



Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee
on
Public Accounts

Assisted Living and Social Services

Tuesday, October 14, 2025
9 a.m.

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First Session**

Standing Committee on Public Accounts

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Rowswell, Garth, Vermilion-Lloydminster-Wainwright (UC), Deputy Chair

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* substitution for Chantelle de Jonge

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Standing Committee on Public Accounts

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Dennis Cooley, Deputy Minister

Sonya Johnston, Assistant Deputy Minister, Corporate Finance and Accountability, and Senior Financial Officer

David Williams, Assistant Deputy Minister, Housing

9 a.m.

Tuesday, October 14, 2025

[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, the MLA for Calgary-Bhullar-McCall and chair of the committee. I would invite members, guests, and LAO staff at the table to introduce themselves. We will begin to my right.

Mr. Rowswell: Garth Rowswell, MLA, Vermilion-Lloydminster-Wainwright.

Ms Johnston: Sonya Johnston, assistant deputy minister and senior financial officer for Assisted Living and Social Services.

Mr. Cooley: Dennis Cooley, deputy minister, Assisted Living and Social Services.

Mr. David Williams: David Williams, assistant deputy minister for housing with Assisted Living and Social Services.

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

Ms Hayes: Good morning. Patty Hayes, Assistant Auditor General.

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

Ms Renaud: Marie Renaud, St. Albert.

Ms Govindarajan: Vani Govindarajan, Parliamentary Counsel.

Mr. Huffman: Warren Huffman, committee clerk.

The Chair: Thank you.

We will now go to those joining us online. Please introduce yourself.

Ms Armstrong-Homeniuk: Jackie Armstrong-Homeniuk, MLA, Fort Saskatchewan-Vegreville.

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

Mr. Ellingson: Court Ellingson, Calgary-Foothills.

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

Dr. Massolin: Good morning. Philip Massolin, Clerk assistant and executive director of Parliamentary Services.

The Chair: Thank you.

I would note for the record the following substitution: Mr. Yao for Mr. Lundy. We have two more substitutions, and they will, I guess, introduce themselves once they join us. Mrs. Sawyer for Ms de Jonge.

You can introduce yourself, Mrs. Sawyer.

Mrs. Sawyer: Good morning, everyone. Hopefully you can hear me on these headphones. I'm sitting in for MLA de Jonge and looking forward to learning a little bit more about PACs. Thanks for having me.

The Chair: Welcome to the committee. If you can introduce yourself. Just state your name and constituency.

Mrs. Sawyer: See? I get to learn something new. Apologies. Tara Sawyer, MLA for Olds-Didsbury-Three Hills.

The Chair: Thank you.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Those participating by videoconference are encouraged to please turn on your camera while speaking and mute your microphone when not speaking. Members participating virtually who wish to be placed on a speakers list are asked to e-mail or send a message to the committee clerk, and members in the room are asked to please signal to the chair. Please set your cellphones and other devices to silent for the duration of the meeting. Comments should flow through the chair at all times.

Number 2, approval of agenda. Hon. members, are there any changes or additions to the agenda? If not, would a member like to move that the Standing Committee on Public Accounts approve the proposed agenda as distributed for its October 14, 2025, meeting? Moved by Member Schmidt. Any discussion on the motion? Seeing none, all in favour? Any opposed? Thank you. The motion is carried.

I can see that Mr. van Dijken has joined. I will note for the record that he is substituting for hon. Mr. McDougall. MLA van Dijken, can you please introduce yourself?

Mr. van Dijken: Yeah. Glenn van Dijken, the MLA for Athabasca-Barrhead-Westlock.

The Chair: Thank you.

Moving on to the approval of minutes. We have the draft minutes from the May 13, 2025, meeting of the committee. Do members have any errors or omissions to note? Seeing none, would a member like to move that the Standing Committee on Public Accounts approve the minutes as distributed of its meeting held on May 13, 2025? Moved by MLA Rowswell. Any discussion on the motion? Seeing none, all in favour? Any opposed? All in favour online? Any opposed online? Motion is carried.

Today the committee is reviewing the Auditor General's Processes to Assess and Manage the Condition of Affordable Housing audit report. This is the committee's second audit-focused review it is doing this year, having reviewed the Auditor General's surface water management report before on April 29. In this report the Auditor General reviewed the process in place that the department uses to assess and manage the condition of its provincially owned affordable housing, as previous annual reports had indicated that there were declining conditions in housing units and over \$1 billion in delayed maintenance.

We have officials from the office of the Auditor General and the Ministry of Assisted Living and Social Services joining us today. To begin I would like to invite the Auditor General to start off our review by providing opening remarks on his audit report. Mr. Wylie, you have 10 minutes.

Mr. Wylie: Thank you, Chair and committee members. It's great to be with you this morning. I'm just going to provide some very brief comments on the audit, and then I'm going to turn it over to Patty Hayes, who introduced herself. She's the Assistant Auditor General who had oversight of this project, and she'll walk you through more of the recommendations and the findings in more detail.

Chair, affordable housing is about more than just shelter. When people have a safe, affordable place to live, they are better able to care for their families, contribute to their communities, and participate in the economy. But affordability alone isn't enough;

quality matters as well. Homes need to be safe, adequately maintained, and built to last. When housing falls into disrepair, it undermines the very stability it's meant to provide. It also becomes more expensive to fix over time.

At the time we conducted our work, the province owned over 27,000 housing units across 2,800 facilities within the province. At that time as well, those assets were valued at more than \$2.3 billion. Previous ministry annual reports showed declining conditions and over \$1 billion in deferred maintenance. Our audit objective was to determine whether the department had effective processes to assess and manage the condition of provincially owned affordable housing. We looked at the systems and practices in place between April 2021 and March 2023. Our report made three recommendations to the department: first, to maintain facility condition information; second, improve oversight processes; and third, implement performance measures. The department accepted all three of these recommendations, and based on the timelines provided it appears as though the department is targeting full implementation by March 2027.

In summary, committee, our work is very simple, and that is – as I mentioned, there was over \$2.3 billion in assets. We were looking to determine whether the tools and processes that are available were being used to manage those assets to provide the services they were intended to.

At this time I'm going to ask Patty to discuss the recommendations and findings in more detail.

Ms Hayes: Thank you, Doug.

Good morning, Chair. With the time I have left I'd just like to briefly walk you through the key findings from each of the three areas that we focused on in our audit. I'll start with the first area we looked at regarding housing facility condition information. We found the department does not have complete and accurate information on the condition of its provincially owned housing facilities. The department used to receive assessments from independent experts that provided detailed condition-related information for each housing facility. These independent assessments also provided the department with a score that could be used to categorize the housing facility into one of three categories: either good, fair, or poor condition. However, the department stopped receiving these assessments in November 2019 and has not replaced that process.

9:10

As a result, when we looked at the housing database, we found that half the facilities had assessments that were over 10 years old, almost one quarter had assessments that were 5 to 10 years old, and the remaining quarter did not have any assessments at all. Without this information the department may not be able to keep the facilities in adequate condition. Maintenance issues may worsen, creating safety concerns for tenants and leading to higher repair or replacement costs in the future. We made a recommendation that the department obtain complete and accurate information on the condition of its provincially owned housing facilities.

Our second area of focus was on the department's oversight of maintenance. At the time of our audit the department was overseeing approximately 80 different operators, who managed provincially owned housing on their behalf. These operators are governed by legislation that requires them to maintain housing facilities in adequate condition. We noted that the department does not have an overall maintenance strategy to guide these operators. There are no manuals available to support operators when it comes to determining what it means to keep the housing in adequate condition and to guide them to ensure they comply with industry

codes and standards. Without a clear maintenance strategy each operator must independently decide how to identify and manage capital maintenance needs, which can create safety issues and inconsistencies in how facilities are maintained across the province.

We also found that the department does not have adequate support for how it prioritizes the thousands of capital maintenance requests that it receives each year from the operators. There is a prescribed methodology for prioritizing capital maintenance projects in government; however, the department did not fully follow the process. We also noted a lack of support for scores that changed throughout the process and cases where higher scoring projects were not selected while lower scoring projects were. Management told us that they consider other information such as previous requests from operators and first-hand knowledge they have of facilities; however, management could not provide evidence of these considerations to support their decisions. Inconsistent prioritization processes increase the risk that highest priority maintenance projects are not selected and that facilities may fall into disrepair, eventually increasing costs unnecessarily.

Based on our findings, we made a second recommendation that the department improve its oversight processes by implementing an overall maintenance strategy and ensuring capital maintenance projects are prioritized consistently with supported rationale.

The final area we looked at was the reporting of facility conditions. We found that the department does not have performance measures related to the condition of its housing. Up until five years ago the department did have one performance measure that reported the proportion of facilities in good, fair, and poor condition. The last year this measure was published showed a five-year trend that indicated declining conditions. For example, if you look to page 7 of our report where we reproduce this measure, it shows the proportion of housing in the "good" category decreased from 39 per cent in 2015-16 down to 18 per cent in 2019-20.

After 2020 the department stopped reporting this measure and has not established any other external or internal measures that describe housing conditions. Without this information neither the department nor Albertans will know the extent of work required to improve or maintain the housing facilities and to ensure that Albertans who need the housing support are living in safe and adequately maintained facilities.

Our final recommendation to the department is to implement performance measures to report on the condition of its housing facilities. As Doug mentioned, the department has accepted our recommendations, and we are currently in discussions with management regarding the details of their implementation plans. I'd like to close off by thanking the management group here today for their time, co-operation, and assistance during our audit.

This concludes our opening comments, Chair. Thank you.

The Chair: Thank you.

I would now like to offer officials from the Ministry of Assisted Living and Social Services the opportunity to provide any remarks on the audit report not exceeding five minutes.

Mr. Cooley: Thank you, Mr. Chair and committee members. Good morning. It's a pleasure to be here. My name is Dennis Cooley. I'm the Deputy Minister of Assisted Living and Social Services. Joining me today is Sonya Johnston, assistant deputy minister of corporate finance and accountability. As well, Sonya is the senior financial officer for the ministry. I'm also joined by David Williams, assistant deputy minister of housing. Thank you for the opportunity to discuss the department's response to the office of the Auditor General's performance audit, Processes to Assess and Manage the

Condition of Affordable Housing facilities, covering the two fiscal years between 2021 and 2023.

As you're likely aware, the findings and recommendations were made to the ministry of seniors, community, and social services and now fall under the Ministry of Assisted Living and Social Services. The ministry focuses on serving the needs of vulnerable citizens, a role that Alberta's government takes very seriously. The hard-working staff across the department are committed to ensuring supports and services are always in place for Albertans. These supports include affordable housing, of which there is a growing need across the province as more people call Alberta home. The department appreciates the Auditor General's report and has accepted the recommendations. The department is also pleased to share that many of the recommendations align with measures previously under way.

For the benefit of all members, there was an Affordable Housing Review Panel completed in 2020. A panel made up of experts with diverse perspectives and knowledge on affordable housing made 19 recommendations to the department, and all recommendations were accepted. Some of the recommendations focused on improving capital maintenance funding, establishing an expedited process for project approvals, and setting benchmark timelines for projects. The panel's work helped inform the development of stronger foundations, Alberta's 10-year strategy to improve and expand affordable housing, which is central to the department's approach to affordable housing.

The Auditor's first recommendation was to obtain complete and accurate information on the conditions of its housing facilities. At the time of the performance audit the department began working with stakeholders to complete building condition assessments on 146 buildings owned by the Alberta Social Housing Corporation and initiated 252 additional assessments. This is in addition to the 23 assessments led by housing providers or paid for by the Canadian Mortgage and Housing Corporation. The department continues to work with housing providers on these assessments, ensuring priority projects receive funding and improving internal processes and data collection. This will provide a detailed snapshot of the properties and the future work required to maintain them.

The Auditor also recommended that the department improve its oversight by completing an overall maintenance strategy and ensuring capital maintenance projects are prioritized consistently with supported rationale. Under stronger foundations the department is developing maintenance and redevelopment plans for all government-owned assets and making improvements on the capital maintenance and renewal program. An external review was conducted in 2020, overlapping with the time frame of the performance audit. The external review reached similar findings.

Given the need for increased access to affordable housing, Alberta's government also prioritized suite renewals to ensure that all available units were available to rent for Albertans in need. The department has also enhanced training and documentation to grow the CMR program and to meet the requirements of building occupants. As part of their review the consultant met with stakeholders, both internal and external, who are key contributors to the success of the CMR program.

The final recommendation was to implement performance measures to report on the condition of its housing facilities. The department is developing new performance measures as part of a long-term CMR strategy, which includes a five-year schedule for building condition assessments. This program would allow the Alberta Social Housing Corporation to better understand the current and future state of provincially owned affordable housing units. This information will also be used to determine budget requests as part of the capital planning cycle.

In closing, Mr. Chair, it is our mandate to provide Albertans with an affordable place to call home. The ministry continues to work hard to make that a reality. Thank you, and I'm happy to take questions.

The Chair: Thank you.

As it has been a few months since the committee's last audit-focused meeting on April 29, I would like to reiterate the scope of our review today. Members should, as always, focus on the Auditor General's report and its recommendations, the ministry's related action plan, and affordable housing within the province generally and refrain from asking policy questions.

Finally, before we get into the question-and-answer portion, I will remind members that as part of our audit-focused meetings the committee is using a question-and-answer format that allows members to ask a question and related follow-up question and alternates between caucuses as much as possible. I will be keeping a list of speakers, so if you would like to speak, please signal to me or to the committee clerk.

I will now open the floor to members for questions, and we will start with the Official Opposition.

9:20

Mr. Schmidt: Thank you, Mr. Chair. The Alberta Housing Act stipulates that housing needs to be suitable for human habitation, and the associated regulation says that suitable means not needing major repair or lacking necessary services and facilities. Given that collecting complete and accurate information on the condition of housing is essential for the department's ability to comply with its own legislation, I'm wondering if the department can tell us why the collection of this information ended in 2019 and who made that decision.

Mr. Cooley: Building condition assessments were discontinued in 2019 by Alberta Infrastructure in part due to the issues of accessing buildings during the pandemic. Most assets were not regularly evaluated, which meant that facility condition information, or FCI data, was of limited value to the department. FCI was discontinued as a performance measure because it did not reflect the true condition or value of the government's buildings. CMR projects are prioritized using the methodology approved by Treasury Board and Finance, which does not require FCI data but can be used to supplement analysis.

However, this did not mean the department did not know the state of its buildings. The department works closely with housing providers that operate affordable housing out of their buildings. They provide updates on a scheduled reporting cycle on the buildings' conditions and report to us if any major work is required. Housing providers also do approved regular maintenance to preserve and maintain the building. They are also trusted partners in this work.

At the time of the review and report release the department had already begun implementing this recommendation. The ministry has restarted building condition assessments, which are conducted by a third party. The department has been working with stakeholders internal and external to complete BCAs for 146 Alberta Social Housing Corporation owned buildings as well as initiated another 252 BCAs. This doesn't include additional BCAs being led by housing providers or being paid for by the CMHC.

Thank you.

Mr. Schmidt: Well, I want to start my follow-up question by reminding the department that the department stopped collecting this information in 2019; the pandemic didn't start until 2020. It's important for us to establish trust in this committee. If we are to

believe your answers, you have to give us realistic timelines and reasons for those discussions. To say that you ended collecting that information because you couldn't get into the buildings because of the pandemic, when this process stopped six months before the pandemic even started, is a bit hard to swallow.

On this issue of building condition assessments, BCAs, if I understand the department's response correctly, it's the department's position that collecting these BCAs was a suitable replacement for the facility condition index, which, according to the department, was no longer a reasonable measure of facility condition state. When the Auditor General reviewed what the department was doing, they already determined that this was not acceptable. So why is it still the department's position that building condition assessments as currently being conducted are going to meet the Auditor General's requirements, when they've already reviewed what you were doing? These building condition assessments were under way for at least a year before the Auditor General started their review and determined that you didn't have adequate condition assessments in place. So what additional work are you going to do to make sure that the Auditor General's recommendation is met?

Mr. Cooley: Thank you for the question. I'll turn that question to David Williams.

Mr. David Williams: Yeah. Thank you very much for the question. Just in terms of the timeline and process, we stopped receiving the information in 2019 from the Department of Infrastructure. As that happened, the pandemic started, so you're right; there were six months before it started. We couldn't restart a process of our own during the pandemic because we didn't want to have extra people going into the buildings during the pandemic. In 2021 the strategy came out and said that we needed to have better information, as was alluded to. Remember that the Auditor General's report covered the period of April 2021 until March 2023.

In 2024 we did restart our own building condition assessment process. The building condition assessments are just done by a third party. Throughout the pandemic we had assessments of the building that were done and completed by our operators and by the experts who are in the building every day. We didn't have an external process, though, to verify, and I think that's what the Auditor picked up on, that there was not a third party to validate the information on building conditions that we were collecting from our operators.

Part of what we released in 2021 was that we had to restart that. We restarted that in 2024. We have begun collecting on a regularized basis all of the information that the Auditor has asked us to collect through the building condition assessment. There's a separation between the building condition assessment, which is the actual report from an engineer, architect, sort of building expert, and the facility condition index. The facility condition index is a mathematical formula that's produced as a result of that. It's influenced by a number of different things including the cost of repairs and various things, if you look at how the math formula is calculated.

We are working on a replacement performance measure, but that's sort of how the process went. We stopped getting the information from Alberta Infrastructure, couldn't restart it initially because of the pandemic, began a process to go and do it. We started that in 2024. It is a very similar process, and I'm sure when the Auditor has a chance to review it, when we've completed the implementation, he'll find that we have much more accurate and complete and up-to-date information verified by third parties for our buildings.

The Chair: MLA Rowswell.

Mr. Rowswell: Thank you very much. I'll expand a little bit around the stronger foundations strategy. On page 2 of the Processes to Assess and Manage the Condition of Affordable Housing performance audit report the background provides a timeline between 2020 and 2023, including the release of the stronger foundations strategy in 2021 based on the recommendations of the Affordable Housing Review Panel. I just wanted to have a little more context around the Affordable Housing Review Panel. What led to the review, and what was the panel asked to consider? What was their kind of mandate?

The Chair: Go ahead.

Mr. Cooley: Thank you, Mr. Chair. In 2020 the Affordable Housing Review Panel was led by MLA Mickey Amery. The panel engaged stakeholders to provide advice on how to make the affordable housing system more sustainable while addressing growing need. At the time the affordable housing system had not been updated in more than 20 years. The panel was asked to consider the role the government of Alberta plays in providing affordable housing, simplifying or easing regulatory structures that create costs and red tape for housing providers in the current affordable housing system, and, finally, innovative approaches that will enable government and its partners to meet increasing demand for affordable housing.

The panel consisted of experts with a diversity of perspectives and knowledge on affordable housing including private and nonprofit operators, housing advocates, policy and academic experts, and real estate investors and developers. The panel heard from almost 160 individuals, organizations, and companies through engagement sessions and received more than 120 written submissions. Four key principles were identified during the review: bold action, fair and equitable inclusion, one size does not fit all, and efficiency, sustainability, and financial responsibility.

Thank you.

Mr. Rowswell: There were 19 recommendations. I was just wondering what the most prominent ones you felt were there. If you could kind of itemize it for me.

9:30

Mr. Cooley: Sure. The panel made a total of 19 recommendations, and the government accepted all of the recommendations. As you mentioned, the recommendations informed the development of the stronger foundations strategy. I won't go through each of the recommendations, but I want to highlight three in particular. Recommendation 1 was for government to develop a provincial strategic plan for housing with short- and long-term objectives aimed at addressing Alberta's affordable housing needs and achieving housing sustainability for all Albertans. Recommendation 3 was to work with housing management bodies to build capacity within the sector, improve and redevelop the affordable housing stock, improve service delivery to those in need, and prioritize applications for subsidized housing based on local need. And, finally, recommendation 15 was for government to improve its approach to capital maintenance funding, including the establishment of an expedited process for project approvals and setting benchmark timelines for project approvals.

Thank you.

The Chair: Thank you.

We will move back to MLA Schmidt.

Mr. Schmidt: Thank you very much. In the last response that I got from the department, they said that they have hired an external

reviewer to conduct these building condition assessments. It sounds like there are some parallel processes that are being conducted by housing operators. My concern is that the last time that data was available, which was already five years ago, 8 per cent of Alberta Social Housing Corporation facilities were in poor condition and may not even be fit for habitation. Currently if somebody were living in housing owned by the Alberta Social Housing Corporation that was not fit for habitation, how would the department know about it and address the issue?

Mr. David Williams: Yeah. Thank you again for the question. We have over 80 housing management bodies who provide the landlord role, including ensuring that every inhabited residence is up to and fit for human standards of occupation. They report on the maintenance issues to us. As well, we receive comments and letters from individuals who do reside in the buildings that we own and operate.

We provide constant oversight. Every housing management body we have is assigned a project co-ordinator within our capital maintenance area who works on a daily basis with all of the operators. So any issues that do pop up, you know, we address right away. For example, there are some routine aspects to maintenance, but things break unexpectedly. We're getting into the start of heating season. I was pretty cold this morning on my walk over. When boilers start firing back up again, sometimes we have failures, so we have an emergency process to ensure that in cases where we have water penetration, no heat, we address those issues right away, and they're fixed immediately. There is an emergency process outside of the regular scheduled CMR process, and we do get daily reports on the operations of our buildings to ensure that they do remain safe for habitation.

Mr. Schmidt: Can the department provide us with a number of how many emergency reports were made in the '24-25 fiscal year, and how many were addressed? As a follow-up, how many are waiting to be addressed currently?

Mr. David Williams: Yeah. We will be able to provide you that shortly.

The Chair: Thank you.
Member Rowswell.

Mr. Rowswell: Thank you. I understand that capital maintenance and renewal is a key to ensuring the integrity of the housing facilities through planned repair, replacement, and maintenance. For the benefit of the committee could the department provide a detailed overview of capital maintenance and renewal and how the program works? Just if you'd describe how it could work.

Mr. Cooley: Thank you for the question. The capital maintenance and renewal program provides funding to maintain and upgrade government-owned affordable housing units across the province. It covers renovations and emergency repairs to facilities.

Housing management bodies identify priority projects through their annual business plan submissions. The submissions are then reviewed by multiple program experts before they are consolidated into a master list. The department then prioritizes all the project requests received using the criteria established by Treasury Board and Finance and the Department of Infrastructure. These include the impact of failure; the importance of system functionality; condition of the system; their reason for work; and health, life, and safety. The last condition – health, life, and safety – is the overriding criterion.

Housing providers are then consulted to confirm project selections and accuracy. The department then submits a final list to Treasury Board and Finance for approval and works closely with housing providers to monitor the progress of the projects until they are completed. Finally, the funding is issued once invoices have been received.

Mr. Rowswell: I've toured the facilities in my constituency, and there are long-term projects. Like, the request is made regularly, and then it's not necessarily – like, it doesn't get approved. So they do it again, and it carries on. I've been trying to get a handle on how this actually works, and the way I understand it is that the housing management body will provide a budget, and if there's a surplus in that budget, they're required to return that to the department. Then when it's audited, if there's an audited surplus, that too happens, but recently that has been able to maintain it so they can do some of their own maintenance.

I'm just wondering. I'm trying to understand the logic of a budgeted surplus being returned to the department and why that happens. Might that help with capital maintenance and renewal if you're able to just leave it with them and carry on? I guess that's the two questions, if you've got the answers. It's a bit of a different one, but I just wondered if you could help me out there.

Mr. David Williams: Thank you for the question, Mr. Chair, and through you to the hon. member. Just in terms of the difference, there are a couple of reasons for that. On the community housing side the way the system works is that we have operators who have budgeted deficits as well as those who have budgeted surpluses, so sometimes we use the surpluses to off-set the deficits in other areas. That's part of the reason, sort of a smoothing if you have it across the system.

There are situations where we have allowed operators to retain some of their surplus in order to address operational maintenance issues. There's a difference between capital maintenance and operational maintenance. The money that we allocate, the budgeted surplus and deficits, tend to be on the operational side, so repairs under \$5,000 or those that aren't a betterment, they're able to take care of with some of that money. But through the CMR process we have to deal with the bigger capital projects.

It's not always quite as simple as it looks. Like, it makes a lot of sense initially just to say, "Let's do this," but there are a few accounting rules that we've got to address in the background. But we do work with operators to allow them to retain where they can to address those operational maintenance issues.

The Chair: Thank you.
MLA Marlin Schmidt.

Mr. Schmidt: Thank you. I just want to build on Mr. Rowswell's first question about the capital maintenance and renewal strategy. In your response to his question you did mention that health, life, and safety was the overriding priority for determining the priorities of these capital maintenance and renewal projects. Now, when the Auditor General reviewed your processes, the department's processes, they found that there was no weighting assigned to any of these capital maintenance and renewal projects that were approved and that sometime between when it was assessed by the housing operator and when it was finally approved by government, the weightings changed a number of times.

9:40

Can the department confirm that in '24-25 health, life, and safety is now the overriding criterion for determining which projects are renewed? If so, how many projects that affected health, life, and

safety were submitted to the department in '24-25? How many were addressed, and what's the backlog of those ones? I assume that this is outside of the emergency process that was mentioned before but still pretty high priority, so I would like a number from the department on the health, life, and safety projects that were submitted that weren't part of this emergency process.

Mr. Cooley: Budget 2024 allocated \$35.2 million in CMR investment funding in fiscal year '24-25. The CMR program received 3,196 project requests worth \$253 million. CMR funded 760 projects worth \$37.1 million, which impacted 10,354 units.

Mr. Chair, with respect to the committee member's question on safety, I'll turn it to my colleague Mr. Williams for a response.

Mr. David Williams: Yeah. Happy to provide a little bit more detail to the hon. member's questions. Just back to his previous question about the emergency projects. In '24-25 we received 82 requests for \$2.4 million in emergency funding, and a hundred per cent were funded and addressed at the time. Just to give him a flavour of what we did, of the 760 projects, again, for the \$37 million – I have it in financial numbers here – we did spend \$2.5 million on building envelope; \$2.6 million on building exterior repairs; \$17.1 million on the building interior repairs, which included \$15 million in suite renewal funding; \$2 million in electrical systems; \$1.8 million on elevators; almost \$1.5 million on fire safety sprinklers; \$1.2 million on grounds maintenance, which would include abating trips and fall hazards, paving, that type of piece; \$5.2 million approximately on heating, ventilation, and plumbing; \$324,000 on building mechanical systems; and \$2.8 million on roofing projects.

So it varies. Again, each one of those would have a component of life and safety. It's the overarching thing, and that's how they get prioritized. The vast, vast majority of projects we do address any life and safety considerations.

Mr. Schmidt: A follow-up question, then. Can the department respond to the committee in writing with the scores for each of these projects to actually show how the health and safety considerations weighed on the choice? You had 3,196 project requests. You completed 760 of them. There are, you know, 2,400 outstanding. I have no idea from your answer how many of those have some sort of important health and safety priority, which was part of my question. Can you provide a list of how these things were scored? Just show us that you are actually prioritizing the health and safety aspects above the other project requests that may or may not have some health and safety aspect to them.

Mr. David Williams: Again, just to talk a little bit about the work that we do on sort of the prioritization. As I've alluded to, we receive approximately 3,000 requests from all of the housing management bodies each and every year. Those requests come in through their appendix D, through their annual business plan submission, and we receive those requests.

We then go through a prioritization process. We've asked each of the providers to do a prioritization process following the criteria and the training that we provided them. They do that, we then go back and assess that as well and work with the providers and have a back and forth and communicate with them about, you know, how the priorities scoring should go forward from there. We then take that forward with all of the ranked projects we submitted into Treasury Board and we do then get the approval from Treasury Board to go ahead with the projects.

Throughout the year as things happen, the listing and the projects that actually get done versus the priority listing sometimes changes, and that happens for a variety of reasons. Weather sometimes limits

our ability to do things, availability of materials. We've struggled with some of the tariffs. A lot of our windows have recently been coming in from Korea via San Francisco, which has delayed things with the tariff pieces and a couple of other things. Sometimes the final list of what actually gets completed and the list of where we're prioritizing things going forward – part of our prioritization is on the feasibility of things to get done. Sometimes you'll see things, you know, and it's just that there are other dependencies on that. We've had some projects where we've gone to install a sprinkler system but the water pressure in the town isn't sufficient in order to fully achieve and do that, so we've had to put in a separate cistern and do other projects.

We have a whole variety of different ways that we go through to do that, including what the envelope of a building can hold because we can't forget that people live in the houses while these renovations are occurring and the maintenance projects are going on. We want to make sure that we have the ability to – what can the building envelope bear at the same time? All of those factors come in to sort of how we adjust in-year along with the prioritization process. I can assure the committee that we've taken some steps already, quite a few steps, to improve the documentation to be able to explain that.

The Chair: Thank you.

We will go to MLA Armstrong-Homeniuk.

Ms Armstrong-Homeniuk: Thank you, Chair, and good morning. Good morning, everyone. Chair, through you, as we can see on page 2 of the report, the affordable housing review panel's recommendations informed the stronger foundations strategy in 2021. Could the deputy minister describe how the panel's recommendations were considered as part of the strategy?

Mr. Cooley: Thank you, Mr. Chair. Alberta's government released the stronger foundations affordable housing strategy in November 2021. The strategy maps out the changes needed to provide safe, stable, and affordable housing for an additional 25,000 households over the next 10 years. This is an increase of more than 40 per cent to 82,000 households.

The work of the panel directly informed the development of this strategy. Stronger foundations focuses on five key actions: support Albertans most in need; improve access; increase capacity planning and governance; enhance sustainability and efficiency; and finally, enable growth and investment.

Recommendation 1 from the panel was to develop a strategic plan for housing. You can see that appendix B in the stronger foundations strategy cross-references all of the panel recommendations and the corresponding action. For example, the stronger foundations strategy also commits to developing a maintenance and redevelopment plan for all government-owned assets and to improve CMR processes in action 5.3. This is related to the panel's recommendation 15.

Ensuring high-quality capital maintenance and renewal is part of the government's vision to ensure Albertans have access to safe, affordable housing that meets their needs and promotes quality of life, that the housing system delivers innovative and sustainable options to Albertans in need, and that the housing system serves Albertans now and into the future.

Thank you, Mr. Chair.

The Chair: A follow-up?

Ms Armstrong-Homeniuk: Thank you, Chair. Through you to the deputy minister, I know you did a bit of one here, but can you provide an overview and progress report update of the strategy to the committee here, please?

Mr. Cooley: Mr. Chair, the government's ongoing investments in stronger foundations aim to address the growing demand for affordable housing by focusing on people; make the affordable housing system easier to navigate for Albertans and give them more options and flexibility in how they meet their housing needs; ensure the sustainability of the programs that Albertans rely on; increase housing supply for Indigenous peoples; and use partnership approaches to leverage Alberta's dollars for new investment from partners to maximize federal funding.

9:50

Since the launch of stronger foundations in November 2021 the government has provided rent assistance to 3,506 additional households as well as funding to build 3,301 new affordable housing units. Alberta's government is on track to meet its targets as spending continues to ramp up in coming years.

Since 2019 Alberta's government has also made many improvements to the housing system, including launching the Find Housing online tool to make it easier for applicants to connect with housing options that meet their needs; redesigning the rent supplement program to support more households, provide flexibility to tenants, and provide a temporary benefit to working households; simplifying the definition of "income" used for rent setting and prioritization to assist Albertans who are most in need; setting housing management bodies up for success as they take on bigger roles in local housing delivery; and providing incentives via regulation for housing providers and new partners to take over ownership of affordable housing properties where it makes sense.

The department's next steps under the strategy include continuing to invest in housing digital services to improve data and reporting for partners and ministry staff, developing an enhanced capital maintenance and redevelopment plan for all government-owned assets, as well as working with seniors' lodge providers to implement recommendations to government to expand seniors' lodges and facilities to keep up with increased growth and demand.

The Chair: Thank you.

Back to MLA Marie Renaud.

Ms Renaud: Thank you, Mr. Chair.

As you know, Albertans – well, we know this – need affordable housing. They also need accessible housing. People with disabilities were labelled a target group of the government's affordable housing strategy, so I'm really interested to hear from the department what strategies are under way. What strategies has the ministry undertaken to address the target needs, and, you know, alongside that, does the department have any desegregated data on the accessibility of affordable housing in Alberta?

Mr. Cooley: Alberta's government certainly understands the necessity for accessible housing options as they continue to support people with disabilities in Alberta to find affordable housing units that meet their needs. Approximately 5,000 units in the government's affordable housing portfolio are barrier free. For all new builds the government aims to meet or exceed building code requirements. Alberta's government works with partners to address the unique needs of specific groups, including LGBTQ2S-plus people, Indigenous peoples, immigrants, women and children fleeing violence, seniors, and people with disabilities.

I'm going to turn it to my colleague to provide a little bit more detail on the specific builds.

Mr. David Williams: Excellent. Thank you, Deputy.

Of our almost 36,000, currently approximately 14 per cent are what we would consider to be fully barrier free. That would include

in our senior self-contained units 1,285, or approximately 9 per cent. Of the seniors' lodge program approximately 3,232, or 29 per cent, are barrier free, and within community housing we have approximately 3.5 per cent, or 358, that are considered barrier free at the moment.

As part of the CMR program, part of the betterment of the units when we do suite renewals and other things is to improve the accessibility of units. That would include removing carpet and putting in smooth, nontransition flooring, looking at things we can do with door handles. You can imagine that a lot of our units were built in the 1970s and we have those accordion-style doors and other sorts of things that aren't extremely accessible, so we do make improvements. As well, should there be sufficient demand in the area or we're starting to see a large demand for fully accessible units, one of the eligible expenses we do under suite renewals is to convert units into fully accessible units, so we have a number of those projects going on as well. It is a priority, and we're excited to continue to work to house disabled Albertans.

Ms Renaud: Okay. Well, just as a follow-up, maybe you can provide some clarity for me. You said that we have 5,000 accessible units – or barrier free. No. Accessible. You said 5,000 accessible units . . .

Mr. David Williams: Barrier free.

Ms Renaud: Barrier free. Five thousand barrier-free units. And 3.5 per cent of the barrier-free units are in community?

Mr. David Williams: In our community housing program: 3.5 per cent currently are.

Ms Renaud: In the community housing.

Mr. David Williams: Yes.

Ms Renaud: So 3.5 per cent of 5,000 units are in community housing.

Mr. David Williams: No.

Ms Renaud: I'm confused. So the rest are in, like, lodges and those kinds of things?

Mr. David Williams: I can give you the numbers again. It's 3.5 per cent of the community housing units. There are 1,285 barrier-free units in our senior self-contained program, which is just like community housing but aimed at those 65-plus. There are 3,232 barrier-free units in the seniors' lodge program. Seniors' lodge: I like to call it lovingly like it's university dorms for seniors. It's for those who are functionally independent coming forward. Then 358 units inside our community housing program. The percentages don't relate to the 5,000 number; they relate to the total of the entire thing. That's how we get to our approximate 5,000 units.

The Chair: MLA Armstrong-Homeniuk.

Ms Armstrong-Homeniuk: Thank you. Chair, through you, as previously mentioned, both the strategy and the review panel are mentioned on page 2 of the report. Aside from providing background information on the goals of the department with regard to affordable housing, can the department explain any other reason those pieces of work are relevant to today's discussion?

Mr. Cooley: Thank you. Yes, I certainly can. As I may have mentioned, the 2020 Affordable Housing Review Panel directed the government of Alberta to improve its approach to capital

maintenance funding. This included the establishment of an expedited process for project approvals and setting benchmark timelines for project approvals. As a result the stronger foundations strategy committed to developing a maintenance and redevelopment plan for all government-owned assets. Action 5.3 under this strategy is to develop a five-year maintenance and redevelopment plan for all government-owned assets and approved CMR processes.

Ms Armstrong-Homeniuk: Thank you. Chair, through you again to the ministry: prior to the audit report has the department undertaken any work on these items?

Mr. Cooley: Thank you for the question. The department's work on improving capital maintenance is not new. Since it was identified as an area of focus in the 2020 panel report and in stronger foundations, the department has been working behind the scenes to make improvements.

In spring 2022 the department contracted a consultant to review the CMR prioritization process and every aspect of the department's approach to CMR. In January 2023 the department accepted 12 of the recommendations made by the consultant, rejected two, and conditionally accepted one. In fiscal year '23-24 the department was pleased to report some significant improvements in approval timelines and a simplification of the procurement process. This has led to more competitive pricing and faster turnaround times of vacant suites from three months to 33 days.

The CMR team has also been working hard behind the scenes to improve the training for housing providers, implement building condition assessments, and more. Then in fall 2024 the department hired a consultant to begin work on the long-term CMR strategy, beginning with stakeholder engagement. Their work is currently ongoing.

The Chair: Thank you.

MLA Renaud.

Ms Renaud: Thank you. In my first question I asked about what strategies the department or the ministry was undertaking to address their own target group in their affordable housing strategy. My question was: what's under way? Is there anything being done to identify the need for accessible or barrier-free housing? What's going on there to address – I mean, your own report says that this is the target group, so I'm curious to know what's under way.

10:00

Mr. David Williams: Yeah. Sorry; I got more excited about getting you some of the numbers. Just in terms of what's under way: through the affordable housing partnership program is our new built program that we move forward. All of those would have to meet the building code standard of at least 10 per cent, but because we partner with CMHC and the funding that comes through, often we're aiming for 20 to 30 per cent to be accessible units, including the barrier-free process. The new lodges that we're building, as we build new lodges out, are being built barrier free moving forward.

We also have a needs assessment process that we work with municipalities that looks at: what is the need for housing in there? Then that process informs how we make awards for new capital construction going forward as well. So you do get, as part of the new build we really are focusing on, those targeted populations moving forward. As you can imagine, we have a large legacy stock that's been in place for many years, so we are working on improving and upgrading that through our CMR process, but that takes time as we go through there to address a number of other

issues. But going forward, that's where we're going, and we're seeing a lot more accessible units, reflecting the time.

Ms Renaud: Just as a follow-up to that: since the 2021, I think it was, affordable housing strategy, how many barrier-free or accessible units have been added to the housing stock?

Mr. David Williams: It would be a minimum of 10 per cent. Since that time we've completed approximately 3,500 new builds, so it would be a minimum of 350, but it is above that because a number of those aim for senior lodges and other places going forward.

Ms Renaud: Could you, like, differentiate between . . .

The Chair: MLA Yao has a question and follow-up.

Mr. Yao: Thank you so much for that, Chair. First off, I think it's important that we do give our Auditor General, Mr. Doug Wylie, and his entire team commendations for this report. It's a good report, and I have to tell you that I do find a lot of the points concerning.

You know, I think what any average Albertan wants out there is an organization, government services, that applies reasonable business practices to its work, ensuring that the work is done in a responsible fashion. Now, that said, you have 20,000 facilities, 80 housing management orgs. I mean, that's a lot, and each one of those HMOs has about 35 facilities, based on your numbers. So I do recognize that that's a large number. It's very unwieldy, but you still ask that these government departments apply these things to the best of their ability.

I guess I want to understand more about this. The department, again, plays a key role in overseeing the housing operators across the province. I mean, as we all know, that oversight is critical to ensuring that our affordable housing services are delivered effectively, consistently, and in alignment with provincial standards and expectations. So my question is: can the DM provide more background about the relationship between the government and housing operators?

My assumption is that even though you might not be getting these reports, you should be able to pick up a phone or send an e-mail and have those answers in 24 hours for any facility. I think that would be reasonable, assuming this. I do have concerns about the answer you gave previously. I agree with my good friend from Edmonton-Gold Bar; that wasn't a satisfactory answer as to why these inspections were cancelled or stopped. That is my question. Can you provide more background on the relationship between you and the housing operators, and how do you work together to ensure timely and responsive delivery of services?

The Chair: That's the purpose and spirit of this committee, that members come together to hold the department accountable.

With that, DM.

Mr. Cooley: Thank you. The relationship between government and housing providers is governed primarily through the Alberta Housing Act, which establishes the authority of the Alberta Social Housing Corporation and housing management bodies, or HMBs. For the committee's reference, HMBs are also referred to as housing providers or housing operators. HMBs are established by ministerial authority under the Alberta Housing Act and manage affordable housing programs on behalf of the government. Programs include the community housing program, the seniors self-contained program, the seniors' lodge program, and the rent assist program. Many HMBs operate government-owned buildings, but many buildings are also owned by the HMB or municipalities.

The department provides HMBs with operating funding to run provincial affordable housing programs as well as funding for capital maintenance and renewal to improve government-owned housing assets. The department also provides HMBs with resources and training to help ensure their operators are in line with government legislation, regulation, policies, and procedures. On CMR specifically we have been working to update training and resources to better support housing providers through the capital maintenance and renewal program process.

I'd like to turn it over to my colleague who works directly with the housing management bodies, and he can tell you a little bit more about sort of the day-to-day interactions that he might have with an HMB.

Mr. David Williams: Excellent. Thank you. Mr. Chair, just in response to the hon. member's question – he talked about, you know, within 24 hours and quick – absolutely, we have an emergency process that gets right down to that. We are in daily contact with the housing management providers, so should something come up or there become a significant issue, it's dealt with. Any of the minor issues: there is an operational maintenance budget, so any minor issues that pop up, the operators have the authority to go ahead and do that completely and to deal with that as we go forward.

The other further part of your question just around the pandemic and the building condition assessment reports: the last time we did receive the full set was in 2019; hence, the data there. The 2020 ones were started but were not completed as a result of that part of the pandemic, so that's where we had the gap in there, just to further answer that part of the question for you.

The Chair: Thank you.

You have a follow-up, MLA Yao?

Mr. Yao: Yes, sir. Sorry.

Well, thank you for that. That's great that you're governed by the management body operations and administration regulation. With that said, how do you ensure that operators are compliant? Maybe you're undermanned. Can you give us an idea of how many people within the department are there? How many are tasked with overseeing our housing management operators and bodies and these facilities?

Mr. Cooley: Thank you for the question. Maybe I could start and just talk a little bit about, as you said, the compliance framework, and then I'll turn to my colleague to talk more specifically about the data, the numbers.

Department staff conduct reviews of operator records. If they discover noncompliance to the Alberta Housing Act, they issue reports requiring corrective action plans from operators. A dedicated team uses data analytics and financial reporting to assess governance and escalate serious issues. Boards must include members with relatable expertise in housing, finance, governance, and the populations they serve. The department recommends term limits, public-at-large members, and standardized appointments to improve accountability.

I'll turn it now to my colleague, and he can talk a little bit more about our staffing complement.

Mr. David Williams: Yeah. Thank you very much. We have approximately 35 folks who are focused on our capital program. As well we have another 20 or so folks who also provide additional assistance directly to the housing management bodies. That would be directly on the capital, and then on the operating side through the ministry would be our approximate FTE count. We also have

regular oversight and training programs with all of the employees. Each of the housing management bodies is different, as you can imagine, depending, again, on the local circumstances, and they have a great degree of staffing and expertise as well in order to be able to complete the work that is required.

The Chair: Thank you.

MLA Schmidt.

Mr. Schmidt: Well, thank you. I also want to start off by thanking the Member for Fort McMurray-Wood Buffalo for going off script and asking some relevant questions here at Public Accounts. I appreciate his dedication to finding out some useful information.

In response to the answer that the department just gave to the member, we found out that the department issues corrective action plans to housing management operators. I'm just curious. Since 2019-2020, how many corrective action plans were issued, how many have been addressed to the satisfaction of the department, and how many are outstanding? In addition, what was the nature of those corrective action plans?

10:10

Mr. David Williams: Thank you very much. We do issue corrective action plans. They would vary, again, depending on the nature of the action. All repairs have to be done to get things up to code and to building code. Again, some of it would be that, depending on the nature of the repair that was done, it might not have been fully done to code. Often when you do repairs, inspectors come in and they suggest that you do slightly different things; you have to move an electrical outlet here, or you have to move that there. It would relate to any of the things potentially done through there.

We've issued some other corrective things just again in regard to: were they following all the rules correctly? How were they moving forward and going forward? There has not been a significant number of corrective actions going, and we are satisfied to date that our operators are complying with that as we go forward. We have not found serious instances of legislative noncompliance going forward. They've largely been small, operational issues that we've just asked them to make some tweaks on.

Mr. Schmidt: The department said that some of those corrective action plans are related to capital maintenance and renewal that were not up to standard, as if that weren't a big deal. How many corrective action plans were issued because maintenance and renewal was not up to standard, and how many have been completed? This is since 2019-2020.

Mr. David Williams: I'll have to work and get you the specific number. We'll get that for you here in a few minutes.

The Chair: Thank you.

We will go back to MLA Yao for another set of questions and follow-up.

Mr. Yao: Thank you so much for that, Chair. I greatly appreciate this opportunity. Again, thanks to the ministry for attending here and answering all of our questions.

I'm curious about how you allocate funding, because I'm guessing you play a big role in how the government distributes its funding through its different branches. If I might just reiterate something here – or not reiterate, but I'm the chair of the Northern Alberta Development Council. As such, I was tasked with evaluating the concerns of the north, and the big concern is the funding allocations to northern communities.

I guess my question is on understanding how you guys measure how you invest in these different projects. Do you have, like, a guide or a template, some sort of grading formula to assess the conditions of the buildings and the facilities that you correlate to these reviews to ensure that the recommendations that you give on investments into these different projects are warranted and responsible? Again, it's about just applying some basic business principles to this and ensuring that it's allocated responsibly. Are there other things that impact how you invest money into these different regions? Like, is there a regional formula for this, as an example? Yeah. I just want to understand a little bit more about how you give recommendations on what facilities require funding for maintenance and even development.

Thank you.

Mr. Cooley: Thank you for the question. While we do certainly provide funding all across the province, we don't divide up our funding envelope regionally. There's no separate funding envelope for the north. In terms of how our funding is accessed, housing management bodies identify capital maintenance and renewal needs within their portfolios. Each HMB prepares a business plan, including a prioritized list with budget timeline and scope. Submissions are then first reviewed by the HMB's housing adviser and then forwarded to the CMR program manager. The program manager then consolidates these submissions into a master list of evaluations.

The consolidated list is then reviewed by an evaluation committee comprised of CMR program staff, and the projects are prioritized using the weighted criteria that I spoke to earlier. HMBs are consulted to confirm selections and ensure accuracy, and the final prioritization list is submitted to Treasury Board and Finance for review and approval under our capital plan.

The Chair: Member, do you have a follow-up? Member Yao? You're muted.

Mr. Yao: No follow-up. Thank you.

Mr. Schmidt: At the time the department stopped reporting the facility condition index as the measure for facility condition, it reported deferred maintenance liabilities at a billion dollars. Can the department tell us what the current estimated deferred liabilities for Alberta Social Housing Corporation are?

Mr. David Williams: The deferred maintenance liability remains relatively the same. It hasn't changed significantly since then. It's still just over a billion dollars.

Mr. Schmidt: Over a billion dollars. Okay.

Now, can the department tell us since 2019-2020 – I can't remember. The department continues to review, and then it reviews your reviews, and then you submit the reviews of the reviews to be reviewed. One of the reviews that the department has done on social housing has recommended that when a facility can no longer be maintained and repaired, it be sold off. I'm just wondering: since 2019-2020 how many units has Alberta Social Housing Corporation sold, how many new units has it built, and how were the decisions made to determine which units would be sold? And how are the buyers selected?

Mr. David Williams: Happy to answer that. Since 2019-20 we've completed approximately 3,700 new units. I'll give you the buildings that closed since 2022 or have been sold off or are in the process of being sold.

Since 2022 we've closed the York Creek Lodge in Blairmore. That building was closed because of age, but it was not closed until a replacement lodge in Coleman was opened, which included both a lodge and type B continuing care.

We have closed Piper Creek Lodge in Red Deer. That building was closed when the crimson lodge was constructed in Red Deer.

We have closed bridge community living – sorry. Bridges Community Living foundation is the group that runs it. Centennial Kiwanis Courts was closed in Red Deer. This building was closed due to age of the building. All tenants have been rehoused in other buildings in the area. It is currently scheduled for demolition, and then it will be subject to a public process to use that land to rebuild seniors' housing in Red Deer, so there will be an open and public process for that.

The Silvera lodge was closed in Calgary when the Gilchrist Commons lodge was opened. That property has not yet been sold. There was an RFP process for redevelopment opportunities. I think officially it was an RFPQI process that went out. That did not result in any significant proposals that were very good, so it's back, and the government still owns it.

We've also closed Father Filas in Mundare, and it was closed due to vacancy issues primarily that made it nonoperational.

In terms of additional projects that have been sold, we had acquired during the Slave Lake fires a medical clinic in Slave Lake. We attempted to repurpose that into a couple of different facilities. It was sold off on the open market through a public sale.

We've also sold a piece of land in Camrose that we were intending to use for land. It was sold to the municipality of Camrose for municipal purposes. It was originally sold to us for use for a new seniors project. We did not need it going forward.

We've also sold a residence in Picture Butte to the town of Picture Butte, who wish to use it for municipal buildings.

We've attempted to sell the Eric Cormack Centre here in Edmonton. It was on sale through an open and transparent process, and that building was unsuccessful. Again, the valuations that came back for redevelopment opportunities had not sufficiently gone forward on that.

Yeah. That would be sort of the list of what we've kind of sold.

10:20

The Chair: MLA Jennifer Johnson.

Mrs. Johnson: Thank you, Mr. Chair, and thank you to the team for sharing all your information with us and for this report today. Looking at the Auditor's report on page 5, there is a section titled No Support for Prioritization. The beginning of the section reads:

To direct funding to the highest priority work, the department reviews and prioritizes capital maintenance projects requested by housing operators. However, we noted the department does not have documented support for how it prioritized the projects.

First, would the department be able to explain what exactly this means? Second, what steps has the department taken to rectify this lack of documentation? Are there future steps being planned?

Mr. Cooley: Thank you. The Auditor did not find errors in how the department prioritized projects. The issue was how it documented the decisions. The department's decisions were guided by clear criteria and internal expertise, but the records were not always detailed enough to show that to external reviewers. The department has since strengthened its documentation process with standardized tools, clear procedures, and real-time tracking in its internal database. Every project, the list goes through multiple layers of review, and the audit findings were about transparency and documentation, not the decision quality. The department is taking concrete steps to address that gap.

The concrete steps include developing detailed step-by-step procedures for recording project evaluations and funding decisions, ensuring consistency and transparency in how projects are assessed. Standardized tools such as prioritization templates, evaluation logs, and procurement risk worksheets are now used to make sure decisions are traceable and clearly documented. The department also enhanced its use of its internal database to capture prioritization results and decision points in real time, providing both accuracy and accountability. Staff have received training to reinforce consistent application of these documentation requirements, helping embed these practices across the program.

Beyond documentation, the department has introduced checks and balances to ensure prioritization decisions are sound and aligned with government priorities. Project lists are reviewed by both housing advisors and CMR program staff before finalization. Evaluation committees apply a consistent scoring model based on Alberta Infrastructure's weighted criteria. Finally, Treasury Board and Finance provides external oversight by reviewing the final prioritized list as part of the capital plan approval process.

Again, I would like to thank the Auditor for the recommendation. I want to reiterate that the Auditor's findings demonstrated lack of documentation, to which we have turned our attention.

The Chair: Thank you.

MLA Johnson, you have a follow-up?

Mrs. Johnson: No. Just thank you through you, Mr. Chair, to the team and to the Auditor General also for the report.

Thank you.

The Chair: MLA Marlin Schmidt.

Mr. Schmidt: Thank you, Mr. Chair. I just want to follow up on the department's response to my last question. I appreciate the detailed breakdown of properties that have been sold. Some of them were replaced; some of them were not replaced. It's not clear whether it's a one-for-one unit replacement. I'm just looking for a net new number of units that Alberta Social Housing Corporation has constructed since 2019-2020 and whether or not that increase, if it has increased, has kept up with population growth here in Alberta.

Mr. Cooley: Thank you, Mr. Chair. Since 2019 approximately 3,700 new units have been added to the housing stock.

Mr. Schmidt: I just want to remind the deputy minister that my question was net new units, because you've bought and sold. So this is 3,700 net new units?

Mr. David Williams: Approximately, yeah.

Mr. Schmidt: Okay. I know, Mr. Chair, that I'm pushing the boundaries a little bit, but I just didn't get an answer to the second question, whether or not that increase in units kept up with population growth here in Alberta.

Mr. David Williams: What you'll see is that we also have approximately 3,700-plus under development currently. Those are the number of net new units that have opened. However, there are more going. We are, as per the stronger foundation, working to expand the capacity of the affordable housing system by 25,000 over the next 10 years. Again, part of that is with new builds.

We've also brought out a lot of new rent supplement units, which allow Albertans to more immediately access affordable housing solutions, especially in periods where we saw sort of a softer rental

market. It's not necessarily a linear progression because it takes time in the pipeline for these units to come online.

We are building, and we're building at an extremely fast pace in order to try and keep up with the population growth. We remain on track to meet or exceed the goals laid out in the stronger foundation strategy.

The Chair: Thank you.

MLA Sawyer.

Mrs. Sawyer: Thank you, Mr. Chair and through you to the ministry. As someone who's first getting eyes on this, I really appreciate it. Well done on your report.

One of your recommendations was to improve the oversight measures. The report outlines the lack of maintenance strategy on page 4, and on page 2 it is noted that the department engaged a consultant to review the capital maintenance and renewal program. I'm just wondering. "Why did the department feel the review was necessary in 2022?" would be the first half of my question.

Mr. Cooley: Thank you. The review is tied to the 2020 Affordable Housing Review Panel. The panel identified capital maintenance funding as an issue for government. As I previously highlighted, recommendation 15 from the panel was to "direct the Government of Alberta to improve its approach to capital maintenance funding, including the establishment of an expedited process for project approvals and setting benchmark timelines for project approvals."

In response, the government's 10-year affordable housing strategy included action 5.3, to "develop a five-year maintenance and redevelopment plan for all government-owned assets and improve [CMR] processes." The department knew that in order to address the panel's recommendations and develop a capital maintenance renewal strategy, a thorough review of the program was essential. The review helped to identify areas that were working and areas for improvement.

The Chair: Thank you.

MLA Sawyer, do you have a follow-up?

Mrs. Sawyer: Yes. Thanks. With respect to the review and the outcomes, has the department adopted any of those recommendations?

Mr. Cooley: Mr. Chair, the review made 15 recommendations. The department accepted 12, conditionally accepted two, and declined one. Many of these are already being implemented, and I'm happy to go through the main outcomes.

First, the review emphasized the importance of maintaining adequate staffing levels to manage requests across nearly 3,000 government-owned buildings. This recommendation was accepted and is currently being actioned.

To streamline procurement, it was recommended that the funding threshold for internal approvals of CMR contracts be increased. This change is also moving forward.

The review highlighted the need for operational funding to help housing providers better define project scope before applying for capital funding. This is now under way.

Training and support for housing operators was another focus. The department is developing and distributing clear training materials and offering regular sessions to help operators understand how to submit projects and documentation for review.

10:30

A pilot project to consolidate procurement for suite rentals was completed successfully, and expansion of this approach is now in progress to maximize available funding.

On the data side the review called for a framework to better track building systems, upgrades, and repairs. Improvements to internal data collection practices are also being explored to ensure accuracy in building and equipment records.

Finally, the review reinforced the importance of using building condition assessments to provide a more data-driven understanding of buildings' maintenance needs. These recommendations are helping to shape a more efficient, transparent, and responsive approach to capital maintenance and renewal across the portfolio.

The Chair: MLA Renaud.

Ms Renaud: Thank you, Mr. Chair. In 2019 the UCP government reported that it supported 2,090 units of special-needs housing, and in 2025 their annual report stated that it supported more than 2,000 units for individuals with special needs. That was in the 2024-25 annual report. So in five years it's unclear to me how that's changed. One is specific; one is not.

I wanted to add, too, that we met during budget estimates, and one of my questions in successive years has been, like: how many accessible units are in Alberta? The minister was very clear and told me 10,000 – that would be in *Hansard* – and today I'm hearing 5,000. I think it's really important that we're really clear with numbers. How many are congregates or sort of in lodges or seniors' lodges, and how many are really community living? Those are two very different things. As you can imagine, people with disability: their first choice would not be to live in a lodge. So I guess my question is: in the five years what has been the difference in the special-needs housing? We've got one number that really isn't clear at all.

Mr. David Williams: Thank you, Mr. Chair. Just in terms of the evolution under the special needs, that's a pretty broad category of housing, and those are not necessarily and for the most part are not government-owned issues. They were built largely through federal grants back in the 1970s and the early 1980s, through their affordable housing funding. We acquired those or the oversight of those grants as part of the national housing strategy suite of agreements with the federal government. That doesn't mean the units have disappeared or they're not there or they're not still a mission-focused organization. It's just that they're not under the agreement anymore. Those agreements expired after 25 years of the lifespan, so that's why you see the number sort of drop around there.

Ms Renaud: Okay. Is it possible to get a listing of all of the units in the province – I mean, there are 5,000 – geographically, where they are located? I mean, the department doesn't seem to have a mechanism to assess the need for accessibility or wait-lists. This government doesn't seem to be interested in maintaining wait-lists of needs. I'm wondering: is there the ability to get a list of where these units are, which are congregate, which are community, and where specifically they are?

Mr. David Williams: Yeah. If you go onto the website under findhousing.alberta.ca, that will allow you to go through the tool and to see a list of all of the properties, including which buildings have accessible units and which ones don't.

Ms Renaud: Okay. So there is no place to just go to look for ...

The Chair: Moving on, MLA Sawyer.

Mrs. Sawyer: Thank you. Sorry, Mr. Chair. The cough is starting.

We see that this report was published in November 2024, and on page 8 it notes that it examined processes that were placed April 1.

Oh. Mr. Chair, you might have to skip me.

Mr. Rowsell: I can take that one up.

The Chair: Sorry about that. I guess MLA Rowsell can take that question.

Mr. Rowsell: Yeah. I'll take that on for you. Sorry about your coughing there.

Okay. Like she was saying, you see that the report was published in November '24. On page 8 it notes that it examined processes that were in place between April 1, 2021, and March 31, 2023, and the Auditor made several recommendations and findings. Can the department tell us if it was surprised by any of the findings and recommendations made within the report or raised by the Auditor?

Mr. Cooley: Mr. Chair, the department was pleased to see many of the Auditor's recommendations aligned with measures that were already under way and recommended by the review the government undertook in 2022. Government's top priority is the safety and security of residents living in their buildings, and the department appreciates the work undertaken by the office of the Auditor General to ensure their affordable housing units are solid and reliable. The Auditor's report reinforces that the department was already on the right track to improve our processes and documentation for CMR.

Mr. Rowsell: I understand, just looking at, you know, your report, that you expect to have the recommendations completed by 2027. Are you still on track for that? How are you making out on the recommendations? Are you on schedule?

Mr. Cooley: I think we've certainly made strides to upgrade and improve our government-owned affordable housing units to ensure that they are safe and available now and into the future. There are a number of issues already identified through the 2020 review that the department has been tackling. Those initiatives include improving training and support for housing providers, improving documentation and processes, developing a long-term strategy, and implementing building condition assessments. Again, the department appreciates the Auditor's report for their recommendations and reinforcing that we're moving in the right direction. Specifically, yes, we are on track to complete the recommendations by 2027.

The Chair: Thank you.
MLA Schmidt.

Mr. Schmidt: Yeah. Thank you. I just want to follow up with one of the responses that I got from the department. In the six years since the department stopped reporting on its facility conditions, it built 3,700 new units. The department declined to answer my question about whether or not that met up with population growth, but in 2020 we note that there were 19,000 households on the wait-list for subsidized housing at that time, and Deloitte did a Canada-wide assessment in 2023 that determined that Alberta needs over 40,000 social housing units today. I'm just curious why the number of 3,700 new units says that they're on track to meet their goals and, you know, whether or not the department has any plans to meet the core housing need of Albertans through developing new units with the Alberta Social Housing Corporation.

Mr. David Williams: Yeah. Thank you again for the question. The reason the 25,000 number was selected back in 2021 was in order to bring up Alberta to the national average per capita in terms of what's considered to be affordable housing units as nationally defined. That's what we're measuring our progress against.

As I mentioned, we've created, you know, just over 3,700 net new units since 2019. There are an additional approximately 4,500, 4,800 that are under construction currently. Also, since that time, since 2021, we've added 4,160 rental assistance units. That's how we're making it, and that's how we can say that we are well on the way to achieving that goal of 25,000. We're about halfway through. So far we're just over half of our way to that goal in terms of in flight or in construction.

Mr. Schmidt: A follow-up, then, to that question. What is the timeline for completing the additional housing units that are under construction and for making available the rent subsidy units that the department says – when will Albertans be able to move into those places?

Mr. David Williams: Yeah. Again, there will be an additional 13,000 by the year 2031. Each building will have a different sort of timeline in terms of when it would open and get going. But right now, like I said, we've got about 4,200 scheduled. Just about every month we have a new unit, a new building coming on somewhere in the province, so we're very excited, you know, with the progress we're making. There are a lot of really good new units coming on just about in every corner of the province. Again, those units are all selected, because I know there were some questions earlier around the needs assessments. We do do needs assessments with each of the communities to ensure that we're building the right types of units in the right places to make sure that we are providing as many homes as possible.

10:40

In addition, one of the focuses through the CMR process was to get any of those units that had been vacant due to, you know, deferred maintenance back online and operational, and we've been very successful in getting those units back up to speed here in the last couple of years.

The Chair: MLA van Dijken.

Mr. van Dijken: Good. Thank you, Chair. My questions are with regard to the Auditor General's report on page 7. I guess I'm struggling to understand why we are so focused on what's called deferred maintenance when I think a lot of it is deferred maintenance and renewal. You know, like, in the note on that page 7, it says, "Deferred maintenance is the practice of postponing maintenance activities."

As we look at facilities and assets, there's a need to continually maintain them, whether it's changing light bulbs or replacing dysfunctional faucets or the like. That's maintenance. It looks to me like a lot of this is under renewal of facilities, yet we call it deferred maintenance. If I could get some clarity on why it's just referred to as deferred maintenance. Is that a government thing? Is that just from the Auditor General's report? Why is it not looked at as deferred maintenance and renewal? Like, the Auditor General found that many of the housing facilities' fair and poor ratings are due to deferred maintenance, so are we suggesting that the operators are not attending to a leaking waterline or a dysfunctional lighting system, a dysfunctional alarm system? What work has been done to reduce this deferred maintenance, if it's actually that, and has there been a reduction in the poor ratings, then?

The Chair: Thank you.

I think the question relates both to the Auditor General and the department. If the Auditor General wants to weigh in, sure.

Mr. Wylie: I'll let the department go first, and then I certainly will supplement, Chair.

The Chair: Okay. The department.

Mr. Cooley: The hon. member is correct. Deferred maintenance is when you delay fixing or maintaining something that could be taken care of now. Deferred maintenance isn't inherently negative, and it doesn't inherently make government buildings less functional. It helps, however, about making informed choices based on priorities, risks, and available resources. The department continues to prioritize investments in CMR funding that focus on longevity and habitability of the buildings and the units people call home. In 2022 the CMR three-year budget was \$85 million, in 2023 it was \$94 million, and in 2024 it was \$121 million. Most recently Budget 2025 allocated more than \$130 million over three years.

Increased investment is having an impact on our buildings. In 2019 our buildings were rated in fair condition on average. I'm pleased to share that following our ongoing building condition assessments, the average condition of our buildings continues to be rated as fair. Part of our strategy has been to prioritize suite renewals because they quickly return uninhabitable units to safe and livable condition. I think this is the fastest way to expand access to housing without the cost or delay of new builds. These projects tackle critical health and safety and accessibility issues head-on. They are cost-effective, extend asset life, and reduce pressure on the wait-list. It's about making the most of limited capital to deliver the greatest impact.

I'll turn it to my colleague to talk a little bit more about the CMR from his perspective.

Mr. David Williams: Yeah. Thank you very much, Deputy. I would say that I understand sort of when we talk about renewal that a lot of it is in relation to renewal, especially when we do the significant capital upgrades inside our suites to renew them and get them back up to sort of standard. Suite renewals usually occur whenever we need to upgrade for accessibility or we need to do betterments inside the unit after someone has moved out. Sometimes the units are left in a state of disrepair. If any of you have had the opportunity to be a landlord before, not all tenants take great care of the units that they reside in. So we use that to do not only the sort of maintenance on the surface but also the upgrades and the other betterments that are required to modernize the suite. Some of our tenants are quite long tenured, and when they do move out, we take the opportunity there. So there is an element of renewal to that as well.

Then through our capital program we also do what we would consider to be a much more significant renewal, which would be, you know, potentially taking down old buildings and building new ones on that spot or densifying from there.

Mr. Wylie: Thank you, Chair, committee. Through you to the member: no, that is not our terminology. It's fairly recognized as terminology. In fact, I think we're citing what the department reported in their ministry annual report. I think they even used the term "deferred maintenance."

I'm not going to get too much into the theory, but there's a capital maintenance concept theory, which is that assets are acquired to provide services or service delivery, the production of goods, into the future. This capital maintenance concept theory is that you have to reinvest in those capital assets to be able to maintain the existing service delivery as expected by a program or whatever a particular initiative is, whether you're producing products. That's really what it represents: where the investment or the reinvestment into those assets has not been made to the desired level or to the expected level that would be required to maintain the service delivery of either a program or the production of a service or good.

I'm not too sure of the exact history of that coined term "deferred maintenance." You might want to call it renewal. The point is that there are measurements that are made looking at assets to maintain service delivery, and the measurements: when it's determined that that reinvestment is not made, then it is referred to as deferred. In other words, reinvestments have not kept pace with what's required to maintain the asset to be able to provide the existing expected service delivery.

Hopefully that helps, Member, through the chair.

The Chair: Member, do you have a follow-up?

Mr. van Dijken: Yeah. Thank you very much. I would agree with the Auditor General on the general philosophy of maintenance and renewal and keeping assets in a usable form. We heard from the department about dollars that were allocated towards maintenance and renewal. We heard also that a lot of the dollars are into renewal of suites, upgrading of suites.

I guess I'm still trying to understand if we have seen a significant decline or a decline anyways with regard to units in poor condition. We saw during the period of 2015 to 2020 in the report it identifies a reduction of suites in good condition and an increase of suites in poor condition. I think it would still show that everything was in average or fair condition, so I'm hoping that there's some indication as to what we have as assets in poor condition. Have we seen a reduction over the last five years, I guess, with regard to assets that are considered in poor condition?

Mr. David Williams: Thank you to the hon. member, through the chair, for the question. The last sort of public index measurement indicated that on average our units were in fair condition. That remains to be the same, and the initial results from our completed building condition assessment process that we restarted in 2024 would indicate that we've not seen a significant rise in the number in poor condition. Our maintenance program has maintained a relative stability in terms of the conditions of the units. We haven't made a lot of strides forward, but we haven't really gone backwards either. We've sort of stayed in there.

10:50

As I mentioned earlier, part of that is because when you look at the FCI measurement, part of that is influenced also by construction costs. So with significant construction, inflation, and replacement costs, that also can, even if the building – you know, if all things stayed the same with a boiler, the replacement cost of the boiler gets more, and the FCI goes down even if the boiler is still in perfect working condition. That's part of the reason why we're working with a consultant currently to come up with a bit better of a performance measure that actually reflects the usability of the building and how the building is being used, not just sort of a mathematical formula.

Mr. van Dijken: Good. Thank you. That provides a lot of clarity. Thank you.

The Chair: Auditor General, you wanted to comment?

Mr. Wylie: Well, just to clarify for the committee that through our work we're not identifying what measure should be used. What we were identifying was that there was a gap of a measure being used. I'm pleased to hear that the department is looking at rectifying that and by 2027 we'll have new metrics that will help the member answer the question: what are the conditions? Improving, status quo, staying the same? Also, what is the metric with respect to if you want to coin it either "renewal" or "deferred maintenance"? What is happening in that regard?

Again, back to our primary purpose of this engagement: we had \$2.3 billion worth of assets. Those assets need to be maintained to be able to provide service delivery to achieve the objectives of the programs, and that's what we were looking at. What were the tools and mechanisms and processes that were being utilized to achieve that? Again, just to clarify, we were not being specific with respect to one metric or another. It was rather: identify a metric if you're going to continue not using this one, and develop another one that will help you to manage your assets so that you can achieve your program objectives.

Thank you, Chair.

The Chair: Thank you.

We have eight minutes left. Let's try to get through as many questions as we want.

MLA Schmidt.

Mr. Schmidt: Thank you. If I could just comment, I'm not as pleased as the Auditor General on the so-called progress that the department is making. This facility condition index was ended in 2019. They say that they're going to have something in response in 2027. That means a child born in 2019 will be learning fractions in school by the time that this condition assessment process will be in place. Like, the next generation of Auditors General will be looking at this. That's how long it's taking, and I don't think the people of Alberta should be satisfied with such a glacial pace that the government is taking to put these conditions in place.

I want to follow up on one of the responses that the department gave to Member van Dijken. On the one hand, the department has said that they are spending money on maintaining and renewing units that were vacant because they were uninhabitable, and on the other hand, they're saying that the number of units in poor condition has remained about the same since 2019-2020. So what is the net change in uninhabitable units since 2019-2020? How many uninhabitable units have been made habitable since 2019-2020, how many previously habitable units became uninhabitable in that time, and what's the net difference? Is it positive or negative?

Mr. David Williams: I only have the numbers for the last three years, so I don't know between 2019 and 2020, but we are positive of 400 additional units back online that otherwise would have been offline for repairs. That number will fluctuate month to month as suites turn over and renew, but overall – we made an investment a couple of years ago of approximately \$16 million, which brought us to about 400 net new suites online.

Mr. Schmidt: Is the department's position, then, that the number – why is the number of poor units staying stable? If you're investing in these things, why is this number not changing?

Mr. David Williams: In part it has to do with the math formula. The FCI: that's the reason why we're discontinuing it. The FCI index in and of itself is just an indexed number, and it doesn't necessarily mean the number of units in actually – like, you know, a man on the street would say: what do we mean by poor conditions? It doesn't talk about the livability. It just talks about the level of maintenance there and the level of maintenance required to bring it up, and that's also influenced by construction cost escalation.

You know, if you look at it from – what I mean by a unit that would be offline and brought online is actually a vacant unit that is not being used. We had a number of those across that – there was a period of time prior to when I arrived in this portfolio in 2020 that there was less maintenance and we saw units come offline. There was a decision to make investment to bring those units back online,

and they would have been offline for any number of reasons in relation to maintenance.

The actual FCI index doesn't tell you a lot about the number of units that would be available or not available. It's just a mathematical formula. That's why we're really working hard to come up with a performance measure that gives you a better indication of how to do that. Your FCI, when you look at it across, is used in a lot of jurisdictions as an infrastructure building quality measure. But the difference between a residential building and sort of a large building like the building we're in here today: it's a totally different sort of equation. That's why we really want to come up with something that's really better, that will give Albertans an indication of not only what condition our units are in but how that impacts the quality of life of Albertans. So that's what we're working on.

The Chair: MLA van Dijken.

Mr. van Dijken: Okay. Thank you, Chair. One question I do have is with regard to: when we started the meeting, it was outlined that there are I believe it was over 27,000 affordable housing units within Alberta. The \$2.3 billion number was used for asset value. There are 80 different operators, I believe it was, that are operating these units. The question I have is: does the provincial government essentially have the lion's share of affordable housing within the province? Or are there other operators that provide affordable housing outside of the scope of the 27,000 housing units?

Mr. David Williams: Yeah. Thank you through the Chair, hon. Member, for the question. The province does have, as you mentioned, a significant stock of affordable housing that we own. There are a lot of other people who own and provide affordable housing. There's nothing stopping anyone in the province from running an affordable housing program or offering housing that is below market value. The municipalities own a lot. You know, Calgary and Edmonton both own some. A lot of not-for-profits also own and operate affordable housing, some of which is funded by government and some of which is not. The numbers you referenced sort of in your preamble: those are the ones that government either owns or funds. In total in our portfolio we support about 110,000 Albertans, but there is another whole segment of groups, mission-based organizations or value-based organizations as well as municipalities, who operate affordable housing in the province.

Mr. van Dijken: Okay. Thank you for that clarity.

The only other question I have is with regard to support for tenants in units that – like, we talk about deferred maintenance. If there are units that are deferred maintenance, is there support being provided for tenants in deferred-maintenance units versus units that are requiring renewals? I would hope that tenants in deferred-maintenance units, their immediate needs are being taken care of, and would like to hear if you're confident that that is happening.

Mr. Cooley: Thank you. The department recognizes that tenants living in units with deferred maintenance may experience unique challenges, so the department prioritizes projects that directly impact the habitability such as roofing, heating, ventilation, suite renewals.

11:00

Efforts are under way to improve planning and data systems to reduce the occurrence and duration of deferred maintenance, and the department is committed to strengthening its process to ensure that maintenance needs are being addressed more proactively.

David, do you want to talk a little bit more about the tenants specifically?

Mr. David Williams: Yeah. Each of our housing management bodies has to have a tenant complaint process where this is identified and it goes all the way up through to the board. Any tenant who has any complaint, like with any other landlord, is able to say, you know, "There's a problem in here; I've got a draft in my window; there is mould," and that's immediately identified, flagged, and brought up through our process. So we do have a process to identify any of those extraordinary circumstances for individuals to make sure that we remedy that as fast as possible.

The Chair: Thank you. I think that's all that we have for today.

I would like to thank officials from the ministry for their participation and Auditor General for their participation in responding to committee members' questions. We ask that any outstanding questions be responded to in writing within 30 days and forwarded to the committee clerk.

At this point department officials may leave. We still have some more business. We will take a five-minute break and get back to the remaining items on the agenda.

[The committee adjourned from 11:01 a.m. to 11:06 a.m.]

The Chair: We can get started. Following the format that was established for audit-focused meetings, the final 15 minutes of an audit-focused meeting is allotted for the committee to determine if it would like to hold a future meeting to deliberate on making recommendations related to the audit report to the Assembly. The subcommittee has recommended that these deliberation meetings be scheduled shortly after the audit-focused meeting and for at least one hour.

I would suggest that a meeting could be held this Friday, October 17 if members are interested, and I will open the floor to members to debate whether they would like to have a deliberation meeting and, if so, whether Friday the 17th works for the members.

MLA Schmidt.

Mr. Schmidt: Thank you, Mr. Chair. I would support your suggestion. I would move that we do meet on October 17. Thank you, committee staff, for reading my mind.

I move that

the Standing Committee on Public Accounts hold a meeting to deliberate on its review of the Auditor General's Processes to Assess and Manage the Condition of Affordable Housing on October 17, 2025.

The Chair: Do we need a seconder for this motion? No.

Any discussion on the motion? Motivate us.

Mr. Schmidt: Thank you, Mr. Chair. I appreciate the opportunity that we had today to ask the department about the Auditor General's report and its response, but I am very concerned about the department's lack of substantive information that they provided us today in terms of assessing the condition of its buildings and conducting the maintenance and repair, particularly on health and safety issues, in a timely fashion.

You know, when the Auditor General released their report, in their response to some media questions they did highlight the fact that there are potential health and safety issues for tenants that may be going unaddressed because the department doesn't have adequate information to assess the condition of its facilities.

I tried to ask the department about how it determined its maintenance requests in the '24-25 year, and they gave us essentially a song and dance that said, "Well, of course we consider health and safety, but we also consider a number of other factors,

and we are fully confident that we're doing the right thing" but failed to provide any substantive evidence that that's true or that even the prioritization processes that were in place when the Auditor General did the review had substantively changed. So I think it's really important to get at that.

The other thing that was really frustrating to me was the timeline for implementing the Auditor General's recommendations because not only did the Auditor General recommend these things a year ago, we found out today that there have been reviews and then reviews of those reviews, and then we've reviewed the reviews of the reviews that had been done by the department, and it's still set for 2027 to be implemented, maybe. You know, this kind of timeline gives the department ample opportunity to conduct three or four more reviews in the meantime, and they'll probably come up with some justification for delaying the implementation of the Auditor General's recommendations.

The department seems very intent on kicking these recommendations down the road as far as they can. I think it's a really important role that we serve as a Public Accounts Committee to push the department to do better and come up with some recommendations much more quickly than 2027.

I think that those things could be considered at the deliberation meeting on October 17, and I hope that all members agree with me and vote to have this meeting on that date.

The Chair: Thank you.

Any other members want to weigh in?

Mr. Rowswell: Yeah, I'll just speak to that a little bit. I don't have a problem with doing the deliberations. The date might be a problem. I was just wondering if we could have it as soon as possible but if we had an option like do a poll. There are members on my side that just can't be here on that day.

The Chair: If I understand you correctly, you're in favour of having a deliberation meeting but scheduling is an issue.

Mr. Rowswell: Yeah, scheduling is an issue for us there. I'm good with what you're saying. This is part of why we do this, right? If there is a report that goes back to the Legislature, then that's what we should do.

The Chair: I think the mover will be okay with a friendly amendment to the date.

Mr. Huffman: Sorry, if you don't mind, Mr. Chair. Thank you. So maybe a friendly amendment that the motion be amended by striking out the date, October 17, 2025, and say: on a date as determined by the chair after hearing the availability of members.

The Chair: In consultation with members.

Mr. Huffman: Yeah, in consultation with members.

Mr. Schmidt: I'm okay with that, but I just want to make sure that we have this meeting before the next regularly scheduled meeting of Public Accounts on the 28th.

The Chair: Yeah.

Mr. Rowswell: I'm available. I think next week sometime would be great.

The Chair: Yeah.

I think it's a friendly amendment, but just for the process sake I will ask the question. Any discussion on the amendment? If not, all

in favour of the amendment? All those online in favour of the amendment?

11:15

Ms Armstrong-Homeniuk: Could you read it out, possibly?

The Chair: Yes.

Mr. Huffman: Yes. Thank you, Mr. Chair. The amendment would be that

the motion be amended by striking out "October 17, 2025," and inserting "on a date as determined by the chair after consulting with committee members."

The Chair: Any discussion?

Mr. Yao: What's so significant about October 17?

Mr. Rowswell: It's not. The 17th: we had members that couldn't make it, so we have to pick a different date. That's what we're saying.

The Chair: Seeing no more discussion, I will ask one more time. All those in favour of the amendment moved by MLA Rowswell in the room? All those in favour online? Anyone opposed?

The amendment is carried.

Now we are back on the main motion. Any discussion on the motion?

Seeing none, all those in favour of the motion as amended? Online? Anyone opposed online? Seeing none.

The motion is carried.

Now the exciting part. At the committee's May 6 meeting the committee passed a motion to conduct its third audit-focused meeting on November 18 and chose to review one of the two reports of the Auditor General which had not yet been released. The reports were on Alberta Health Services procurement and contracting practices and on DynaLife procurement and contracting practices. The Auditor General wrote a letter to the committee on October 6 stating that neither report would be ready for release in time for our review on November 18. This letter was posted on the committee's internal site for members. As such, the committee will need to change focus for our meeting on November 18.

First, the committee will need to rescind the motion it passed at its May 6 meeting to select either the AHS or DynaLife report for review on November 18. The committee clerk has prepared some wording we could use to rescind that motion, and we will display that on the screen. Could a member move this motion?

Mr. Rowswell: I'd like to move that

the Standing Committee on Public Accounts rescind the following motion carried on May 6, 2025: moved by hon. Mr. Schmidt that the Standing Committee on Public Accounts at its 2025 fall session audit-focused meeting review the Auditor General's anticipated audit report on Alberta Health Services procurement practices if it is tabled on or before October 10, 2025, or, if the report is not tabled by that date, review the Auditor General's anticipated audit report on DynaLife procurement practices and invite officials from the Ministry of Health and other entities as appropriate, as determined by the chair and deputy chair, to speak to the report under review and present their respective action plans, if available.

The Chair: Any discussion on the motion?

Mr. Schmidt: I'm just wondering if the Auditor General can give us a progress update on the DynaLife report and the Alberta Health Services procurement practices report.

Mr. Wylie: The former I can give you more of a concrete update on. I'll give you an update on both, though, Member, through the chair.

The DynaLife: we are very close. In fact, we're so close that we're just going to miss the opportunity to be able to get through the committee by a few days. But, as you are all aware, we follow our mandate. We take our mandate seriously, and there is a process that we have to follow when it comes to time for publicly releasing reports. We are in the process of vetting our report, the DynaLife report, I should say. I would say that that report will be coming out very, very shortly, once that process is completed.

On the procurement examination, that's a little bit more complicated. That is an examination, and as I think we've said all the way along, that differs from your normal audit in the sense that an audit is fairly tight and concrete with respect to the scoping, and you can schedule that a little bit more closely than you can with an examination. An examination: essentially, we follow the evidence and where the evidence takes us. We are getting close on that one, but we are still doing some more under-oath interviews. We have not finished that process, and we want to make sure that the work is done properly, thoroughly so that the members and all Albertans can rely on our work and the credibility of our work. We're just not at a stage yet, Member, through the chair, to give you a specific timeline there, but the DynaLife is very, very close, and we are looking at next month sometime.

Thank you.

Mr. Schmidt: Just a follow-up, if I could, then. What I'm hearing the Auditor General say is that we won't meet the November 18 timeline, but we could meet a different timeline later in November or possibly early December. Is that correct?

Mr. Wylie: That is a possibility. That assumes that there are no issues with respect to the process as we move forward now. When I had an opportunity to meet with the chair and the deputy chair and the clerk, when I had to bring forward this unfortunate news, my advice was that at this stage we bring forward an alternate for that November 18 date, and I believe we have one that we will talk about in a few minutes.

My advice would be that I would hate to come back to this committee a second time and say that we have to go through rescinding motions to yet again meet, so I would suggest at this time, Member, if you are looking to see if we can bring that in, that we leave that for now. As I say, we are planning and all hands are on deck; I want to assure the committee of that. And I want to personally apologize. I know that this is an inconvenience for the committee, and I apologize for that, but again, I want to make sure that our work has followed all the processes before we release it publicly.

You know, I don't know if that answers your question, Member, or not. We're doing the best we can. That's all I can say.

The Chair: Thank you. I will come back to you on this point.

Before that, if anybody else has any comments.

Mr. Rowswell: Yeah. I think we'd like to do them as soon as we could. You know, where my head is at on that one is that next spring we'll have two scheduled, and we could do both of them. That's what I'd like to be able to do if we got them ready.

The Chair: Any comments from folks joining online?

Seeing none, I will go back to the Auditor General. We want to kind of continue this audit-focused meeting process, and we would like to replace, I guess, with another audit if there is any audit that you would recommend. Also, which ministry officials and other

entities you would like us to invite: that will be the question I will ask you to answer, and I will give you some time to think about while we vote on this motion.

11:25

We have a motion on the floor. The question I will ask is: all those in favour of rescinding this motion as put forward by MLA Rowswell? Those joining us online? Anyone opposed?

The motion is carried.

Now back to the Auditor General for his recommendation for any other audit that we may consider on November 18 and which officials or entities we should be inviting.

Mr. Wylie: Thank you, Chair and committee members. We recently released our report on the child care subsidy and grant program. We believe that would be a suitable alternative at this stage. The work is done. The work is public. It's an important program. We think it's of importance to this committee and to all Albertans. In '23-24 \$1.1 billion was allocated to this program. There were some inherent risks – that's why we undertook the audit – and those relate to potentially leading parents to be overpaying for child care or educators being undercompensated. Those are the two key areas of funding under this program. We did the work, and we did come up with three key findings. I won't get into those details now, but we did make two recommendations as well.

It's also worth noting that this particular program shifted several times during our audit, and significant changes were made to the delivery of the program as well. Again, I think that adds to the interest here. Just to let everyone know, in February 2024 the program moved from the Ministry of Children and Family Services to the ministry of jobs, economy, and trade, and then again in May 2025 it was transferred, this time to the Department of Education and Childcare.

Now, notwithstanding these changes of who is delivering it, we believe that all of the recommendations remain relevant and that in this particular case, Chair and committee members, the department that would be coming forward would be now the Department of Education and Childcare. That department has accepted all of the recommendations as well.

That would be our submission. We believe it would be a suitable candidate at this time to fill that time space. Thank you.

The Chair: We'll open the floor for discussion, comments. MLA Schmidt.

Mr. Schmidt: Yeah. Thank you, Mr. Chair, for recognizing my subtle request to be heard. I support the Auditor General's recommendation that we look at the child care supplement report that he submitted. I guess my concern is that, having been through this circus before with the child care program, we assure that we have the people who are responsible for conducting the program at the table when we review this.

You know, when we looked at the issue of food poisoning in child care settings, initially the people who had made the decision or had failed to uphold the safety said that they were no longer responsible because that program had shifted to another department. Then when that other department was here, we found some variation of: well, we weren't there when this happened, so we can't provide you full information.

I want to avoid that happening again. I don't know how we avoid that. But when we invite officials, make sure that people who had worked on those programs through the entire time that the Auditor General looked at that be here to answer questions from the department. It's not acceptable that somebody not answer a question because they weren't there at the time that the issue arose.

Mr. Rowswell: I remember that process that we went through, and that's what happened. It was frustrating. You know, the answers will be answered to the Auditor's report, and it will be up to the department, or the ministry, I guess, to make sure people are here that can answer those questions. Like, that's what you're asking, you know, if we can just make sure that we don't get nonanswers or answers that say: well, we weren't there, so we can't answer that question. That's your goal, right?

Mr. Schmidt: Yeah.

Mr. Rowswell: Yeah. So I think we emphasize to the ministry and the department to make sure there are people there to answer to the report.

Mr. Huffman: Sorry. If you don't mind, Mr. Chair. Thank you. In the invitation that the chair sends out to the ministry, there could be a line put in there specifically saying that the committee would like participants to be able to respond to these questions. Then it's in the official invitation to the ministry.

The Chair: Any comments from members joining online?

Seeing none, we have the wording of the motion. I think I do remember that meeting, and that should not be a process to avoid questions from the members. With members' indulgence I would ask that we include that line in my invitation, that we expect officials be able to answer all questions that are within the scope of this audit, whether they were in charge at that time or not. Can a member move this motion?

Mr. Rowswell: I'll move.

The Chair: So moved by MLA Rowswell.

Mr. Rowswell: That

the Standing Committee on Public Accounts (a) review the report of the Auditor General entitled Child Care Subsidy and Grants Program on November 18, 2025, and (b) invite officials from the Ministry of Education and Childcare to speak to the report under review and present their respective action plans, if available.

The Chair: Any discussion on the motion?

Mr. van Dijken: Well, if I may, Chair.

The Chair: Sure.

Mr. van Dijken: I don't see in this motion how it covers off officials other than officials from the Ministry of Education and Childcare to speak. I guess I'm just wondering if we have to – you know, with regard to the concern of not being able to speak to the report, it might be other individuals from other ministries that are qualified to speak to the report. Is there a way to improve that motion to ensure that that transpires?

The Chair: This motion is sufficient because under the law this ministry is now responsible for this program, and that's why we said what we will add is that we will tell them that we expect that they be able to answer questions that are within the scope of this report. They are the one legally responsible, so they should be able to answer our questions. We will clarify our expectations.

Mr. van Dijken: Fair enough. Thank you, Chair.

The Chair: Seeing no other comments, discussion, all in favour of this motion? All in favour, joining us online? Anyone opposed? I hope nobody said aye when I asked: anyone opposed? Thank you.
The motion is carried.

I understand it's short notice, but now that we have decided on a report for review on November 18, do members have any request for additional research they may like in preparation of our meeting to review the Auditor General's Child Care Subsidy and Grants Program performance audit, and does any member have any motion for additional research?

Additional research can be directed to you by end of day today or something?

Mr. Huffman: No. Sorry, Mr. Chair. Any additional research has to be a decision of the committee, so the committee would have to move a motion and pass that today.

The Chair: I can ask them to move a motion that a member move that any requests for additional research be sent to the committee clerk by end of day tomorrow, October 15.

Can a member move that?

11:35

Mr. Rowswell: We do have one that we'd like . . .

The Chair: A motion?

Mr. Rowswell: A motion, yeah.

The Chair: Okay. Sure. Go ahead.

Mr. Rowswell: I think what I'd like to do is get a jurisdictional scan of some other provinces in order to see how they managed it relative to us in Alberta. I'd like to do some research relative to that, so as a motion for that. I'll read it out, and if people want to change it a little bit, that'll be fine. That

the Standing Committee on Public Accounts direct the Legislative Assembly Office to prepare, in advance of the committee's review of the Auditor General's Child Care Subsidy and Grants Program performance audit report, a crossjurisdictional comparison of budget information of provincially funded child care subsidy and grant programs in British Columbia, Manitoba, and Saskatchewan in effect at any time during the past 10 years as well as information on the child care funding agreements those provinces had with the federal government.

The Chair: Any discussion on the motion?

Mr. Schmidt: Sorry. Mr. Chair, if we could just amend it to include all provinces in Canada. I think the focus on just the western provinces is a little bit too narrow.

The Chair: So we have an amendment. The committee clerk can figure it out.

Mr. Rowswell: Oh, okay. That's a friendly amendment, then? Okay. So make it all provinces, then.

Mr. van Dijken: Chair, if I may?

The Chair: Sure.

Mr. van Dijken: I guess the question would be: does the time frame allow good research to be done? You know, I can't speak to that, but we are working with a relatively short time frame for the LAO to prepare in advance of the committee's review. If there's confirmation or if there's no concern from LAO research that it will not inhibit their ability to properly prepare, then I'm more than willing to agree to the amendment. I guess that's the only question I would have.

The Chair: I think I see Philip Massolin's hand up. He would be eager to answer this question, but we do have two researchers sitting in the room. They both look very excited.

Dr. Massolin: Yeah. Chair, if I may speak to this point. Mr. van Dijken raises a good point about the time frame. Like, it's going to be tight for both the ministry to get prepared but also for us to do our research. I think that additional jurisdictions to compare would be okay, but I'm wondering if we could just beg the indulgence of the committee to do the best we can when it comes to that, even though they pass a motion to that effect, and we can single out the most important jurisdictions in terms of the comparators and then just use our judgment. Try to do everything if we can but then just to – if there is running short of time, we can just sort of use our judgment to identify the jurisdictions that have similar programs and similar issues or interesting things to raise to the committee so that the committee can do its work the best that it can, if that makes sense.

Thank you.

The Chair: Thank you.
I see MLA Ellingson.

Mr. Ellingson: Yeah. I think I just wanted to add on to what Dr. Massolin just said. In all of our interjurisdictional comparisons in the past we've always included Ontario, so it would seem strange to me that – even when we are prioritizing, make sure that we at the very least include Ontario. I also think it's a good idea to pick at least one from, like, say, the Atlantic provinces because they may have a very different approach – right? – like maybe a different cultural approach. I think it could be important for us to learn from that.

The Chair: Any other comments?

Mr. van Dijken: If I may, Chair.

The Chair: Sure, Glenn.

Mr. van Dijken: I guess I would like to reiterate that, you know, the amendment should encompass that LAO include other relevant information from jurisdictions outside of the ones that have been highlighted, giving them the latitude to prepare a report that will give us – I would like to see very relevant information that we can actually develop and discuss conversation around, relevant information versus possibly information that is over and above the mandate of this review.

The Chair: Noted.

Mr. Huffman: I think we might have some wording. I'm just going to post that right now.

The Chair: I think it looks pretty good. It says:
in other relevant Canadian provinces.

Mr. Rowswell: We'd leave that up to research to figure that out.

The Chair: Give research a little bit of flexibility.
If it's good with Member Schmidt?

Mr. Rowswell: Are you good with that, Philip? Does that give you the flexibility?

Dr. Massolin: Through the chair, sure, Mr. Rowswell. I think that does give flexibility. We can use our judgment that way to identify those issues in the relevant provinces that would be the best

comparators and the most interesting for the committee to do its work. I think it would work.

Thanks.

The Chair: Thank you, Philip.

Unless there are any other comments, I will go to the question. All those in favour of this amendment to the original motion? Those joining us online? Anyone opposed? Seeing none,
that amendment is carried.

Now back on the main motion. Unless there are any burning comments, we can go straight to the question. All those in favour of the motion as amended? Anyone opposed?

The motion is carried.

Now the report on the 2025 CCPAC-CCOLA conference. That was the exciting part that I was referring to earlier.

11:45

At our May 6 meeting the committee passed a motion to send the chair and the deputy chair and LAO staff to the 2025 CCPAC-CCOLA conference held from September 7 to 9 in Regina. CCPAC-CCOLA is an annual joint conference of the Canadian Council of Public Accounts Committees and the Canadian Council of Legislative Auditors that allows PAC members, staff, and Auditors General from across Canada to come together and share the work their public accounts committees do and discuss best practices.

I attended the conference along with MLA Rowswell, the deputy chair of the committee, committee clerk Warren Huffman, and research officer Abdul Bhurgri. The committee asked that we provide an oral report to the committee on our experience and lessons learned at the conference, and we are happy to do that. The conference began with an opportunity for each jurisdiction to speak about a practice that they feel their PAC does well. Alberta's subject was effective follow-up of audit recommendations. Assistant Auditor General Patty Hayes and I spoke about the process that the office of the Auditor General goes through for auditing ministries and making recommendations as well as their follow-up process. I also spoke about how our PAC currently reviews ministries' annual reports and relevant reports and recommendations of the Auditor General and how the committee has begun a new process of conducting audit-focused meetings to review audit reports of the Auditor General on a more consistent basis.

The deputy chair participated in a panel discussion entitled Public Accounts 101. It covered the review process of the public accounts of the province, and the deputy chair was asked questions about best practices for reviewing ministry annual reports. Some of the topics that the panel discussed were related to key areas of focus when asking questions, examples of good questions, how the office of the Auditor General can help PAC, and challenges when reviewing the public accounts.

The second business session was on encouraging action through follow-ups, during which we heard information about how some jurisdictions follow up with ministries after their PAC meetings.

The third session was on the importance of performance audits. For this session we heard how some Auditors General choose their audits and how they present their reports and how they prioritize those audits.

The final business session was on cross-party collaboration, and we heard from two former elected officials who were chair and deputy chair of their PACs. They spoke candidly about their experiences with building a culture of nonpartisanship in their committees.

The Canadian Audit and Accountability Foundation also hosted a PAC leadership workshop in Regina, which took place the day

after the CCPAC conference, which the deputy chair and I attended. The workshop was for PAC chairs and deputy chairs to learn how their leadership can help to craft more meaningful meetings through cross-party collaboration and a committee focus on improved public administration. They had a panel where David Christopherson and Kevin Sorenson, who are former federal Public Accounts Committee chairs, reflected on their time as PAC leaders. They discussed the need for all members to be clear on the mandate of the PAC, which is to hold departments to account and not focus on the merits of government policy. They said that the PAC should focus on how money was spent in a program, what the policy objectives were, how those objectives were achieved, and where the value for taxpayer dollars was achieved.

The CAAF has said that they would like to hold similar workshops at future conferences. If that is the case, the committee may want to include the workshops in the wording of the committee's motion to attend the conference in the future.

Before I get into the breakdown of some of the things we learned at the conference, I would like to give Mr. Rowswell a chance to speak about his experience at the conference.

Mr. Rowswell: Yeah. I thought it was really good. The one thing that I discovered there from CAAF that they told us is that, like, they go all over the world and within the Commonwealth to try to help people with their public accounts committees. What they said was how the reputation of Canada is very good. Like, U.K. is kind of the model, but Canada is very much respected and they were asked to go all over the place, Africa and wherever. They went to a lot of places. I think, you know, although we think we're dysfunctional sometimes, the reputation of Canada is really good, but there are always improvements and there are neat things that we can do and learn from other places. So we'll be talking about that when we get the chance here.

The Chair: Thank you.

We came away from this year's conference having learned a number of things, and we would like to highlight a few takeaways that our PAC may want to consider implementing here in Alberta. I'm using we because the deputy chair and I have discussed this report before. Just to be clear, we are just providing information today for discussion and to gather the committee's feedback, input about it. We are not looking to make any decision today. We would like to get the general feeling of the committee about these topics and then perhaps hold a subcommittee meeting in the coming weeks and return with some concrete recommendations on how to proceed.

First is the collaborative work purpose statement. One thing that we heard again and again at the CCPAC conference is that the more collaborative a public accounts committee is, the more efficient and effective it can be in holding departments to account. A number of PACs met in camera prior to the meeting to discuss and organize the questions that the committee would like to ask at the meeting, and the members agreed to lines of questioning that would be asked at the meeting. In some committees these questions were randomly assigned to the members, meaning that any member could ask any question. Members may still ask other questions that are not on the list, but this collaboration helps the committee be less partisan and focus on getting to the root of issues.

One of our aspirational goals is for the committee to work more collaboratively, and one small step in that direction that we could look at is a practice followed by the Prince Edward Island PAC, which is to read a purpose statement at the beginning of each meeting. The deputy chair and I liked the idea when we heard about it, and here is that statement.

The Standing Committee on Public Accounts is dedicated to improving public administration, in partnership with the Auditor General. The committee examines the administration of government policy, not the merits of it. The committee strives to achieve consensus in its decisions whenever possible. Members take a non-partisan approach to the work of the committee.

If the committee was interested in considering a similar approach, the message would be tailored to fit our Alberta PAC with an intent to show ministries and the public how the committee operates and to help establish a culture of collaboration for the committee. If we were to choose to develop a similar purpose statement, it could include things like the committee mandate, what the committee wants to achieve, that the committee works in partnership with the Auditor General, that the committee examines the administration of government policy, not merits, that the committee strives to achieve consensus in its decisions wherever possible, and the members take a nonpartisan approach to the work of the committee.

I would like to ask MLA Rowswell if he has anything to add about this.

Mr. Rowswell: Yeah. It was interesting. The one province – I forget which one it was – actually, like I said, comes and they get the questions and they just assign them, right? We have talked about that here. We haven't chosen to do that, but what we talked about there was the gotcha questions and then the snowflake questions and trying to get better at that. Thanks to Tany Yao we're maybe heading that way. So that was good, but I felt like we've improved over this last year, and, you know, I think we can continue to do that if we keep having goodwill here.

The Chair: The second theme was requesting ministries' implementation plans. When the Auditor General performs an audit and makes recommendations to a ministry or entity, the office of the Auditor General receives an implementation plan on the recommendations that are to be implemented. These plans are usually received within two to three months of the audit and are typically more robust than the status update on recommendations that we currently receive. The committee may want to consider requesting that these implementation plans be sent to the committee as well as the Auditor General.

I would like to ask if Mr. Wylie has anything to add about this practice.

11:55

Mr. Wylie: I support it, Chair and committee members. I think it's a good idea. I think it has merits. As you all know, the practice that exists within our parliamentary system is that the Auditor General makes the recommendations, and it's up to the Public Accounts Committee to hold the government or the bureaucracy, if you will, the deputies and the ministries and others, to account with the implementation of that. The practice varies across jurisdictions on the involvement of the Public Accounts committees.

I think it's a great suggestion that you would receive as a committee the implementation plan that the departments or others are proposing, that you could see what we're receiving at the same time or shortly thereafter. I think that the better informed the committee is, the better the deliberations will be, and the objective of trying to make improvements will be better achieved with that information. I know that there was an interest expressed today already with respect to the implementation plans and the timelines of those. Those are all outlined in that implementation plan that we received. I think it's a great idea, Chair.

The Chair: Thank you.

The third one was regular follow-up with ministries. At this year's conference we heard a lot about the importance of PAC's role in furthering the work of the Auditor General. The Auditor General can conduct reviews on issues and make recommendations about how departments can improve their process, but his office cannot compel a ministry or audited entity to take action on those recommendations. PAC can review the issues reported by the Auditor General and follow up on the recommendations made to the ministries and entities. The committee can further issue its own report and make recommendations that action be taken where the committee sees fit.

In some jurisdictions the PAC will follow up with the ministry to see the progress made on their implementation plan. If the ministry has not made adequate progress or appears to not be following through, the ministry officer could be called back to appear before the committee again to respond. This helps ensure that the ministry implementation plan is followed and the Auditor General's recommendation become implemented.

One last thing, then I will open it up for debate. These past two conferences have been very interesting and informative. Going forward, we believe that it may benefit the committee if additional committee members have the opportunity to attend the CCPAC conference. Typically, Alberta Public Accounts has sent the chair and deputy chair along with two LAO staff to the conference, but I have seen other jurisdictions send more members of their committee. So we would suggest that perhaps the committee may want to consider expanding our attendance for next year's conference by two members, I would suggest, and beyond by offering the opportunity for additional committee members to attend and learn directly from their peers across Canada.

At this point I would ask if MLA Rowswell has any comments and then open it up for discussion, comments by the members.

Mr. Rowswell: Yeah. Just some of the differences the different provinces got up. Some provinces meet for two days. Like, they have two eight-hour days and they go through all the ministries, and that's it. They never meet again, which is – I don't know how you can get focused on stuff.

Some only do audit reports. They don't look at the ministries. Then they co-ordinate with the media. They involve the media in their discussions and at times with the release of the reports so that soon after the release of the Auditor report, you then have the PAC review it, right? Just to kind of – what would you call it? – recognize PAC's role in the big process of being the conduit for the Auditor General's recommendations because of what they are enabled to do.

One that I thought was odd was in Saskatchewan. They actually get the Auditor's report, and they either accept or reject the recommendations, which I thought was odd because, you know, the Auditors General have, like, all their education and everything they do, and we read it for an hour. So I don't like that one. That one was odd to me, but that's the way they do it.

In the future how we identify which ministries we're going to look at: you know, I think we need to re-evaluate that. Maybe it's outstanding recommendations or something like that. And then to your point on – like, if we've reviewed it and here are these recommendations, then maybe in June we have a PAC where we pick our top three that didn't seem to make much headway on the recommendations even after our PAC review and just ask them for an update or something like that. These are all just ideas that we might want to consider.

And then the other one – and I asked this one at both of these meetings – is what happens if the department or the ministry doesn't agree with the recommendation. Some of them list it on their Excel

chart as “will not implement,” right? Just so that they know, because the auditors weren't really desirous to have an expiry date on the recommendation. You know, it could be a policy change; it could be something that makes that a nonissue. But that would be up to the department to talk about.

Some neat ideas there that we might consider in the future.

The Chair: Any other comments, discussion? Member Schmidt.

Mr. Schmidt: This idea of regular follow-up from the department on some of the things that have come up at PAC is intriguing to me, but I'm not clear. Is it just follow-up on the recommendations that the Auditor General has made to the department, or is it follow-up on issues that we find in Public Accounts that they regularly follow up on?

Mr. Rowswell: What I saw was on the recommendations. It doesn't mean we have to do it that way, but I mean, there are some ministries that have a whole bunch and some that are quite old, right? And we thought: well, you know, maybe we can review them and then maybe six months down the road get an update on how they've done. So it's just been on the recommendations, I think. Isn't that right?

The Chair: Yes. I think that usually ministries, departments do come and share their action plan. It was also about if they said that they would do something in a certain time, whether they're following up on that and meeting those deadlines. Tied to that was the idea that whatever detailed action plan they send to the Auditor General, that plan be sent to committee members as well so they can see in detail what the department is supposed to do in a certain time frame so that they can be followed up with and asked about the progress reports.

Mr. Schmidt: Yeah. Don't get me wrong. Like, I'm not opposed to implementing this similar process, but I can think of a couple of other Public Accounts meetings that we've had recently where we've uncovered issues that the Auditor General didn't really get to that I would find interesting for us to have follow-up on.

The immediate example that comes to mind is this high school in Camrose. You know, when Infrastructure was here, we found out that they didn't really do their due diligence in selecting the site. They didn't make sure that whoever said that they owned the site actually owned the site, and this caused significant delays and potential cost overruns. That's not an issue that the Auditor General has had a chance to look at yet, but it is something that Public Accounts uncovered. I think it would be important for us to follow up on those things as well. I'm wondering if there was a jurisdiction that had that kind of follow-up or if we could create a process where we would identify issues that were raised during a Public Accounts meeting that we could request follow-up on as well.

You know, if I may, Chair, there have been a couple of times when we've submitted questions for written responses, and the written responses haven't really been adequate. They've taken the section from the annual report that is tangentially related to the question that we asked and just cut and pasted and responded, and it's just left like that. So are these follow-ups written, or does the department come to the committee for question and answer when they follow up again?

12:05

The Chair: These follow-ups are written follow-ups. That's my understanding. To your comment, we can discuss what our follow-up process may look like. But that's one thing that we found quite interesting and I would say effective as well to give some teeth to

the Auditor General's work, that they know that some Public Accounts Committee is there to hold them to account and ask them for progress.

Mr. Rowswell: Yeah. We're not making any decisions today. We're just . . .

Mr. Schmidt: Right.

Mr. Rowswell: But that's good input.

Mr. Schmidt: Yeah. I appreciate the answers. Thank you.

The Chair: Any other comments?

Seeing none, I guess we can hold some subcommittee meetings to discuss these things and bring forward some recommendations to the committee in the future to consider.

With that, moving on to other business. Written responses to questions asked at our meeting during the spring session were received from the following ministries: Municipal Affairs on April 15; Environment and Protected Areas from our April 29 meeting to

review the Auditor General's surface water management report; Arts, Culture and Status of Women on May 6; Transportation and Economic Corridors on May 13. The responses were made available to the members on the committee's internal site, and following our usual practice, they will be made publicly available on the Assembly website.

Are there any other items for discussion under other business?

Date of next meeting. The next regularly scheduled meeting of the committee will be on Tuesday, October 28, 2025, with the Ministry of Indigenous Relations.

We will canvass with members for a meeting for deliberating on today's meeting in coming days.

At this point I will call for a motion to adjourn. Would a member move that the October 14, 2025, meeting of the Standing Committee on Public Accounts be adjourned? So moved by MLA Renaud. All in favour? Anyone opposed? Those joining us online, all in favour? Anyone opposed?

This meeting stands adjourned.

[The committee adjourned at 12:08 p.m.]

