory framework. We try to hold them to account, as we referenced. In many cases a minister is still responsible, for example in the case of RECA, to approve bylaws that are made as well, which gives some additional oversight of what's happening in those delegated organizations.

**Mr. Dyck:** Excellent. Just following this up, I know that you guys get the opportunity for the administration of policy, but then also executing that for people is very important. Part of that execution is also, really, just positive self-regulation. As legislators – and you guys are also creating the policy, executing on the policy. How are you guys going about making a positive experience of those policies?

**Ms Clarke:** I think one of the ways – oh, sorry.

**Mr. Dyck:** I was just going to say that I guess just, like, there are multiple industries that you guys can speak of. I was just going to make one final statement here that positive experience changes the landscape of business. You guys have a large opportunity and have continued to have a large opportunity to make a significant positive impact for the future of Alberta, so how are you crafting that positive experience for Albertans?

**Ms Clarke:** Well, one of the ways, again, is that we try to ensure that our policy and legislative framework are designed with that consumer protection and positive experiences in mind. One of the ways that we do that is by seeking feedback and engaging regularly, both with delegated organizations and being mindful of Albertans who reach out on a regular basis as well in terms of their experience. So that really informs the things that we do and the interactions that we have with our delegated regulatory organizations.

**Mr. Dyck:** Excellent.

I'm going to cede the rest of my time to MLA Scott Cyr.

**Mr. Cyr:** Thank you again for being before the committee here. I really appreciate you taking the time. You know, I will say that when I first got into office in 2023, one of the big concerns that was coming in was the backlog in the registry land titles, and I will tell you that that has pretty much disappeared. I haven't heard a single lawyer complainer or landowner, so I'm very thankful that you've been able to wrap that up. It was a huge issue for my local area.

But I'd like to move on to red tape reduction; that's actually near and dear to my heart. We can see that you were able to achieve about 33 per cent reduction in red tape across the government of Alberta during this fiscal year of 2023-24. How has the ministry been able to achieve this monumental reduction in red tape across the government, and can the deputy minister please provide some concrete examples of how 33 per cent in red tape reduction has actually affected businesses and individuals across Alberta?

**Ms Clarke:** Absolutely. We're absolutely very proud of the work we did to achieve that 33 per cent reduction, and we really did that

by listening to Albertans, to our stakeholders and by working with other crossministry partners across the GOA. For example, we did set up a link on alberta.ca where Albertans could submit their ideas and suggestions on things that they were seeing within our regulatory framework that were unnecessary complex or redundant or duplicative or wasteful even. So we did collect those submissions, which have informed a lot of the work that we've done.

We also had nine industry panels that were set up with various different sectors at play within Alberta, both for-profit and nonprofit sectors, and they met biannually to identify potential areas of focus and to hold us accountable for those results as well. We did work cross ministry, as I mentioned. Measurement is one of the key aspects to achieving our goals, and so one of the first areas of focus was to establish a good, strong baseline that was reflective of the regulatory requirements that we had in place so that we could measure our progress and hold each other accountable to that progress over time. We were able to also work with our crossministry partners to really surface and share best practices across the way, which allowed us to really make tangible changes.

I'll jump to some examples because I'm going to run out of time here.

Some examples, as you've indicated, that help businesses in our province: we've made changes to the Cooperatives Act to allow cooperatives to appoint more directors from outside of Canada, expanding their access to a diverse pool of expertise while building on local and international expertise on the board. We've made administrative enhancements, including a new application system, to the foundational learning assistance program to better support adults seeking training opportunities that equip them with essential skills for employment. We've reduced the burden on oil and gas service rig operators and maintaining safety by teaming up with the government of Saskatchewan to support movement between the provinces. We've streamlined access to the Workers' Compensation Board as well.

**The Chair:** Thank you, DM.

We will now move back to the Official Opposition for questions. You have 10 minutes.

**Mr. Ellingson:** Thank you. Through the chair again, team, thank you for spending your time with us this morning. As we have heard on page 17 of the report, you did reduce the backlog of land titles: 55 days for survey documentation registration and 84 days for document registration to your target of 12. I'm curious. Is that, like, an ongoing measurement that you're always at 12 days, or is it that over the year you've averaged 12 days? Where do the 12 days come from?

**Ms Clarke:** It is over the year that we calculate the average. Yes, it is over the course of a year. We try to maintain that on a monthly basis. We have volume trends that change throughout the year. The late summer into early fall we get significant volumes that we deal with.

**Mr. Ellingson:** We might be at a bit of a volume change right now because today you're at a six-week backlog instead of 12 days. Just wondering: in measuring your 12-day target, how are you meeting those spikes through the year so that you can keep that 12 days all through the year?

**Ms Clarke:** Yeah. Absolutely. That is a key focus of our department. You are right. We do have increased time frames right now. I think surveys are in decent shape, but we have longer time frames for other transactions in the system. One of the ways that

we've done that is to try to really continue to keep our staffing in place. We have bolstered, and, in fact, in relation to the increased volumes we've seen this fall, we have brought on additional human resources to be able to process those applications. That is a . . .

**Mr. Ellingson:** Yeah. You did make reference in the report that you brought on additional resources to come down to the 12 days from the 84 days. I'm wondering if you can tell us: how many people were added to the department? Are they all internal or some of them outsourced? And what was the cost for that?

**Ms Clarke:** I believe that we added about 100 extra people in total to process the backlog and to continue our work to maintain proper time frames while we replace the system. As we replace the system, obviously, we will have much more efficient processes and we wouldn't need that type of surge.

In terms of the dollars associated with that, we did spend \$10.5 million. I don't know what it is for the folks, in particular, but we will see if we can get you that number here at table and provide that in just a moment.

**Mr. Ellingson:** So the \$10.5 million that you referenced was for the modernization of the system. Some of it might have been spent on bulking up resources to reduce your backlog?

**Ms Clarke:** I would just have to confirm if that includes our staffing costs or just capital. Yeah, it would include staffing.

**Mr. Ellingson:** Okay. So maybe not the modernization. I'll get to that in a second. So those 100 people will stay onboard until you have that modernization system in place and it's functioning and you're realizing those advantages.

We know that CGI was awarded a sole-source contract of \$75,000 for land title backlog advice. Tell us a little bit about CGI information. How were they selected?

8:50

**Ms Clarke:** CGI is, of course, a management consultant, and they did, as you've indicated, provide backlog elimination expertise for the team, starting in May of 2022. The contract has since expired as of December of 2023. The vendor was at the final stages of this project but required additional three months. That's why we ended up sole-sourcing them for a period of time. I believe prior to that – I would have to confirm here – they would have been competitively secured, but I would have to check that.

**Mr. Ellingson:** So you can confirm that the original contract was competitive, and then the extension was sole-sourced because they were already working on the project.

**Ms Clarke:** I know the extension was sole-sourced because we needed three additional months to finalize the work, but I would have to confirm for you what the procurement process was from the start.

**Mr. Ellingson:** Sure. Thank you, again, through the chair.

The report says that there were \$60 million allocated to addressing the modernization of the system. I think the answers you've given today say that you're in year 2 of three of that modernization project. Can you tell us, of the \$60 million, how much you have spent? Let's say, to the end of 2023-24 how much of the \$60 million was spent?

**Ms Clarke:** Well, just to confirm; I have confirmed that CGI, the original contract, was competitively procured, just to close the loop on that.

**Mr. Ellingson:** Thank you.

**Ms Clarke:** In terms of the spend, my understanding – and I’ll look to my SFO in case there’s a need to clarify what I say. But it was the \$10.5 million that was ultimately spent, and we’re confirming the staffing allocation to that.

Maybe, Richard, you can do the breakdown.

**Mr. Isaak:** For registries modernization what was spent in ’23-24 for capital was 19 and a half million dollars. In addition, some operating money went to registries modernization at \$1.4 million.

**Mr. Ellingson:** Okay. We’ll keep watching the \$19.5 million out of \$60 million. It looks like you’re kind of, like, one year in, maybe not two. We’ll certainly be watching that closely as we go along. Software programs do have the ability to extend their life, so we’ll be watching closely to make sure of that.

Thanks for the clarification regarding the \$10.5 million was largely staffing. I think that I’ll just make a comment that in the report – I think you need some clarity in writing the report of, like, what the \$10.5 million is and what the \$60 million is. It’s not abundantly clear. They’re both referred to as modernization projects when clearly one was staffing up to deal with backlog. So I think some clarity would be needed there.

Do you have a date then of when you’ll go live with the modernization project?

**Ms Clarke:** For land titles specifically?

**Mr. Ellingson:** Yeah, for land titles.

**Ms Clarke:** We are looking in the 2026 year for land titles specifically. But, again, what we are doing is rolling things out in terms of iterations. We have actually stood up the Alberta Registry for Land Online, ARLO. That’s the name of our new system. We’ve had one release so far, which helps with search capability; 24/7 the folks can kind of go in. But in terms of the system being replaced, if you will, that would be in the 2026 time frame.

**Mr. Ellingson:** When the system is replaced in 2026, what cost savings do you think you’ll be realizing? I’ll add on: when those cost savings are realized, will you be charging lower fees for your services?

**Ms Clarke:** I apologize. I didn’t hear the last part of your question.

**Mr. Ellingson:** The start was the cost savings that you’ll realize with the modernization. Once you’ve realized those cost savings, are you going to lower your service fees?

**Ms Clarke:** We will have to evaluate cost savings as we go. Certainly staffing complement will change with a new modernized system. Again, we have to evaluate that as we go and we understand the new system, and so we don’t have a particular number, but that’s where most of the cost savings will come from and hopefully not having . . .

**Mr. Ellingson:** But you probably had an expectation in mind when you originally designed the project; that you would have had a number on the page of what savings you thought you were going to realize.

**Ms Clarke:** Yeah, so I don’t have that number right now. I do know that we expect that when we have the system developed and up and running, that additional 100 that we provided: we would certainly shrink that, I think, down to, if memory serves, around 30 or so

folks that we would need, but again, we would have to evaluate that as we go.

**Mr. Ellingson:** Thank you.

Again, through the chair – oh, 21 seconds left. Okay. I think I’ll just cede the 15 seconds and start with a new question next time. Thank you.

**The Chair:** Thank you. We will move back to government for 10 minutes, and just a reminder that the questions need to be about the ’23-24 report that’s under discussion. MLA Cyr.

**Mr. Cyr:** Thank you for that reminder, Mr. Chair. I appreciate that.

MLA Renaud had touched on a lot of what I was hoping to discuss when this was about life leases. One of the questions I’d like to start with is to the Auditor General. How many outstanding recommendations do we have regarding life leases?

**Mr. Wylie:** I would have to check. I’m not aware of any off the top of my head.

**Mr. Cyr:** So we have no outstanding recommendations from the Auditor General regarding life leases?

**Mr. Wylie:** I would have to confirm whether the topic to which you’re referring, life leases, might be discussed in some of the narrative or the text of other recommendations, but to my knowledge nothing is coming to mind. I’d like to confirm that if I could.

**Mr. Cyr:** Absolutely, sir. Again, I know this is just really – it’s an important topic to Albertans, clearly. In my first term, from 2015 to 2019, life leases actually were something that were coming up quite regularly as being an issue. Now, what happens here is that whenever we’re looking at our seniors, I know that we all want to defend them, whether it’s opposition or the government members.

MLA Renaud had brought forward some important points here that I think I’d like some clarification on. Can you explain how the process works for a letter of reprimand or some citation? Do we actually have a process in government over the last 10 years that says: you’re a bad person and you should stop? Like, I’m just curious on how that would work.

**Ms Clarke:** Relative to life leases, prior to the more recent legislative framework being developed and ultimately passed, again, there were no life lease specific requirements or regulation within our framework. Where the Consumer Protection Act kind of covered life leases was in some of those more general parameters around unfair practices. Unfair practices could be things like, you know, folks feeling pressured to sign a contract or perhaps a contract being entirely one-sided or information not being disclosed, those sorts of things. There is the opportunity for folks to file complaints and to have our consumer investigations unit investigate whether or not those kinds of things have unfolded.

If, in fact, that is found to be the case, there is an opportunity to issue directive orders, which is essentially, you know, you shall do something or you shall not do something. There is the opportunity for administrative penalties as well, and in some cases enforcement. Our team also tries to work very proactively in educating consumers about some of the risks and some of their rights as well.

The development of the legislation gives us greater teeth, if you will. It has set out actual requirements to give consumers greater protection that you do have the right to have certain things disclosed; you do have a 10-day cooling off period; there is a requirement to pay back entrance fees after a lease termination of

180 days and an interest penalty if that is not met, and we have regulatory authority if there's a need to bolster that regulation. If there are violations or noncompliance in relation to those, then we have similar teeth, and we have identified the lack of payment as an offence, which faces steeper enforcement. You know, things we could do in the past: we would educate and/or we could issue directive orders. Now we also have the ability to have more significant enforcement if that is deemed necessary.

9:00

**Mr. Cyr:** Again, thank you for that response. You know what? It's good that we clarify here what the role was before this legislation was enacted. We brought real protection in for seniors. This is something that was ignored by the former NDP government, and I'm going to tell you that I'm very thankful that Minister Nally is actually taking a step forward to getting in front of this so that we actually see our seniors that are trapped in those life leases feeling as if they've been heard.

When you're looking at the legislation itself, are we actually going to be continuing looking on to what we're going to be bringing forward as more protections, or is this kind of where we're ending at?

**Mr. Schmidt:** Point of order, Mr. Chair. Thank you. I raise a point of order under 23(b), "speaks to matters other than the question under discussion." Member Cyr is obviously asking a forward-looking question. It's not under discussion today. The issue under discussion today is the '23-24 report for service Alberta, so I ask that the member keep his questions related to that report.

**Mr. Cyr:** I withdraw the question.

I cede my time to MLA Armstrong-Homeniuk. Thank you.

**Ms Armstrong-Homeniuk:** Thank you.

Chair, through you to the deputy minister. On page 16 of the report under key objective 1.2 I see that "the ministry engaged with registry agents and conducted development activities to implement the seniors' discount of 25 per cent [off] for personal registry services [across Alberta], which [was] launched on April 1" of this year. I was wondering if the ministry could please explain to the committee: what has been the overall impact of the 25 per cent seniors' discount on registry services in terms of uptake and total savings across the province? Could you please explain exactly what services seniors can expect to save 25 per cent on, and are there any services that are currently not included in this discount which the ministry is working on to bring under the seniors' discount?

**Mr. Schmidt:** Again, Mr. Chair, point of order. In her question Member Armstrong-Homeniuk asked the department to speculate on what services might be considered for discounts in the future. That's a violation of 23(b). She's speaking to matters other than the question under discussion. There is plenty to go at in the report, service Alberta's report from '23-24. I ask that the member confine her questions to those items that were considered by the department in '23-24 and not ask the department to speculate on future activities.

**Mr. Cyr:** Clearly, we're looking at a free flow of information during this period. We are looking at a matter of debate, if you will. The members across also went straight into 2027, asking very pointed questions, which the government members gave them a little bit of latitude on. It doesn't seem that they're even willing to allow us to have a little bit of movement on this. It is reasonable to see if they explored during 2023-24 additional discounts, and I believe that's not a point of order, sir.

**The Chair:** Well, thank you, Member Cyr.

It's not a matter of debate. The member prefaced her question that in April this year seniors' benefits of 25 per cent were enacted and how that has impacted seniors. I'm kind of more sympathetic to the Official Opposition argument that this question is going outside the scope of the year under discussion.

Anything can be asked about what's in the report and the activities within the year under discussion, but this question kind of seems a little bit going offside this report. I will caution members to make sure your questions relate to the report under discussion and any activity of the ministry within the year under discussion.

**Ms Armstrong-Homeniuk:** Okay. Well, let's reframe that question, then. Could you please tell me the services that seniors are saving 25 per cent on as per the report?

**Ms Clarke:** Yes, absolutely. As was discussed, we did effectively implement the seniors' discount in April, but of course the groundwork for that program was developed in 2023-24. The services include land title searches. It includes vehicle registration renewals, drivers' licences, personal registry services. It includes standard licence plates as well as drivers' medical examinations and vital statistic products like marriage licences.

**Ms Armstrong-Homeniuk:** Thank you.

On page 22 of the annual report I wanted to highlight the ministry's continued work with the AGLC to support our great Alberta cannabis market. Through some key policy amendments that were made during the reporting period, I see that the ministry helped to reduce listing fees for licensed cannabis producers, which brings Alberta more in line with other provincial listing fees. Could the deputy minister explain to this committee: has a drastic reduction in listing fees for cannabis products from \$1,500 to \$250 per SKU effectively increased market competition amongst licensed producers in Alberta? Has the reduction in costs per SKU led to the oversaturation of similar products in the market, or have these new-found savings gone on to support local cannabis retailers?

**Ms Clarke:** Thank you. Thank you for the question. We did receive responsibility for AGLC back in July 2023, and the first area of focus for us was, of course, on red tape reduction. One of the changes that was made with the intention of red tape reduction was looking at listing fees, resulting in the reduced listing fees that you referenced, which was raised as a concern, of course, by the cannabis industry in terms of their profitability. The resulting cost savings of \$567,000 between October 2023 and January '24 for the licensed producers: they listed 454 new SKUs. For Alberta-based producers that was 142 SKUs, with a savings of \$177.5 thousand, which we know has helped the industry in terms of their bottom line. This was really just one example of a series of changes that were made by the AGLC to be able to support the industry and to address both red tape reduction and unnecessary costs.

Other examples include allowing licensed cannabis retailers to operate temporary sales locations at adult-only events like trade shows and festivals; allowing licensed cannabis retailers to keep their products in locked storage cases, locked display cases in the store rather than in a backroom kind of storage vault, which was very inefficient in terms of at the end of the day; removing restrictions to allow AGLC the ability to authorize sales and transfers between cannabis retailers and to further allow AGLC to establish maximum resale market limits for cannabis products sold between retail licences; reduction in retailer delivery fees from \$225 to \$200, which saves about \$100 each month for some of these industries. AGLC updated its Retail Cannabis Store Handbook to

permit alternative construction methods for secure cannabis rooms as well. I'm running out of time, but lots of changes were made to help promote the sustainability of the industry.

**The Chair:** Thank you.

We will now move back to the Official Opposition for 10 minutes.

**Mr. Ellingson:** Thank you, through the chair. To pick up where I left off, I will be asking about the department's work in '23-24. I'm going to ask about your kind of research and preparatory work, maybe an estimation of the revenues needed to modernize the land titles system. This is to say that budget '24-25 did introduce a registration fee, a base fee of \$50 per \$5,000 and an additional \$150 per \$5,000 on principal. I want to ask about the work that was done by the department in '23-24 leading to the introduction of that tax.

9:10

**Ms Clarke:** Yes.

Just to close a question that you asked in the last round, I can confirm that in 2026 we start to see immediate savings of \$1.7 million with the system being in place, and that will increase to \$3.4 million in 2027. We will see and we will look at other savings as we go, but I did want to give you a bit of that information.

**Mr. Ellingson:** Thank you for that.

**Ms Clarke:** Yeah. In terms of the work we did in '23-24, you're asking about the land titles registration levy that was included in Budget 2024. Much of the work we did was to look at, for example, other jurisdictions, what other jurisdictions did in terms of land titles, registrations and land titles levies. British Columbia, Ontario, Manitoba, Quebec: all have land transfer taxes in place. We did look at where those levels were. All, of course, far exceed what we have in place here in Alberta. We did also look at what was required in terms of the land titles modernization initiative. Again, \$60 million dedicated over three years, about \$160 million, government has committed to the registry's modernization between now and 2028. Research in terms of other jurisdictions; research in terms of history on when things have been updated. We did look at the housing market to make sure we weren't doing anything that would be punitive.

**Mr. Ellingson:** Thank you. That's a comprehensive answer.

As we see all of the savings flow through, maybe we'll see those levies reduce in the future.

On page 12 this is talking about motor vehicle registrations, that Alberta is establishing a reciprocal code-sharing agreement with Arizona. Why Arizona? There are 49 other states and 11 other provinces. What process did we go through to choose Arizona? What made Arizona the most appropriate example for us?

**Ms Clarke:** Yes. Thank you for that question. You're right. We did enter into a reciprocal code-sharing agreement with Arizona. In early discussions with looking at what we needed for our system, we did look at a variety of custom kind of off-the-shelf vendors that indicated quite a significant expense to replacing the system. I think the estimate we had was \$110 million Canadian with a timeline of three years to be able to undertake that approach. We did look at a variety of other jurisdictions as well, as you've indicated. We do have lots of connections with a variety of different U.S. states. I think Arizona was the most like what we have here in Alberta and what we were trying to achieve, so it made sense that that could be something we can consider.

**Mr. Ellingson:** So that's like an evaluation matrix that made Arizona kind of pop up as the most matched, your highest dating app match.

**Ms Clarke:** Yes. And that approach was to be more cost efficient than what we could buy off the shelf.

**Mr. Ellingson:** Yeah. Off the shelf would have been \$100 million, and the code share with Arizona was \$7 million. I think you allocated \$7 million or 7 and a half million to that program.

There is a sole-source contract with AstreaX, based in Scottsdale, a three-year contract worth \$7 million. Can you explain why this was sole-sourced and why this was not a competitive bid?

**Ms Clarke:** Yes. Absolutely. To be clear, the code-sharing agreement that we have in place with Arizona cost, actually, the province zero dollars. There was no financial commitment associated with the code sharing in particular, and we expect that it will result in significant savings for the GOA overall, which was part of the business case, if you will, for looking at Arizona.

The contract that you referenced – you are right – was just over \$7 million, as you've indicated. It was sole-sourced, again, because we did enter into the no-cost reciprocal agreement with Arizona. Based on our analysis, it did make sense for us to use this particular vendor to support our operating context because they did have experience . . .

**Mr. Ellingson:** That vendor was already working with the state of Arizona on their motor vehicles?

**Ms Clarke:** Yes. That's my understanding.

**Mr. Ellingson:** I understand.

**Ms Clarke:** It helps to ensure that we get some good learnings and experiences from that approach.

**Mr. Ellingson:** Thank you.

I am going to cede my time to my colleague MLA Schmidt.

**Mr. Schmidt:** Great. Thank you.

The Auditor General in his most recent report identified concerns about controls on liquor processes at the AGLC. Can the Auditor General explain to the committee why he didn't make an estimate for the amount of lost revenue due to AGLC due to these markup problems?

**Mr. Wylie:** Sure. Thank you for the question, through the chair. When doing audit work, we, obviously, do two things. One, we rely on controls and we test the controls over the specific transaction streams that we're looking at, and we also gain assurance through testing of detailed transactions. In this particular case we determined that for the purposes of our intent, which was to make recommendations for improvements, we just didn't need to do the extra work to try and quantify an amount. We were really looking at the controls that existed rather than trying to identify the specific dollar amount of errors.

You'll notice the nature of the recommendations: they really are process oriented. That's, I guess, the real reason. It was essentially looking at the audit. We identified an issue, determination of: would it be significant to issue an audit opinion? The determination was no, it would not. Therefore, the objective would be to bring forward recommendations that would help improve the processes going forward. That's what we did.

**Mr. Schmidt:** Okay. Thank you for that clarification. In your report, though, you say that the consequences of not taking action could be significant lost revenue due to AGLC. Did the department take the Auditor General's recommendations and make an estimate of how much revenue is at stake here if those recommendations aren't implemented?

**Ms Clarke:** The department did not take that and make an estimate. I can say, though, as was referenced, I think the AGLC has been fully receptive to the recommendations made by the Auditor General and has already taken quite a bit of action to execute on them. We do believe that the advice provided by the OAG has led already to some corrections.

**Mr. Schmidt:** Now, the report identifies a growing number of small manufacturers eligible for reduced markups. How much revenue would AGLC generate if the small manufacturers were not eligible for reduced markups? Like, how much are we . . .

**Ms Clarke:** Forgone revenue from the small manufacturers – that would be small manufacturers, small brewers combined – would be in the order of about \$90 million.

**Mr. Schmidt:** Ninety million dollars.

**Ms Clarke:** That's right; for '23-24.

**Mr. Schmidt:** Okay. Thank you very much.

Can officials provide the committee with an estimate of how much revenue was lost because these small markups for wine manufacturers, that the Auditor General – they're only supposed to apply for fruit wine and mead, but he found that the AGLC was applying them to all small wine manufacturers' products. How much revenue was lost because that was applied incorrectly?

**Ms Clarke:** I'm not able to provide that. We do have members from AGLC in the gallery. To see if they can address it, I'll ask that Nick Knight, the VP of corporate services, provide a response.

**Mr. Knight:** Good morning.

**The Chair:** You can introduce yourself for the record and then answer the question.

**Mr. Knight:** Sure; yes. Hi. I'm Nick Knight. I'm the VP, corporate services and chief financial officer at AGLC.

When we look at the application of small manufacturer markup reductions for wine production, typically in Alberta we see very low volumes of actual wine production. What we see more typically is fruit wine and mead production. In the year '23-24 the actual value of that discount was deemed to be immaterial.

**Mr. Schmidt:** Immaterial. Just for our clarification, does that only apply to small manufacturers in Alberta, or does that apply to . . .? [A timer sounded]

**The Chair:** You can finish off if you want.

**Mr. Knight:** Only to small manufacturers in Alberta, I believe. Yeah.

**The Chair:** We will now move to questions from the government committee members. You have 10 minutes.

**Ms de Jonge:** Thank you, Chair and to the officials for being here this morning to answer questions and talk about the great work that that you're doing. I've also really appreciated the respectful tone in

which all the questions have been asked today. It's a nice change of pace in this committee.

Jumping right into pages 23 and 24 of the annual report, I read that 1,773 consumer complaints were received through consumer services from Albertans leading to 418 investigations and 761 enforcement actions. These numbers are clearly demonstrating your commitment to consumer protection. We've heard about that already this morning. Through the chair, can the ministry provide some specific examples of cases where that enforcement action led to significant positive outcomes for consumers? I'm also interested to learn how these actions taken by the ministry will deter and can deter further violations.

9:20

**Ms Clarke:** Thank you. Thank you for the question. As you've noted, our Consumer Protection Act and its regulations do provide strong consumer protection against unfair business practices. Our consumer investigations unit follows up on complaints that it receives, and any resulting consumer alerts or enforcement actions are posted online to ensure, of course, transparency and accountability to Albertans.

Major administrative actions taken in '23-24 by our consumers program: you've asked for examples. We had a \$15,500 administrative penalty and a director's order issued against Canadian Quality Home Services related to unfair practices and noncompliance with direct sales requirements of the Consumer Protection Act. We had another \$12,000 administrative penalty and licence cancellation issued to Cosmic Higher Limited for contraventions of the Consumer Protection Act and employment agency business licensing regulation, including charging prohibited fees for the securing of employment. Another example, \$27,500 in administrative penalties and director's orders around Prets Alpha Inc. for engaging in unlicensed high-cost credit activities and unfair practices, just to give you a little bit of the range of the kinds of files that are pursued.

In the 2023-24 fiscal year our consumer investigation unit received and actioned more than 1,773 complaint submissions. Those complaints not meeting investigative standards resulted in approximately 1,100 educational opportunities for consumers and businesses, and more than 500 advisories were provided to businesses as well. More than 400 investigative files were opened – I think we've touched on that earlier – resulting in 761 charge accounts being recommended for prosecution. I will note that when we use that number and charge accounts, really that's a snapshot in time that gets finalized once we actually have the court process unfold.

As we talked about earlier today, the most common complaints that we tend to get are around unscrupulous door-to-door sales tactics, home and property renovators operating without business licences, using noncompliant contracts, misleading and failing to refund customers. We like to think that in taking all of these actions, including the education and outreach that we do, it does not only hold businesses accountable in the province but does hopefully prevent further noncompliance and provide those protections for consumers.

**Ms de Jonge:** Thank you very much through the chair. It's interesting to learn about the high number of education opportunities that the consumer services investigation line can lead to and how that deters further violations and provides a corrective action as well.

Flipping back now to page 19 of the report, I can see that over 300 permit streams across 16 ministries are being reviewed and approved to reduce approval time. I think that's an incredibly

important initiative to support economic growth and development across the province. My colleague MLA Cyr spoke about red tape reduction and the importance of that. I think that's my favourite ministerial title of all. It's important to ensure that our government remains efficient. Through the chair I'm wondering if the ministry can share some examples with the committee of industries or projects that have already benefited from that streamlined process referenced in the report. I'm also interested to know how those changes made will contribute to our province's long-term growth.

**Ms Clarke:** Absolutely. We do work quite regularly with crossministry partners, as you've indicated, to be able to identify and inventory, if you will, the different permit streams and identify opportunities for streamlining, the best practices and strategies that we've been able to develop with our crossministry partners, including something as simple as simplifying the permit application forms, to digitizing application and review processes, enhancing staffing and staff training, cross training staff so that they can kind of pivot to higher volume permit streams, and engaging regularly with applicants and stakeholders to ensure that applications are coming in with complete information and everyone is aware of the requirements for timely processing.

To give you some examples, since this work began in 2023, over 20 per cent of government permits, licences, and approvals have actually achieved reductions in decision time. We're quite pleased about that result. Examples: approvals to allow the delivery of new postsecondary courses and degrees, which have improved by 30 days at Advanced Education; permits to enable on-farm animal slaughter operations, which are currently provided in 10 days, which exceeds their 30-day standard for decision by Agriculture and Irrigation; and an example from our colleagues in Forestry and Parks: permits pertaining to forestry and logging are now approved by five days overall. We're starting to see real, tangible improvements in permit times across the province.

As well, because I know Water Act approvals have gotten some attention in red tape reduction conversations previously, I'm happy to report that Environment and Protected Areas has reduced the timelines for Water Act licence approvals by 54 per cent over the past four years, including 25 per cent improvement since June of 2023. This is helping, you know, streamline water management in the province. For our own part within Service Alberta and Red Tape Reduction we've reduced our decision timelines from 39 days to 21 days across the department. This includes permits to enable prepaid contractors such as landscapers, which have fallen from 31 to 22 days over the last year.

Our focus is on continued improvement on all of those permit timelines and, again, working with our crossministry partners to be able to circulate some of the best practices that have worked so well for some of our partners.

**Ms de Jonge:** Thank you through the chair. That's awesome work. I can tell you that my constituents have certainly noticed this and have shared anecdotally with me of just their experience with the reduced permitting timeline. So I really commend you for that. Keep up that great work.

Now, just working backwards through the report to page 13, jumping to a different topic here, where the report highlights the residential tenancy dispute resolution service. I'm reading that 95 per cent of urgent applications are now being heard within 15 days of their submission date. You know, that's a critical improvement to both tenants and landlords alike. I'm wondering if, through the chair, the ministry can elaborate on how that enhanced efficiency has reduced stress and financial strain for those involved in those disputes. I'm also interested to know during the 2023-24 fiscal year

what further plans were put in place to continue supporting Albertans in this area.

**Ms Clarke:** We certainly recognize the importance of resolving landlord and tenant disputes in the quickest way possible because it does lead to lots of stress on all sides. The volume of applications to the residential tenancy dispute resolution service has historically increased year over year, and in the past years the rate of increase has risen from an average of 4 per cent to 10 per cent. In '23-24 fiscal year we had 14,753 applications being filed, an increase in volumes for sure.

To respond to that higher than normal anticipated volume of applications and to ensure that disputes are addressed in the most timely fashion possible, again we did hire some additional staff to be able to bring in some surge capacity, and we really adjusted our scheduling processes quite a bit, including the institution of kind of a prehearing if you will, where parties can get together, they can share information about the process, they can confirm that they have the information available to them, and that they understand the process.

**The Chair:** Thank you, DM.

We will now move back to the Official Opposition. You have 10 minutes.

**Mr. Schmidt:** Thank you very much. I've heard from constituents who have concerns about the time it takes to get an application to operate a liquor outlet. Can the deputy minister provide the committee a sense of the processing times for those licence applications in '23-24? What was the shortest, what was the average, and what was the longest processing time for those applications?

9:30

**Ms Clarke:** And you said liquor stores?

**Mr. Schmidt:** Yeah, liquor stores.

**Ms Clarke:** Liquor stores. That is something that is regulated by the AGLC, so I will ask my colleagues from AGLC if they're able to provide a response.

**Ms Sasseville:** Hi. Angelle Sasseville, VP of policy and public affairs for AGLC. We don't have that information handy today, but we can provide it.

**Mr. Schmidt:** Thank you very much. While you're there, is there a target for processing times for those applications?

**Ms Sasseville:** Unfortunately, I also don't have that.

**Mr. Schmidt:** Don't know. Okay. Thank you very much. In your response to the committee if you could provide not only a sense of how long it takes to process those applications and, whether or not there's a target, how often you meet that target, I would appreciate that.

Page 23 of the annual report discusses the development of online gambling in Alberta. What was the estimate in '23-24 of the total online gambling revenue in Alberta, and can you break that down between that spent legally on PlayAlberta and an estimate of how much is spent illegally on other online platforms?

**Ms Clarke:** We can certainly provide. We may have it at the table, or AGLC may have it, the revenues from PlayAlberta, which is the only regulated online gaming site here in the province for 2023. So we will look to get you the PlayAlberta numbers.



In terms of the unregulated market, the grey market, we don't have those numbers. We're not able to track an illegal activity in the province, so we don't have revenues. We do think that there is a good portion of Albertans who do pursue online gambling through the grey market, which is one of the key reasons why we want to pursue a more open online gaming market here in the province, to ensure that we have better social responsibility programs for those folks and that the revenue generated does stay within the province.

I will ask Nick to comment on PlayAlberta's revenue projections for '23-24.

**Mr. Knight:** Hello again.

**The Chair:** You may introduce yourself first.

**Mr. Knight:** Yes. Nick Knight, VP, corporate services and CFO at AGLC. Online gambling net sales, which is essentially the difference between how much players bid less what they were paid out, totalled \$235 million in 2024.

**Mr. Schmidt:** Okay.

When we operationalized the legalization of cannabis, I think we had an estimate of how much the illegal cannabis market was. One of the goals in that process was eliminating the black market for cannabis, and it sounds like that's a similar goal for the expansion of online gambling operations here in Alberta. If you don't track that information, how would you possibly know whether or not you've been successful in achieving your goal? Like, is there an estimate for how much you think online gambling revenue will increase with the iGaming strategy? What's the target that you have set for this?

**Ms Clarke:** Yeah. We do estimate that PlayAlberta, again, the only regulated site right now, does capture about, we think, 30 to 40 per cent of Alberta's online gaming market. We have conducted analysis more in this fiscal year around what that might mean for us moving forward if those assumptions are correct and to think about, you know, the extent to which there may be possibly cannibalization of revenues from other sources, whether it's traditional casinos or PlayAlberta. Those numbers, though, are still being developed as we look at our broader online gaming strategy.

**Mr. Schmidt:** Yeah. Thank you for that.

I mean, what has been the experience? It's my understanding that gambling revenue in Alberta is relatively flat. Even though our population is increasing, the amount of money spent on gambling hasn't really increased in any meaningful way for quite some time. How has the existing PlayAlberta system impacted the charitable allocations of gambling revenues in Alberta?

**Mr. Knight:** Sure. Yeah. What we've seen over the last number of years is actually steady growth in land-based gaming revenues despite the launch of online opportunities. If we look at the market for online gaming, it's actually a market that, as much as we only have one legal participant here in Alberta, has been healthy and used by Albertans for a long period of time. Ultimately, we see land-based casinos continuing to drive revenue growth. However, we have seen lower activity in the VLT space in particular.

**Ms Clarke:** I was just going to add that in '23-24 eligible charitable and religious organizations earned just over \$380 million through their participation in Alberta's land-based charitable gaming model, with First Nations charities in particular earning \$73 million in revenues. Nick can correct me if I'm wrong, but I do believe that is consistent with previous years as well.

**Mr. Knight:** Yeah. Overall charitable gaming proceeds actually grew by \$26 million in 2024 compared to the prior year.

**Mr. Schmidt:** Did any of those proceeds come from PlayAlberta?

**Mr. Knight:** No.

**Mr. Schmidt:** No. Okay.

As you're developing the online gaming strategy, what is the department's intent? How will the department protect the charitable gaming allocations? You said that you expect online gaming to cannibalize land-based gambling. What will the department do or what did the department do to protect the charitable revenue?

**Mr. Cyr:** Point of order.

**The Chair:** We have a point of order raised by Member Scott Cyr.

**Mr. Cyr:** Again, we're asking questions outside the scope of this. We literally just ruled against myself asking the same question regarding life leases. I ask that this be deemed a point of order, Mr. Chair.

**Mr. Schmidt:** Thank you, Mr. Chair. Obviously, the member wasn't listening to my question. I asked the deputy minister quite clearly what the department did in this past fiscal year to protect and how they designed their online gaming strategy to protect charitable allocations in this past fiscal year. I was quite clear, so this isn't a point of order. [interjection] Yeah, it is, and I'll be happy to print off the *Hansard* for you guys tomorrow to prove my point.

**The Chair:** Through the chair.

I think I heard that question, Member Schmidt, about the percentage of charitable donations from that year, but with your next question, the problem is that while you were still asking the question, members here raised a point of order, so I couldn't speculate where that question was going, but I would caution to keep your questions strictly to the report under discussion or any activity of the ministry for '23-24.

**Mr. Schmidt:** Yeah.

In designing the online gaming strategy, what considerations did the department give to protecting charitable allocations?

**Ms Clarke:** The bulk of the work we did and are doing relative to the online gaming strategy has been in this fiscal year. We just initiated work in '23-24. It was really just being mindful that that is a critical consideration for us moving forward. I don't think there's any desire to compromise our charitable gaming revenues and model. It's value-added for the community. Some engagement did start to unfold, but materially we've been looking at the strategy in this fiscal year.

**Mr. Schmidt:** Thank you very much.

Capital City Casinos was denied their application to move their casino from Camrose to Edmonton in June of 2023. I'm curious. When did they reapply to move their casino?

**Ms Clarke:** In May 2022 AGLC evaluated a proposal from Capital City Casinos to relocate its existing Camrose casino to southeast Edmonton as part of efforts to increase its revenue. In November 2022 the AGLC board rejected that proposed relocation due to various factors. I think on October 10 AGLC ultimately approved the Camrose casino's application to move to southeast Edmonton following amendments, I believe, to their policies in January. But these are decisions that are made by AGLC. The department has no

involvement in that, so I will ask the AGLC folks to supplement. They may be able to give you more context.

**9:40**

**Mr. Knight:** Hey, there. Nick Knight, VP, corporate services and CFO at AGLC. I don't have the exact date of the application, but I might, if there are additional questions, be able to provide some colour.

**Mr. Schmidt:** Thank you very much. It sounds like it might have been in January of this year that they reapplied.

**Ms Clarke:** I would defer to AGLC.

**Mr. Knight:** We can get you the exact date.

**Mr. Schmidt:** Okay. I mean, my question is, really: what aspects of their application did they change between their initial application? They went to a hearing. Then they reapplied. I mean, the reason that they were denied was because they would cannibalize existing land-based casinos here. What did they change in their application?

**The Chair:** Thank you.

We will move to government members for questions. You have 10 minutes.

**Mr. McDougall:** Thank you, and thank you for your presence here today. Through the chair and to the deputy minister, page 25 highlights amendments to the Prompt Payment and Construction Lien Act, which introduced exemptions for projects exceeding \$5 billion, and these amendments aim to balance the needs of Alberta's growing economy with fairness for contractors.

As somebody who founded and was president of a small subcontracting company that did a lot of work, the prompt payments and construction projects legislation was certainly very useful to help us small companies to not be utilized by larger companies as a mechanism of financing their operations. So it's certainly important to small-business operators that this exists. Could the ministry explain how the policy, that is, the exemption for projects exceeding \$5 billion, is supporting the development of large-scale projects while ensuring contractors and workers are protected from undue delays in payment?

**Ms Clarke:** Absolutely. Yeah. The regulation that you referenced, the exemption that we put in place, amendments to the prompt payment rules, is really designed around promoting competitiveness with other jurisdictions as we work to attract large projects here in the province, including those at an international scale.

The exemption itself focuses on significantly large projects in excess of \$5 billion that drive investment, create jobs, create economic spinoffs for our province. It creates limited – very limited – flexibility for what we anticipate in the future to be a very small number of projects that stand to create large economic benefits. They have to create environmental benefits for our province as well, and we've done that in a way we believe still preserves the key principles of the prompt payment and construction legislation.

Contractors subject to the PPCLA who are working on the exempted project will maintain their 60-day lien rights periods, as with any projects. Once the proper invoices are given and the flexibility is in the invoice time frame, the legislated payment timelines themselves will still apply. So there is still a level of predictability of payments for contractors and subcontractors.

**Mr. McDougall:** Thank you.

Moving along to key objective 3.3. I see that the ministry is committed to working with condo owners, corporations, lawyers, managers, and other Albertans to enhance condo legislation and regulations. I see that in '23-24 the ministry has highlighted that substantial engagement was undertaken to identify the issues and explore how to best address those issues. Could the deputy minister please explain how this engagement was conducted? Then, as a follow-up, could the deputy minister unpack how the condominium stakeholder working group has worked together on the design of a dispute resolution tribunal that meets the needs of Albertans who live in condominium communities?

**Ms Clarke:** Yes. Absolutely. Thank you for the question. In January of 2024 the department did begin engagements to discuss approaches to improve legislation with our condo stakeholder community, including the design of the condominium dispute resolution tribunal. We also looked at things like chargebacks, that were looked at in previous legislation. The engagement was conducted through numerous virtual sessions with discussion guides provided to participants in advance, so we had some good discussions when folks showed up at the virtual table, if you will. Most of the sessions were conducted based on targeted stakeholder groups, which we used to ensure that there was good, open dialogue and ensure that there was a good, diverse set of perspectives that were at the table for those discussions.

Just to give you a sense of some of the stakeholders that were a part of that process. We have a condominium stakeholder working group that is consisted of some of the key stakeholder groups that we work with on a regular basis: the Association of Condominium Managers of Alberta, Canadian Condominium Institute north and south Alberta chapters, the Condo Owners Forum Society of Alberta, Strathcona County Condominium Association, the Centre for Public Legal Education Alberta, the Canadian Bar legal community Alternative Dispute Resolution Institute, the Building Industry and Land Developers Association; and, of course, representatives from condo owners, property managers, and those from the broader community. So a wide selection of folks, with different perspectives, certainly, around the table. The engagements were completed in April 2024. Through that process, again, we were able to bring forward ideas, and ultimately now we have legislation that is proposed.

Discussion on the tribunal itself first took place over a few months in 2024. We did again work with the condominium stakeholder working group, that is a standing group that we work with on a regular basis to talk about key challenges and opportunities. We did work primarily with them on the design of the condominium tribunal, and we expect to do that further subject to approval of legislation as we move forward with the further design in our regulations.

**Mr. McDougall:** Thank you.

I want to return a little bit to some questions that were earlier in this session. For me it's just a part of a clarification. I just want to make sure that I'm understanding things exactly clearly. During the '23-24 year in question here, is it correct to say that the only complaint in terms of life leases – going back to the life lease issue here – that was received by those who have held life leases, relates to the one private operator that has been highlighted here earlier today and that there were no other complaints by other life lease holders during that time frame?

**Ms Clarke:** My understanding is the complaints, which I have confirmed for the other member that we received open 25 complaints, were for the one operator.

**Mr. McDougall:** So no other life lease company that is providing life leases today has violated or been a problem in terms of returning their funding during the year that we're talking about today.

**Ms Clarke:** There was one other operator whose had some concerns in the past, a nonprofit operator, but was able to manage around that, and it didn't turn into quite the significant cue that we see in place.

**Mr. McDougall:** I think it's important to highlight this fact. One of my concerns I have is that, to be perhaps an exaggeration of what this issue that the one operator has had, in trying to extend that to the rest of the industry, you risk creating a bigger problem that you have if other people were scared that they would have a similar problem, that they would all try to leave the premises or nobody new would come in. This would cause a big problem for a lot of nonprofits that are operating in this sphere and other private companies that are acting responsibly and without problems. You know, I would assume that this is part of the issues that you are considering when you're dealing with this issue.

**Ms Clarke:** Yes, absolutely. Very much our focus on building the legislative requirements was to really strike the balance between the concerns that we have heard and them being relative to one operator, but striking the balance between having good, solid consumer protections in place and ensuring that that industry can continue and that type of housing can be offered as an affordable housing option for folks in this province. We're very mindful of that balance when we put the requirements in place.

**Mr. McDougall:** You talked a little bit about the new legislation that came in, what additional tools it provided to put pressure on operators who are not meeting the refined requirements in a reasonable amount of time. What exactly could your organization do, your department do, before this new legislation came in? What were the tools that you had, if any, to be able to pressure or force an operator to comply?

9:50

**Ms Clarke:** As I referenced, generally speaking the broader Consumer Protection Act provisions would apply. That would be in cases where there were unfair practices at play and, again, kinds of things like pressure tactics, one-sided contracts, those sorts of things. We could investigate those, but in terms of being able to require repayment within certain time periods, charging interest, requiring certain requirements in the contract, we had no authority over any of those areas. So an investigation today would look very different than an investigation yesterday now that we have this legislation in place.

**Mr. McDougall:** So the government, you know, did not have any authority or ability to actually use a bigger hammer until this new legislation was in place, then.

**The Chair:** Thank you.

For this final round, members will read questions into the record for a written response from the department, starting with the Official Opposition. You have three minutes.

**Mr. Ellingson:** Thank you. Is the achievement of 33 per cent red tape reduction since 2019 cumulative or was that in the year '23-24?

How many people work in red tape reduction audit and investigations?

The ministry states that it typically identifies regulations to be just through a word search for "must" and "shall." Is this the only

method employed? What other methods are used to identify those regulations?

The ministry does this work to remove unnecessary regulations. Who and how is the determination made if the regulation is necessary?

The report talks about the use of a cost-estimator tool. When was this cost-estimator tool developed, who developed it, and what was the process to incorporate the range of needs and decisions from industries, businesses, and business processes that are all engaged in red tape reduction?

The ministry states that an industry-led stakeholder-driven process resulted in 450 recommendations and that 300 had been addressed. Approximately how much time does it take to review a recommendation; identify the applicable regulations; review the original cost-estimation tool or complete a new custom tool evaluation; engage with other ministries and stakeholders to ensure there are no safety, health, economic, or environmental consequences in that red tape reduction move?

The ministry states that \$2.75 billion has been saved since 2019. How was this number calculated? Was it just through the cost-estimator tool, or is there another way to do these calculations?

Does the department make recommendations for red tape reduction to other ministries or only what comes to your ministry?

Thank you.

**Mr. Schmidt:** Thank you. Capital City Casinos was denied their application to move their casino from Camrose to Edmonton in 2023. What aspects of their application did they change when they reapplied for their licence to move their casino to Edmonton?

**Ms Renaud:** The ministry developed an online portal for FSCD, helping to expedite the review and approval process. How will the ministry determine if this is improving the review and approval times? What are the targets, given that the ministry itself has stopped reporting wait times?

Finally, how many individual life lease holders did the minister meet with before drafting the life lease legislation? How many unique for-profit and how many unique nonprofit operators did the minister meet with prior to developing and tabling the legislation?

Thank you.

**The Chair:** Thank you. We will now move to government members for three minutes.

**Mr. Lundy:** Thank you, Mr. Chair. Looking at key objective 3.2 I see that the ministry was looking to "balance effective industry regulation and protection of consumer interests while building strong relationships between industry and regulators." Firstly, can the deputy minister highlight how modernizing governance frameworks and mechanisms works to ensure clarity regarding roles and responsibilities? Secondly, what is the process of modernizing these frameworks to ensure that Albertans have the highest degree of service possible for the best possible dollar?

I'd also like to ask a question. Effective industry engagement is critical to ensure any regulation meets its objectives while not stifling industry. Looking at this point under key objective 3.2, I see it has been identified as a priority for the ministry, so through the chair, for written, what are the ministry's metrics when it comes to ascertaining the right-touch regulation? Also, can the deputy minister explain how the ministry ensures effective engagement with industry to ensure this outcome is achieved?

Thank you.

We'll cede the rest of our time.

**The Chair:** Okay. Thank you.

I would like to thank the officials from the Ministry of Service Alberta and Red Tape Reduction and the office of the Auditor General for your participation and for responding to the questions from the members.

We ask that any outstanding questions, undertakings be responded to in writing within 30 days and forwarded to the committee clerk.

Other business. Are there any items for discussion under Other Business?

Seeing none, the next meeting of the committee is on Tuesday, December 3, 2024, with the Ministry of Agriculture and Irrigation.

At this point I will call for a motion to adjourn. Would a member move that the Tuesday, November 26, 2024, meeting of the Standing Committee on Public Accounts be adjourned? Member Renaud. Everybody is ready to move that motion. All in favour? Anyone opposed?

Thank you. The meeting is adjourned.

[The committee adjourned at 9:56 a.m.]







