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Second Session

Standing Committee
on
Community Services

Department of Municipal Affairs
Consideration of Main Estimates

Monday, April 27, 2009
6:30 p.m.

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[Mr. Doerksen in the chair]

**Department of Municipal Affairs
Consideration of Main Estimates**

The Chair: Well, I think we have quorum here this evening. With that, I think it's about 6:30 p.m. and time for us to start. I'd like to welcome everyone to the meeting this evening. This meeting is being broadcast via audio, so welcome to anyone who may be listening to the audio broadcast this evening.

The committee has under consideration the estimates of Municipal Affairs for the fiscal year ending March 31, 2010.

I'm going to suggest that we move around the room and have everyone introduce themselves and ask the minister to introduce his staff at the appropriate time, then, as well, please.

Go ahead, Mr. Mason.

Mr. Mason: Brian Mason, Edmonton-Highlands-Norwood.

Ms Pastoor: Bridget Pastoor, Lethbridge-East.

Mr. Chase: Harry Chase, Calgary-Varsity, here to ensure that if anybody picks on Bridget while she's having her cookies at recess, they'll have me to answer to.

Mrs. Sarich: Janice Sarich, MLA for Edmonton-Decore and parliamentary assistant to the Minister of Education.

Mr. Johnston: Art Johnston, Calgary-Hays.

Mr. Bhardwaj: Naresh Bhardwaj, Edmonton-Ellerslie.

Mr. Benito: Carl Benito, Edmonton-Mill Woods.

Mr. Lukaszuk: Thomas Lukaszuk, Edmonton-Castle Downs.

Mr. Johnson: Jeff Johnson, Athabasca-Redwater.

The Chair: Mr. Minister.

Mr. Danyluk: Thank you very much, Chair. I'd like to introduce Ray Gilmour, deputy minister; Anthony Lemphers, who's the assistant deputy minister for corporate strategic services; and Michael Merritt, the assistant deputy minister for local government services. In addition, I have some of my staff in the seating area. I have David Hodgins, managing director of Alberta Emergency Management Agency. I have Ivan Moore, who's the assistant deputy minister of the public safety division, and Jody Korchinski, who is the director of communications. I have Dan Balderston, senior financial officer; Colin Lloyd, the executive director of AEMA. Did I miss anybody? Ethan Bayne. How could I do that? I also have Ethan Bayne, my executive assistant, and it's a good thing because, you know, if I didn't introduce him, he might have left.

The Chair: Okay. Thank you, Minister.

We've just had Dave Rodney join us as well. Dave, go ahead and introduce yourself.

Mr. Rodney: Greetings from the extreme southwest part of Calgary, Calgary-Lougheed. Dave Rodney reporting.

The Chair: Thank you. I'm Arno Doerksen, chair of the committee for this evening.

Ms Pastoor: Could I also introduce my staff member here? Dr. Jennifer Runke will be assisting me as well. Thank you.

The Chair: Okay. Thank you.

Just to review a little bit of the process for this evening, members will know that votes on the estimates are deferred until Committee of Supply on May 7, 2009. Any vote on amendments will also be deferred until Committee of Supply, and amendments must have been registered with Parliamentary Counsel no later than 6 p.m. today to be applicable to this evening's meeting.

Just to review a little bit of the speaking order and the time that we'll observe this evening, the standing orders govern who may speak. Committee members, ministers, and other members may participate. Department officials and members' staff may be present but may not address the committee.

Speaking times will be limited to 10 minutes, or a minister and a member may combine their time for a total of 20 minutes. Please indicate when you begin to speak if you'd like to exchange conversation with the minister.

Members, the first hour will be designated to the Official Opposition. Following that, there will be 20 minutes to the third party or 10 and 10. I'm going to suggest that at that point we take a fairly strict five-minute break and that we get back to it because the clock will continue to run. We have a total of three hours scheduled for this evening. Unless we adjourn early, we will adjourn at 9:30 p.m. promptly.

Points of order will be dealt with as they arise, and the clock will continue to run should a point of order arise.

With that, I think we'll begin immediately. I'll ask that the minister take 10 minutes to open the discussion this evening. Please, Minister Danyluk.

Mr. Danyluk: Well, thank you very much, Mr. Chairman. Good evening to all. I am very pleased to be here to present an overview of the Municipal Affairs '09-10 spending estimates as well as the '09-12 business plan.

I'd like to start by talking about our priorities. First of all, let me say to you that strong communities are a priority for my ministry. In times of economic uncertainty Albertans turn to their communities and their neighbours for support. It goes without saying that our communities must be strong, now more than ever. You've heard me say this before: strong municipalities are the key ingredient to strong communities. This belief shapes my ministry in everything we do. I'm proud to say that Alberta is truly blessed to be made up of strong, vibrant communities. They are places where citizens are supported, cared for, and feel safe. Above all, they are places Albertans can be proud to call home. This is why all of my ministry's strategic priorities are created, to support strong municipalities and their communities.

There are six strategic priorities for my ministry that I'll briefly highlight: support growth and capacity building and the long-term viability of municipalities; support the library services by encouraging collaboration and maximizing service delivery through technology; ensure that provincial funds provided to municipalities are used to meet agreed-upon objectives by implementing an accountability framework; undertake a review of the Safety Codes Act to ensure that we are providing Albertans with relevant codes for their safety; ensure co-ordination of the province's emergency management system to keep Albertans safe; and complete metropolitan plans for the Calgary and capital regions and promote regionalized collabora-

tion and planning to support implementation of the land-use framework.

The changes facing our municipalities are as unique and wide ranging as the municipalities themselves. Our business plan will help municipalities address these challenges and embrace opportunities. Our budget is directly related to our commitment to building strong municipalities and communities.

I'd like to discuss Municipal Affairs' core businesses and goals. Our first core business supports the development and long-term sustainability of municipalities and their communities. Under our first core business there are three goals. The first goal is to ensure that our province has a responsive, collaborative, accountable, and well-managed local government sector which is sustainable. We will accomplish this through a variety of initiatives. We will provide financial support, deliver support services and work with other ministries and municipalities to improve long-term sustainability.

This will be done particularly through the municipal sustainability initiative. In '09-10 this initiative will receive \$400 million. MSI builds on the Premier's commitment to build strong communities. I'm pleased to say that the funding is having a real impact in helping municipalities plan for the future, to give municipalities added flexibility during these challenging times. Interest costs for MSI projects are now eligible under the program. This will make it easier for municipalities to finance priority projects and make optimum use of the MSI funding.

We will also implement an accountability framework to ensure that provincial funds provided to municipalities are used to meet agreed-upon objectives. Now more than ever it is important to be realistic with taxpayers' money. That means reviewing our programs and services to ensure that they're efficient and providing value for money. An accountability framework will do just that.

Also, under our first goal our ministry will work with municipalities to complete goals for the Calgary and capital regions. Municipal co-operation and collaboration is essential in any economy. On March 31 the Capital Region Board met a key element of its mandate and presented its long-term growth plan to me. The Calgary Regional Partnership expects to ratify its plan in June. These long-term regional plans will not only benefit the citizens of each region but all Albertans. In each instance a regional co-operative approach is necessary to support strong and viable communities.

In addition, my ministry will support the implementation of the land-use framework. This is important as the framework will create opportunities for Albertans to get involved in managing our land for the future. Albertans have a strong tradition of local government and local autonomy. This will continue. Regional plans are being developed to set policy directions for municipalities and other local decision-makers in the region. Once adopted, local plans and decisions must align with the regional plans.

6:40

Our second ministry goal is to ensure that we have a well-managed, fair, efficient assessment and property tax system in which our stakeholders have confidence. We will continue to ensure that our assessment and property tax system is accurate, fair, and transparent by adding and maintaining legislation, regulations, and publications. In addition, we will conduct a comprehensive assessment audit program.

Our third ministry goal is to ensure that the Municipal Government Board provides an effective and responsive quasi-judicial appeal system. The board maintains a high-quality system and works to ensure timely processing of appeals, complaints, and applications. The number of appeals before the MGB in '09-10 is

expected to be similar to those of the previous year. A new level of appeal system is expected to affect future workloads, but not until the next fiscal year as all 2009 appeals must still be heard and decided by the board.

Our fourth ministry goal relates to ensuring that Albertans have a province-wide library network that provides access to quality information resources and other library services. I need to emphasize the critical role libraries play in the well-being of our communities, especially in tough times. They are connectors to new jobs and help ensure that new generations are literate. Last summer an MLA committee was established to find a way to support Alberta's libraries so that they can better support Albertans. As a result of the committee's work the province will provide \$32 million in funding this year to help libraries realize their potential in three key areas: enhancing basic services, promoting collaboration and innovation, and capitalizing on technology. This will support the achievement and long-range vision for libraries to create seamless access to resources that benefit Albertans in the communities where they live, work, and read. My ministry is committed to supporting libraries so that they can continue to support Albertans in the future.

Our second core business is to co-ordinate and encourage a safety system to support the development and maintenance of safe communities. Our fifth ministry goal falls under this core business. This goal ensures that there is a comprehensive system of safety codes and standards that provides an appropriate level of public safety for all Albertans. Strong communities are also places where Albertans feel safe.

In March the government of Alberta announced new fire and building codes. When there is a fire, new codes will buy time for people to get out of their homes and for firefighters to respond. The updated fire codes came into effect on March 12, and the updated building codes will come into effect on May 3. These codes represent a balance between safety, affordability, and technically sound practices. This puts Alberta two years ahead of the national code cycle.

Finally, our third core business is to lead a high-performance provincial fire and emergency management system. Our sixth and final goal falls under this core business. This goal ensures that Albertans have a province-wide emergency management system that protects the people of Alberta, their property, and the environment.

The Chair: Thank you, Minister.

At this point we'll go to Ms Pastoor. You have 10 minutes to speak, or you can share with the minister.

Ms Pastoor: Yes. Thank you, Mr. Chair. Would it be all right, Mr. Minister, if we share back and forth?

Mr. Danyluk: Very much so.

Ms Pastoor: Thank you. The references for the pages that I'm going to use are 303 to 317 in the 2009-10 estimates and pages 215 to 228 in the ministry business plans and page 18 in the fiscal plan.

The total voted estimate expense for the ministry is \$593 million, and that also included the equipment. There is a decrease here, and it's 14.2 per cent from the '08-09 budget and a 17.5 per cent decrease from the '08-09 forecast. The bulk of the decrease is due to the decreased MSI funding. The funding decreased 28 per cent from the target that had been set for '09-10 in the 2008-11 business plan, and that was on page 221. The MSI funding for '09-10 was targeted to be \$200 million more. For instance, it would have been \$721 million, and it's now estimated for this year at \$513 million. The fiscal outlook states that the operating expense estimated for

Municipal Affairs is \$235 million, which is a \$12 million increase, and the percentage would be 5.4. The main increase is due to the increase in the amount of library grants, at \$9 million.

The municipalities need sustainable and stable funding support. We had proposed Bill 204, which would give municipalities that predictable funding that they really need to cover, for some, their operating shortfall. We've calculated the shortfall for Calgary and Edmonton to be over a hundred million for each city in '08.

The question around these would be: what does the minister expect this \$3 million increase, that would be shared amongst all of the municipalities, to do for the municipalities? What would be the criteria for the distribution amongst the municipalities? Would any of this be towards projects that have to be shovel ready, or might they go towards some that have been proposed?

Mr. Danyluk: Okay. First of all, if I can, let's just talk a little bit about MSI. MSI was developed as a program that gave support for municipalities over and beyond any type of support that is being given or has been given in this province. It is new money that was not to replace any other funding that was in place. The objective of the funding was for sustainability and giving municipalities more predictability for supporting their communities, for supporting their municipalities into the future. Also, in the municipal sustainability initiative regulations there was a clause that very clearly talked about that if revenue dropped, then so could the municipal sustainability initiative.

To the member of the opposition. I want to say to you that that is exactly what did happen. The decrease in revenue did take place. Four hundred million dollars is still a program that gives municipalities the autonomy to use that funding for infrastructure for roads or underground infrastructure, for recreation centres, for libraries, for fire halls. That gives municipalities an opportunity to spend money in their communities which they deem necessary, that they would have never had before.

6:50

Mr. Chairman, I also want to bring to attention that MSI has two components: one is the capital component, and the second one being the operating component. The two larger metropolitan areas specifically asked that their operating funding would not be included as operating. They wanted all of their funding to come as capital, so the city of Edmonton and the city of Calgary get all of their funding through infrastructure. The five other smaller cities have a choice of whether they put their funding into capital or operating, and those other smaller municipalities – and I want to say, if I can, to the hon. member that there are 360 municipalities in Alberta. The rest of the municipalities do get operating and infrastructure funding.

Now, if I can just go back and forth, as you said, I was trying to follow, but I'm not exactly sure what \$3 million you were speaking of.

Ms Pastoor: I'm just trying to find my page here. I think there was a \$12 million increase on the fiscal outlook, and \$9 million of it was going to go to the libraries, which left \$3 million. I think that's where I came up with that \$3 million.

Mr. Danyluk: Okay. Maybe I'll just review. As you are very aware – if I can just talk a little bit about the decreases, if you don't mind, and then I'll talk about the increases – first of all, there was a Jasper-Banff infrastructure assistance grant. It had come to an end this last year, so there was a decrease from there. For supplies and services the government of Alberta target reduction was \$7.3 million. The

tank site remediation program was a reduction of \$2.9 million. The municipal sustainability initiative was a decrease of \$100 million. The increases came with \$3 million for negotiated salary settlements; grants in place of taxes, a \$1.4 million increase; and, of course, libraries, a \$9.3 million increase.

I need to be quite specific when I talk about the budget. Let me just find the exact comments that I want to say when I share this overview with you. For this budget year we are seeking a decrease of \$98 million. This will not include any funding for the disaster recovery program that may be required. Last year we provided \$30 million for this program. As we all know, disasters by their nature are unpredictable, and events are handled on a case-by-case basis. I did make mention of the changes to the municipal sustainability initiative, and I say that MSI remains a key component of the government's three-year, \$5.6 billion commitment to municipalities to support capital expenses.

I think it's very important to say that we have spent in the neighbourhood of \$900 million with MSI. I say spent, but we supported municipalities. The one place that I think you may be talking about a \$3 million reduction or \$2.9 million is the tank site remediation program.

I'm not sure if I exactly answered your questions, but I tried to go through it.

Ms Pastoor: Thank you for that. I appreciate that.

One of the things with the municipalities, too, is that over the years there has been more downloading, not necessarily with the dollars to follow, in terms of the responsibilities, and often they're in the social areas. Now what's happening is that we've had the downloading, but who has picked that up over the years has often been the nonprofit, volunteer sector. Again, a lot of it's on the social side. I'm just wondering: because the volunteer side has also had a decrease, how are we going to be able to look after some of the social issues that come up in municipalities that were sort of handled by the volunteer side?

Mr. Danyluk: Well, let me say to you that for the first time, I believe, in the history of this government we have very much addressed and looked at the importance of volunteerism and not-for-profits. When we look at the \$50 million of MSI funding that is put in place for operating, one of the key areas is the aspect of looking at not-for-profits and availability of that funding for not-for-profits. So I think that's a very important notation that we very much feel that support for not-for-profits – and I say to you: operational. When we talk about not-for-profits and availability of funding, MSI is still available. As you know, there are many community projects that were not only built with MSI but were supported in the past with major facilities. We have offered support for municipalities because we believe that municipalities know what the priorities are in their areas but also give municipalities the autonomy to make that decision.

When I look at the support that MSI does give to communities, a lot of the areas which we talk about, whether we talk about libraries, whether we talk about recreation centres, whether we talk about, you know, individuals, not-for-profit groups that provide some sort of service for their communities – and if I can stress to you that for their communities MSI is available in capital, and MSI is available in operating. But please understand the criteria. As I said at the beginning, the two larger cities basically told us that they can take care of the operating of their communities and help support them, but they need funding in capital. It was at their request that we have given capital funding to larger cities and only capital funding.

Ms Pastoor: Right. Thank you for that. Yes, I understand that. Certainly, the larger cities clearly have transport, road problems, you know, all of those sorts of large infrastructure problems and have to go forward with that.

Just further to what you were talking about, under the current grant system the province is taxed for resources in managing the multitude of programs, and municipalities often lack the capacity or the resources to write the grant proposals and account for each of the individual projects. AUMA Ahead Together 2009. What processes are in place to help the municipalities learn about the various grants they can apply for, and what efficiencies in the grant processing system are you currently reviewing or improving within the department? I'm really speaking about some of the smaller municipalities. They often simply don't have the staff that may be well versed in this type of activity, and they can't even release some of the staff that they do have. How can we help people get these grants and understand and apply?

Mr. Danyluk: I would say to you that in some of the circles that I spend some time in, that question might be considered a puffball.

7:00

Ms Pastoor: It's not a puffball. It's real.

Mr. Danyluk: No, no. I'm just saying it may be considered. But I want to say to you that we are working towards that direction all the time. One of the things, if I can say, that I've done is that for the last two years when I was a minister, I travelled throughout Alberta and had meetings with municipalities, talking about granting, talking about how we could provide those services, talking about autonomy, talking about choice, talking about how grants are being filled out for smaller municipalities.

We are presently looking at an accountability framework, and part of that accountability framework has to do with looking at the grants that are provided at this time and how we can better support the municipalities who in turn are supporting their communities. I can say to you that presently we have 70 grants available to municipalities that are available through 12 ministries. Your point is very, very important from the aspect that it is hard for them to keep track of the direction and focus that is necessary. Through the accountability framework we are looking with the input of municipalities, of the associations to see what could be the focus and the direction of the future.

I will say to you that we have taken advice. That's why I called it a puffball, because we have moved on those focuses and directions of what municipalities have told us. We are developing a computer program that individuals don't have to do the hard copy. We are developing and working to develop a computer program that will be able to be accessible to all municipalities to know where they are, where their grant is, so that there's more information and flexibility. You make an extremely excellent point, but I'm very happy to also say to you that we are working in that direction, and the accountability framework is a lot of that as well.

Ms Pastoor: Do you have a time frame on that, when that might come forward? I still am hearing from some of the smaller municipalities when I go to meetings with mayors and reeves that this is, you know – I think part of what it is is that they think that they may be missing out on something that they would have missed to apply for.

Mr. Danyluk: Definitely, that's a challenge for smaller municipalities, right? We also have support services from our ministry for any

municipality that may have a question or may have a concern or a challenge with how the grant works. We will support them. Also, what I can say to you is that when we look at the granting for communities – and you ask me: what is the time frame? – we have the 12 ministries that are on a deputy minister committee to look at those challenges right now. Some of the implementation of some of the focuses and directions is being worked on right now, but we are not stopping at: it looks like it's working better; we're trying to help. We're continuing on.

Our mandate is the accountability. Accountability to all of us maybe has some different meanings. I look at accountability in maybe two ways: ensuring that municipalities are spending money where they deem most necessary and also ensuring that municipalities have access to funding because the accountability for us is to ensure that municipalities have access to the funding that's available.

Ms Pastoor: Thank you. If I could just follow along on that a little bit further. You mentioned the 70 grants that go across 12 ministries.

The Chair: One-third of the first hour has now expired, but we'll continue for the next segment, Ms Pastoor.

Ms Pastoor: Thank you, Mr. Chair.

Do you know if the 70 grants have all been spoken for? Is there still more ability to go for these? How long do these grants go? Is it just for this year? Is the money in the budget? Is that money going to go forward? How long are these 70 grants good for?

Mr. Danyluk: Well, I can say to you that the 70 grants are across 12 ministries.

Ms Pastoor: Right. I understand that. How many do you have, then?

Mr. Danyluk: For municipalities to understand the grant system, we do have a handbook, that basically says what grants are available, right? At the same time, we have compiled an accountability framework. We have compiled all of the grants that are in place, what that spending is, and, really, the focus of the grants. Each individual ministry, of course, has grants. They look at their grant system. They look at changes.

Of course, this year instead of saying 70 – the 70 is a round number; maybe this year it's 68. We look at the sponsorship grant in our ministry. I think the sponsorship grant is basically at the same level as it was last year. We look at the municipal sustainability initiative. That went down a little bit. We adjust some of those grants in ministries according to the priorities that those ministries feel are necessary to support communities and support municipalities. Am I able to say to you that each and every is grant staying stable? I can't. But I can say to you that they're going both up and down.

Let me give you an example. I mean, can we rely on grant funding? Well, we increased library funding by \$9.3 million, so that one was an increase. You know, they're there. I guess what I say to you is that when we look at funding on a holistic basis, we need to talk, and we have talked to municipalities, and the question I asked municipalities is: how can we better deliver granting to address the needs of your communities? I think that that's worked very, very positively. Then we get down to getting away from: this grant is for this; this grant is for this, each itemized. How can we better support you as a municipality?

Ms Pastoor: Okay. Thank you for that. I do have other questions on the libraries, but I'll just, I think, put my thank you in here. I was in Lethbridge for the announcement that we did by that teleconference. Some of it was good, and some of it was bad. I'm talking about the technology, not you. It certainly was well received in Lethbridge, and of course the questions are: how is that money going to be divvied up, and what are the criteria for that money to go to the different libraries? Certainly, we have any number. In Lethbridge we have the Lethbridge public library, and of course we'll be opening up one soon on the west side between the two schools, which is, you know, something our city is certainly looking forward to. I think it's wonderful. We also have the Chinook Arch, which is sort of regional.

Mr. Danyluk: Well, first of all, I can say to you that funding has been distributed, and someplace I have some numbers that I can find for you. Let me say to you the general philosophies. The funding as far as the basic funding to libraries is divided between libraries and library systems. That's \$7.2 million. The additional 2-plus million dollars is allocated to innovation and technology, and that really does have, you know, a lot of importance for the future. Please let me stress to you that this is not funding for one year. This is funding into the future. We have a three-year business plan with continual funding to give libraries some certainty.

Let me just break this down into three aspects, if I can. The base support used to be for 600 and lower, for 1,200 and lower, and after that per capita. We have raised the base to 1,200 and 3,000. Anyone that's under 600 will get the amount of funding that a library that has 600 people will get. The example, I think, off the top of my head is that libraries that got \$2,600 previously will now get \$6,480. The next level, I believe, is going from \$5,250 to \$8,250, and anyone over 1,200 will get \$16,200. I can also say to you, as I said before, that there is additional support for the library systems.

7:10

I do also need to say to you that the committee that went throughout Alberta did an excellent job. I believe there were a thousand library enthusiasts at Jasper this last weekend, and they share your compliment that this is a very good focus and direction. It is about how we can better serve Albertans, how we can better serve libraries to help serve Albertans. Has the work just begun? Yes, it has.

What I think is the most important win is that we have six ministers that are signed off to be part of the future and the focus and the collaboration of libraries. Let me use an example for you, maybe one or two or maybe six. The example, of course, is that we have Education, Advanced Education, we have Employment and Immigration, we have Aboriginal Relations, we have Culture, we have – what's the one that I'm losing? – Service Alberta that have all come onboard and have committed an assistant deputy minister to look towards how we can better support libraries into the future with technology and also with innovation.

Is it important for all of these ministries to be there? Of course. Service Alberta is ensuring that we have the pipeline in place. When we look at Aboriginal Relations, we only have one library in an aboriginal community in Alberta. We need to be able to share some of the expertise that comes out of Lethbridge, that comes out of Calgary, that comes out of Edmonton, and share with other communities. Brooks has a tremendous system for immigration, for individuals coming into this country, new immigrants. To be able to take that information and make it accessible to all Albertans or to all new Canadians I think is so, so important. To look at libraries with Education and how we can share libraries better between

schools and the communities so we have less duplication and more – I say to you, more – accessibility. You know, Advanced Education speaks for itself. I guess that what is very exciting is that in this province we have so much to offer as far as culture, as far as history. During our opening we tried to use that as an example. To show a historic site throughout Alberta is something that we need to build on, and that is where Culture comes in.

Can we use the libraries as a gathering point, information distribution? Very much so. Libraries have been the key to our communities, and as long as there has been civilization, there have been books and there have been libraries. So I think that it's very important to maintain it.

Ms Pastoor: Thank you. I think it's pretty clear – certainly, since I met you many years ago, it's very clear – that your passion and love is for libraries, and you understand the real meaning of them.

I share that as well. I was in Turkey and – now I've forgotten the place I was in – Kuşadası, I think, where there was Cleopatra's library. It's just the facade that's there now, but it was fun to know that, yes, people read books. Just an aside, they actually read them in the loo, which was a very common loo. It was kind of in an L-shape, and everybody sort of read their books and had discussions. Anyway, that's definitely an aside. [interjections] Well, you know, this is part of history. It's right there in Kuşadası in Turkey.

I wanted to clarify something. You said that this \$9 million was ongoing. Now, are you saying that that's not just for this year?

Mr. Danyluk: Oh, no. No, no. If you look at our business plan for the future, for three years, it's the continuation of the program. This is an increase in the line item, for sure.

Ms Pastoor: When might that be reviewed again? Not that I'm looking a gift horse in the mouth, but the libraries still need more.

Mr. Danyluk: Well, I can't exactly say where we are, but I want to say that for the basic support for libraries, we will review it every year. We will review it every budget. The beauty of reviewing the support is the involvement of the assistant deputy ministers and where we go with technology. The potential for libraries is indefinite. I think that the potential we have is unlimited. When we have ministries that are associated – in fact, when we were at the library conference this weekend, health and agriculture aren't part of our committee, but individuals got up and said: you know, I think they should be. So I think there's a lot we can do together, and we can support libraries. I'm not sure what the budget is going to look like. I'm not sure what the innovation and the technology are going to look like. The one thing that I can say is that the involvement is going to happen throughout ministries, but it's also going to involve the library partners, the municipalities, the TAL, the systems working together on how we can better support and provide services.

Ms Pastoor: Thank you for that. One of the most important programs, I think, in libraries – and, again, in Lethbridge it overlaps because we have a college – is the literacy programs. I certainly hope that they will continue to be looked at and reviewed, particularly in rural areas, probably number one.

Mr. Danyluk: I can just say yes to you. I mean, I could give you a full explanation, but I guess I can say to you: that's why we're doing all of this.

Ms Pastoor: Thank you. Goal 4.2 states that you "support a strong province-wide public library service," which you've talked about at

length over this last little bit. I'm wondering exactly what that is. For example, are all the libraries included, even colleges and universities, postsecondary? Are those libraries included in your system, or are they under Education, or have you kind of overlapped?

Mr. Danyluk: No. The libraries that are in colleges are under postsecondary education. We're doing a lot of work, and that's why we have advanced education involved on the committee, to look at how we can work together for more accessibility, accessibility of what universities offer, and basically what needs to be offered. So that communication.

In fact, I met with the provost from the University of Alberta and talked about how he looked at the delivery of services and what they can do and how they can work together with TAL and the library systems to make better accessibility.

So are they funded directly by us, by this \$9 million? Absolutely not. The funding is for the individual libraries. When we look at technology and we talk about that accessibility, it is about how advanced education can support. It's about how Service Alberta can support the pipelines. I'm sure you heard – and you have mentioned it numerous times in your official capacity – that in Service Alberta we need to go either the last mile or the first mile, depends what that definition is. That's exactly what we're talking about as well with Service Alberta.

7:20

Ms Pastoor: Yeah. That feeds right into my next question, about the electronic access for rural areas. That's so important. I'm just wondering. I think that some of the libraries are still not even hooked up to the SuperNet, but that almost is going the way of all things that go technology: if you blink your eyes. Are we looking at wireless, and is there any budgeting put aside for the study of perhaps making those rural libraries that aren't on the SuperNet wireless and just forget the SuperNet side?

Mr. Danyluk: Okay. Let me just say to you that we are looking at ways to provide access, at what is the best way that we can provide access for all Albertans. It is critical to ensure that we have video conferencing, you know, to ensure that individuals in remote areas of rural Alberta, as you say, have access to some of the services that are provided in some of the very highly technical libraries that we have in the larger centres. There are only, I think, 12 libraries in Alberta that aren't connected to SuperNet, but there are some libraries that need a bigger pipe, so we also have to look at that.

Wireless? It may happen. I can't say which direction it will go. All I'm saying is that we need to provide access, and that's part of technology. I mean, in our technology plan we're going to consider everything. One of the comments that I made when I met with the individual groups is that I'm not asking them to think outside the box; I'm just asking them to throw the box away. We need to look at different ways to provide that access, a better way.

Ms Pastoor: Are there actually dollars budgeted for this study, for these conversations that are going on? Are they that focused that there's a budget actually attached to them?

Mr. Danyluk: Well, as you know, of course, for the assistant deputy ministers, their budgets are within our own operating budgets, and they will meet on a regular basis. Meeting with the committees or the different groups of libraries also falls under that same direction. There is money budgeted for the technology that might be necessary, for the direction or the focus that we may need. So when you ask

me the question, "Is there money budgeted?" the short answer is "Yes, there is." You know, it's the beauty of having all ministries working together.

Ms Pastoor: So it's within the ministries; it isn't sort of a separate side piece.

Mr. Danyluk: No. Technology is part of the \$2 million that is budgeted for, but that's for the support. That's not for any of our personnel or anything like that.

Ms Pastoor: Okay. Strategy 1.3 refers to the province developing a municipal strategy to improve the long-term viability of municipalities. When I listened to some of the conversation that followed I think it was Bill 202 about the municipal auditor, when I listened to some of the conversations that followed my remarks on that, I felt that it was quite clear that regionalization is where the government wants to go, and I sort of push back on that. I just don't think that municipalities should be amalgamated or regionalized, not that I think that some of them don't need help. [Ms Pastoor's speaking time expired] I'll take the next five, and then I'll turn it over to my colleague if I might, please.

The Chair: Sure.

Ms Pastoor: I think that these municipalities have to come to that conclusion on their own and not be manipulated, I guess, into a regionalization kind of thinking. That's sort of what I was picking up.

Mr. Danyluk: Let me answer that one if I can, okay?

Ms Pastoor: Yeah.

Mr. Danyluk: Please understand that there is not a focus of the government on manipulation into a direction. We have talked with municipalities for the last two years about sustainability, about viability, about how we can support municipalities. I say: how we can support municipalities. Without a doubt, there are municipalities that are facing challenges. They're not only facing challenges of finance; they're facing challenges of not being able to get administrators. They're facing challenges of being able to provide services.

When I look at being a sustainable municipality, the residents of those municipalities are really asking three things. The first one is to be able to deliver the necessary services and infrastructure to support their community. That's really what they're asking. They don't care about the governance or who is representing them. They just want services and infrastructure. The second one is the ability to manage risk at the local level, ensuring that they have good water, ensuring that the environment is taken care of, ensuring that they have an emergency management system that is able to protect them in times of need. The third one that we heard most is planning for the future.

So when you ask me that question and, I think, imply pushing them, we've talked for two years. We're having meetings with municipalities, with associations. We have offered services from our government services branch to support municipalities that are in need, that sometimes can't meet their payroll, that can't meet their administrative functions. You know, we have a focus and a direction to try to support those individuals. We have an internship program, where we help municipalities with an intern to be able to alleviate some of the pressures that they do have.

Going back to try to answer your question: have we made any decisions on regionalization or on amalgamation? I mean, it's not really in the focus to say any of those directions because our focus is clearly sustainability of municipalities. How can we help you sustain yourself? We have the challenges of mill rates that are so different from community to community, so there's a big difference between equality and equity.

In fact, this Thursday and Friday the Alberta Urban Municipalities Association is meeting in Red Deer, talking about the sustainability of municipalities. I'm there. I know there are other members that are there for discussions. They're meeting. They're having discussions. How do we better work with each other? At the end of the day we cannot afford duplication. I have absolutely no problem with autonomy, but we need to be able to provide the services not at the expense of duplication or competition but working with each other. That's why I'm talking with municipalities a lot. Of course, there are going to be all kinds of different messages that come out of those discussions because I asked the question pretty outright.

Ms Pastoor: Right. Thank you for that. Just before I turn it over to my colleague, a lot of the concerns that I'm getting are from summer villages. Of course, they're afraid that the minute something happens, then up go their taxes and those sorts of issues. I guess those would have to be worked out in terms of how they're going to be sustained or whether the taxes would go up.

7:30

Mr. Danyluk: Let me say to you just a couple of words about summer villages. The biggest challenge that summer villages have is to be able to manage risk. The dynamics of summer villages have changed. The incorporation of summer villages was exactly that, individuals who had a residence in the city or in some area and had a cottage at the lake for the purpose of coming during the summer to enjoy the recreation. Now a lot of those individuals are living at those lakes, so their demands, their concerns, their needs and responsibilities or wants for services have changed. There are a lot of those individuals that have maybe retired to their summer village location but work in the next community. They are using the services of an adjoining community. So that dynamic has changed.

We need to address that because it does put pressure on adjoining municipalities. How can we work together? I mean, I've had a lot of discussions with summer villages, and I asked them: can you show me how you're going to be able to manage risk? Can you show me how you're going to be able to deliver services? I suppose the most important, as I said before: can you show me how you're going to plan for the future?

Ms Pastoor: All right. Just perhaps – honestly, I am turning it over to my colleague – we should look at the definition of summer villages because, clearly, they have changed.

Mr. Danyluk: Okay. Thank you very much.

Mr. Chase: Thank you. I'm going to take a very brief opportunity to introduce an amendment. If I could pass this along to the pages, I'll wait till everyone has a copy, and then I will read the amendment. I realize that we will not be debating this amendment, that it will not come up until May 7.

The Chair: Actually, to be clear, the amendment will be debated tonight. It is the vote that is deferred to May 7.

Thank you.

Mr. Chase: Okay. In my previous experience there has not been any debate; it's just putting it on the record.

The Chair: Yeah. Okay.

Mr. Danyluk: It doesn't matter either way.

The Chair: Same thing. Yeah.

Mr. Danyluk: You said that it's not going to be debated. I'm just going to pose a question. It would definitely be advantageous to myself, an explanation of the amendment.

The Chair: I think that's the expectation. As it's presented, it can be discussed.

Mr. Chase: Fine. I'll gladly read it into the record and provide a background if you wish. Has everyone received a copy now? Okay.

I am moving that

the estimates for support services under reference 1.0.3 at page 306 of the 2009-2010 main estimates of the Department of Municipal Affairs be reduced by \$1,247,000 so that the amount to be voted at page 303 for expense and equipment/inventory purchases is \$592,723,000.

The rationale behind it is basically pushing it back to the 2006-2007 level, keeping in mind that we have to have a leaner government based on the recession that we're currently experiencing. We have taken into account such things as hosting, such things as bonuses, which I realize have been eliminated for at least the upcoming year. I feel that this would be a sufficient amount for Municipal Affairs to operate on. That's the justification. I did not want to lose time on debate, but I have provided the rationale. I've put it on the record.

I would like, if at all possible, to turn it back to my hon. colleague to continue. When we get further into debate and I'm part of the order, I will continue at that time. [interjection] Oh, I'm being told that I can continue. How much time do we have left, please?

The Chair: Nine minutes in an exchange in total.

Mr. Chase: Okay. Nine minutes in total. Can you give me four and a half? If you see what I'm saying: I'll take four and a half, and the minister can feel free to . . .

The Chair: Sure. I would suggest you trade back and forth and continue your conversation.

Mr. Chase: Thank you. Well, I'm going to attempt to go for the four and a half.

One of the continuing concerns that I have is that we have spent as of the beginning of the year – and I believe this still falls under Municipal Affairs although it may overlap into housing. The figure that was brought out was \$121 million on homeless and eviction funding. I am concerned that what that \$121 million has basically done is propped up landlords and contributed to inflation over the last number of years.

Municipal Affairs and housing sent out a task force, and a major recommendation of that task force was the idea of rent caps and also the idea of a moratorium on condo conversions. Condo owners got around that law very quickly by just simply raising the rents and driving their tenants out. The money that has been spent has in fact, in my opinion, contributed to the fact that rents have not gone down dramatically. The government's subsidy program to landlords as

opposed to tenants to give them the choice of where they were going to live I think has backfired and has been very costly to taxpayers.

Another concern I have has to do with the 10 years to end homelessness initiative. I'm pleased to see that the government has gotten behind it, but we're now eight and a half years towards ending homelessness, and I'd be interested in knowing how many of the hard-to-house individuals have received accommodation in Calgary. We know that there were about 75 individuals who among themselves were costing around \$100,000 to \$150,000 each. Dr. Tsemberis from New York pointed out that if we look after the most needy, we not only look after their concerns, but we also save money. The initial target was 50. I'd be interested to know if we've exceeded that.

Also, while I'm extremely grateful for the money that has been provided for the Mustard Seed, the reality is that the drop-in centre has almost 10 times as many clients, and while I'm very grateful for the \$7 million that they've recently received from the province and have been able to put towards a high-rise apartment, I'm just wondering why the large need of the drop-in centre has not resulted in more funding for the drop-in centre. If we look after our most vulnerable, then society benefits.

I must be pretty close to my four and a half, so if I can hear the minister's responses to those questions and concerns, I'd very much appreciate it.

The Chair: I'm fine with that if it suits the minister.

Mr. Danyluk: Well, it's very interesting to look at estimates and talk about my previous ministry, but I can add a couple of comments. The hon. member made one point that very much stuck with me: the focus of looking after the most needy and that then they can look after themselves. He also made reference to New York. Yes, you're absolutely right. Toronto and New York – in fact, New York took some of the focus and direction of what was being done in Toronto, elaborated on it some, and basically said the concept that if you provide someone with lodging, if you provide someone with security, if you provide someone with the stability of a residence, then what happens is you can deal with the other issues. You cannot deal with some of the other issues if that's not provided first. In essence, as you are well aware, the focus that was taken was to end homelessness because that is one of the top priorities.

7:40

Where is that going? I mean, I could elaborate, but I sure don't want to put words in the minister's portfolio. I can say that that is the focus that was taken, and how that challenge is delivered is in conjunction with a group of individuals that provide their support or advice on how this needs to happen, and I think that's exactly what's taking place.

I guess that at the end of the day – you also made reference to the task force recommendations. You know, we did accept most of the recommendations that were brought forward. I can also say that that is the first committee that we've had representation on from both the opposition and the third party to look at housing, to look at the homeless. It's not an issue for only government. It's not a challenge for only government, and the solution needs to be found with all. That's why I wanted to ensure that everyone was involved.

No doubt, one of the recommendations of that task force was rent caps. That wasn't the focus of our government or ourselves. At the time we did not want to see developments deteriorate because rent caps were put in place. We felt the focus and direction should be to support individuals, to support those who needed it most, whether it would be the eviction program or whether it was the homeless

program or different programs. I felt – and, you know, I will take the responsibility – that it was critical that we help the individuals that needed our support the most. That's why we took that direction. I dismiss the allegation that it was support for individuals who had rental units. If it was, then we would have paid them directly to have units. It was for individuals.

Did the system start to correct itself? Of course, we don't like the situation or the economy that we're in, but what did actually happen is that there was a lot more building of units, of apartments. But if we had put that rent cap on, I feel that we definitely would have curtailed any type of investment or any type of growth. So if we help individuals, I think that the economy takes care of itself. Now, I mean, we weren't exactly hoping for this type of a downturn, but at the same time, I think that there's more availability out there right now.

I understand what you're saying. I will say to you that there is no doubt that not only did the committee suffer through, you know, that discussion, but as a government we did as well. Our objective was: how do we provide more units and more availability for people?

The Chair: Thank you for that exchange. That completes our first hour. We'll now go to the leader of the third party opposition for 10 minutes or 20 minutes in an exchange.

Mr. Mason: Well, 20 minutes. Recognizing, Minister, that I only get a third the amount of time of the Official Opposition, both questions and answers need to be about a third as long.

Mr. Danyluk: Well, let me just say to you that if you make the questions a little bit shorter, I will guarantee you the answers will be as well.

Mr. Mason: Thank you very much. I will work on that.

Now, I want to start by talking about library funding. I have to say that I was pleased to see the increase in library grant funding. I like to give credit where credit is due, and I'd like to acknowledge that and thank the minister for that. Okay. That's enough of that.

Mr. Danyluk: That was short and sweet.

Mr. Mason: Now I'll move on to the other stuff. Mr. Minister, it looks to me like your budget probably got cut as much as or more than most of the other departments, and that, I guess, causes me some concern. The cut of \$100 million to the municipal sustainability initiative – and that's all in capital grants, as I understand it – I'm wondering why that reduction and how that is going to impact the plans of municipalities in our province.

Mr. Danyluk: First of all, very quickly, yes, there was a cut to the capital. There's no doubt, as you are well aware, that there was a decrease in revenue. MSI was one of the areas that we felt could be cut for a couple of reasons. The cost of completing infrastructure or building infrastructure has been reduced by 30 to 40 per cent, so with that same amount of money municipalities could build the same or possibly build more.

We also go back to say that, as I said before, when we looked at the municipal sustainability initiative, we said very clearly that if the revenue of the province drops, the MSI may have to drop. Just so I do what I promised, we will continue to work, you know, with the feds because we have money set aside to maximize the funding for municipalities. We needed to be able to take advantage of that funding from the federal government, from their stimulus program. So municipalities should not be any further behind with the support, let alone the 30 or 40 per cent decrease in the costs.

Mr. Mason: Let me follow up on the federal program, which is based on a one-third, one-third, one-third across all three orders of government. The concern that I've heard is that municipalities have already ramped up their infrastructure spending. They're already committed on projects, and some of them are going to have a hard time coming up with their share. I wondered what the ministry has in mind for that. I know there's a long list of shovel-ready projects, which is the current catchphrase, in Alberta that could put, you know, tens of thousands of people to work. I'm just concerned that maybe the province should assume, perhaps, more than just its one-third in order to help those municipalities who've already made a commitment on infrastructure spending get their 33-cent dollars.

Mr. Danyluk: Okay. Let me say to you that we, as you, also thought about that challenge that municipalities have. What we did do is change the criteria for the municipal sustainability initiative. As you know, we had a number that municipalities were projected to get. I say "projected" because it all depends on, you know, the population of each municipality. It's adjusted with population and assessment and miles of road. We would give or offer municipalities up to 70 per cent of that amount of money that they could borrow against MSI, and they could also use the interest. The interest is eligible for projects. So if they felt that it was important, they could. This is not like borrowing a loan. It is basically hedging ahead to funding that they would receive. So in case you had a project, you are able to do it. That's very much to keep Albertans working as well.

7:50

Mr. Mason: That's against future years' MSI?

Mr. Danyluk: Yes, it is.

Mr. Mason: Not against this year, which is, of course, cut by a \$100 million?

Mr. Danyluk: No. Well, it's against future. It's against MSI as a whole, the total projected number.

Mr. Mason: But into future years? They can borrow their part from their allocation.

Mr. Danyluk: Yes, into future years. That's right. Let me just give you an example. If a municipality such as Calgary was to receive \$3 billion, they could borrow up to 70 per cent of that \$3 billion, and the interest is also eligible.

Mr. Mason: Okay. Thank you very much. I'm looking at page 219 of your ministry business plan. In that document it says under Managing Emergency Events that

Alberta's emergency management system is still being challenged by the effects of recent economic and industrial expansion, population growth and increasingly severe weather events. These factors have combined to create a significant increase in the potential frequency and magnitude of emergency events that can affect Albertans.

Now, in your budget the Alberta Emergency Management Agency has had its budget cut from 44 and a half million dollars to 14 and a half million dollars. On the one hand, you're talking about a significant increase in emergency events that you're going to have to deal with; on the other hand, you've cut the budget by two-thirds.

Mr. Danyluk: In actuality the budget has increased for training in the training department. But let me say to you, as I said in my

opening remarks – I believe it was in the opening remarks – that last year the disasters that did take place cost us \$30 million. We don't put that into the budget. What we do is ask for that funding because it is emergency funding. We also have a formula that we work with the feds to be able to support those emergencies. If I can just suggest to you, we can't budget for disasters or the cost. In 2005 \$160 million was the cost of the floods. So we don't budget any set amount. But I take your advice from the aspect that maybe we should have a certain number budgeted because year after year, regardless what happens, we do have some sort of a disaster. But traditionally what we have been doing is always going back to cabinet for support.

Mr. Mason: Okay. I'd like that approach. I know when I was on the council of the city of Edmonton we had the same thing with snowfalls, with snow clearing. The solution we came up with was to put the average amount that it cost in a year in the fund and then draw more from the fund in big snowfall years but leave the money there when there's less. I think it works.

Mr. Danyluk: There's a lot of merit to what you're saying. I don't know the number in my head, and I don't know what we'd look at for the average. But can I say to you as well that we are working with the federal government to look at mitigation practices to try to ensure that what we can do towards mitigation would hopefully help decrease our costs and also the federal government's costs. At the end of the day, yes, you're right. I think we should look in the future at having some sort of a base to be right there. Thank you for the advice.

Mr. Mason: Well, thank you very much. I think the kind of budgeting we do sometimes, which works really well when there are regular big surpluses, may not be as effective.

I want to ask about the government take from property tax for education. I know that the municipalities have expressed concern about the increase in that amount. I know that a number of years ago Steve West, when he was the Provincial Treasurer, when I first was elected, promised to eventually take the province right out of the education property tax. That promise has had its ups and downs along with the finances since that time. I know that the municipalities feel that when times are tough and the province has a financial problem, then it kind of elbows them away from – I was going to say the trough, but I don't really mean to say that. You know what I mean?

Mr. Danyluk: Away from opportunity.

Mr. Mason: Yes. It elbows the municipalities away, and then they're left scrambling. I wonder if you could address that.

Mr. Danyluk: Well, let me say to you, first of all, that the education tax is a tax collected by municipalities for government for the education of our children. The property tax portion of that education is approximately 30 per cent; 70 per cent is still paid from general revenue. Now, when we look at the need for education tax – and, I mean, anybody can do the math – when municipalities talked about the elimination of education taxes, that elimination of education taxes would have definite, dramatic differences between municipalities. Small municipalities wouldn't have benefited by very much money or much support. Larger municipalities might have.

What this government did was – and I want to refer to the minister's council on sustainability – looked at the recommendations. Our Premier said that what is necessary is to support municipi-

palities to the tune of \$1.4 billion per year, or ramped up to \$1.4 billion per year. That is the equivalent of the education taxes paid at that time. In essence, we did take the portion that was paid by residents for education taxes, and we're giving it back to municipalities.

How does the system work? I could give you an extended, I guess, class in how we arrive at the amount, but at the end of the day municipalities are paying for taxation that is only for the real growth. The real growth is 5.2 per cent. At the same time, that amount of money of real growth is distributed, or allocated, if you want to call it that, as payment from municipalities by their assessment. In a municipality when you look at 5.2 per cent of real growth across the province and reallocate it to municipalities, it is allocated by real growth, and there are three criteria: with a maximum of no higher than 12 per cent inflation, ensuring that maybe it would be lower if they took the four-year average, or taking their present level of today. So it gives municipalities three choices and, of course, taking the least of those choices.

At the end of the day, really, the taxation that is collected is substantially less than what that assessment is because of the mitigation properties.

Mr. Mason: What are we going to do if real growth in assessment declines as a result of the economic situation?

Mr. Danyluk: Well, education taxes will stabilize.

8:00

Mr. Mason: You'll increase the mill rate.

Mr. Danyluk: We haven't increased the mill rate, I believe, in 16 years.

Mr. Mason: If you're basing it on growth in assessment . . .

Mr. Danyluk: There's absolutely no intention to increase the mill rate.

Mr. Mason: Even if assessment declines?

Mr. Danyluk: Well, I mean, I could look at assessment declining. Next year we're looking at 2 per cent.

Mr. Mason: It's based on property values, too.

Mr. Danyluk: You know what? I was just told the next two years at 2 per cent increase, not decline, real growth. If I can just add, hon. member, that the situation is that there's usually going to be real growth.

Mr. Mason: I've only got four minutes left, Mr. Minister. I'm going to try and move along.

I want to ask about the Green TRIP. Now, this was originally announced as a \$2 billion program over several years, but the amount of money in the budget this year is only \$10 million. At half a million dollars per bus that's 20 buses, so it's not going to have the kind of impact that was originally stated. I'd ask you to comment on that, and I'll get in one last question. Then you can answer them both together.

I'd like to know the situation with respect to regional planning in the province. When the regional planning commissions were wrapped up under Dr. West, I was on the Edmonton Regional Planning Commission. We had to wrap up our affairs, of course,

because they were eliminated. It seems to me that there have been some real problems that have developed under the government's current planning approach. In particular, there's the challenge of some of the counties to the urban municipalities that they surround or that they abut. There's a lot of commercial, residential, and otherwise urban types of development that are being actively pursued by the counties. In fact, in some cases mayors have told me that they're concerned that they're going to be ringed by this kind of urban development so that all of the tax base from growth goes to the rural municipalities. This is a great concern for cities and towns as well. I'd like to know your comments on that and what you plan to do about that.

Mr. Danyluk: That was a long question. Let me say to you that if you listened to my opening comments, I very much said that one of the concerns that I have for communities is competition. With that, I believe that municipalities need to work together. This is one community. When we look at the Calgary Regional Partnership, when we look at the Capital Region Board, the workings of those municipalities together looking at the major regional – regional – focuses I think are very important. You still maintain autonomy but are able to work together for the regional issues and the regional challenges.

When you talk about smaller communities and the choking out of smaller communities, you can even check out on my website the speech I made to rural AAMD and C about the need to ensure that rural communities have to work with the urbans, that their input, their collaboration with the urbans are critical. They are the same community. They go to the same churches. They go to the same schools. They shop at the same stores. Then all of a sudden somehow, when it comes to governance, they make the separation. There need to be areas of partnerships. There need to be areas of service sharing. There need to be areas of planning. That's my philosophy. It might not have been Steve's, but I believe that we very much need to work together.

Mr. Mason: It's a slight improvement.

Mr. Danyluk: Thank you.

Mr. Mason: And Green TRIP?

Mr. Danyluk: Oh, Green TRIP. Yeah. I mean, I might be crazy, but I'm not suicidal. I'm not sure if I want to comment on something that is wholly Transportation and not my portfolio, so I will just let that one slide if you don't mind.

Mr. Mason: Sure. Thanks.

The Chair: Thank you for the exchange. That completes approximately our first half of the meeting. We'll take a five-minute break and ask everybody to be back in exactly five minutes.

[The committee adjourned from 8:05 p.m. to 8:10 p.m.]

The Chair: We can take our seats.

Mr. Danyluk: You know, we could end this a little bit early so we could watch the hockey game, right?

The Chair: Well, Minister, that'll depend on the members here. I don't disagree with that.

However, we will alternate the balance of the time between the

government members and opposition and the third party. With that, we'll go to Mr. Bhardwaj to take the first 20 minutes or 10 minutes, please.

Mr. Bhardwaj: Thank you very much, Mr. Chairman. I guess, you know, you always have a tough time with my name. It's been slightly anglicized, but that's okay.

Actually, thank you very much for giving me the opportunity. There are four really key areas that I've got questions around. Libraries are what I'm going to be starting off with. Then I've got questions around regional boards and their growth plan. Then I've got some questions around MSI funding distribution. Then, of course, we will end, time permitting, with local government services and expenses.

Our previous two speakers talked a great deal about the libraries, and I truly appreciate your passion for public libraries, specifically right across Alberta and in my constituency of Edmonton-Ellerslie. We've got some able people who participated in the ventures and went around the province and looked at the needs of the libraries and talked about different libraries. I want to sort of talk about strategy 4.2 in your business plan, which indicates that the minister will develop a strategic plan for public library service delivery that builds on current strengths and partnerships. I have two questions, Minister, around that. My question one: how many Albertans were able to provide their input to, you know, the four-member committee as they were travelling around the province? Question two: what were really the outcomes, and what kind of timelines are we looking at for their implementation? There are really three questions there.

Mr. Danyluk: Well, you have me stumped as to exactly how many people participated. I know that there were meetings. Our committee travelled through the province. There were 10 meetings that did take place. The library systems and libraries and municipalities were involved. I would venture to say that from my recollection there were over I want to say 300 representatives that made presentations. I think we very much got a balance and input from individuals – well, really, it was representation from their libraries – throughout Alberta.

When you ask what was said, well, what libraries told us and library enthusiasts told us was that it was very important to raise the base. It was very important for libraries to have the autonomy to be able to add time to their libraries, buy more books, but spend money how they felt was necessary in their own individual libraries.

It was also important to ensure that there was access to support a province-wide library system. They talked about the importance of collaboration between libraries. I spoke about that just a little bit earlier when I talked about, to use an example, the Mill Woods library and the programs that they deliver that also support new Canadians. It is so critical to what they offer to those new Canadians.

Libraries are a safe place for them to communicate back with families. It is also a place where they can learn. In fact, I can tell you that I attended the Mill Woods library, where there was a judge that was speaking on how they could support new Canadians and what was necessary. It was so informative to me. I mean, I had to sit down and listen. You know, there were many people that were new Canadians and not even Canadians and very interested about who Alberta is or what Alberta is.

I guess, lastly, I'll say that to maximize the service delivery with technology, what can we do to better serve libraries? I think that's it in a nutshell. That's the direction, that's the focus that we took. The committee put that into a report, and we basically brought that report to government, and it is what it is today. But as I said before, the work has just begun.

Mr. Bhardwaj: Thank you very much, Minister. Your tour of the Mill Woods library was greatly appreciated. You're absolutely right; the citizenship judge was there, and she did talk. That library is used a lot by new Canadians, so that is greatly appreciated.

You mentioned this several times earlier in your opening remarks and the question was asked by the previous two speakers regarding the increase of \$9 million to library funding, of which \$7 million will go directly into the hands of local library boards for basic library services and in which they can respond to the community needs. My question to you would be, then: what are some of the specific community needs that can and will be supported in our libraries?

Mr. Danyluk: Do you mean that they would do independently or autonomously? I guess if you hinge on those two words, it is independent because every library in Alberta is different and has different needs, and it is autonomous because libraries have a choice. This funding does not have any criteria or conditions for the base of how it can be spent.

I was in southern Alberta, and I toured a library, and I was amazed at some of the innovative ideas and directions that were taking place. In their community they had new Canadians, and they had a community that was a new community, that was a working-class community. One of the major aspects that they thought was important for their community was to have a rental of – I want to call it toys, but really it's not toys. The hon. member from Lethbridge probably knows about this. It was such an excellent program, where families were able to go. They could rent a sleigh. They could rent a wagon. They could rent toys. They would put them through a sanitizer after they got back. You know, the kids and the parents loved it. It was such a popular program. They were addressing the needs, and I think that is the key to where libraries have been the central point of communities.

Maybe some of the roles have been questioned, but, you know, they're going back to recognizing that they are the hub of communities and addressing the needs of communities. I think that's so important.

Mr. Bhardwaj: Thank you very much. Along the same lines, Minister, we're talking about the community partnerships and we're talking about the autonomy of local libraries. As of May 4 we're kicking off Asian Heritage Month in Alberta. As part of that we're encouraging various Asian communities to make donations to Alberta libraries in terms of books which are specific to their culture, specific to their heritage. What is your ministry doing, particularly in terms of the dollar amount or in terms of your policy, in terms of encouraging something like that? If they're going to go ahead, how could they contribute and where?

8:20

Mr. Danyluk: Well, I think that when we talk about individual contributions, contributions, of course, need to be done to the communities that they feel can or do support their needs the best. Libraries fund raise, you know, and the group of which you speak, the Asian heritage group, does exactly that in supporting those needs. Libraries will work in collaboration with those groups in trying to address some of the needs or bringing in some new equipment or looking at that focus.

What has our ministry done? I want to say to you that – and this is something that I think is so critical – our ministry has made MSI available, the capital, to libraries, also the operating to libraries. We have looked at changes in MSI, and I guess the reason, I could say, is to enhance the use for municipalities so that they can focus on

infrastructure, they can focus on larger projects, very much allowing municipalities to support libraries and not-for-profits not only through capital but also through operating.

Really, it is government funding that is allowed to go towards libraries, which I think is very, very positive. You as an MLA and the MLAs that are here need to discuss with libraries the opportunities that are there for libraries. When you ask me the question, at the end of the day I say MSI, I say direct funding, I say the ministry collaboration that has taken place, the ADM committee. I think there's a lot of opportunity. So what are we doing? I think we're working together not only to support but to work with partners towards the focus that they feel is necessary.

Mr. Bhardwaj: Thank you very much, sir. I'm going to shift topics here, go to my next topic; that is, questions around regional boards and their growth plan. As I understand, the Capital Region Board submitted their growth plan in early April. My question would be, then: what are your ministry's next steps in dealing with the growth plan?

Mr. Danyluk: In actuality, they submitted it on March 30. I'm a numbers technical, so I guess what I will say to you is that on March 30 they did submit a plan to myself. I am looking at that plan, looking at the focus and directions that they do have. I guess I can say that – and maybe I should or maybe I shouldn't – I believe that the document I've seen so far is very positive of municipalities working together for a common goal. Are they ever going to think exactly alike? No. But you know what? They are representing their current municipality to the best of their abilities, and that is important because they represent it with commitment and dedication and passion. You know, they're working together, and the themes have changed to co-operation and communication and collaboration.

At the end of the day I believe one of the things that I am going to do is take some of the recommendations or some of the directions to government immediately. There are some that I have a little bit of hesitation on and that I think I could send back, that they need to do a little bit of work on.

Now, you were talking about the capital region. To say to you: in June the Calgary Regional Partnership is going to present . . .

Mr. Bhardwaj: That's my next question.

Mr. Danyluk: That's your next question? I'm sorry. I don't have a plan of your questions here.

Mr. Bhardwaj: That's my later question.

Mr. Danyluk: Okay.

Mr. Bhardwaj: Okay. Thank you very much, Minister. Just along the same lines, then, in your business plan, specifically on page 219, where I'm looking, the minister intends to support "the Capital Region Board in the implementation of the Capital Region Growth Plan." Could you provide some specifics regarding what support you are providing for the Capital Region Board and how you intend to support the implementation of the growth plan?

Mr. Danyluk: Well, let me just say to you that for operational presently we spend \$3 million that we support the capital region with. We have also supported the Calgary Regional Partnership with funding. We can look at the four focuses that I've asked the capital region to do, one of them being the land-use plan, the second one being transportation, the third one being affordable housing, and the

fourth one the GIS. Let me just pick one out of the air. Let me just say transportation.

I think it's very important that the transportation thoroughfares that we develop are done in conjunction with that regional board so that we don't have duplications, so that we have roads that meet together for a purpose, that meet together with a direction. I say with a purpose to deal with the economic and, of course, to deal with the movement of individuals from one part of the community or other. It also deals with transit and the importance of transit. When we talk about funding, I want to say to the hon. member that this government has supported funding of municipalities for many years. It will continue to support that funding.

What are the wins? The wins are that we don't have duplication. The wins are that we have a co-ordinated focus on what we're doing. The third win, that is probably the most important, is that we have a plan and a direction that has been discussed ahead of time. There's a plan. When we do have a plan, it allows the residents, it allows the businesses, it allows industry, and it allows government to work together with a common focus.

Mr. Bhardwaj: Thank you very much. You started to talk about the Calgary Regional Partnership. Now, are there any similar partnerships going around the province in centres like, possibly, Red Deer or Fort McMurray?

Mr. Danyluk: Well, I mean, Fort McMurray, of course, would be a partnership within itself because they are at the present time a rural – and we see the hon. member when he hears his constituency. Fort McMurray is a combination of rural and urban, if I can say that. That partnership was led by the hon. member when he was the mayor of that community. That partnership is in place.

8:30

When we look at the Calgary Regional Partnership, it's very interesting how we have two systems that are working independently but have had joint meetings, have shared information, and in some ways have mirrored each other's operation but looked at the positives of each group and their discussions. What I think is so positive: you experience at very close hand where you can look at what a group is doing and at the same time look at how they can progress using somebody else's information and what works for them and what works for you.

I will go, and I'll answer the question about Red Deer, about Grande Prairie, about some of the other areas that are very much working together. Is it formal? In some aspects it's formal. Is it formal for everything? Not exactly.

The Chair: That concludes the 20-minute time segment. Thank you.

We'll now go to Ms Pastoor for either a 10-minute or else a 20-minute exchange.

Ms Pastoor: Okay. Thank you. Well, I would like the exchange, but I may take up the first 10 minutes in what I want to say.

Mr. Danyluk: Are you suggesting that my answers are a little bit too long?

Ms Pastoor: Heavenly days, I would never suggest that. However, the fact that I'm going to take the first 10 perhaps will give you a clue.

Just one part. If I've understood this correctly, you're saying that the property increase would be 2 per cent for the next two years. I'd

like to know what that's being based on. Early on my hon. colleague from the third party was talking about property assessments. It's certainly not what I'm hearing . . .

Mr. Danyluk: Two per cent of growth. Just so that you can carry on with the question, the growth would be 2 per cent. This year it was 5.2. We are projecting for the next two years 2 per cent new growth.

Ms Pastoor: Okay. How does that then tie in with the fact that some of the properties have certainly decreased in value? Now, unfortunately, that doesn't always show up in the assessment part. If they go up, for sure you're assessed; if they go down, well, that's too bad. I'm not sure how that actually works in the system. So if I could leave that with you.

Mr. Danyluk: July 31 is the day that is picked. The assessment is very clear. If the assessment goes up or down, the municipalities have a formula that they work with. If the assessment goes down, it goes down, so, I mean, their contribution would definitely be less. But remember, as I said before, you take that 2 per cent growth; you distribute that according to growth or loss.

Ms Pastoor: Okay. Got it. Thank you.

Presently we have new legislation that actually is on the floor that will change the way property assessment appeals will be heard. The Municipal Government Board will no longer hear appeals of local appeal board decisions. Instead, the Municipal Government Board will hear only linear and equalization assessments. Given that the plan is to restructure the way property appeals are heard, has funding been set aside for that restructuring and for the creation of the composite appeal boards, and if so, how much and in what line item? If not, how will the restructuring be funded, or are they not expecting any extra costs from the restructuring? Given that there will be additional placements to fill with the new composite boards, how much additional annual funding would be required under the new system? I think that at the end of all of those questions, really, is: who is going to pay for these boards? Hopefully, it will not be downloaded onto the municipalities to pick up these extra costs.

Mr. Danyluk: Okay. Very quickly. I'm not sure exactly where to start because there's so much, and I'm trying to be as quick as I can so that you can ask more questions, but I think I need to be able to answer you. Please remember that if we look at the local boards, the local boards presently – and I say to you presently – have the first line of appeal. If there is any type of appeal past that point, it goes to the Municipal Government Board. What we are asking for is that that board, that initial board on the first line, be the only board, and they will deal with residential and farm land. What we are also going to do, at our cost, is give a course to those that are appointed.

The second, the composite board, will have the chair coming from the Municipal Government Board and two appointees. They are going to deal with nonresidential and machinery and equipment – okay? – and the Municipal Government Board will continue to deal with linear and equalized assessment, so the costs will be less than they are now.

Also, what I am encouraging and will be encouraging the municipalities to do is to work together. We don't need each of the municipalities having a board. We can get municipalities to work together. I think there is a possibility there as well.

Ms Pastoor: Okay. I guess the answer to my question is that it's not coming out of your department; it will come out of the municipalities.

Mr. Danyluk: Oh, we're going to train.

Ms Pastoor: The cost of the training and setting them up will be yours, is it?

Mr. Danyluk: Yes. The cost is not going to be any different than it was before. They had the cost initially. They will continue to have the cost of their boards. Right?

Ms Pastoor: Right. But the composite board?

Mr. Danyluk: The composite board comprises one MGB, that we'll take care of, and two local representatives, that will be the responsibility of the municipality.

Ms Pastoor: Okay. Thank you. Goal 1.6 under the land-use framework states that there will be amendments to the Municipal Government Act that would deal with the land-use planning, and I know that we've just had the tome Bill 36 delivered to our desks. What legal obligation will the municipalities have in making their plans conform to the regional plans, and what specific amendments are you looking at for the MGA? Given that you provided the capital region \$3 million, how much would you be prepared to provide to the Calgary regional board when you're discussing the regional plan for the Calgary Regional Partnership?

Mr. Danyluk: Okay. Let me just try to deal with Calgary. I'm just going off the top of my head. I think we provided them in the neighbourhood of \$2 million or thereabouts last year. Maybe it was a little bit less. But I would say to you that supporting that partnership would be very equivalent to Edmonton, especially once they get to the point of voting, to saying, "Yes, we're moving ahead," because there's some work that needs to be done. Very interestingly, we have supported Calgary ahead, say, in their planning and their preparation to where they're going to come to a vote. In Edmonton, basically, we started the system saying: this is necessary, and we start at point A. Calgary is still getting to point A.

Sorry. I sort of forgot the first part of the question.

Ms Pastoor: Just what legal obligations will the municipalities have to fit into the land framework?

Mr. Danyluk: Oh. Okay. As you know, it's in front of the House. I'm sure there will be some amendments that will come from you and the third party, so I can't exactly say what the legal obligations will be. But I can tell you this: it is legislation, so the legal obligations will be whatever the act at the end will prescribe.

Ms Pastoor: Okay. Thank you. I'm fine.

The Chair: Okay. Thank you.

At this point we'll go to Mrs. Sarich, please.

Mrs. Sarich: Well, thank you very much. I'd be interested in the 20-minute exchange if that would be all right with the minister.

Mr. Danyluk: Sure. Do I have any choice?

Mrs. Sarich: Yes, you sure do, absolutely, if you would prefer a different format.

Mr. Danyluk: No. No. The format is great.

8:40

Mrs. Sarich: Okay. I'd like to touch upon a couple of things from the business plan and a number of items that were previously mentioned by another hon. member earlier this evening. Let's begin with the ministry statement of operations in the business plan, page 227. It ties quite nicely into the estimates on page 312. I was wondering, just for the benefit of reading the statement correctly – I'm always interested in the numbers that are reported in the brackets, which is a loss – if you could just provide a little bit of insight into what you're showing as actual, estimate, and targets for the future on page 227.

Mr. Danyluk: I'm assuming, whoever is giving me the papers, that this is page 227. Okay. I will talk about the . . .

Mrs. Sarich: The first line is the net income from commercial operations. I think we have budget, forecast, estimate, and target numbers that are bracketed. If you could just provide a little bit of clarification and insight as to what exactly we're looking at there and why.

Mr. Danyluk: Okay. The net income from commercial operations is an increase in the net operating loss of the Safety Codes Council. That's where that one is. When we look at the other, it's just about a million dollars to supplies and services, of course \$100 million to the municipal sustainability initiative grant, the \$3.8 million in supplies and services, and I did mention the \$2.5 million that was a special infrastructure grant that was offered to Banff and Jasper for their unique circumstances of being national parks and some of the challenges that they have of, I guess, the very high-traffic utilization without having the base of taxation for individuals that live there but yet the expected provision of services. Also, a reduction in the tank site remediation program as well as the emergency management supplies and services, \$2.1 million.

Mrs. Sarich: Two point one million dollars.

Mr. Danyluk: Yes.

Mrs. Sarich: Okay. Thank you very much for that clarification.

Earlier this evening there was a question asked in the area of the business plan. The pullout section is called Managing Emergency Events. I think that the hon. member looked to the estimates on page 312 and noted on Alberta Management Agency that there was a considerable decrease from the previous year in the amount of estimated dollars invested for '09-10. I wonder if you could just take us back to that and explain that type of decrease.

Also, tied to that, I was wondering what the Alberta emergency management system is doing to support the first responders. With that reduction is there any influence on that particular focus?

Mr. Danyluk: Let me answer the first one first. In the budget we have a budget for the maintenance of an operational readiness system. Okay? We have budgeted for all of those operations. You have to know that when I say a readiness system, I do not mean that everybody just, you know, kind of sits around waiting for a disaster to happen. We're doing education. We do the access to the early public warning system. We provide support for first responders during emergency events but also for training.

The most important one that I want to emphasize now is that it's critical that we support municipalities and we support first responders because 80 per cent of firemen in this province are volunteers. So we need to support them in training.

I need to also say to you that when we look at the funding, when we look at the \$30 million, the \$44 million compared to the \$14 million, we have really no idea when and how and the reaching effect of an emergency. Let us say that we have a flood that takes place at Strathmore-Brooks, and it's a major flood. Let's look at how the process works. First of all, there is a declaration, of course, that this is an emergency, and there needs to be support. The municipalities work with the people. We work with the municipalities. We are there at the site for co-ordination purposes, for support purposes of all of the different ministries as well as the municipalities as well as the first responders as well as the search and rescue if it's necessary, ensuring, of course – and the one thing I mentioned is the training. I'll just say specifically that we put \$800,000 towards training.

Let's go back to what I was saying. What I was trying to emphasize to you was that let's say the disaster is \$50 million. Well, we have an agreement with the federal government. The first dollar in a disaster comes from the Alberta government. If we have any disaster – let's use the number of \$3.5 million – if it's \$3.5 million or less, we are responsible for all of it. The next dollar is split 50-50. Let's say that we're talking about a disaster being higher than that number, the next \$3.5 million is split 50-50. The third dollar is split 75 per cent federal and 25 per cent for ourselves. The fourth dollar and beyond: 90 per cent by the feds and 10 per cent by us.

At the end of the day, you know, when we look at a disaster such as the flood in 2005, where the flood was \$160,000 or \$170,000, I could say to you that we probably paid – it always works out to probably 30 per cent of what the costs are. But the bigger the amount, you know, we're at 10 per cent all the time.

We have a good working relationship with the federal government. The one aspect that we're dealing on and trying to work on is the mitigation of property – right? – meaning that there are places that we know have a very high potential for flooding. What can we do together to ensure that we mitigate that problem and try to decrease the effects of that flood so that it'll cost us less, of course, and cost the federal government less? Mitigation is a very interesting challenge.

Let me use the example of Canmore. Canmore has a unique system. They have built a dike, but they are on a gravel pit, so there the flooding happens from within. The water comes in, seeps into the sewer lines, seeps into the manholes, and comes out of the ground through those arteries instead of coming over the banks. From our side we know that if there is a flood, there's a very good chance that it could cost us \$3 million or \$5 million or maybe \$10 million in Canmore just for damages. So we use mitigation ourselves. We supported the municipality, I think, the last time in the neighbourhood of a hundred thousand dollars for pumpers. It was kind of interesting because in a lot of the manholes what happened was that the pumpers were set up to pump water out as the water was seeping in. But that was a mitigation process. We need to work with the federal government to see how we can better dike the Peace River and different water tributaries.

8:50

Mrs. Sarich: Thank you very much. There is another initiative, the fire and emergency services training initiative. I was just wondering when I look at page 312: does that particular initiative fit into this particular area? If not, where would I find it in the estimates? Also, I was wondering if you can shed some light on the progress being made in that particular initiative. What is the funding tied to that?

Mr. Danyluk: Okay. Let me see if I can go in a reverse kind of scenario. The situation we have is that in the major cities we have

a paid for, trained, first responder fireman type of scenario. In rural Alberta we don't have that. We have volunteers. There are two challenges we definitely have. It is very hard to put a volunteer into a situation, and I say a compromising situation, of a fire, of a disaster without having some training. The training school was mostly at Lakeland College. If you have a two-week training course, an individual would have to take two weeks off and travel from – let me just use the example of Peace River or Athabasca. Can't travel every day. Individuals that were volunteers were dedicating their time and taking their holiday time to go train. Sometimes it's quite difficult to explain to your family that you're going to take two weeks off, when you may have three weeks or maybe only two weeks of holidays, and that you're going to go, you know, to Vermilion for a two-week training course. Really, there are no holidays.

We have noticed that there has been less and less participation. It's becoming a challenge where we have some small communities in Alberta that put a sign on their doors saying that there will be absolutely no fire service or calls between 8 o'clock and 6 o'clock during the day. Because people would be going all the time, can't afford to go, the amount of support and recruitment is diminishing. We need to look at where we need to go.

One of the directions we need to go is to discuss liability, that individuals – and I say individuals because individuals aren't liable, but the municipalities or the group – ensuring that there isn't liability. What's the key to liability? It's training. We have worked out a deal, and effective March 31, 2009, we are looking and working – not looking; we've already done all the looking. We're establishing training programs that come from Lakeland College or other institutions to the community. So these individuals can get training at night after work, you know, 6 till 11, 6 till 12, and we provide them that sort of training. That is being very successful and very much accepted. I think it's a very positive direction. The hon. Member for Edmonton-Castle Downs is working very much with the challenge and the aspect of liability for volunteers, first responders, but firemen. I think, you know, that is extremely important. They are extremely valuable to our communities. They're all volunteers. We need to recognize it.

Mrs. Sarich: The other part of my question was: if I'm looking at it correctly in the estimates, where would I find the amount of dollars that are invested in that particular initiative? Is it on page 312 or somewhere else in the estimates? Fire and emergency services.

Mr. Danyluk: In my head it's \$800,000, but ask me the next question and somebody will find exactly where it's at. We could wait if you wanted to wait.

Mrs. Sarich: I could wait, and I will wait because that was my last question that links your estimates to some of the key areas of managing emergency events.

Mr. Danyluk: Okay. Just two seconds as I look it up. Okay, here we go. It's coming to me now. I will answer it, if you don't mind, when the next speaker . . .

Mrs. Sarich: I don't mind, Mr. Chairman, and I thank the minister and you as chair for your patience around that question.

The Chair: So we'll move along? Okay. Thank you very much. We'll move to Mr. Chase, please.

Mr. Chase: Thank you very much. If I may, I would like to go for a portion, at least, of the first 10 minutes, and then I'll look forward to answers. I do want to thank you, Minister, for delving into the affordable housing aspects of things. Although your ministry no longer is in that area, I'm sure you work with Minister Fritz in terms of housing.

I do want to start off by setting the record straight. The economic understanding that the government went by was the idea that if you put a cap on the cost of an apartment rent, there will be no inducement for builders to build. Well, the reality is that there was no appreciable, observably significant increase in the building of affordable housing, in particular of apartments, during the time period between 2006 and 2008. So the rationale, I would suggest, is faulty.

Now, we have an opportunity through the sustainability fund, that we Liberals refer to as the stability fund, and we also have an opportunity through the capital fund, where it says, the hon. member of the third party mentioned, the one-third/one-third/one-third. But given the fact that the best way to get people out of the recession is to provide them with stability and get building, I would suggest that this would be a wonderful time to use the capital fund and the stability fund as leverage for building affordable homes.

There has been, for example, in Calgary-Varsity quite a bit of discussion about transit-oriented development going up instead of out. I would encourage the minister in conjunction with the ministers of seniors and housing to look at just such public infrastructure affordable housing incentives. I would also ask – the biggest or most vulnerable lack of housing is accessible housing. I know that, for example, the development . . .

The Chair: I'd remind the member that, in fact, next week we will have under consideration the estimates of affordable housing, so I'd ask you just to try to focus on the estimates of Municipal Affairs.

Mr. Chase: Okay. Maybe I'm relying too much on the minister's good nature in that he has provided answers before.

Mr. Danyluk: I could answer, but I know you'll check my answer according to what the minister would say, so I should be a little bit silent on this.

Mr. Chase: Yeah. I do appreciate the fact that there is co-operation and collaboration between the ministries for the best interests of Albertans. That's what we're all here for.

So I'll go to public safety. You've touched on it; hopefully, I'm not duplicating. Safety services provides technical advice and program support to municipalities, corporations, inspection agencies, the Safety Codes Council, contractors, industry, and the public. The high-intensity fire report was prepared in 2007. Given that the reason why you didn't wait until the national standards were complete was that time was of the essence because of the rate of growth in Alberta, why did it take a year and a half to change the safety codes after receiving the report? I'm very glad that it's now in place and that the wallboard, the chalkboard is now being required to be placed on the outside of the buildings to impede fire from spreading rapidly. That's a good move.

9:00

Given that the national standards are not complete and won't be until 2010, what type of consultation process occurred to ensure that Alberta's standards will align with national standards? I've no trouble with being ahead of the game for a change, but hopefully there's co-ordination.

Goal 5.2 states that there will be a review of the Safety Codes Act. What exactly will be under review? How long is the review anticipated to take? How much will the review cost if you can provide an anticipated figure?

Goal 5.5 is to address the safety of private sewage disposal systems. We've previously talked about summer villages. Of course, an awful lot of those homes are on their own sewage systems, tanks, and I know your hope is eventually to connect them to the larger systems. Expense is going to be involved for the landowner, and hopefully there will be subsidies for those sewer linkages to the main lines. Will this department be collaborating with Alberta Environment on this? What particular concerns will be addressed? Have there been cases that required better safety systems? What are the current risks and liabilities of these disposal systems? How much money are we talking about in terms of bringing, as I say, so many of these summer villages into a municipal sewer line?

Minister, I know I'm talking 90 miles an hour. It's not my expectation that you will be able in your 10 minutes to answer all these questions.

Mr. Danyluk: Well, I'm going to try.

Mr. Chase: I appreciate that. Written answers, though, will be equally acceptable.

Alberta Emergency Management Agency. At last year's estimates debate it was said that your department had initiated a review of the emergency public warning system, EPWS. This comes from May 20, 2008, *Hansard*, page 803. What were the recommendations after having it reviewed? What actions have you taken in response to the recommendations? What changes to the warning system will make it more accessible for people with disabilities? I tried to get into accessible housing, but got redirected, so we'll deal with evacuation of people with disabilities from their accessible homes that we hope to have in the future. How much have those changes cost to implement?

Goal 6.6 refers to the establishment of the safety, security, and environment institute. At last year's estimate debate the minister suggested that the institute is going ahead and that "funding is in place for us for the initial start." That comes from *Hansard*, May 20, 2008. How much is that institute going to cost? Estimates would be nice. Given that the institute's funding was in place last year, what has happened in the interim? Where is the institute located? How much money has already been spent to date on this institute?

Funding for the Alberta Emergency Management Agency has decreased by \$500,000, half a million, from the 2008 budget, lines 4.0.1 through 4.0.5. That was found on page 307. How much funding is currently available, and what line item includes the institute? Given that funding for the AEMA has decreased, what programs have been cut or reduced to follow for the institute's funding?

I would appreciate comments on the amount of money that is taken out in terms of taxes from municipalities versus the amount of money that was returned in the form of government grants. It's frequently said that when people move to Alberta, they don't bring with them their public works, their schools, their hospitals, and so on. They do bring with them their expertise. They do bring with them their taxable incomes. Therefore, I would like to think that there is a fair balance between the money that flows out of municipalities into the Alberta Treasury in comparison to the grants that are returned. There continue to be increases according to the fair property assessment taxes, and those taxes and the conditions under

which properties are taxed are set by the provincial government. The municipalities are, basically, collectors of that tax. Was that the time? Oh, sorry. I thought I heard a bell going off. It must be internal. Too many rounds.

What I was wondering about was: has any consideration been given to the fact that seniors living in close proximity to the city where their houses were first built are inordinately taxed based on more their property than on the structure that is on that property; therefore, it's a hardship, not only for fixed-income seniors but those of middle incomes? [Mr. Chase's speaking time expired] That's the real one?

The Chair: That's the buzzer, yeah.

The minister now has up to 10 minutes to respond to you.

Mr. Chase: I appreciate that. Thank you.

Mr. Danyluk: Okay. Let me just start by trying to go a little bit backwards. Municipalities have very much asked for ensuring that what we do have is a market value assessment, and that's what this province does. That's what it uses except for linear and except for farmland. I guess that is the system that is being used. That is the system that is deemed fair by this government and municipalities.

You talked about, you know, individuals not bringing with them hospitals and schools but that they bring with them expertise, and there's that opportunity. Well, let me just say to you one comment: the needs are immediate. Those are some of the challenges that are had by government and municipalities. If you have a growth such as Calgary had, which I think was 35,000 to 40,000 people a year, there's no doubt that the infrastructure, the cost of schools, the cost of the services is immediate, and they want them now and deserve them now.

I can say about education taxes that seniors' education taxes are capped, and they can, you know, apply for reimbursement.

Let me go to the warning system. The warning system is an early public warning system. We have the first province-wide warning system. It is also a system that is stressed. We are looking at different directions and different focuses on how we can make that system work better, and we'll continue to do that.

As far as the 220 sewage systems, are we working with Environment? Very much so. I mean, we work with Environment. We work at the challenges. We're working at how we can supply not only regional water systems and regional sewer systems, at least building them at the same time to have the best effect. Let me say to you when you ask, "How much money is going to be spent?" that this government is spending, I think, \$23.2 million on infrastructure. Part of that is for water and sewer. We very much believe in the philosophy, if I can say that, of trying to support communities to have safe drinking water, to have safe communities. Is it a focus? Yes. Is it cheaper to have systems that are regional? Very much. But it still costs money to get there, and also it costs money to maintain those systems until we get there. It's more economic and more efficient to have a good system, a managed system, because there are municipalities that can't afford to have experts that maintain their water systems.

9:10

As far as the updates of fire codes, that came into effect on March 12. The updated building codes come into effect on May 3. The codes that we talk about are a balance between safety and affordability and technically sound practices.

You made mention of Alberta being two years ahead of the cycle, and why did it take a year and a half? I don't think it took a year and

a half, but I'll use your figure of taking a year and a half. It took a year and a half because we included the stakeholders of industry – the builders, the fire commissioners, the municipalities – making sure that the focus we had was the one that was going to work the best, and we did get buy-in from all of those groups.

Your comments about: will the national Safety Council follow suit? Well, you know, we have representatives on the national Safety Council. They were part of this group. They know what the discussions are and what is taking place. In fact, one of the recommendations that was made by the fire chiefs was to look at an area. We've asked the Canada Safety Council to take some of the things a step further and do some investigation for us, so we are ahead. We're on board, and I think it's very positive.

Okay. The Safety Codes Act is the options for assisting municipalities with their safety administration, the improvements to the code adoption process, improvements to the delivery of effectiveness of safety services, providing an act with flexibility so that it can respond to emerging and future provincial and social trends and goals. The money is in the department budget to do exactly that. I think that was your question. If it was there, I could have answered that a little quicker than I did.

If I can talk about MSI – how much time do I have?

The Chair: You have about three minutes.

Mr. Danyluk: Okay. If I can talk about MSI, the stability of MSI is over and above the opportunity of taxation for municipalities. The stability and predictability: there is predictability in knowing that if the revenue drops dramatically, as it did, municipalities would probably not get the same amount of funding. I had discussions with the associations, with the two large cities about some of the challenges that we did have, what our goals were, as I talked about earlier, about the opportunity for, I call it, borrowing but advancing on funds. That was a solution that wasn't only formed in the head of Municipal Affairs or the ministry. It was very much formed with the collaboration of municipalities. I think in whatever we do, that is the key to where we need to be because we can take advantage of learning not only from other municipalities and other provinces and other countries, but we can learn from our own municipalities of the challenges they have. As I said, this weekend exactly that happening, municipalities getting together and talking about the focus and the direction that they think is important.

In the tradition of going backwards, the rent caps that you had talked about. The rent caps are under the jurisdiction of Service Alberta. They just happen to be a recommendation that was from the housing task force committee. I can tell you that if you look around today, you will see lots of buildings that are being put up right now, are being finished. You say that it did nothing. It did a lot. You cannot put up a building, buy the land, get the engineering, get the architecture in a month. It takes a year or two to happen. Those entrepreneurs and businesses got together and said: yes; this is what we're going to do. You can see the fruits of those initiatives right now.

The other part that was very positive is that those individuals who had rental units kept those rental units up. There was a definite fear in rental units that if you put a cap on rent – and I know that the opposition had talked about different criteria – what would happen is that investors would limit their input for, if I can use the word, rejuvenation, maintenance.

You know, I mean, it is a balance. I want to say if I can just very quickly – and I'm sure the hon. member will allow me – that the discussion that was had in the housing task force was very much also a contribution that came from the three parties. You brought insight to that report as well as the third party, and most of the recommenda-

tions were taken. I think you can also take some credit for the successes because a lot of the successes that were there were also your successes.

The Chair: Thank you, Minister.

We'll go to Mr. Johnson for the balance of the time in exchange with the minister.

Mr. Johnson: Thank you, Chair. I think we have about 12 minutes left here, so if it's agreeable with the minister – it's always nice to talk to him and get questions answered – we can do it back and forth. I know we've covered a lot of ground tonight, so if I inadvertently cover something that's already been discussed, if you could just forgive me and elaborate on it. I have about half a dozen things that are going to be relevant to my constituents that I want to make sure I bring up.

One is with regard to the Alberta Emergency Management Agency. I want to commend the government for setting up this body and for the work that's been done over the last couple of years on that. It's pretty impressive, and the tour we got out there recently was very informative. They certainly impacted my constituency this last year when we had the fire at Newbrook, had the pipeline leak, the oil slick in the Athabasca River, the train derailment in Boyle. Your folks were on top of that right away. We had information up to the minute, and they did a great job.

I want to piggyback on Ms Pastoor's work with you previously when she was talking about the duplication of investment. I know that our government has anywhere up to 17 call centres or fully staffed response centres. I guess I just want some assurance that we're working as a government so that we're not duplicating tasks, setting up call centres, setting up emergency response centres where we don't need to be and that we have that cross-ministry work so that we're maximizing our investment in this stuff. If you could respond to that, Minister, please.

Mr. Danyluk: Let me make a comment to start. I guess it's your question, but I'm going to make a comment to the opposition. I know that the third party isn't here, but I will make the comment. The Alberta Emergency Management Agency was formed to make sure there was co-operation and, maybe the most important, communication, so co-operation and collaboration between municipalities, the industry, the agency, and, importantly, between the ministries. I think it's key that we join together with different groups to ensure that the services we deliver are primary.

9:20

You know, I made a comment here a little while ago that very much holds true. When we have an emergency in a community, I have instructed our department, our Emergency Management Agency, that if you have something that happens in your location – it doesn't matter if you're a government member or if you're an opposition member – you get information from my department about that emergency. To me governance is nothing. This is our agency as people. This is for our citizens of Alberta, and in time of crisis we have to leave our stripes at home. So I think that's what's very positive about an independent agency.

When you are asking me the questions about call centres, we're working very closely with Health to ensure that we operate the call centres in the most efficient manner that we possibly can. The other aspect about the agency is working together with other ministries, ensuring that if there needs to be a centre of, if I can say, sharing or response or direction, we are there. I think that's very positive. I didn't exactly answer your question, but that's about as close as I can come.

Mr. Johnson: Well, I think it was as much a comment as a question, so we encourage the government to keep looking at that and encourage you to keep developing AEMA because it's a fantastic body.

That leads to my next question. I noticed the Alberta Emergency Management Agency have a decrease in funding, I believe, so can you tell us how we can expect them to keep developing into the things we need them to develop into and to deliver the services that we need delivered with the decrease in funding?

Mr. Danyluk: Well, I mean, as you know, the Official Opposition has very much kept the irons in the fire in discussion in, you know, ensuring that reduction is necessary. But I say to you that we feel that every department did have to contribute and emergency management also in reduction of supplies and services. But the reduction is minimized.

You have to also know that there was an increase in what we thought were the priorities. The priorities, of course, are the communications and the layout of the high-intensity residential fires. There's an increase in training. I mean, as I sit here with other assistant deputy ministers, the Alberta Emergency Management Agency did pretty well in comparison. I think we will manage, and we will support. I think we've isolated the priorities and are dealing with the priorities.

Mr. Johnson: Thank you, Minister. Another question I need to bring forward from my constituents. You've touched on it, and you've talked to it in a certain deal of length, but I'd like you to elaborate specifically with regard to the rural requirements and areas of paying with emergency first responders. The volunteer fire departments in the small rural areas, especially in my constituency along highway 63, are the first on the scene, last to leave. They're from small communities. There are less and less and less of them. They're dealing with some pretty unique situations with hazardous materials, even electric hybrid cars nowadays, and they are having a lot more challenges.

I know that we had a resolution brought forward and passed at the AAMD and C, not this last AGM but the previous one, with regard to a request from Thorhild county for the province to look at setting up fully staffed first responder stations along highway 63 on the way to Fort Mac because of the traffic, because of the danger and the challenges in keeping those people there and equipped and trained. I'm wondering if there are any investments in terms of due diligence and exploring those ideas or investing in those things within your budget.

Mr. Danyluk: Well, let me say to you that I'm not going to touch upon the training aspects that I did before. I'm going to try to deal with your specific issue. Specifically, though, we have, you know, tried to train individuals in operations. We have emergency management training, not fire training but emergency management training, how municipalities can operate and respond and work more efficiently and effectively.

There's been a lot of discussion about highway 63 and how best to respond to the challenges. Presently, I mean, we don't really have many communities in that stretch, not many areas. We also have such a vast distance. The police service, the ambulance service, the emergency management, the fire are critical. How do we respond better? Is there a different way? Well, we're having those discussions on how we can better serve areas such as that.

Those challenges are not only isolated to highway 63 except, though, it does seem prevalent. They are enhanced because of the sparsity of individuals. Even if you had a trained system, you know, where do you locate them? Individuals don't want to be there in open areas, if you want to call it that. So is it something that we need to deal with or need to work on? Yes.

Mr. Johnson: If I could switch gears for a second, Minister, I'd go to the Capital Region Board and those types of conversations that are going on. Several of my communities are the small communities outside of Edmonton involved in those conversations. It certainly is an extra workload for those small-town mayors and town administrators. I know you've set aside funds for the Capital Region Board. Are those funds disbursed through the board? Do they go straight to any of these municipalities to help with their engagement in all these meetings and extra workload? Do you know what those funds are actually used for?

Mr. Danyluk: You know, I can't answer you, but I don't think so. I will say that the money is for the operation or the duties of the board. The one aspect that I can say that maybe helps small municipalities is that if they read the agenda and feel that they support the information that's being brought forward, they do not have to attend. It's a yes vote if they're not participating. Some municipalities are using that, and these are small municipalities. They're saying that if a municipality is not present, their vote is considered a positive vote for the direction.

I think you have to also know that some of the decisions – and I'm saying this because they can view what's on the table – a lot of the decisions that are necessary and need to be made are decisions that are just in the hub of the capital region. I'm not saying that they're not important to outlying areas, but some of the issues that come up for discussion are not as prevalent for those municipalities. That doesn't really answer your question.

Mr. Johnson: Thanks, Minister.

The Chair: That concludes our time for this evening. Thank you, Minister. Thank you, everyone, for your participation here this evening, support staff, Minister and your staff.

We'll remind the committee members that our next meeting will be Wednesday, April 29, to consider the estimates of the Department of Education.

Pursuant to Standing Order 59.01(2)(a) this meeting is adjourned. Thank you very much.

[The committee adjourned at 9:30 p.m.]

