

8:33 a.m.

[Mr. White in the chair]

THE CHAIRMAN: Order please. I'd like to commence, if we may.

Might we have an approval of the agenda? Dr. Pannu. Is it agreed?

MR. HLADY: Agreed.

THE CHAIRMAN: Thank you, Mr. Hlady. Keeping attentive.

Unfortunately, we do not have the minutes with us today because of the difficulties staff had keeping up with the regular business of the House as well as running two committees. So we're running a little behind in that. Hopefully, we'll have them next week.

If we'll dispense with that, we'll move on to the motions that were given formal notice two weeks ago. The first one up is moved by Ms Olsen, and she is here and accounted for. I thought she was going to be late. Might you move the motion? I've been informed by the government folks that for each motion they're going to have but one speaker in order to move the process along.

1. Ms Olsen moved that the Standing Committee on Public Accounts prepare and adopt a formal strategic plan that describes its mission, goals, objectives, and strategies and lays out performance output and outcome measures.

THE CHAIRMAN: It's been moved. We don't deal with seconders here. The mover may speak to it now and/or close on it. We'll allow only one speaker from the other side. But before we do, I might mention that a number of these motions do affect the act under which the Auditor General does perform his function and he may wish to have some comment on them, so I'll have to interrupt for that.

MS OLSEN: I move this motion to be consistent with the intent of the Government Accountability Act, which requires the ministries to prepare business plans which outline goals, objectives, strategies, performance outputs and outcomes, and the operations of the Standing Committee on the Heritage Savings Trust Fund, subject to a legislative framework with its mandate established in the Alberta Heritage Savings Trust Fund Act, for three business years. This would really mean that the Standing Committee on Public Accounts is working in line with what's required through the government ministries and ensure that our reason for being and going through this has some measurable outcomes.

THE CHAIRMAN: Mr. Shariff.

MR. SHARIFF: Thank you, Mr. Chairman. I just want to begin by commending the member for bringing forward a motion that would look at developing a strategic plan which would include goals, objectives, and performance measures. However, I'd like to make sure that we understand the mandate of this committee.

As you know, under Standing Order 50, that was approved by all the three parties and signed by the three House leaders, the mandate of the Public Accounts Committee is that "public accounts, when tabled, [shall be] referred to the Public Accounts Committee." Under this mandate the committee's focus must be on the review of government or ministries' actual results compared to the government's plans. It's not supposed to be on any government policy or budget questions. If we were to go about conducting ourselves in such a manner that we would change the mandate of this committee, then I believe that decision would have to occur in

the Legislative Assembly and would have to be reflected in the Standing Orders. At this point in time, I don't believe the Legislative Assembly has suggested that we undertake any changes to this committee's mandate. Therefore, I'm not sure whether we have the mandate to proceed with such a motion. What I also do understand is that the ministries' annual reports beginning in the fiscal year '97-98 will include much more information than ever before, and we will have the opportunity of looking at those documents and questioning the respective ministers.

As the hon. member referred to the Government Accountability Act, it certainly does deal with a lot of the issues that she indicated. At this point in time, I really do not see a need for us to proceed and support this motion.

I want to add that I've gone through with a fairly open mind on how we can sit and review and maybe recommend at some point in time a change in the mandate of this committee. I'd be more than happy at a later date to probably sit and discuss this issue, but at this point in time I certainly do not support this motion.

THE CHAIRMAN: Are you, hon. member, asking that the chair rule this motion out of order by reason of expanding a mandate that we're not allowed to do? I should say, if that's the case, the chair reads this motion very, very differently than you seem to be interpreting it. As I read this motion, the intent is that the committee review into and unto itself its performance, its strategic plan, and its own goals and objectives. I don't see that that would require a change in mandate. That's the chair's interpretation of it. Perhaps you may want to add more, and certainly the mover will like to clarify the position too.

MR. SHARIFF: Certainly the chair is entitled to interpret as the chair reads the motion. The way I understand it is that we have a standing order which is very clearly stated, and let me repeat section 50 of the Standing Orders, that were approved by the Legislative Assembly of Alberta and signed by all the three House leaders. Section 50 says, "Public accounts, when tabled, stand referred to the Public Accounts Committee." So we are going to be dealing with those accounts that are tabled in the House, and they then will be referred to us. That is the way I read it. As I said earlier, these are good suggestions. We need to revisit our mandate, look at our mission, our goals, and so forth. Good suggestions. But at this point in time, I have not been given to understand that the Legislative Assembly has directed us to do so. Our mandate here is to look at the accounts that get tabled in the House. Therefore, I would like us to restrict and limit to the mandate that we have been assigned. Certainly, we have the choice of voting on this, and if the general membership votes in a different direction, I would be more than ready to reconsider it.

THE CHAIRMAN: Dr. Pannu wishes to speak.

DR. PANNU: Mr. Chairman, as the language of the motion stands, it's clear to me that the operative term here is "describes." We have a strategic plan that describes. The committee certainly by this motion will not be attempting to formulate its mission and goals. Those are given to this committee by the Assembly. Nevertheless, in order for the committee to do its work and to have some measure of its own performance, it must describe – and I want to emphasize that word – its mission, goals, objectives, and strategies. Clearly, this description has to be in conformity with the mandate this committee receives from the Assembly. Therefore, I wait to be persuaded by the argument by the hon. member who spoke just before me on this that we not deal with this motion at the moment. It simply directs the committee to describe its own mission and goals, not formulate them. So I would certainly be happy to support

the motion.

THE CHAIRMAN: Thank you.

To close, Ms Olsen.

MS OLSEN: Yes. I guess in moving this particular motion, the formalizing process a little further from what it is right now – describing exactly what it is that we as a committee are compelled to do is part of being accountable. In keeping in line with this particular government's movement towards accountability, spending time in this committee should be meaningful. The process should be meaningful. The exchange should be meaningful. If we're going to effect any change or review in the way business is carried out, then certainly we need to be forward looking and have everything laid out in a process so that the public is aware and certainly every member of this Legislature is aware of the direction that this particular committee goes.

8:43

THE CHAIRMAN: In closing debate, all those in favour of the motion, please raise your hand. All those against the motion? The motion is defeated.

I might add at this point that we needn't take these motions in this order if the mover wishes to move forward. Because the time being such as it is, this committee has an appointment at 9 a.m. So if you want to reorder them.

2. Ms Blakeman moved that the Standing Committee on Public Accounts be given the authority to scrutinize the operations of Crown agencies and commercial enterprises and to assess any government decision to privatize or contract out activities performed of these entities prior to privatization or contracting out.

MS BLAKEMAN: May I speak to the motion? Thank you. This is following through on the third recommendation of the Canadian Council of Public Accounts Committees. I think we have a number of examples in Alberta where privatization has been implemented and where there are some questions or there is some feedback that could be given to the government to make future privatizations more successful. I think the examples of where we can learn lessons are fairly clear: CKUA for instance, the delegated administrative organizations, and perhaps now we're looking at Alberta Tourism Partnership. I would like to be able to ensure that the process for the contracting out of activities as outlined in the Auditor General's '96-97 report – for reference, that's pages 26 to 33 – is followed by the government departments.

Overall, I believe in the possibilities of this Public Accounts Committee, and I look to it to ensure that there's adequate accountability in performance reporting, requirements in contract arrangements, and particularly that follow-up monitoring and oversight is conducted properly. I feel strongly that there's minimal time given to debating the budget on the front end, and therefore I think it is particularly important that we are able to deal with the public accounts on the back end. It would be very helpful, I think, to government to be able to assist them in the areas of privatization and contracting out. There seems to be more of it coming, and more government departments are moving towards that.

I don't think this committee needs to be partisan. I'd like to see it be as helpful as possible to the government and, on behalf of the citizens that we're representing, to have as open and accountable a process as possible. I think, if accepted, this motion would allow this committee to bring the expertise and experience and also the public eye into play. I hope it would be helpful to the government to be doing this in advance of any privatization considerations that

were up for debate.

Thank you.

THE CHAIRMAN: Mr. Yankowsky, I believe.

MR. YANKOWSKY: Thank you, Mr. Chairman. I want to thank the hon. member for bringing this motion forward. I also would like to remind the hon. member who proposed this motion that the mandate of the Public Accounts Committee under Standing Order 50 is that "Public accounts, when tabled, [shall be] referred to the Public Accounts Committee."

Now, under this mandate the committee's focus, of course, must be on the review of government/ministry actual results compared to the government's plans, not on any government policy or budget questions. Any change to the mandate of the committee must be agreed to by the Legislative Assembly and must be reflected in the Standing Orders. The Legislative Assembly has not suggested any changes to the committee's mandate. Therefore, I don't know why there's a need for this motion.

I want to also say that the committee already has the authority to review the operating results of Crown agencies and commercial enterprises since their financial statements are in the public accounts. A ministry's business plan includes the activities of the Crown agencies and commercial enterprises reporting to that ministry. So I think any plan to privatize or contract out activities of an entity would be included in the ministry's business plan. Ministry business plans are, of course, reviewed in the Legislative Assembly as part of the budget approval process, which we're going through at the present time.

In summation, I think that expanding the committee's role to include scrutiny of plans would be unnecessary duplication. Therefore, I'm speaking against the motion.

THE CHAIRMAN: Thank you.

To close?

MS BLAKEMAN: I'll close.

THE CHAIRMAN: Ms Blakeman.

MS BLAKEMAN: Yes, thank you. I'd like to clarify that I think the activities around privatization that is happening in Alberta today – I don't consider it policy. It is definitely public money that is being spent in the privatization endeavour, or it affects the public or the taxpayer after the fact in that assets are sold or devolved. So I guess I'm disagreeing with the hon. member on whether this motion is straying into the realm of touching on government policy. I think we're dealing quite specifically with taxpayer money here and our ability to help the government, assist the government in how it goes about this, and I would urge the committee to support the motion. I think it will strengthen the work of this committee and assist the Auditor General, I would hope.

THE CHAIRMAN: All those in favour of the motion, please raise your hand. All those opposed? The motion is defeated.

MR. SHARIFF: Mr. Chairman, in light of the time that was allocated for debate of these motions, I suggest that at 9 o'clock, as we had set in the agenda, we bring to a vote all the remaining motions, which are to number 8.

THE CHAIRMAN: I'm afraid the chair will have to rule that the request, respectfully put – this committee operates under the rules of the Legislature primarily and the spirit of that and cannot arbitrarily

cut off debate. It can delay debate, put debate off to another time, but cannot arbitrarily cut off debate. That is in the parliamentary tradition. That is one of the fundamental rules from 1066, I believe. So I don't think we can do that. Although the first part of your suggestion, that at 9 o'clock precisely we are going to have cut off debate, not to cause a vote but at least to lay it over because we do have an appointment, I think is quite reasonable.

MR. SHARIFF: I heard you with all due respect, Mr. Chairman, and I certainly would like to make this statement so that it's on record. At the last Public Accounts meeting you made a commitment in this Assembly – this was two weeks ago – that prior to this meeting you would be consulting with me and coming up with a strategy of how we shall be dealing with this. Last week I approached you and requested that we meet outside in the coffee area so that we could develop a strategy of how we shall deal with all these eight motions. At that point in time you had indicated that you were going to be off in the evening and, as such, you would find some time. As of this morning that has not occurred. That's why I had to bring this motion to try and deal with it in the best possible way we could. I saw in the agenda that you had assigned half an hour for the motions. Therefore, I feel that members have had a chance to look and reflect on all the eight motions that were given to us two weeks ago, and I believe they are in a position to be able to vote on them today.

8:53

THE CHAIRMAN: That may be so and members may feel that, but I cannot arbitrarily cut off debate if a member wishes to speak to the motion. Regardless of what transpired outside this meeting, inside this meeting there are rules of order. *Roberts, Bourinot, Beauchesne*, any rules of order would find a chairman in error if that were the case. I'm afraid I'm going to have to move on here. If we wish to get at least one more debated, we should do so.

Mr. Zwozdesky, please.

MR. ZWOZDESKY: I wonder if I could just make a suggestion to the hon. member and all members of the committee, and that is that we proceed with another one or two motions insofar as the time allows. We can probably get them in by 9 o'clock. Then in the month or the weeks to follow could we not address maybe one motion each week, which would take up maybe five minutes again? In a period of four or five weeks we would have addressed all of them to everyone's satisfaction, and there wouldn't be any reason to feel that justice wasn't done. I think certainly we deserve the right to make some comments about the motions, which is why we brought them forward. If the hon. member would indulge us five minutes every Wednesday at the beginning of the meeting or perhaps at the end of the meeting, however the chair and the rest of the committee members feel, would there be anything wrong with that, hon. member?

THE CHAIRMAN: Might I suggest that we move on today, and then in the interim, when the week ends, perhaps you, arbitrarily chosen as leader from this side, along with Dr. Pannu could speak to Mr. Shariff and see if we can work it out.

Mr. Shariff.

MR. SHARIFF: Mr. Chairman, I certainly would like to make a comment on this. You know, I've heard in this Public Accounts meeting – I've been a deputy chair for the last two terms at least – a lot of concerns expressed about the amount of time we have to deal with public accounts that are being submitted by the various ministers. What we are proposing here today is a process whereby

we will be taking away about half an hour, or whatever time we allocate, from the real task that we have at hand. If we do so, hopefully we will stop complaining about the time we have at hand for dealing with the public accounts and the task that we have been assigned by the Legislative Assembly. Frankly, I don't want to prolong this for too long and waste good time that could be spent on the task we have been assigned.

THE CHAIRMAN: You're able to make a motion, but I should warn you that a motion that cuts off debate I'd have rule out of order because of a thousand years of history of chairing parliamentary democracy.

MS OLSEN: I just want to add a little bit to the discussion. I think it is fair . . .

THE CHAIRMAN: I've suggested that the leader from each side get together and, if we can, work out some kind of accommodation. If you wish to get on to the motion, I think Mr. Shariff does have a point, that we talked about all of . . .

MS OLSEN: Well, I wish to get on the record in relation to this point.

THE CHAIRMAN: Okay.

MS OLSEN: I'll take one second.

THE CHAIRMAN: There is no motion before us to speak of, but continue.

MS OLSEN: Fair enough. I think the hon. member must understand that these motions were put forward. I think it's well within the purview of each person in this Assembly right now that's part of the Public Accounts Committee to be able to debate the motions. I think there are other avenues and that we can move forward. There are other options we can seek out to ensure that fairness is afforded to the movers of the motions and the accountability processes are such that we get to speak to those motions. You in your wisdom can choose to deny voting for those motions, but I think there are other options here.

MR. SHARIFF: Certainly, if you recall, at the last meeting I did indicate that it would be advisable to request the Minister of Municipal Affairs not to come today and put it off to another date so we can deal with these motions. However, the chair in its own capacity felt that the half hour that's assigned would be sufficient to deal with this. Therefore, I'm upset at the process. However, I'm willing that at the next meeting we set aside a certain amount of time. Let's agree to that time, and let's bring the rest of the motions to a vote at that time.

THE CHAIRMAN: We have but one minute left, so I don't think we'd want to move any other motions from the opposition side.

We'll welcome the minister and those of her staff that she's brought along. Perhaps introductions first. Then the time is yours if you wish to outline some points you want to make about the department. Madam Minister.

MS EVANS: Thank you, Mr. Chairman. I will introduce the staff here with me today. I will try and abbreviate my remarks to leave opportunity for questions. To my far left: Eric McGhan, local government services; Bob Leitch, housing and consumer affairs.

This is our last week to have the privilege of Bob Leitch in our department. I know that this committee will recognize the value he's made in contribution on many housing initiatives over the last number of years in consumer affairs as well. I want to say thank you, Bob. To my immediate right: Bob Holmes, deputy minister; Laurie Beveridge, acting ADM in charge of registries; Bill Nugent, our legal adviser. Behind I have the director of finance, Bruce Perry, and my executive assistant, Joan Geddes.

If I may, I want to say that coming into the department as minister has been an opportunity for me to review the fallout of the legislative change that precipitated a change in the Municipal Government Act, a change in the Housing Act, and a number of rewrites in legislation that took part in the period that preceded '96-97. Overall I am struck by the fact that the agenda for Albertans which has continued to place health and education in the number one and two spots has necessitated reductions in other departments. If you look at this department, in the reduction, for example, of over 100 people in assessment and a number of other people that have been put into the private sector and found other *raison d'être*, job opportunities, et cetera, it is reflective of a government that was very much downsizing and working hard to control expenditure, working hard to promote sustainability in communities, working to develop housing partnerships with management bodies and, to a large extent, reducing the size of government. I'm just reminding the accounts committee that this department – the collaboration of housing, consumer and corporate affairs, registries, et cetera, local government services – has reduced staff over the last four years from 2,100 to about 700. Municipal Affairs believes very strongly they contributed to the goal of reducing expenditure. The consolidated net expense of \$55.9 million was the net expense and actual consolidated net expense of \$2.6 million.

How did it happen? How did the reductions take place? Part of what has happened in terms of success in reducing expenditure came from the Alberta Social Housing Corporation. I'm going to table this afternoon in the House my response to questions from the hon. members on the other side of the House that related to supplementary expenditures.

But I want to read into the record this statement so that it's quite clear what happens with the Alberta Social Housing Corporation, because many people continue to ask about write-downs and so on. By the 1980s the Alberta Social Housing Corporation in addition to its social housing assets such as lodges, seniors, and community housing had a considerable amount of nonsocial housing assets, including a major mortgage portfolio as well as land and building assets. As a direct result of the severe economic downturn which took place in '83-84, the value of these assets in terms of market value was reduced significantly.

In order to properly reflect these costs in the audited financial statements of the corporation, write-downs or losses were taken based on the estimated market values at the time. While these write-downs resulted in deficits for the corporations, these deficits were not funded. They were, however, reflected in the consolidated financial statements of the province. The approach taken was to carry the deficits forward until such time as the assets were disposed of. At the time of sale, funding was provided by a nonbudgetary disbursement vote.

9:03

Clearly, Mr. Chairman, I think some of the difficulty for members may well be the explanation of accounting transactions. But I am very clear on what the Auditor General writes in his report about disposal of assets, and we're certainly intent on following his recommendations. I just provide that statement so there is a written

transcript of some of the efforts that have been made by the housing portfolio in working with the people in Alberta and downsizing the portfolio and actually also registering some success in that regard.

I think our four core businesses – in other words, helping local decision-makers provide excellence – in large part has been achieved by the number of communities that not only engaged in restructuring but continue to try and engage in their own business planning processes; the addition of many basic housing units for families, individuals, and seniors and the partnerships that were formed by the nonprofit and private sectors; the assistance to consumers on a variety of fronts, predominantly I think the development of some very successful hardware and software that relates to our neighbours to the south and allows us to engage in much better tracking of scam artists; and finally, the excellence in the delivery of registration services to Albertans.

I want to remind this body that more revenue than is expended comes to the department – and is placed in Treasury of course – because of the activities of people in land titles and in the registry service area. It's a great tribute to the staff. In development of services such as credit counseling, staff members knowing full well that they were going to replace themselves, lose their jobs, that it was going to take place with a different type of partnership, went full tilt to do that. Almost my first duty as minister was to attend with Bob Leitch and recognize the efforts of staff that had outsourced and privatized.

I want to talk about the CKUA Radio Foundation, because certainly as a new minister the lessons in accountability and how we do things properly were immediate and very poignant. From the Auditor General's report you can read the comments. I think everybody in government felt a shock wave when the radio station went off the air in mid-March of '97. On March 27 the Auditor General of course examined the efforts of the CKUA Radio Foundation in financial matters, and you have a copy of that report. We received that report on May 5 and hired Deloitte & Touche to do a forensic analysis. That final report was released on August 14.

Now, we have responded in the department almost from day one, I think, in terms of reviewing everything we have learned in terms of accountability, agreements we have with outside agencies, and how we are disseminating public funds. Although we have yet to table in the House the final report, we understand that that is presently in the hands of Justice, and at some time our final wrap-up of the matter will be tabled in the Assembly so all members can have access to it.

I don't want to dilute or denigrate the efforts of privatization, particularly as it applies to this department, because although we have obviously learned a lot about the accountability of one foundation, in many respects the 229 registry agents, over 300 housing management bodies, and municipalities as well have worked very hard to limit their spending, be accountable to the public, and spend funds wisely.

Mr. Chairman, that's more than enough for an introduction. I would be very pleased to touch on the variety of activities that relate to the various departments at your pleasure. If people don't ask questions about some of the reductions that have been made or the activities, if I have five minutes at the end, I'll conclude with some of the highlights there. I think you've probably all read and heard them.

THE CHAIRMAN: Just before we initiate questions with Ms Blakeman, the Auditor General would like to have an opportunity to introduce some of his staff.

MR. VALENTINE: Good morning. I'm pleased to have with me today Jim Hug on my left, who's assistant Auditor General

responsible for the audit of the Department of Municipal Affairs and the ministry. On my right are Mohan Aggarwal and David Birkby, both of whom are principals in the office and both of whom have important portfolio responsibilities relating to Municipal Affairs. In the gallery there are four of my colleagues – Suzanne Morter, Rhonda White, Ian Sneddon, and Salima Mawani – who have joined us this morning. They, too, have responsibilities in conducting the audit of the Municipal Affairs ministry and its related entities.

THE CHAIRMAN: Thank you.

Ms Blakeman, please, followed by Mrs. O'Neill.

MS BLAKEMAN: Right. Thank you. Welcome, minister and staff, Auditor General and staff.

Yes, CKUA was a great learning experience. One thing, I think, that marked a particular difference in the public's eye between the example the minister gave of privatization of CKUA radio and privatization of the registries is that CKUA radio was definitely seen as a public asset that was dealt with in a way that they didn't feel it was theirs anymore and they weren't very happy with the way it was dealt with. So my questions are around how that was dealt with to see if we can learn any more lessons from it.

In the course of the department's monitoring of CKUA and the investigation into the CKUA matter that was conducted during 1996 and 1997, what rationale did the minister receive from the then Deputy Minister of Municipal Affairs and the three other members of the public service that were sitting on the Access board regarding the amendment of the original asset purchase and sale agreement? This allowed for the accelerated payment of \$2.0225 million in remaining transitional funds. How did that happen without a requirement for timely performance reporting by the CKUA Radio Foundation? This is for reference for you: I'm going off the information contained in the Auditor General's report, pages 168 to 175.

MS EVANS: Could I just clarify please, Mr. Chairman, not having been here before: is it customary to respond directly to each one?

THE CHAIRMAN: Yes, it is.

MS EVANS: Okay. It's page . . .

MS BLAKEMAN: It's the information that's contained in the Auditor General's report between pages 168 and 175. All of it is a discussion on CKUA radio and the Access foundation.

MS EVANS: Your question related to what the then deputy minister told me about the consultation or the delivery of a business plan?

MS BLAKEMAN: What I'm looking for is: what was the rationale that was used by essentially government employees who were sitting on the Access board? What rationale did they give you for allowing that accelerated payment?

MS EVANS: Mr. Chairman, one of the things that I believe was reflected in their remarks was absolute surprise that the CRTC finally came forward with a licence. A good part of the hurdles that the Access body was encountering that year was a strongly held belief that there would never be a licence issued to that body to continue with the delivery of CKUA. So there was, I presume, some latitude given in their minds, because there was a real belief that that licence may never come forward.

9:13

The second thing is that in the delivery of the first business plan

that came forward, there was a real indication in that plan that was developed for the CKUA foundation that they ought to deliver certain amounts of private-sector and public donations. However, people were reluctant to make a contribution to that foundation until they actually were licensed. So that lapse in the time in which they would apply for the licence and the time an actual licence was delivered, I believe it's fair to say, resulted in I suppose some less assertive requirements by those members of the board themselves to follow through.

Now, I must acknowledge here that I did not speak directly to the board members. The audit by the Auditor General and the audit by Deloitte & Touche personnel resulted in a good part of my information. But the very question the hon. member is asking was one that I posed, and that was the belief that really there was some latitude granted because there wasn't anybody that truly believed that that foundation would continue to have the opportunity to hold that licence.

MS BLAKEMAN: Okay. Thank you. That was the rationale I was asking about.

I'm now asking about under whose authority that same staff member acted to approve a release of that early \$2.025 million. The sales agreement had laid out a number of levels of authority, and it kept reverting when you got into big amounts of money and big approval. It kept reverting to the minister. So I'm wondering: under what authority was that money then approved and released by the staff person and then the deputy minister?

MS EVANS: Mr. Chairman, my understanding is that the Access body itself was not rigorously scrutinized or audited in any way. That board was not audited at the time we did the CKUA audit. In fact, that board was satisfied and released those funds, but the government itself did not release those funds. In large part, that is why as a minister I held to the belief that was provided in advice for me: that it was not government itself that directly released funds to the CKUA foundation but the Access body, and the Access body releasing those funds did it on the basis, I'm assuming from the record, that they were satisfied there would be deliverables now that the station was up and running.

MS BLAKEMAN: I can't have any more?

THE CHAIRMAN: No, I'm afraid not. We have to move on here. Mrs. O'Neill.

MRS. O'NEILL: Thank you, Mr. Chairman, and welcome, Madam Minister and staff. My question is with regard to the Municipal Government Board. It is referenced in public accounts, volume 2, on page 93. My question is to ask you, Madam Minister, if you could comment on how much it cost to operate the Municipal Government Board in 1996-97 and where its costs are included in the public accounts. I'm looking at 2.1.1 and wondering if that's where it is or if you could identify it for me, please.

MS EVANS: Yes, it is in 2.1.1 and on page 93 in the public accounts. It cost the ministry \$1.405 million to operate the Municipal Government Board at that time, and throughout the period of '96-97 it cleared up 1,700 backlog appeals and made a total of 8,706 decisions on property assessments, equalized assessments, and interim municipal disputes.

MRS. O'NEILL: So their budget, if you will, or their costs I should say, were in that line then, the \$1.405 million.

MS EVANS: Yes. That's correct.

MRS. O'NEILL: Okay.

Did the operations of the Municipal Government Board contribute to the surplus that is reported?

MS EVANS: Mr. Chairman, the overall surplus came, I think, as a result of property disposals predominantly in the Social Housing Corporation surplus property disposals and also because in the overall expenditure estimates for staffing, when there were a number of reductions, we had surplus funds due to lower anticipated salary and benefit costs. There are several underexpenditures in the staffing areas for Municipal Affairs and also, as I have noted previously, the downsizing and vacancies within the organization.

MRS. O'NEILL: My last question, Mr. Chairman, is again with regard to the Municipal Government Board and how it has tried to meet your ministry's goal of providing fair and equitable hearings for the property assessment, the equalized assessment, the intermunicipal disputes and, of course, the land use planning matters. My question is: how have they gone about this?

MS EVANS: Mr. Chairman, a consultant has assisted the board in the last two years to try and evaluate their method of dealing with appeals. Far too frequently we have learned, in tracking what has happened at the Municipal Government Board, that people have booked appeals and then have failed to show or given very short notice cancellations. So through a process of streamlining, the board has endeavoured to not only train its members but really work to understand what level of training and expertise is required in the delivery of a fair and just evaluation of each assessment appeal. They have traveled to various communities, both in the north – in Calgary, of course – and in the south, to endeavour to bring the service to the customer to make it easier for people. They have also received training on mass appraisals. So throughout the last two years there's been a real emphasis within the department on upgrading the skills of the appointed members.

One other point I should make is that frequently in government people challenge us on our appointments. The appointments for the last group that were appointed, if you will, happening in early '97, were a result of a very rigorous screening process by people outside the department that were retained for their expertise to come in, evaluate the members, and make sure that people that actually served on the Municipal Government Board were well trained and thoughtful and not perceived to hold biases that would be either for municipalities or for the appellant, the developer, or the tax authority in any capacity.

THE CHAIRMAN: Mr. Zwodzdesky, followed by Mr. Ducharme and Ms Olsen.

MR. ZWOZDESKEY: Thank you, Mr. Chairman, and good morning, Madam Minister, to you and your staff. It's a pleasure to see you all here this morning. And to the Auditor General and his staff, welcome again.

I want to reference pages 178, 179, and 180 of the Auditor General's report, surrounding the Alberta Social Housing Corporation. In fact the Auditor General has identified some deficiencies in the process that is used by Alberta Social Housing Corporation to ensure that the taxpayers of the province receive a fair share of the sale proceeds on the disposal of any assets thereunder. He actually does point out that the sale of 360 housing lots in Fort McMurray was handled by the municipality of Wood Buffalo and that the department did not respond to a cost-benefit analysis that was conducted in March 1996, which I believe

indicated that returns would be maximized for ASHC if it had directly marketed these lots by itself. However, the Minister and Deputy Minister of Municipal Affairs, as I understand it, agreed to sign an agreement with the municipality of Wood Buffalo wherein the municipality had agreed to market these lots. Now, the sale proceeds for the lots did not significantly exceed the 1994 appraised levels, although proceeds from the sale that were received by the municipality I think amounted to \$1.3 million for the municipality itself.

So we have these housing lots that were then discussed and withheld or did not form part of the agreement and subsequently were marketed directly by the corporation itself. They sold for prices that were significantly higher. I think they did a pretty good job there. My question is: what steps did the Alberta Social Housing Corporation take during 1996-97 to improve its process of marketing arrangements regarding the disposition of properties like this by third parties that would ensure the maximum value is received where possible by the Alberta Social Housing Corporation from the revenue generated through these disposals? What steps were taken?

9:23

MS EVANS: Mr. Chairman, if I can just be reflective for a moment, in the reconciliation and the development of the municipality of Wood Buffalo the department reviewed the track record on the sale of the properties previously, and as the hon. member would be well aware, there was a tracking of large losses related to infrastructure that had been developed many years previously. There was in fact even a depreciation of that infrastructure because lots were not sold and were not being marketed.

The other point that I think the department fully recognized is that because legislatively there's no ability to have staff that are directed by the Social Housing Corporation – they're not allowed to have staff; that staffing comes from within the department – there was less of an opportunity to be assertive and monitor and evaluate and become progressive in the sale of these lots, albeit there was a recognition of the public accountability. In the final reconciliation of Wood Buffalo and their need for properties, I think that timing being everything, the negotiation of those lots and that method of sale was deemed by the department and, I can assume, the minister to be the most expeditious way of being able to put more housing on the market, and that agreement was, I believe, part of a larger agreement surrounding the formation of Wood Buffalo.

I would just draw to the member's attention that in that year there had been notice served by the federal authorities that they would quit dredging the river. There would be a lot of things that would happen that would further withdraw funds. So I presume this was some attempt to recognize the greater ability of Wood Buffalo to sell and also the fact that there was still a desire for the department to develop plans for ridding the department of Crown corporations where it would appear to be the most expeditious way of doing it.

Having said all of the above, I am in full agreement with the Auditor General's report that certainly policy, fair market value, and his recommendations should and must be followed.

The accountability within the department. I want to just make a special point here of crediting Bob Leitch, to my left, who has constantly raised the point of accountability and making sure we're doing the right things in the right fashion. I note that the housing staff in their operational reviews and the staff member they presently have in Fort McMurray are working very hard to ensure that in the upcoming release of lands in Timberlea we do it in the most prudent way possible so there is no repeat of agreements such as this particular one.

I want to just stress that I believe the reason for this agreement being structured in the way it was at the time related to the larger package in the development and support of Wood Buffalo at the

outset.

MR. ZWOZDESKY: Thank you.

It just seems to me, Madam Minister, that there was a draft agreement between either the minister or the deputy minister and the municipality which was just that, only a draft agreement, and that that was used to maximum leverage here by the municipality. And good for them. Unfortunately, I think we didn't reap as much benefit as I would have liked to have seen. So I just want to note for the hon. minister: what criteria is utilized by the Alberta Social Housing Corporation to determine that surplus, noncore housing assets should or should not be marketed for sale to the private sector? Is there some sort of series of procedures and policies and internal guidelines that you follow? Could you shed some light on that and possibly even provide them to us?

MS EVANS: Well, I want to make an observation that we're probably far more conscious of requests for housing, for example, in Canmore, in Calgary, and in places like Wood Buffalo. Right now we're making sure that the private sector are engaged to develop appraisals for properties, for all properties that are to be sold, and they are advertised and then publicly sold on the open market. We have not been out shopping around to just rid ourselves of property but taking a look at where these transactions can be prudently made. I think overall we are trying to assure ourselves in the development of the criteria that you will see throughout the business plan of this year's budget a more structured approach to making sure there are definite processes followed.

I also want to comment though: with the emphasis on the development of the management authorities and all the advice that had to be given right from teaching people how to do bookkeeping for the management authority to how you take care of people in lodges that probably in their aging are becoming more long-term care clients, the emphasis of a reduced housing staff and a continually reduced housing staff was placed predominately where the people were, where the development of management bodies were, and because there is no staffing directly attached to the social housing, most of the response, I believe it would be fair to say, came as a result of initiatives that were directed at the department.

Bob Leitch, if you'd like to add any of the perspective you've had, please.

MR. LEITCH: Well, Mr. Chairman, in terms of a decision to dispose of a piece of land or, in the odd case, a building, the first thing we look at in terms of criteria: is it required for social housing purposes? We work with the local management body there to make that determination. If it's not required, then that's the basis for making a decision to sell it. As the minister has mentioned, once that decision is made, it's a question of going out and getting a professional appraisal on the property and then going through an open tender or public sale of the actual property.

THE CHAIRMAN: Thank you.

Mr. Ducharme, followed by Ms Olsen, followed by Mr. Loughheed.

MR. DUCHARME: Good morning, everyone. My question focuses on the Alberta Social Housing Corporation. The notes to the financial statements of the Alberta Social Housing Corporation are on pages 142 and 143 of public accounts, volume 3. Under note 10 there has been an increase in the value of surplus assets held for resale from \$5.1 million to \$9 million. Given that the corporation has been disposing its nonsocial housing assets, why is it showing an increase in this area?

MS EVANS: Bob, if you would please help me with that one.

MR. LEITCH: Yes, Mr. Chairman. In 1996 the city of Edmonton through their housing corporation, Home Ed, approached us in respect to a series of four properties they held to which we had provided guarantees on the mortgages. They felt at that time that those properties were not fulfilling their requirements in terms of the cost of maintaining them and owning them and so on. Arrangements were made to transfer those properties back to the corporation with the intent that they be sold, and in fact they have been sold since. So there was that increase in the value of assets being held for sale purposes when that transfer took place.

MR. DUCHARME: Thank you. My supplementary. The Alberta Social Housing Corporation statements show that there is still a total of \$196.5 million in guarantees and indemnities outstanding and that they have provided an allowance for losses on these guarantees in the amount of \$5 million. My question is: has recent experience indicated that this is sufficient?

MR. LEITCH: If I may, Mr. Chairman. Yes. In fact, our experience to date has been that we've been significantly under the provisions provided against those guarantees. You may recall that we started initially with that portion of the portfolio which was sold, which had guarantees approaching \$700 million. It's dropping rapidly as the fall-away provisions happen. We're down now under \$200 million, and we don't expect any significant payments against those guarantees.

9:33

MS OLSEN: Good morning, everybody. Madam Minister, I'm referring to page 178 of the Auditor General's report in regards to excessive rent subsidies, and I note in this report that a recommendation was made in the '94-95 annual report regarding excessive rent subsidies. It was made again last year. The Auditor General's report says:

It is again recommended that the Alberta Social Housing Corporation not subsidize private sector housing units that are significantly more expensive than the average rents in the vicinity of the subsidized units

It has identified and made a note that insufficient progress has been made in this regard. I'm wondering what steps were taken by the department in '96-97 to ensure that the Alberta Social Housing Corporation did not subsidize private-sector housing units that are significantly more expensive than the average rents in the vicinity of the subsidized units.

MS EVANS: I just want to make one observation. It's very difficult, when these units have been acquired previously and people are placed in those units, to dislodge people. I think the department has been primarily anxious not to engage in that. When people actually move out or have had to seek other long-term care or other accommodation, at that period the department actively engages in reducing our support of those kinds of units. Those designated units are no longer supported through any rent supplement or other program. Replacement units are found at the most cost-effective and lowest cost possible. There's sometimes a lapse, but in the designation or in the vacancy is when the replacements are sought. Other than that, the management bodies are also dealing with this situation.

Bob, do you want to add to this?

MR. LEITCH: Yes, Mr. Chairman. The observation relates specifically to two projects that are located in Calgary. We are working directly with the landlord – it's one landlord that owns both

buildings – to try and smooth the transition of the individuals located in those buildings to other accommodations where possible. The majority of the tenants we're talking about are either seniors or individuals with special needs, and it's very difficult to find alternate accommodation for them at this point in time. However, in any case where there is attrition or a person leaves on their own accord for whatever reason, we don't renew the designation. Where it's been possible to relocate them in the past, we've done that as well. However, at the moment with the vacancy rate situation in Calgary that's very difficult.

MS EVANS: Just one additional comment. I visited the Accessible Housing Society down there and spoke with a gentleman that is actually doing the bookings of people. His comments are that today it's much more difficult for special-needs people to find placement because most of them have not one but more than one particular impediment to their health and require a much greater degree of scrutiny. To some extent, I think this also adds to our incentive not to disengage people from properties until such time as it seems to be the appropriate thing for the person that's lodged.

MS OLSEN: Can you tell me then: have you made attempts to renegotiate the rents with this individual at all? Overall, what are the criteria used to select units for the rent supplement housing program? What's set out?

THE CHAIRMAN: Ms Olsen, are you asking about a specific client? That would then be current business and would not be examination of the accounts.

MS OLSEN: Okay. I'll just rephrase that question then. Have you attempted to renegotiate rents where they're excessive, and what are the criteria used to select suitable units?

MS EVANS: Well, in a word, yes. But go ahead, Bob, with what you've actually done.

MR. LEITCH: Yes. For sure. As I mentioned previously, we are working with the landlord. We have not been successful in negotiating with him a rent decrease. We have been successful in holding off rent increases, which are quite prevalent at the moment in Calgary. In fact, the average rents now are catching up to the rents that are being paid in those two specific projects.

In general terms, in selecting a landlord for a possible rent supplement designation, we use the CMHC survey of average rents and try and stay below that. Typically, we're looking for one- and two-bedroom units. In Calgary at the moment the average rents that CMHC gives us are \$494 for a one bedroom and \$650 for a two bedroom, and we would want to stay below that to the extent that we can.

THE CHAIRMAN: Before the next question, I must remind members that it's not current policy that we're questioning. As much as the opposition would love to get into that, that's not the reason for this committee. The ministry was kind enough to answer this one, but they need not have, and I think they know that.

Mr. Lougheed, followed by Dr. Pannu.

MR. LOUGHEED: Thank you. If it's permitted, I would like to move off housing and on to something else, page 95 of the public accounts, volume 2. I understand another member was anxious to move on to something else too.

If we look at the top of page 95, in '96 as compared to '97 the revenues from motor vehicle licences were significantly different, a

factor of four times or so, and in land titles it was about a 20 percent increase. Can you go into an explanation of why those increases occurred?

MS EVANS: Well, quite specifically, in the land titles and motor vehicles it's my understanding that it's increased activity. We've had huge increases in activity over the last couple of years that have related to land titles and motor vehicles.

I regret, Mr. Chairman, that I'm not seeing exactly what line you're referencing on page 95.

MR. LOUGHEED: The first line.

MS EVANS: But, if I may, statistically we've had a 9 percent increase in that period on land titles. This year it's almost gone two and a half times as large but last year a 9 percent increase. The revenue source increased by over \$135 million, not all because of the motor vehicle revenue. We collected an additional \$126 million, which was turned over to the Minister of Transportation and Utilities to fund a portion in capital grant programs. There are a number of different areas. I'd have to say that it's not all attributable to motor vehicles. It would be other fees as well that are included in that area.

Who wants to respond to that? Laurie, could you identify, please, why there is that much additional revenue on that particular question?

MS BEVERIDGE: Mr. Chairman, as the minister actually did mention, the majority of the increase was due to the revenues that we transferred to Transportation and Utilities, and that was stopped as of 1995-96. In 1996-97 we just transferred those revenues to the general revenue fund. So that's where the majority of the increase did occur.

MS EVANS: Mr. Chairman, if I can add. Personalized licence plates sales: revenue increased. Fees received for driver testing applicants: revenue decreased. But revenue increases in dealer sales and those sorts of things have also generated some of the additional revenues.

MR. LOUGHEED: Thank you.

Let's stay on that same page and drop down to near the bottom. We've got gain or loss on disposal of capital assets, and there's a big loss relative to the next year, from \$301,000 to nothing the following year. Any explanation for the difference there?

MS EVANS: Yeah. In '95-96 the government began the process of capitalizing and amortizing capital assets. With the re-engineering of the registries function and the equipment upgrading and general downsizing of the department, a number of assets that had not been fully amortized were disposed. No revenue was received from the department from the sale of these surpluses by Public Works; hence, you have the line that shows a loss in this case of \$301,000. I would assume that that appears as a portion of the revenue in the Public Works, Supply and Services budget for that particular time.

I would have to say there was no other recorded loss of this nature in '96-97. I should have previously drawn that to your attention.

9:43

THE CHAIRMAN: Moving on to Dr. Pannu, and then Mr. Melchin, Ms Blakeman, and Mr. Yankowsky.

DR. PANNU: Madam Minister, it's your first visit before this committee, and I want to extend you my welcome and, of course, also extend my commiserations. This committee can be quite

demanding in the kind of questions we ask.

I want you to stay on page 95, if you would, please, of the public accounts, volume 2, 1996-97, the revenues of your department. Let me first summarize some of the facts. Under the section on transfers from the government of Canada in fees, permits, and licences, Madam Minister, there's an increase of about \$143.7 million in revenues in that section. It's obviously various forms of consumption taxes, I would call them. That's how tax specialists use the term, I guess, to distinguish it from personal income taxes.

There's a major increase in revenues, a very, very major increase in revenues, to the tune of four or five times. Then you add to it the reduction thanks of the federal Liberal government's policy of reducing transfers. You have lost \$29 million in transfers from the federal to the provincial government during the same year. So if you take that into account, the total increase in revenues in that sector is \$172.7 million. In other words, Albertans collectively are poorer at the end of this '96-97 year by \$172 million. They had to pay out of their pockets that much more during that year.

In your preamble this morning you talked about privatization and downsizing, the intention of this government to make government cheaper for Albertans. Would you explain to me how taking \$172 million, or close to \$173 million, out of the pockets of Albertans in one single year, the year of '96-97, has made government cheaper for them?

MS EVANS: Well, there are a number of different ways one could respond to that. Under the analysis and changes of revenues, a portion of which relates to the increase that I find relative to the linear assessment services – and I believe that is a portion of the overall revenue that's included under Other – where in an accounting fashion the amount of money that is collected to pay for the linear assessments that are done by the province for local municipalities sees a line in section O of \$863,029 that was a portion of '95-96. It was classified as assessment revenue, not as fees, permits, and licences. So there was a change in the accounting there that would show revenue in '95-'96 of \$423,000.

I want to just ask, in terms of explaining the difference particularly because of the transfers from the federal government, if somebody can help me with this explanation.

MR. VALENTINE: The comparative year is not comparative because on page 110 of the volume 2 public accounts in the prior year, the comparative year, 1996, you'll see the revenue for motor vehicle licences at \$126 million. In the current year those revenues are recorded in the Department of Municipal Affairs.

Table 2 on page 36 of the department's annual report shows the restated amounts and comparative amounts, so they're not quite at the size of divergence as you were doing your math for, but you didn't have the information on page 110 of the public accounts, volume 2.

DR. PANNU: Thanks for the clarification, Auditor General. That's helpful to a degree.

My second question, if I may, to the minister. Madam Minister, of course these revenues obviously come from Albertans. My point, however, is that this reflects only part of the increase in the total indirect taxes that have been increased and Albertans have been paying.

There are other expenditures, of course. When you go now to registries and motor vehicles and others, we pay something more than we just pay to the government. So the overall cost to Albertans of the policies reflected here is much larger than what it is. Would you like to comment on that again, to say how it makes providing services cheaper? That was my primary question.

MS EVANS: Mr. Chairman, one observation I would make is that if you look at registry fees and look at the amount that Albertans are paying, one comfort I have is that my mother is not paying the fees through her government taxes to provide somebody else with service. In actual fact, prior to the privatization of registries, everybody in Alberta paid those fees. It's my understanding that in the privatization, we have actually reduced by 50 percent the incremental growth that would have occurred, from between 5 and 9 percent. We have reduced the amount that it was costing per transaction in the privatization of registries. I won't account for this year. I think I'll have a danger of getting into that area. But over this period of time, along with the new changes in equipment, new changes in program, working with registry agents, in fact there is actually a significant cost per reduction, and the revenues may show increases. The increases relate in large part to increased activity and not an increased responsibility to pay during that period of time.

I'd ask for any additional comments, please, from Laurie if that's . . .

THE CHAIRMAN: Certainly, if you wish, if it allows you to complete your answer.

MS BEVERIDGE: Thank you, Mr. Chairman. As the minister did mention, the significant cost really does come from our budgetary reductions which all Albertans did have to pay. The average cost per transaction in registries in 1995-96 was \$3.21. In 1996-97 that reduced to \$2.95. So there was a relatively significant decrease over that fiscal year period. I think that's where Albertans have seen the benefit of privatization from a financial perspective.

THE CHAIRMAN: You have had your main question and your supplementary. This is a philosophical debate in hindsight, mind you, but it is a philosophical debate.

DR. PANNU: Mr. Chairman, the minister very kindly, I think, emphasized the fact that most of the increases in revenues are a result of enhanced activity. Not today, but would the minister undertake to provide us with exact figures? What increases are attributable to increased activity, and what increases are the result of changes in, you know, rates of registries and so on and so forth?

MS EVANS: Mr. Chairman, I would be pleased to.

THE CHAIRMAN: Terrific. Thank you kindly.

We'll move on. Mr. Melchin, followed by Ms Blakeman and Mr. Yankowsky.

MR. MELCHIN: Thank you, Mr. Chairman. I'd like to address my comments today more with respect to the social housing units that are either owned or subsidized to the various programs of the department. The Auditor General on page 167 of his report describes four categories in which we provide government social housing programs – “Seniors' Housing, Community Housing, Rent Supplement Housing, Rural and Native Housing and Special Needs Housing” – and further goes on to clarify that we have about 24,000 individual units owned by the department or properties that are owned. That might be the total. I wouldn't mind the scope of the housing that is, one, owned – there are 24,000 – or if you even know to what extent those are allocated. Do they go primarily to the seniors, to the rental supplements, the rural and native, the special needs? Where is our housing targeted? So it's more just some of the numbers related to our units, as to where they're delivered by program, both by owned and by the number we subsidize, and for that matter even the scope of where they are all located. Are they

primarily large urban centres, or are they scattered throughout the province, even in the rural areas? If I could get some information with regards to the housing units owned, what programs they are delivered to, be they owned or just subsidizing the rents.

9:53

MS EVANS: Mr. Chairman, yesterday in the House I gave an outline of Calgary's housing, which is at about 26 percent of overall housing. Calgary itself has 10,309 units. One of the things we will do in providing a breakout for the committee is illustrate how one of the constraints on this government acting unilaterally in any disposal or acquisition of property relates to our shared responsibilities with CMHC. Many of our mortgages, in fact the bulk of our mortgages, are provincially and federally ascribed to, and of course now we have many more municipalities being partnered in the whole portfolio. But we can certainly make a breakout of the portfolio.

I'm very grateful for the question, though, because as you know, for the last – in fact it commenced in '96-97 and even before when the minister responsible for federal housing was Mr. Elmer MacKay. During that time this provincial government in co-operation with the federal government agreed with the outsourcing of housing wherever it was possible. The crunch is actually going to come in April this year when we see how we can reconcile, if at all, some of the CMHC portfolio. But within our 39 thousand plus units we have a great number that are partnered with CMHC – throughout Alberta 845 lodge units – and we'll certainly give you a breakout.

We still carry the responsibility of remote housing and housing, Mr. Chairman, that relates to First Nations people in some of the remote and northern communities. My expectation is that through work being done by the hon. member in charge of Intergovernmental and Aboriginal Affairs, we will reconcile those partnerships in a better fashion.

I would be very pleased to and can in fact probably this afternoon table one schedule, but I'd prefer to put it together with a schedule for '96-97 to show any changes in that portfolio. So I will table and circulate to the accounts committee that very unique and very diverse portfolio at our earliest opportunity.

THE CHAIRMAN: It would be advantageous for all of us if you'd do it through the secretary so as to disseminate to all members whatever you care to disseminate.

MS EVANS: Absolutely; I'd be pleased to do that. Thank you.

MR. MELCHIN: Not as my supplemental question, but providing in that information both owned and what we subsidize, so it's not just the portfolio that we own.

As a follow up, then, the Auditor General likewise says on page 177 of his report:

I am pleased to report that the Ministry has determined the costs per unit, and has used this information to set tighter benchmarks for management body budgets.

I wouldn't mind knowing if you do know what is the cost per unit of operating our properties and, if you do have those tighter benchmarks, what those tighter benchmarks are. If I were just going back and looking at even – I don't know that I have the right numbers to do that extrapolation, but it was mentioned there was \$271 million expended in everything from amortization, debt servicing, operating costs, and the like for 24,000 units. That's just under about a thousand dollars per month to operate and manage versus we're subsidizing rents in the neighbourhood of \$500 to \$600 a month versus – I don't know that I have the right numbers to get that analysis, but it does go back to you're looking at your efficiency of operating what we're using. What are our costs per unit? What

are the benchmarks?

That'd be it. Thanks.

MS EVANS: Mr. Chairman, it's my hope that this year – and I'm probably too new to ascertain with any definite strategy – we will be able to in fact accomplish this. I believe it would be very much easier to understand if the Alberta Social Housing Corporation was defined in an entirely separate chapter in terms of the way we record information, because again the staffing in housing and consumer affairs continues to serve that chapter, and it does in fact make it very difficult to read the statements and fairly consider what the administrative costs are when they cannot be recorded within the Social Housing Corporation. So it's our hope that we will be able to redefine that and more properly illustrate what the actual costs of managing each individual unit are. I can assure you that the costs are not as high as they may appear, but they do relate to a number of different integral weavings with the housing portfolio. Bob, do you want to help us with that?

Could we give you some costs at this moment? Do we have time to do this?

THE CHAIRMAN: Whatever you . . .

MS EVANS: Just quickly.

MR. LEITCH: Okay; I'll just give a sampling. We do track the costs on the portfolio by program components within the portfolio very closely. To illustrate, for example, senior's self-contained housing, where seniors pay 30 percent of their income as rent and the various parties participating in the project make up the difference, in some cases those are unilateral projects delivered by the province; in other cases, they're cost shared with the federal government. But on average, the provincial share of the cost for those units across the total portfolio is about \$130 a month. The total cost including CMHC is \$286 a month. For community housing – and there are about 10,000 units of community housing across the province – the similar figures are \$154 for the province, and the total cost including the province, CMHC, and in some cases a municipal contribution is about \$350 a month. So it does vary from program to program.

THE CHAIRMAN: Thank you. That may be part of the information you bring forward in answer to Mr. Melchin's question.

MS EVANS: I'd be pleased to do that.

THE CHAIRMAN: Well, thank you very kindly, Madam Minister. In your first appearance you and your staff have done an admirable job answering the questions put and being very forthright. Aside from the one stray into current policy, you did exceptionally well. I'd like to thank you and welcome you back another time.

MS EVANS: Mr. Chairman, I'd just like to briefly say thank you and thank you too to the staff members, who assure me that our objective will be to continue to try and provide a fair and equitable marketplace, safe homes, and safe communities for our people.

Thank you.

THE CHAIRMAN: Thank you.

A motion to adjourn? Is it agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Carried. We stand adjourned.

[The committee adjourned at 10:01 a.m.]

