

Legislative Assembly of Alberta

Title: **Monday, May 6, 1991**

8:00 p.m.

Date: 91/05/06

head: **Committee of Supply**

[Mr. Jonson in the Chair]

MR. DEPUTY CHAIRMAN: Good evening. Will the committee come to order, please.

head: **Main Estimates 1991-92**

Municipal Affairs

MR. DEPUTY CHAIRMAN: Hon. minister, do you have any opening remarks?

MR. R. SPEAKER: Thank you very much, Mr. Chairman.

SOME HON. MEMBERS: Question. Question.

MR. R. SPEAKER: Mr. Chairman, the question sounds like an excellent idea, and if you wish to take it, if my learned colleagues on the other side of the House would wish to pass the motion at this time, I'd be very open to that. [interjections]

MR. DEPUTY CHAIRMAN: Now that we've had opening remarks, order please.

MR. R. SPEAKER: Seeing that everyone is in a mood to be short tonight, I will be as well.

The millions of dollars that we're looking at here in terms of our participation with the municipalities and the local governments of this province, some \$593,627,650, is a very impressive amount that is allocated for local people to serve local persons in each and every community across this province. What I'd like to do first of all, though, is recognize the people that work within the Department of Municipal Affairs and the very excellent contribution they make in their daily work and in their participation with people in the communities across this province. In the gallery we have the acting deputy minister, Tom Forgrave, and Bob Leitch, assistant deputy in charge of the financial aspects of the Department of Municipal Affairs. I'm pleased that they're here this evening.

A very important aspect of the Department of Municipal Affairs is its participation with local governments. We believe that local governments in this province are entities that should seek self-determination and seek the goals of local residents. The only way that can happen without major government intervention is through an attitude within the Department of Municipal Affairs that we are there in a supportive role rather than in a role where we want to create a dependency in our municipalities. The object is independency. With that in mind, I'd like to talk about the three responsibilities of the Department of Municipal Affairs and my ministry.

The first major one in this portfolio was to deal with the housing aspects, specifically with the Alberta Mortgage and Housing Corporation. I would like to review what happened during that period of time from November of 1989 to December 31, 1990. When taking on that responsibility, there were two very basic questions that were raised: is the Alberta Mortgage and Housing Corporation's purpose to be involved in marketing, land management, loans administration, property rentals, and social housing as their primary objectives, and are each and

every one of those required in today's marketplace? We decided at that time to review that role and clarify the role of government in housing and the role of the Alberta Mortgage and Housing Corporation in land and housing and, as well, improve its fiscal responsibility. As has been reported to this Assembly, we hired a new president, Mary Cameron. The review went on at that point in time after November of 1989 in a very open and consultative manner. We consulted extensively with our clients and the employees of the Alberta Mortgage and Housing Corporation as well. One thing that was key to that review was that no preplanned outcome was established at that point in time. We would work together and decide by December 31, 1990, what the new role would be for housing in this province.

We established some new roles. What were they? First of all, there should be a provision for social housing serving the disabled, those with special needs, seniors, and low-income housing recipients. The functions that no longer served social housing would be divested. What was accomplished then at that point in time when we started to divest our interests in other areas? We sold during that year, 1990, some 14,000 single-family mortgages and 86 special purpose loans to the private-sector lenders. Proceeds of this and individual mortgage payouts returned to the Alberta Heritage Savings Trust Fund some \$750 million. Those dollars are there for new purposes of government, and as well the interest that is earned on the \$750 million can be used to provide funding for our special priorities of Health, Education, and others that are established by government. The land banking agreements with municipalities were resolved as well. The Alberta Mortgage and Housing Corporation debt of some \$3.1 billion in 1989 was reduced to nearly \$2 billion in December of 1990. The Alberta Mortgage and Housing Corporation and Municipal Affairs' social housing programs are now consolidated and working together under the direction of two assistant deputy ministers.

What about the Alberta Mortgage and Housing Corporation? What is its function, and how does it now exist as an entity? It is an inactive financial entity and is only used to hold some of the assets of the Alberta Mortgage and Housing Corporation. It is not an administrative body or an active body in the field of the development of land or any kinds of housing projects.

The question is asked as well: what happened to the employees of the Alberta Mortgage and Housing Corporation? Some 95 employees chose other careers. A number of employees came to the Department of Municipal Affairs housing division, and others moved to a new body that was called Mortgage Properties Inc. Those that left were provided with a severance package. As a minister, I wrote to every person that left the government service, every person that stayed with the government service, and asked them in a very clear and definite way: was there anything that happened during this review that you were unhappy with, anything that you would like to change, any recommendations that you have, and is there anything happening in your life since you left the employment of government? I must say today that to this period of time neither I nor anyone in the department has received one letter from any one of those employees, so I would only conclude that whatever happened, the arrangements were quite satisfactory to them.

8:10

I'm sure one of the other areas that is under observation at the present time is the new entity called Mortgage Properties Inc. What is its purpose, and why did we establish it? Mortgage Properties Inc. was established to carry out the final stages of divestiture of the Alberta Mortgage and Housing market housing

functions. The two major programs in that area are called CHIP and MAP: the core housing incentive program and the modest apartment program. There are 515 of those projects, and it is our intent over the next three to five years, through either payout, recovery, or sale of the projects, to divest those mortgages held by Mortgage Properties Inc. How do we intend to do it? We've put in place a five-man board at the present time, chaired by a former president of Carma Developers. There's a person that formerly was with Nu-West and also a private-sector lawyer along with the deputy minister and the president of the corporation. Those five people have been charged with the responsibility to deal with each and every one of those 515 mortgagors and a long list of individual persons that are involved. We hold personal guarantees with many of them. They are to deal with those persons in a very firm but fair manner, so when this task is completed by that board in three to five years, government will have recovered the major portion of the \$1.3 billion that are involved in those projects.

As I have said in this Legislature, in 1987 the Auditor General made a provision for a loss on those projects of \$322 million. Our direction as government to that board is to recover and minimize that loss as much as possible so that the maximum amount of return is brought back to government and in turn can be used to pay off the debentures to the Heritage Savings Trust Fund. It is my intent to assure the government that that's what we are going to do. We have started to work with some of these projects already. We're in the early stages, and our negotiations are going very well. So our loss at the end of this three- to five-year period we believe will be much less than the projected \$322 million that was set out by the Auditor General in 1987. That is our intent as to how we will handle those projects.

What other types of things would I like to mention this evening? I'd like to talk about the philosophy of the Department of Municipal Affairs in some of the tasks that have faced us during 1990 and the early part of 1991. We have had to work hard to try to bring forward the concept of municipalities working with each other in a very co-operative and co-ordinated spirit. One of the most difficult areas that we find in a province where you have a shifting population and a changing need by a municipality in terms of residential land, industrial development land, or land for other purposes is that question of annexation. We have tried in every possible way to encourage municipalities to talk to one another, to talk about the annexation, to decide what is right for each before the two municipalities move to a stage where they're in an adversary circumstance.

There are two shortcomings to that adversary condition that exist once an application goes before the Local Authorities Board on an annexation question. The two things are very sad. The first one is that the two municipalities place themselves before the Local Authorities Board in an adversary position, and you build an environment, if you want to say, of a bit of hate, a bit of dislike, a bit of discontent. You build in these strong feelings between two municipalities that can last for years. Rather than there being harmony, you have a major lack of that type of harmony. That is one of the shortcomings of the current system as we see it today.

The other item is equally an item of concern; that is, the cost of an annexation application before the Local Authorities Board. There are consultants and lawyers across this province who immediately, in the instance they find two municipalities disagreeing with regards to the annexation, move in to support one of the participants. They want to provide major legal service, major advice, at a very, very high fee. Some of our annexations have cost single municipalities upwards of a million

dollars for a hearing. If the two municipalities would have taken time prior to going to the application stage, the matter could have been resolved by some mature discussion. Instead, the councils of the municipalities have moved to a stage where this major cost has been incurred, certainly a loss of tax dollars by those respective municipalities. We have to think about that, and when we're talking to our local governments, we have to encourage them to think about mature discussion between municipalities before they get to that adversary stage.

Let me just talk about a couple of specific instances. Fort Saskatchewan and the county of Strathcona: there was a major discussion that occurred, but for some reasons we had the Local Authorities Board hearings. Where I'd like to praise the two municipalities is: following the Local Authorities Board report, the decision by government, the two municipalities now are taking time and discussing the issue of participation in the revenue that will come from the industrial development and the lands where the industrial development is located. There is good harmony, and I'm sure there will be very positive results coming from that discussion.

In the Bow corridor for over a year, maybe two years, we've had a very major discussion between Canmore and the municipal district of Bighorn. About a month and a half ago the negotiations for annexation of lands by Canmore was at the stage where an application was going to be placed by Canmore before the Local Authorities Board in an adversary circumstance. The reeve and the mayor and the councillors got together and decided that this was not the route to go, that they were able to settle the matter by good, mature discussion between them, and they've done that. They have arrived today at boundaries in terms of the annexation that are acceptable to both municipalities. We believe now that a short hearing can take place by the Local Authorities Board, which in turn can make a recommendation to government. The environment is mature, and secondly, the savings of dollars in terms of consultants and lawyers and other procedures that can get involved have been escaped. To me, Mr. Chairman, that is the way that annexation should take place in this province, but it needs encouragement. I give credit to the Department of Municipal Affairs and the various officials in encouraging municipalities to co-operate with each other and co-ordinate their activities, rather than move to any adversarial stance.

There are some other examples that I'd like to cite, Mr. Chairman. ID 18 and Fort McMurray are now working out a revenue-sharing agreement. Fort McMurray in the early stages said that the minister should make that decision. I've said very clearly: "No, this is a responsibility between the ID and Fort McMurray that is part of local decision-making. You co-operate and decide what the number is." They're working on that at the present time, and it's my hope that very shortly they'll have a recommendation to me as the minister that I can approve as is. That's what I've said to them: you make the recommendation; I will agree to it. It's local people that have to determine their own futures.

A couple of other examples I would like to highlight. Spruce Grove: an annexation in the county of Parkland has moved very smoothly, the two municipalities agreeing and co-operating. A report is now being prepared of recommendations to government. It has moved very quietly and in a very mature way. The Peace River settlement, whereby ID 22 and a number of towns and villages agreed to revenue share: a very mature way for municipalities to act.

Currently in Edmonton we have the Edmonton and Area Waste Management Committee, which involves the city, four

rural municipalities, and a number of urban municipalities located within those four rural municipalities. They are discussing an area waste management capability so that we can not only reduce the amount of waste that's going into landfill but be able to put in place a waste management system for Edmonton and area that can serve the needs of our people here for a long period of time. That will still take a lot of co-operation. The answers are still not in; the questions are still to be asked. Again, as the Minister of Municipal Affairs I call on all of those municipalities to act in a mature way, because there is an answer out there. There is a need to resolve this waste problem in Edmonton and area. It isn't only Edmonton's concern or problem. It is the region's concern and problem, and it must be resolved by leadership within each one of the municipalities that are involved.

8:20

The other area that I'd like to mention is the Municipal Statutes Review Committee, which completed their first recommendation in terms of the Municipal Government Act. I tabled earlier in this session their report, A Municipal Government Act for the 21st Century. It is my intent, the government's intent to introduce this after discussion with all of the people in the province, all of the respective municipalities and anyone else who's interested, in the spring Legislature of 1992.

In reading and studying this piece of proposed legislation, we have to think differently than we do historically with regards to municipal legislation. This legislation envelopes the philosophy, it says to municipalities: this is what you can do, and as a municipality you must then take that responsibility and enact it in the best possible way for your citizens. It places a greater responsibility on local government than the old Act. The current Act that we use in this province, in most of its clauses and sections, tells the municipalities what they can't do and sets their limits of responsibility in that way. This is sort of a flip-flop of that concept in that it says: this is what you can do; now go out there and do it in the most responsible way for your citizens. I certainly appreciate the work that was done by my two colleagues the hon. Member for Rocky Mountain House and the hon. Member for Dunvegan in the preparation of that report.

Two other items I'd like to mention this evening. One is the senior citizens' programs in the budget of Municipal Affairs, and for the last item, I'd like to just highlight some of the items in the Municipal Affairs budget.

Publicly it has been said that there have been cuts in two major programs for seniors in the Department of Municipal Affairs, and the two programs that are referred to are the senior citizens' renter assistance program and the property tax reduction program. I want to make it very clear to the Legislature this evening: there are no cuts; there are no reductions; there are no changes to the benefits of either one of those programs. For a number of years senior citizens in this province have received renter benefits whereby those that live in private accommodation receive a hundred dollars a month for \$1,200, or those that live in subsidized accommodation receive \$600 in a cheque once a year. Those benefits still continue in the 1991-92 budget, and there has been no decision or consideration to change that at all. Anybody that even enters that thought is certainly not reading the budget correctly. In terms of the property tax reduction program that provides up to a thousand dollars in benefits to our seniors across this province on a universal basis – that is, to any senior citizen that owns property – the benefits are the same, and there are no reductions. I don't know how much clearer to say that.

Why then do the numbers show that there are fewer dollars in each one of those votes? If you look back at the 1990-91 budget, we budgeted during that year an amount of \$72,720,000. We found at the end of the year, in March of 1991, that we overestimated that amount, and our projected expenditure in 1990-91 will be \$70,200,000, a significant reduction. Why did that happen? We found that the number of senior citizens that we projected for the budget of 1990-91, 113,600, didn't turn out to be that number. The number was 106,042, significantly fewer. So based on that, we reduced the budget, and that's the only reason. We found there were fewer senior citizens that would be the recipients of these two major programs.

As well I'd like to highlight one or two of the other programs for senior citizens. The seniors' home improvement program, which includes the older program called SHIP-Ex, benefits have increased from 1990-91 to 1991-92 from \$1.9 million to \$2.1 million. The seniors' independent living program, which is grants and interest to seniors, has increased from \$30 million in 1990-91 to \$34,800,000. The seniors' emergency medic alert program changed from \$3 million down to \$1.4 million. What we found was that fewer seniors took up the program than we had projected in its first year of operation. So we believe this \$1.4 million is closer to the actual amount of uptake on that program. So it isn't a reduction. It's just that we were able to establish in a more accurate way the number of seniors that would be taking advantage of these very important programs for those people in this province.

Just to highlight a couple of other items in the Municipal Affairs budget, Mr. Chairman. I want to highlight again the 2.5 percent increase in total unconditional grants to the municipalities under the Alberta partnership transfer program, \$107 million increased to \$110 million. The AMPLE program, the Alberta municipal partnership in local employment program, will continue at the amount of \$61 million, and that will continue through to 1996-97. Out of the \$500 million that the government committed under that program we have now expended \$215 million, so we have a remaining \$285 million to meet with regards to that commitment. It's the government's intention to certainly do that.

We are providing in this budget a further million dollars to the town of Banff, on top of the \$5.5 million that's already been provided. It's a very successful new town. They are actively working as a council, and we feel local autonomy has certainly created a good spirit within that new town in Alberta. As I said earlier in this Assembly at one other point, Banff is the first new town in a national park, and that is certainly a first here in Canada.

We've added 2.5 percent as an increase to the Alberta Planning Fund. As well, there's an increase in grants to municipalities to offset up to 25 percent of the cost of general assessments. When the municipalities are performing their new assessments, we certainly want to encourage that responsibility of the municipalities as much as possible. We find that more current assessments lead to better equity and, as well, a better revenue source for the municipalities.

One other item that I'd like to mention is the lodge regeneration dollars. We're in the second year of the lodge regeneration program. Last year there was \$5 million allotted to this program; this year, \$15.3 million. The lodges that will be regenerated during the current fiscal year will be Cardston at \$3 million, Camrose at \$2.4 million, Medicine Hat, phase 2, \$2.4 million, Westlock \$2.1 million, Sylvan Lake \$1.9 million, Sherwood Park \$1.8 million, and Strathmore \$1.7 million, for a total of \$15.3 million.

8:30

So those, Mr. Chairman, are some of the highlights of the Department of Municipal Affairs. I just want to thank my colleagues in this Legislature on both side of the House for their co-operation and their support during the last fiscal year. Certainly the role of Municipal Affairs will be to try and serve the best we can. I think that's our public responsibility.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. I'm pleased to rise this evening to speak to the estimates of Municipal Affairs and housing. Before I do that, I'd like to express my appreciation to the minister for this very thoughtful opportunity. Last Monday when these estimates were to be held, I had another commitment and couldn't be here. The minister went to long lengths to accommodate me that day, and I certainly appreciate that, Mr. Minister.

I also want to acknowledge the staff. Any opportunity that I've had to call the department, I've always found them very helpful, and I certainly do appreciate that from them. I didn't hear any mention of Mr. Grover this evening. He is a stalwart; it seems like he's always been at the department. He is certainly someone that I look forward to and look up to in that department.

While I'm at it, I do also want to express appreciation to the minister for the obvious attitude that he takes in handling his department. I think he alluded to it in his discussions this evening when he talked about the annexation problems that have existed in the past and the kind of philosophy that his department has now adopted in terms of having communication and discussion before any serious debate takes place. As a result, in the long term it's probably much more effective and efficient for municipalities. I think that's obviously a standard that this minister has established, and I'm glad to see that he's using it with his own department.

The same can also be said when it comes to waste management discussions in the city of Edmonton. I recall that when I was on that council, and we were dealing with that problem at that time as well, I felt there needed to be some leadership from the provincial government in an effort to accommodate the city of Edmonton and the municipalities in the surrounding areas to come to some kind of agreement and conclusion on a problem that's going to affect all of them. As the minister has indicated tonight, if that's happening – and it appears as if it might well be – then again I think it's a feather in the minister's hat for initiating that kind of process.

Now, the minister did talk about the kind of philosophy that this government has and has had over the years about granting the local governments autonomy, independence, and a sort of partnership with the province. I've heard this minister and other cabinet ministers say that that seems to be the approach of this government. While I'm sure that perhaps it is, I don't think it is in fact functioning at the kind of levels that we are given to believe it is. I think you can only talk to some councillors and managers of municipalities when they try to balance their budgets. In fact, they do feel that there are certain restraints imposed on them by government in their efforts to operate in a truly independent and autonomous way. I said during the debate on second reading of Bill 13 that there cannot be independence, autonomy, and partnership if there isn't financial

autonomy. I believe that this is probably where the most serious deficiency lies in the municipalities having this autonomy.

The minister did allude to the fact that local government structure and operations have changed over the years and are continuing to change. Local governments are now playing a larger role, and certainly there's an increasingly significant role in providing services to ensure better quality of life for individuals within the jurisdictions. Demands on local officials to resolve local social and economic problems is on the increase. The many members here who have served on local councils know that local aldermen and councillors at the grass-roots level really are perhaps more easily accessible than other levels of government. I've no doubt in my mind that they know more about the needs of a particular locality.

Municipal governments have, in fact, become large corporations. The larger centres in particular are becoming even larger. The exodus from rural Alberta into the urban centres is, I daresay, thanks in some degree to government's policy of depopularizing rural Alberta. In fact, municipalities in this province control well over 50 percent of the total dollars as compared to the provincial government. The increase in population is placing severe pressure on local governments. Therefore, they face problems in financing in that they can't keep up with the financial demands of the services that they require. So they have to resort to another form of raising revenue; that is, of course, a regressive tax known primarily as the property tax.

Now, this becomes a real problem as municipalities continue to increase their property tax. It creates a kind of vicious circle for them whereby economic developers and potential taxpayers generally will leave a municipality and perhaps go next door or somewhere else so they can avoid paying higher taxes. Of course, this continually makes more and more problems for municipalities. Now, of course, the municipalities do receive transfer payments from the province, and no doubt this is necessary for the valuable operation of municipalities. Municipal councils face difficulties because in most cases grants are conditional. That prevents them from making long-term planning decisions and making decisions that are for local needs and for local fairness. The government has in fact in recent years moved more towards nonconditional grants. I wish to mention the AMPLE program and the Alberta planning program. Both of those have certainly been valuable and, I think, necessary for the government.

However, if municipalities had access to a wider source of funding or at least a portion of some of these funds, things like income tax, the gasoline tax, or even perhaps cigarette tax, it would put municipal governments in a place of autonomy, independence, and a true partnership in working together with the province. Of course, what I'm speaking of, Mr. Chairman, is the need for this government to give serious consideration to implementing some form of revenue sharing, an agreement between the provinces and the municipalities. Revenue sharing would fully recognize municipalities as partners in the economic development of our province and would allow local governments to cope with local social and economic needs. The mechanisms for implementation of revenue sharing are available. There are a variety of sources. Many provinces in Canada now have some form of revenue sharing with municipalities, and I believe it only takes the will to act to establish this form of revenue sharing.

Mr. Chairman, I'd now like to move to the area of housing, as I think this is where the minister spent a great deal of his presentation this evening. I think it's certainly an important

component of his portfolio in the department, and I'd like to speak to it as well. Now, the minister has spoken to the seniors rent assistance and to the property owners tax rebate. I was going to ask some questions, but I think he has responded to them already to some degree. I think those are good programs and programs that we must of course maintain, as the minister has indicated that he will. It seems like the seniors renters assistance program served some 51,700 seniors last year, and I do believe that it's a good program.

8:40

What concerns me, however, Mr. Chairman, is the document that we presumably leaked in the Legislature several weeks ago, and it talks about senior citizens income testing options. I note that in this particular briefing paper there are discussions about either income testing this program, as some of the other Municipal Affairs programs currently are, or fixing grant levels at set amounts. This would end the universality of the program. The document says that the department would save some \$24.7 million; that is, half of this year's budget. Perhaps the minister may want to speak to that in his closing remarks.

I then would like to move on to vote 7 in the supplementary book. This deals with housing registries. Of course, the minister also spoke about this. There is an increase in the funding of this particular vote by some 62 percent, \$193,000, which I believe is certainly a very good move and one which the registries have been requesting for some time. The registry is operated by the Society for the Retired and Semi-Retired here in Edmonton and is able to grant to seniors a great deal of support in finding appropriate housing, arrangements such as home sharing, and can end up saving dollars that would otherwise be spent on subsidized units. Other registries operated for people with disabilities, native people, and the hard-to-house are of equal benefit. The only two housing registries for people with disabilities are here in Edmonton and in Calgary. Now, information about affordable, accessible housing is needed across this province, I might suggest, and in fact I had hoped that the minister would take some action in providing a provincewide registry in this budget.

Vote 7.4.3, Home Adaptation Program. It of course used to be called handicapped housing grants. This program was enhanced in January of 1990 and was formerly only for wheelchair users. Now there's \$5,000 for wheelchair adaptation or expectancy of mobile impairment. Grants are available to landlords for accessible accommodation if rented to eligible tenants for three years. I understand that this program is also income tested. This budget was cut by some 18 percent. Again, why is this happening when the Premiers' Council on the Status of Persons with Disabilities report highlighted greater need of more accessible housing for the disabled? This program is better than its predecessor, but it's still not flexible enough to meet the needs of people with a wide range of disabilities. Why should the expectation of being confined to a wheelchair be the only qualification?

In vote 7.4.4, the unique home program provides funds for homes which are between the lodge and nursing home in terms of level of care. I'm glad to see that the funding is up a bit here, because for a couple of years these homes were getting less than they had applied for. Funds are provided to 10 homes for 458 beds, and again I think this is a good program and needs to be continued.

The Seniors' Independent Living Program, 7.4.5: here's a kind of interesting situation because election promises promised a minimum of \$1,000 or up to \$4,000 for home modification,

minor repairs, or medic alerts. Now, income testing could be tied to former participants of the seniors' home improvement program. January 1990 to December '93 was the duration of this program. The budget is up this year to some \$4.8 million, but it may well not be adequate. The cabinet document that I alluded to earlier projected 31,370 participants at a cost of \$37.9 million last year. The budget was only \$30 million last year, and this year the budget is \$34.8 million. We need to know if this is a realistic number. How many people did this program serve last year? Are there no figures in the annual report for even the first three months of this program?

The medic alert program. Again, prior to the election in 1989 units were provided by The Good Samaritan Society at \$23 for installation and \$25 per month. This was funded from the Lottery Fund through the Wild Rose Foundation to six nonprofit groups to purchase them, and then groups provided them free. What happened is that there was an election promise then made in '89. It would cost up to \$700 to purchase and install units. They became income tested. Profit-making companies were awarded after the election some \$595 to purchase this equipment and still continue to charge an additional monthly fee of \$25. That might well explain why there has been a decrease in the demand for this service.

Election promises also gave grants of some \$20,000 to agencies to expand networks. They did so but also approved a number of private companies to be distributors. I think this is a concern. We had nonprofit groups doing very well, doing a good job in distribution and selection of this material, and then it was turned over to the private sector at this extreme cost to the province.

Now, the budget is down in this particular vote by some 53 percent, and I'd ask the question: why? In the first three months of this program 379 units were provided. The units have proved very popular, and nonprofit agencies are worried that the government might be cutting back on its commitment to this program, which has helped seniors stay in their homes.

Vote 7.4.7, Rural and Native Mortgage Program. This program, Mr. Chairman, is shared by the federal government. Homeowners and rental families are subsidized and pay some 20 percent of their income towards the rent or a mortgage. In '88-89 it helped 223 families with a budget of some \$3.2 million. In '89-90 this program helped only 170 families with a budget of \$4.7 million. In '90-91 there were the same dollars. This year the budget is down some 45 percent, or \$2 million. Also, what exactly is the present relationship between this program and the rural and native housing program formerly administered by Alberta Mortgage and Housing Corporation? Some units that went to AMHC were part of housing. Are they back now in housing? How many owned and rented units are available under this program and in which regions of the province?

Vote 7.4.8, Rural Home Assistance Program, provides grants for house building material in isolated communities and Metis settlements. It's up this year by some 31 percent, by half a million dollars, and I'm certainly glad to see the increase because the budget is way below the need. There were only 40 homes provided, 23 home repairs, and 220 families were provided with water services. During the children's task force that our party undertook last summer, we heard from a number of families in isolated communities who have a child with a disability who did not have adequate housing. Although there is a special medical disability program, it only served 38 families in '89-90.

What has happened to the rural emergency home program? Which element does it fall under, and what is the dollar commitment to emergency mobile homes this year?

8:50

In vote 7.4.9, the Alberta Family First-Home Program, no new program applications have been taken, of course, since 1990 since this program was discontinued. The question here, Mr. Chairman, and I've raised this on a number of occasions in the Legislature, as have other members: why could not this amount of money also be made available to renters? Renters are certainly 50 percent of the population of our province, and it seems to me that these people require an adequate and improving supply of housing. At least certainly there should be some provisions made for rent tax credits, as we had at one time, because not only homeowners but I think tenants are part of our society and should have provisions as the first-home program provided for first-home buyers.

Vote 7.4.10, Seniors' Home Improvement Program, is addressed under the independent living. Again I think the minister addressed this in his comments earlier.

Vote 8 is the Alberta Mortgage and Housing Corporation. Mr. Chairman, it's difficult to compare the last year except on the number of new units being provided under each of the programs. According to the 1990 forecast, there should have been some 3,190 units provided. This year there were only 1,735 budgeted for, a drop of some 1,384 units. Is this the price which low-income families are paying for the years of mismanagement at the Alberta Mortgage and Housing Corporation?

Seniors' lodges are also targeted in this cabinet document, and although the government and the minister seem to deny that there has been any decrease of services to the seniors, the discussion document that I addressed earlier does in fact say that in this particular area of seniors' lodges, income testing and increased costs to seniors are inevitable and will occur. Seniors' self-contained units, of course, are already income tested. Disposition of Assets is now being operated by the MPC, as the minister has indicated, and it's been allotted this year some \$5.2 million.

Now, Mr. Chairman, I also want to make a comment on the article that was in the paper this morning about the provision of housing for the inner cities of Edmonton and Calgary. There are comments being made in this article that suggest that the funding that is projected to be allocated to these two cities is certainly insufficient. When a study was done by Municipal Affairs, the community housing groups identified at that time that there was a need for some 800 units for the homeless in the city of Edmonton alone: 2,200 people are living in overcrowded or poor quality housing; 7,000 households spend more than 30 percent of their income on shelter. I would like to remind the minister that the mayor of Edmonton has offered to look at a partnership. Here's an opportunity for the government to do so, to look at a partnership with the city in the area of land prices in order to provide more housing. I wonder whether the minister in fact is prepared to take her up on that particular offer.

I'd like to also make additional comments regarding the housing needs of people with disabilities. Again, the Premier's council report mentions a number of areas of concern with housing which have not been addressed by this minister's department as yet. The Building Code is not focused on the needs of people with disabilities other than physical. There are a variety of disabilities that people have that require special needs when it comes to shelter, and I would think we haven't really expended our thoughts and efforts to accommodate that group of people.

The number of accessible units in public housing is usually set at 5 percent, and that is not adequate to meet the needs. Also,

often public housing is far away from essential services. It's not really proper to agree to provide public housing and then isolate people somewhere in the community where they have no access to the kind of people that they want to stay with or visit. As a result, sometimes these facilities are not used properly and certainly the people that live in them are isolated in the community and they form ghettos that I think aren't good for the community or for the citizens themselves.

I would suggest that rent supplements should be portable with the person and not attached to the housing unit. Again, I think this is something we have talked about on a number of occasions. I think the individual who has the disability should have the supplement attached to him so that whenever they need to move, this will be done for them.

Another requirement is that short-term and emergency housing needs to be accessible. There is insufficient accessible housing for short-term needs, for individuals who only need an accessible disability facility for a short period of time. These are not available inasmuch as the terms quite often are for longer periods of time, up to three years.

There are a number of areas. While I agree that the minister is doing a good job with the department - I think he has demonstrated since his appointment to that portfolio the good work that he's doing in the department - I hope we have been able to identify some of the deficiencies I think still exist in the department. I hope that you will consider those, because I think in the long term the poor, the disabled are our responsibilities in society, and I think we have an obligation as government to make accommodations, make their quality of life a measure better than they had the day previous.

With those comments, Mr. Chairman, I would like to close my comments.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Chairman. I want to start by making a couple of comments. First of all, let me extend my appreciation for the staff not only within the minister's office that I've had to deal with at times but also the staff within the other divisions that fall under the responsibility of the minister such as Mary Cameron and her people in Alberta Mortgage and Housing. Archie Grover has been mentioned, Tom Forgrave, and so on and so forth.

One of the things that I find when we deal with the Minister of Municipal Affairs is that he has a very good perception about him, and for those of us in opposition it makes our job a bit more difficult in the sense that sometimes question period is a fishing expedition. I find when you go fishing with the Minister of Municipal Affairs and you hope to maybe hook a shark, you normally come home with a minnow or you come home empty-handed, because the minister does make an effort to respond in a sincere manner to those questions that are raised by opposition. Part of that, Mr. Chairman, is probably the fact that he had the great privilege or opportunity of having been part of opposition at one time, and you get a whole different flavour. I would suggest it would be to everyone's benefit over there to be opposition somewhere along the road. You get a whole new meaning of what the Legislative Assembly process is all about. If there's anything we can do to help you achieve that objective, we're willing to help out.

9:00

When we talk in terms of Municipal Affairs, I like to use a description that we have to broaden the vision that is Municipal

Affairs. I can look within this Legislative Assembly and see my colleague from Edmonton-Beverly, my colleagues from Edmonton-Glengarry, from Edmonton-Gold Bar, from St. Albert, from Red Deer-North, and on and on. There are so many members within this House that have had the experience of being part of municipal government, and in that process of being part of municipal government, I think we would all agree on one thing: there is no level of government that is closer to the people, that is in more direct contact with the people. Oh, I failed to mention the hon. Minister of the Environment, who, of course, was mayor of the city of Calgary. There's no level of government where you feel more satisfaction when you reach the end of a day, the end of the week, the end of the month, the end of the year, the end of the term, whatever, and you reflect back on: what was I able to achieve? As an individual councillor one is able to achieve a great deal. That's really, really important.

One of the things that used to bother me when I was a member of the Edmonton city council was when people referred to the provincial government or to the federal government as "those senior levels of government." I don't believe there is any such thing as a senior level of government. Whether one is part of the municipal government, provincial government, the school board, federal government, one is elected to represent the interests of people, of the electorate in certain areas. From that point of view all elected representatives are equal and that term "senior level of government" should not even be used. I recognize that the municipalities are a creature of provincial government. They're at times treated too much like a baby brother or a baby sister of the provincial government, and that I find being incorrect. I think they have to be acknowledged for the maturity they have, for their ability to make wise decisions, on many occasions much wiser decisions than this body can make. Again, going back to the fact that they're that much closer to the people in their area that they're in contact with on a day-to-day basis, they know exactly what's required. They know how often the garbage has to be picked up, where the potholes have to be done, and that type of thing. That makes them extremely important.

In terms of an expanded vision for municipal government, I'm one of those that goes to the point that I feel that when we talk of a new Constitution – and this argument goes back to the early 1980s when I attended conventions for the federation of Canadian mayors and municipalities and the Alberta Urban Municipalities Association – municipalities, like the provincial governments, like the federal government, should be part of the Constitution. In other words, they should have constitutional rights that give them powers within certain areas so that they're not responsible to the provincial government but given powers by the Constitution. They are mature; they are capable of handling those particular responsibilities. I see an expanded vision of Municipal Affairs including, more so, a partnership. I respect the minister for working with the municipalities, consulting with them: his massive communication, his questionnaire he did with all the elected representatives throughout Alberta shortly after the election. It took a lot of effort on our part to try and keep up with him and get some feedback independently, on our own. That's all important as being part of a partnership.

I think within that partnership, within that expanded vision there has to be a degree of trust, a degree of commitment, a degree of faith that isn't always there. We've seen many instances in the last year, the last two years, not always within the responsibility of this minister but other divisions as well,

where commitments have been broken: the transportation granting commitment, the CRC, the preventive social services, almost the grants in lieu of taxes one year. Commitments were made to the municipalities that they banked on, that they take into consideration when they do their budgeting. To have shifts like that makes it extremely difficult. In fact, I've advocated and I'll continue to advocate that there should be a three-year or a five-year plan for municipalities, like a framework, so that municipalities know that that is a basic guideline they can expect, that they're going to have grants that will, at the very minimum, let's say, match the indexing. From that point of view, then, they're able to plan much, much better than they are at the present time.

When I get down to some specifics here, I can look, for example, at the question of the grants given this past year and the year before. When we look at the increases, when we take into consideration the cost of living in that same two-year period, the municipalities have lost 7 percent in real spending power, a little over 7 percent as a matter of fact. That is significant because those municipalities are then forced to go to their property tax payers and take a look at ways of raising additional revenue such as property taxes, user fees, and so on. So that becomes extremely important.

When we talk in terms of a vision or some type of commitment, I think it's just about time that this government again went through the exercise of a very, very comprehensive review of the whole aspect of revenues: the rights of municipalities to obtain revenues, as to how they can do it, as to what type of revenue sharing there would be. I'm sure the minister will recall a number of years ago when there was a major study done and there were a number of options that were given out. It was argued at that time, and it's still worthy of consideration, that maybe property taxes should be a thing of the past; maybe revenues for municipalities should be gained by revenue sharing on an income tax formula. The advantage, of course, of income tax versus property tax, at least from a residential point of view, is that those with money normally pay a higher proportion than those with a lower income. Periodically it's good to kind of reflect, look at what's being done, look at ways of addressing it or improving it, and sometimes possibly getting fairly radical with any type of reform that may be required. So I'd like the minister in his response, first of all, to address the question of the grants falling behind the cost of living.

Secondly, another area in provincial legislation that gives municipalities the right to impose penalties and interest for taxes not paid on time has been pointed out to me. There are variances, because the legislation allows it. In other words, you have some situations where municipalities will have a penalty and on top of that penalty will have an interest rate. I guess it's sort of like income tax: as long as you file by the end of April, you're not charged a penalty, but if you don't file by the end of April, you're charged a penalty, plus you're charged interest on top of that. I realize that that's almost a contradiction to what I said earlier about municipalities being mature and being able to conduct their own affairs. The point I'm trying to make: there is a need for not only municipalities but provincial governments to have uniform regulations that apply equally. This is an instance where I think some municipalities conduct their system of penalties and interest differently than other, and maybe it should be spelled out a bit more clearly within legislation as to what the limitations are on the property tax payer when it comes to filing property taxes late.

The other situation that has occurred very recently that I'd like the minister to address – I've spoken with someone in his

office on it – is the questions that are now being raised in the municipality of Brazeau. I understand there is an investigation being done – or a review being done; possibly that's a better expression to use. My understanding is that those who have signed the petition, who have requested certain actions or a review aren't part of the process in drafting up the parameters of that review, which I believe they should.

9:10

Secondly, I believe they should be given the opportunity of making a presentation during that whole process, so from their point of view they can spell out what they feel has not been proper, or whatever they object to. I'm not that familiar with the exact specifics of the grievances of those that have signed the petition; I'm sure the minister would be more aware of it than I would. I'm just talking in terms of generalities, talking in terms of allowing those people the opportunity of participating in the parameters of the review and being able to feed into the actual review itself. So I'd like the minister specifically to respond to that one if he could tonight, because I did promise to get back to somebody on that matter.

Now the question of decentralization, which can affect a number of the departments but probably affects Municipal Affairs more so than other departments from the point of view of the perception of decentralization and the impact on municipalities. I've mentioned in the House a number of times and I'll continue to mention that there is a need, and I would hope that the minister would encourage his colleagues to undertake, if it's not being done at the present time, a comprehensive cost analysis on relocation . . .

MR. DEPUTY CHAIRMAN: Order in the committee please.

MR. WICKMAN: . . . the impact from an economical point of view, from the point of view of efficiencies, and from the point of view of the impact on families, life-styles, and such. When we saw the new government in Ontario, immediately one of the first things they did was relocate 600 employees in the department of vital statistics from Toronto to Thunder Bay, Ontario. That kind of stuff, I believe, is wrong when it's done strictly for political purposes like the situation is in Ontario right now. We see that situation happening in Saskatchewan, and I'm afraid we're starting to see that situation happen in Alberta. That really, really saddens me, because there are families there where both partners or both people in that particular relationship are gainfully employed. It's an extreme hardship, and at times we've got to be more sensitive to those types of hardships.

We were talking in terms of trying to juice up municipalities in the rural areas. Like, I had the opportunity to visit Delburne not too long ago. The member from Delburne isn't here tonight. I'm sorry; I shouldn't mention that. But the member from Delburne was at the trade fair I attended. What they were doing down there from a municipal point of view I thought was great. A small little community, all types of little businesses: they were as independent as possible, and they were very, very productive. I now see the minister responsible for that area. Those are the types of local initiatives that have to be taken in rural Alberta. You don't take 52 families from Winnipeg and plant them in Stettler and call that revitalization of rural Alberta. It's not compatible.

First, we have to follow what the recommendations were in the study the minister had done that talk in terms of regional councils, local initiatives. That's where this government can be of assistance. Provide them that encouragement, provide them

some incentives, whether it's municipal bonds, whatever: something so they can develop new industries within those areas that are compatible with particular regions, possibly focusing on environmental, recycling concerns. This decentralization frightens me because it's not thought out and it causes extreme hardships. I'm one member that feels the only consideration is for political gain into rural Alberta, and I think that's very, very unfortunate.

Conflict of interest. There is a major task force, of course, and pieces of legislation forthcoming to deal with this. Again, when we talk in terms of conflict of interest and proper behaviour of members at any level of government, I think there has to be uniform legislation that lays down exactly what is improper, what is not proper, and then there's an onus on elected representatives to conduct themselves in a . . .

MR. DEPUTY CHAIRMAN: Order, hon. member. Order please. I'd ask the committee to please come to order. There are a number of people that have been up for some time and the noise level's getting up, so let's be fair to the speaker, please.

Please proceed.

MR. WICKMAN: There's a responsibility on individuals to behave in a fashion that reflects on elected representatives positively. When that doesn't occur, then there has to be in that mechanism that those persons have to be removed, and sometimes it's got to be spelled out in legislation that applies to municipalities, that applies to provincial government as well. For example, I raised the point about the county of Strathcona doing what I feel is extremely improper, and the minister didn't satisfy me in his response on that one. Normally he has some words of wisdom; that particular day he didn't. I think it's wrong when one level of government takes \$1,200 to support a political party at some other level of government. It's wrong. I don't care if it's the Liberal Party, the Conservative Party, or – so help me, God – the New Democratic Party, it's still not right. So I think that has to be addressed in legislation.

The question of the centralized assessment. The minister responded to that previously, and he satisfied me that at least from the point of view of rural Alberta he is going to continue to seek their participation. However, I've recently been getting feedback that maybe Edmonton and Calgary may want to go with centralized assessment just as two major cities, and possibly that is a solution. In other words, instead of having it imposed on all municipalities, which the minister has assured us he will not do, allow the two cities, if they want to, to opt in. I have some reason to believe that they want to opt in. I'm not a hundred percent sure, but that's something that could be looked at, and maybe the minister is looking at that at the present time.

That document that was released fairly recently dealing with the statutes review committee – there's a number of things that are addressed in there, and the minister could answer this question. Some of those recommendations will lead to the requirement for amendments to pieces of provincial legislation: the Municipal Government Act, the Municipal Taxation Act, the municipal Planning Act. Does the minister intend to introduce a series of amendments to various pieces of provincial legislation? In other words, is the municipal Planning Act currently under review?

Another area that I thought that task force didn't really address that should be addressed is the question of parameters that municipalities are allowed to . . . Well, they've addressed it to a degree from the municipalities' point of view: where they can collect their money or how they can raise dollars and

that type of thing; the fact that they can't budget on a deficit basis. At times I wonder why that same philosophy doesn't apply to this particular government or other provincial governments or the federal government, because if deficit financing, deficit budgeting wasn't allowed, there certainly would be a lot of troubles avoided federally in this province of Alberta. Now we see what's happening in Ontario where we have a government with – what? – \$9.8 billion in their first year. If we had that legislation, that wouldn't allow that type of thing. It is there for municipalities. That's what keeps municipalities so honest, so responsive to the people, because when they provide the services, they've got to come up with the dollars. There's no question of saying: "Well, we'll give them this. We'll give them what they want and worry about the financing of it later on."

[Mr. Moore in the Chair]

The question of seniors' housing. We supplied some information to the minister, and it appears that in all likelihood there are some foundations or nonprofit organizations that have tried to relocate seniors from two-bedroom into one-bedroom. There isn't any concrete or solid evidence that there's any directive from Alberta mortgage to do that, although there might be some encouragement there. I'm not sure; that's been a tough one to get a handle on. I'm comfortable that the minister is addressing that.

I'd also like the minister to keep an eye on changes that will affect housing, even though it's not in his area. It falls within the area of consumer affairs, and that's the Landlord and Tenant Act, which recognizes that renters are a bit more solid than they have been viewed in the past. I don't want to dwell on that. That's in a different area.

9:20

When we look at the housing aspect, the minister has made some dramatic shifts in his philosophy, shifts that we in this particular caucus agree with. I don't believe government should be doing what the private sector is very, very capable of doing. I believe the government's role when it comes to housing is basically what the minister is doing: encouraging the private sector to stimulate development when that development is required, relying on community groups to develop housing for the disadvantaged but giving them those incentives again, focusing attention, like the minister announced today at the press conferences in Edmonton and in Calgary, on those that are disadvantaged, the less fortunate within our society. Others can look after themselves. That's why I really, really question the philosophy behind the interest shielding that was announced during the last election. I know, Mr. Chairman, that there are many members on that side that share that same philosophy with me: that the program was wrong at the time. I'm glad that program is now gone, and I hope we don't have that type of interference with the marketplace again in the future.

I question even the need to continue the \$4,000 first-time homeowner program. There is such an influence by the marketplace – they can see rates, the demand for housing, the law of supply and demand – that that \$4,000 becomes very insignificant in terms of the real factors: the interest rates. We've seen what's happened in the last month in Edmonton. Houses have gone up roughly \$5,000 in the last month due to falling interest rates, the interest rates sort of leveling off or bottoming out; there's maybe another half a point to go, and then that's it. The public realize that. They start buying houses, so the prices go up. That \$4,000 to the individual is not that big

a factor. I see other priorities, let's put it that way, that are more important.

Off-loading to municipalities happens at the provincial level and at the federal level, where more and more the federal government likes to pass the buck, off-load to the provincial government, and the provincial government turns around and off-loads to the municipalities. The end result: whether we're taking it from property taxes, provincial income tax, or federal income tax, it's all coming out of the same pocket. So trying to pass the buck or off-load from one level of government to another isn't really resolving any problems. The hurt really is at the municipal level because they don't have anybody they can off-load onto other than the taxpayer.

The community facility enhancement program: I've spoken on that a number of times. It appears from the stats we've done that there have been some major corrections in the distribution of dollars. We'll have something more solid on that in the next couple of days, but it appears that it's taken a much better direction. Again it's a situation of weighing priorities, but I still maintain that if we ever had to go through that exercise again I would urge the minister to urge his colleagues to prorate money on a per capita basis and let the municipality decide which groups are the most deserving of those types of dollars, sort of like the CRC or major cultural/recreational dollars.

Corporate pooling falls under Education, but there is some impact within the department of municipalities. I'm sure the minister is keeping tabs on what's happening in corporate pooling and he's getting some feedback.

I'm sure he's keeping tabs on what's happening right now within the Supreme Court of Canada when it comes to the electoral boundaries – the ruling, the challenge, the appeal pertaining to the province of Saskatchewan – because that's going to impact dramatically on municipalities throughout Alberta and the degree of representation to those particular municipalities.

When we start to look a bit at the budget, we see a number of areas that are down that I'm going to get into specifically, but just a couple more things before I get into those types of things.

On the question of plebiscites I'm going to refer specifically to the county of Sturgeon, because it's one that's dealing with this question at the present time. It was always my understanding that the provincial legislation states very, very clearly that when a given percentage – I believe it's 3 percent or 5 percent of the population – sign a petition, that municipality is forced to put that question in the form of a bylaw within 30 days and put it to the electorate. That's my understanding, provided it's a legal petition, worded properly, checked by the Clerk, and all that type of thing. But somehow the county of Sturgeon has not had to follow that procedure. That pertains to a redistricting that I'm sure the minister is aware of, and he might have some insight there: a statutes review.

The Member for Edmonton-Beverly mentioned the home adaptation program, an extremely good program, a program I would encourage the minister to give the same priority to as he has in the past because it's very, very beneficial in providing some assistance to those people that need assistance over and above the normal needs of, let's say, a normal household or a normal unit.

Now, when I look at some of the figures in the budget – I look at the major changes. Just as an overview, Housing and Mortgage Assistance for Albertans is down 27.8 percent. That's vote 8. I'll come to that later on. Vote 8.3, Disposition of Assets: okay, let me pass that one up.

Vote 1. When we look at Departmental Support Services, we see a 10.4 percent decrease in Finance and Administrative Services. Obviously there's a reason for that. When I look at the total budget being down 10.8 percent, when we look at the impact on jobs, we calculate the equivalent of 151 man-years' or people-years' – whatever – work that is being lost here, again a significant reduction in the work force, which can create some hardships.

One of the areas the minister referred to, vote 3.2, Senior Citizen Renters Assistance, and Property Owner Tax Rebate. I'm not convinced this is the appropriate time to start expanding programs because there has been some expansion of programs in areas that affect persons with disabilities, but I've had, actually, a surprising number of calls from persons with disabilities who own their own homes. They point to the program in B.C. where the seniors get a tax break like they do here in Alberta except that in B.C. a person with a disability fits into the same category as a senior and gets that same benefit. The argument that's made to me is that some of those persons with disabilities are living or existing on the assured income for the severely handicapped.

MR. ACTING DEPUTY CHAIRMAN: Hon. member, I'm afraid you've run out of time.

MR. WICKMAN: On that note, I was going to conclude. Thank you.

MR. ACTING DEPUTY CHAIRMAN: The Member for St. Paul.

MR. DROBOT: Thank you, Mr. Chairman. They say that it's a parliamentary tradition and generally considerate to congratulate the minister for the work he is doing and to express sentiments of appreciation for the information he has provided in estimates. It's very easy to do with this minister, as it is with other government ministers. It is a pleasure to congratulate the minister for his fine work since taking over the portfolio as Minister of Municipal Affairs responsible for housing, and we wish him every success. It certainly was very much appreciated when he came to St. Paul on several occasions, and I might say that he's a very favourite boy up there. As a former reeve and county councillor for 21 years, I appreciate the minister's solid support for municipal governments. They are our equal partners, and they do have a very high regard for this minister and for his department and the people in that department.

9:30

I think the forthcoming changes to the Municipal Government Act are one example of the tremendous co-operation between the province, the minister, and municipal representatives. The partnership transfer program with municipalities, the AMPLE program, is a very vital part of our government service. The native and rural housing program – I represent three native reserves and a Metis settlement. The housing situation is a reflection of their culture. They live primarily in single detached housing, they tend to have larger families with extended family members like grandparents living in the same dwelling, and certainly the housing program in the settlement is very necessary and very much appreciated.

I also realize the tough row the minister has to hoe with budget cuts and a balanced budget, and I know it's the role of the opposition to be critical. All I wish to say on that point is that criticism comes much easier than craftsmanship.

I do have a question to the minister: could he elaborate, briefly of course, on the reorganization of the housing sector of his portfolio specifically as it relates to the St. Paul constituency?

Mr. Chairman,

I hate to be a kicker,
I always long for peace,
But the wheel that does the squeaking
Is the one that gets the grease.

It's nice to be a peaceful soul
And not too hard to please,
But the dog that does the scratching
Is the one that has the fleas.

The art of soft soap spreading
Is a thing that palls and stales,
But the guy that wields the hammer, like the minister,
Is the one that drives the nails.

It doesn't pay to complain.
Is that what you said?
The baby that keeps yelling,
The opposition thinks it's the baby that'll be fed.

The Liberal opposition
On that theme dwells,
But tonight they couldn't even accomplish
To ring division bells.

MR. ACTING DEPUTY CHAIRMAN: The Member for Stony Plain.

MR. WOLOSHYN: Thank you, Mr. Chairman. I just wanted to make a few observations and ask a few questions. I would also like to commend the minister on his presentation, the thoroughness. The things that he missed out: I'll try and get to some of those.

In terms of the Department of Municipal Affairs supporting the local governments, I wonder if they're looking at some sort of compensation for the downloading that's going on from other departments. I'll cite two specifically. Transportation has now removed a lot of their engineers from helping municipalities in planning of secondary highways, which means that they are now incurring an additional cost by having to go to private consulting firms to get secondary highway planning and other planning done. These were services at one time provided by transportation. Another one that appears to be in the works, which is rather distressing and I would like to see Municipal Affairs get involved in stopping this one if possible, is the planned downloading of inspection services in the area of gas and electrical and whatnot by the Department of Labour, I believe it is – setting that down onto the local municipalities. I think that will put a very heavy burden on them and also might just ruin the standards that Alberta has had in these areas. I hope that doesn't come to pass, and if it's on its way, I would certainly like to see something done there.

The Planning Act has given me recently some degree of concern. The minister is in receipt of a letter from a constituent with respect to sections 95, I believe, and 99. The Planning Act currently has some rather interesting provisions in it. If a farmer, or anyone else for that matter, who is subdividing his land for whatever reason has

- (a) a swamp, gully . . . coulee or a natural drainage course,
- (b) land that is subject to flooding or is, in the opinion of the subdivision approving authority, unstable . . .

Whatever that might mean.

. . . or

- (d) a strip of land, not less than 6 metres in width, abutting the bed and shore of any lake, river, stream or other body of water for the purpose of

- (i) preventing pollution, or
- (ii) providing public access . . .

in the subdivision application they can lay claim to these lands without compensation, and I don't think that that is quite fair.

For the reasons that they are going here, I would say that a caveat would be sufficient, as was indicated in the letter. If that's not the case, then some sort of compensation should be provided for, because you combine that with the municipal reserves – and sure, there is a balancing of it, the municipal reserve that you have to give off. I believe somewhere in the planning sections, in the 90s, you can go up to as high, for public utilities and roadways and reserve, as giving up as much as 30 percent of a plot without compensation. I think in view of the review of the legislation that's going on, some special considerations should be taken in rectifying these potential problems.

I've had discussions very recently with the minister with respect to the intent of the development appeal board and what their real role is. I would like to see either through regulation or change in legislation a little bit more specific definition of their behaviours and the basis on which they make decisions so they can't undercut what the municipal planning authorities are trying to do, especially when some of their decisions may be contrary to regional plans and so on.

Under Municipal Affairs I believe there is a section to do with native land claims. I think this minister could go down in history if he could resolve the Wabamun Lake Indian reserve's claim to the streets of Duffield. The property owners own the land. The streets still belong to the Indian band, and as a result, they don't have the necessary right-of-way to put in their utilities: no sewage and water in Duffield. In you do anything else, I think the time has come to resolve this problem. I don't think it's very difficult to resolve.

The other one, which is also a land claim that's in the constituency, has to do with the Enoch Indian band. There are two of those, and I think again the time has come to serious discussions with respect to whether or not the E.L. Smith water plant is really on land that was properly deeded over to the city. According to the Enoch band, and I do believe they have a good case there, it was built on what was originally allocated as road allowance. As the minister is fully aware, in the good old days when the treaty Indians gave up their land without their consent, in order to make the compensation packages, when they did occur, smaller, the road allowances were taken, and the provision was that if they weren't used for road allowances, they would revert to the ownership of the bands. The E.L. Smith plant sits on a plot of land like that. I would suggest that now is time for some good honest bartering with the reasonable people from Enoch, because they're looking at maybe tying into water and sewer systems courtesy of the city of Edmonton, since Edmonton has just recently installed a water line right next to the reserve. Perhaps a little bit of trading there could be in order. I would like to see the minister resolve those two particular claims.

The other one that he might want to have a look at just for the heck of it is again to do with Enoch. The centre of the Devon highway, according to the people in Enoch, was never properly surrendered to the province. So for all these years we've owned a chunk on either side of the centre line, but the darned centre, 34 feet, was never properly deeded over. That, I guess, more as a matter of principle, is a bone of contention with them. Unfortunately, they have not been able to resolve their problems with Alberta Transportation.

The minister alluded to annexation, and I do agree with his position on it to a large degree. I would like to see the position

strengthened somewhat and in some way, shape, or form really put a stop to the annexation for revenue that seems to be the motivating factor very frequently. When municipalities such as, for example, Brazeau, which was created recently – a moratorium be placed on when they can apply for further expansion simply to give them the opportunity to get their own new house in order, if in fact new municipalities are going to be created, as I'm sure they will be as improvement districts go up in stature, so that they are all settled down before they start looking at expanding their particular land base.

9:40

The other one the minister mentioned, the Spruce Grove annexation. He's absolutely correct; that one was done the way annexation should be done; that is, a matter of consultation and proceeding together. There's only one aspect that I think was overlooked in this process, and I don't know if it's too late for the minister to have a look at it or not. When this particular land is taken over by Spruce Grove, that will make the boundaries of Spruce Grove and Stony Plain coterminous. I would like to see some land set aside within this new corridor that must be shared by both municipalities, so they can start erecting joint facilities in that area with joint ownership. The town and the city are close enough together, and they do have similar needs. I'm speaking specifically in terms of a good recreation complex; they are both looking for indoor pools. If some provision could be made where the land would not belong to either one or the other but to both or, preferably, all three municipalities, because they have various agreements of usage in there, I think that might be a very, very good and progressive step for the minister to look at. It would, I think, enhance the co-operation between the county, the town of Stony Plain, and the city of Spruce Grove. To this point they have been going along pretty well, and I think putting something of that nature in might just improve it a little bit.

The other area that I would like the minister to have some comments on – it may be premature, but in November of last year, I understand, there was a local government financing review steering committee created consisting of the Deputy Provincial Treasurer, Deputy Minister of Municipal Affairs, Education, and so on. The reports from this committee should be coming down. They're supposed to report on matters affecting financing of local government. After seeing what has happened on the education scene and after seeing the setting up of the guidelines, this committee's recommendations could not involve an increase in net expenditures from the General Revenue Fund of the province. I'm sort of wondering, I guess with a large degree of concern, if we couldn't be looking at a form – or the potential's there anyhow – of corporate pooling on the municipal side. As the minister's well aware, there's been a considerable amount of debate on the education side, and I think it's significant that the same types of arguments that have come out on the education side would likely be applicable in Municipal Affairs. I do appreciate that we are entering into an era of diminishing resources for the central government, and that is certainly a fact. However, I think that one has to be extremely careful if we're going to have the role of the local municipalities as they are or, in fact, enhanced. We won't accomplish that by eroding their taxation base. I would like to get some indication of when this committee's reports are due.

I'd also like an indication from the minister, since he is now involved with the Minister of Education in corresponding with the various bodies, such as the AMD and C, the ASTA, the AUMA, and the improvement district association, in terms of

soliciting their input – and I notice that they're together on it – if in fact this issue of corporate pooling, education trust fund, or whatever you want to call it, has been put on hold.

[Mr. Jonson in the Chair]

If the minister would be so kind as to answer the questions I pose to him now or in the future in writing, I'd appreciate it very much. But keep especially in mind that his one single purpose in this term is to give the streets of Duffield back to the people who live there.

Thank you very much, Mr. Chairman.

MR. R. SPEAKER: I missed that.

MR. WOLOSHTYN: I said I would like to see you give the streets of Duffield to the residents who live there, so they can have their sewer and water in their own streets.

I'd like to commend the minister on his estimates. On that note, thank you very much.

MR. DEPUTY CHAIRMAN: The Member for Athabasca-Lac La Biche.

MR. CARDINAL: Thank you, Mr. Chairman. I, too, would like to speak very briefly and, first of all, commend the Minister of Municipal Affairs and the staff that are present here and the other staff also for some of the fine work they are doing for our government and the people of Alberta.

I'd just like to make one quick comment. On the government side, a lot of people don't realize it, but we have 29 members in our government that were former municipal councillors, and I think that's quite important in forming a good government and a good delivery system through Municipal Affairs. Sometimes we tend to forget that.

I believe the other important area that affects at least the north half of the province is under vote 7.4; that's Financial Assistance for Housing. I know this department is, through that, delivering hundreds of housing units to the lower income families across the north half of the province. It's a program that's done jointly with Career Development and Employment through the Opportunity Corps program, which does the building and training of native families in northern communities. I know that's very much appreciated, because in the past 12, 15 years that this program has gone on, I'm certain we've built close to a thousand housing units, which has drastically changed the life-style of many native northerners. I commend this government for the foresight to develop the program and carry it out to date and, in fact, continue with it.

The other area, of course, is the active promotion of involving native northerners in running as advisory councillors, planning commission members, economic development councillors, and hamlet administrators. I think this department has done a fine job in ensuring that the natives are involved in the delivery of local government throughout northern Alberta, and I think we're perceived as a province that is a leader in native involvement in municipal administration and municipal councils. Bill 27, the Rural Districts Act, which was discussed today for a considerable period of time, will play a key role in the future in further involvement of hamlets in advisory councils. I know a lot of the northern hamlets like Calling Lake, Wabasca, and areas like that are ready to take on more challenge, more authority, and more responsibility in the financial management of their own affairs, and this Bill 27 will be able to provide the process for these

transitional forms of government. That in turn will encourage the further development of local autonomy for the native communities. That's very much appreciated.

In vote 3, the property owners' rebate for senior citizens is one that is very, very important, and I'm glad that the program is going to continue. I would like to ask the minister possibly to give some consideration to sometime down the road maybe allowing people on AISH, assured income for the severely handicapped, to have a similar type of a rebate, because I know people on AISH get about \$200 less now than seniors with the three pensions, and they're also on a fixed income. I would hope that the minister would consider that in the future, to try and implement possibly a program that would assist people on AISH, because they are suffering. A lot of them are homeowners, and they make considerably less than \$1,000 a month, and in some cases taxes are very, very high. I know there was a change in the past two years. Where they used to have, I believe, about a \$250 annual tax rebate, that has been lost or taken away from them. I know just last week I talked to one of my constituents, and they said: "Look, we do have a real problem in this area. Please get your government to look at it." I would hope our minister would do that.

Because of the recent economic activity across northern Alberta with the pulp mills and other developments, there is definitely a need to look at revenue-sharing and cost-sharing agreements between municipalities. I think the processes we have in place do work well, but I think again we need to look at a number of other initiatives, maybe new initiatives, that would help municipalities transfer dollars. I know ID 18 south and the town of Lac La Biche are in constant disagreement on tax transfers of dollars, and I would hope that it's an issue that we could deal with in the future.

With that, Mr. Chairman, I'd like to thank you for the time.

9:50

MR. DEPUTY CHAIRMAN: The Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I'd just like to make a few comments, if I may, to the Minister of Municipal Affairs and thank him for the co-operation and advice that I've received from him in the two years that he's filled this role. I would also like to thank the people who work for the Department of Municipal Affairs. Acting on behalf of constituents, as a rural MLA I do have occasion to call and seek advice from people in the department, and I can say that without exception I've received very prompt and courteous service from people working in the employ of the Department of Municipal Affairs. That's a credit to the people and to the tone set by the minister.

I do have a few concerns. I would like to begin by thanking the minister for the co-operation and input that he had on the project to put a further four self-contained units into the village of Ryley. We had a situation there where there was some space available and a demonstrated need, and the minister was able to try and match some surplus facilities in another community with the need in Ryley, and it's worked out well. It's been a good addition to a community that shows every indication that it's going to grow over time. There's some industrial development in the area, and with that, coupled with the county office in the village of Ryley, it's certainly becoming a focal point in the region for retirement. Those extra self-contained units are much appreciated and are really going to add to the community.

I just would like to make a pitch in speaking to the minister, if I could, for the Homestead Lodge in Vegreville. This is a lodge that's probably 28 years old now. It's lived a good life,

Mr. Chairman, but the lodge is definitely in need of substantial renovation if not complete replacement. There is a great demand for facilities for seniors in the Vegreville constituency overall. As hon. members have heard me say on more than one occasion, we do have the highest percentage of citizens over the age of 65 of any constituency in the province, even more than Calgary-North Hill, and that's not going to change. In fact, that percentage is going to continue to accelerate, and I think we have an obligation to try and help provide for our pioneers and seniors in the community so that they can live their retirement years in relative comfort and dignity. The lodge program still plays a very important role in that regard. It's an important piece of the puzzle, if you will, in terms of providing a co-ordinated and thoughtful approach to care for seniors. With a program that combines the best use of lodges and extended care facilities, day programs for seniors, and a more extensive commitment to home care, I think we can perhaps keep abreast of the gray tide as those of us who are in this Assembly move into that particular age group.

The lodge in Vegreville has been well maintained over the years, and the people responsible for the operation and maintenance of the lodge hope that they're not being punished for that, because they do recognize that the facility is not adequate to provide in any sense a modern standard for the seniors there. There's a lack of adequate bathroom/bathing facilities in the lodge. There are portions of the lodge that aren't wheelchair accessible in a good way, where you can't move gurneys through some of the hallways because they're just not wide enough. There are a lot of needs there.

We're hoping that we can get some indication from the minister in the very near future of what his plans are for the Homestead Lodge in Vegreville. It's part of the first generation of lodges in the province, built, we recognize, when there weren't too many lodges anywhere else. We believe it's our turn again to receive a substantial commitment from the government to add to and perhaps completely replace the lodge there. Interestingly enough, there is a relatively new lodge in the town of Tofield, but my understanding is, the last time I checked, that that's full to capacity too. The occupancy rate is always right up there, and indeed there's a waiting list in Tofield. So it doesn't matter where you go in the constituency; there seems to be a demonstrated need for an extended care facility and lodges in the Vegreville constituency.

There was, I think, a very good request that came to the minister's attention from the town of Mundare about the lodge there. Now, that's a particular situation in the town where there's a demonstrated need for self-contained units. Indeed, there were some new units opened there not too long ago. The Dr. Strilchuk Manor was opened; I think there were four units there. Anyway, we've got some room in the lodge, and people there were hoping that there could be some conversion done in the lodge in Mundare that would see the creation of some additional self-contained units in the lodge. I think it's a good idea.

The Member for Redwater-Andrew will recall that being done in the Andrew lodge. I think it's a project that worked out very well. Where you've got a little excess space in the lodge and a need for some additional self-contained units, you put the two together and a solution to the problem is found. I would suggest that the lodge in Mundare is very much the same as the lodge in Andrew. It wouldn't take much in the way of additional design costs or planning time to agree to move forward with that project. That's something that has been lobbied for by the local authorities in Mundare and something that I've written to the

minister about, and hopefully we can get some information from him about that.

I'd just like to point out to the minister that it was my pleasure to meet, if only briefly, with a member of his departmental staff, someone who is working on the local development initiative, a gentleman who attended a meeting in Two Hills that was held last week. The superintendent of schools in Two Hills has organized a task force to try and tackle the problem of providing quality education for students in areas where there has been dramatic decline in enrollment. Personally, I don't know of a jurisdiction that fits the bill more directly than the county of Two Hills does, where enrollment has declined in a very dramatic way over the last 15 years or so, Mr. Chairman. The problems that the local jurisdiction confronts in terms of trying to provide quality accessed education for I would guess maybe 700 students in the county are enormous. The board labours very hard, and certainly the staff and the administration do as well, to try and live up to their mandate with declining funds.

They organized this task force. There was participation from the Department of Education, a couple of just excellent speakers who came out to talk about their vision of sort of a community-based education concept that would involve an expansion or enhancement of the community schools concept, where education is viewed as not something restricted to school-age children during traditional school hours, but where the community is involved not only in terms of activity but in terms of inspiration and energy and trying to utilize the school as an integral facility in the community. It's going to take a lot of work for this to get off the ground, but it was an interesting proposal. I was very pleased to see a member of the minister's department out there willing to listen and to make contributions and represent the minister in that regard.

I have some particular views about what I think could be done to help enhance the economics and the overall quality of life in rural Alberta. The minister is aware of some of those recommendations with respect to agriculture, but I'm not sure that's the subject for this discussion. I just wanted to raise that concern about the local development initiative in particular.

I'm interested in hearing the minister's views about long-term funding arrangements for municipalities in the province. There's a great deal of anxiety out in the country about the fairly dramatic decline in overall funding commitment from the provincial government towards education to the point where the province contributes something less than 60 percent of the overall cost of education.

10:00

MR. JOHNSTON: It's more than 60 percent, Derek.

MR. FOX: Fifty-nine percent . . .

MR. JOHNSTON: Sixty-five percent.

MR. FOX: Fifty-nine percent in many jurisdictions, for the sake of the Provincial Treasurer, who ought to know better.

MR. JOHNSTON: It's more than 60 percent. What is it in Ontario, Derek?

MR. FOX: The minister seems preoccupied. I'm trying to talk about the Alberta reality here, where we've had a Conservative government for some 20 years and the commitment has declined from 85 percent to 59 percent. I think the minister has to recognize that that's had a very serious impact on rural Alberta

and developmental opportunities there, because that underfunding continually forces the local municipality to go back to their ratepayers and ask them to dig into their already empty pockets to make up the balance through supplementary requisition. Now, that's a matter for Education, and I'm not going to talk about it here in terms of the budget of the Municipal Affairs department, but it's related to the overall tax burden that we place on our local ratepayers, because the other half of that formula – in many counties the education and municipal sides of the budget are relatively equal.

The other portion of that formula is the municipal levy that jurisdictions are forced to get from their ratepayers to fund a variety of local services. It is a fact, I guess, that the amount of money coming from the province in the form of grants has not kept pace with inflation over the years, and I'd like to hear what the minister's plans are, long range, for that funding. We've got municipalities that are taking a serious look at the Minister of Education's corporate pooling proposal. I think before they jump on board and become wholehearted, enthusiastic supporters for that concept, they're going to need to know whether or not they can count on some stable funding from the Department of Municipal Affairs with respect to the grants they get to run a variety of programs on that side. Certainly the department of transportation has some input to that formula as well.

There's been, I suggest, a lot of anxiety created in the country about the administration or implementation of the new provisions that were embodied in the municipal taxation amendment Act that we passed in this Legislature, I believe in 1987, where a new formula was put in place in an attempt to resolve some issues of unfairness that existed between taxpayers in a municipality, some of whom may have been designated farm ratepayers and others who were designated non farm. Now, the formulas that we put in place at that time sought to reconcile the disparity there and put everyone on a relatively equal footing, and I think to some degree it's accomplished that. But when different counties come on board, when they do their general assessment and implement the new formula, what they're finding is that the rates of taxation for a large number of the ratepayers are increasing dramatically, whereas some thought that this new formula may equalize and tend to bring down taxes. I think the overall tax burden placed on municipalities by the continual off-loading of responsibility from federal to provincial and provincial to municipal governments has really meant that the opening of a tax notice after this new formula has come through has been quite a shock to a number of ratepayers. I'd appreciate some response from the minister on that.

I wanted to ask him very briefly about a situation in the village of Hairy Hill. It's a jurisdiction he should perhaps be aware of. Hairy Hill is the smallest incorporated village in the province of Alberta; at last census, I think, 73 people, so it's a small jurisdiction. They're doing their very best to maintain service in their community and make it the kind of place that the Member for Lethbridge-East would want to visit on his summer holidays.

MR. JOHNSTON: I know a lot of good people from Hairy Hill.

MR. FOX: Is that right?

MR. JOHNSTON: Sure.

MR. FOX: The Member for Vegreville.

MR. JOHNSTON: Bill Yurko.

MR. FOX: Bill Yurko, Olivia Butti.

MR. JOHNSTON: Judy Wish.

MR. FOX: That's right. The Provincial Treasurer knows a lot of good people besides the Member for Vegreville who are from Hairy Hill.

Anyway, the situation with Hairy Hill is perhaps not unlike some other small jurisdictions, Mr. Chairman. It's a jurisdiction that is having a hard time keeping up. Now, they've taken on some debt burden by way of debenture to finance the construction of a new fire hall and village office. It's a really good project, a lot of volunteer money raised, and has really added an important central facility to that village. But they're finding that the burden of paying for that and just the maintenance of basic services makes it very difficult for them to access other programs available to municipalities through the government.

I refer in a particular way to a grant from the Department of Transportation and Utilities, the street improvement program, which makes a certain amount of money available to municipalities on a per capita basis for the construction of roads, maintenance of infrastructure, curbs, sidewalks, et cetera. That's a cost-sharing program, so in order to access that program from the Department of Transportation and Utilities, villages, towns, or cities have to put up a portion of their own cash. I'd just like to point out that that's very difficult for some jurisdictions with an almost nonexistent tax base, with a very small population, and I'm wondering if the Department of Municipal Affairs might not have some advice that they can offer a jurisdiction like that, if there's someone from the department that could work with the village . . .

AN HON. MEMBER: What's a "small population"?

MR. FOX: Seventy-three.

. . . of Hairy Hill to try and find a solution for the debenture dilemma, to maybe find if there are things other than cash that a small jurisdiction can put towards their share of the funding for some of the programs that the minister's department or indeed the Department of Transportation and Utilities makes available. [interjection] I beg your pardon? If the Member for Athabasca-Lac La Biche would like to add to the population of Hairy Hill, he's welcome to move south. There's lots of space available for him.

AN HON. MEMBER: Now for the wrap-up.

MR. FOX: Yeah, I think I'll end my comments there, Mr. Chairman. The Member for Calgary-Foothills seems anxious to go home.

MR. DEPUTY CHAIRMAN: Are you ready for the question?

SOME HON. MEMBERS: Question.

Vote 1 – Departmental Support Services:	
1.0.1 – Minister's Office	\$273,500
1.0.2 – Deputy Minister's Office	\$600,400

Point of Order Recognizing a Member

MR. TAYLOR: Point of order, Mr. Chairman. By any chance, did you cut off the minister? I thought he was going to speak.

MR. DEPUTY CHAIRMAN: The Member for Westlock-Sturgeon on a point of order.

MR. TAYLOR: The minister's been cut off. He wanted to answer. [interjections]

MR. DEPUTY CHAIRMAN: Order please.

MR. TAYLOR: Well, if the minister's not going to talk, I think I can talk for 30 minutes.

MR. DEPUTY CHAIRMAN: Order please. Order.

First of all, the hon. member must be in his place in order to be recognized. Secondly, the Chair did ask if the Assembly was ready for the question, and it was so indicated.

SOME HON. MEMBERS: Agreed.

Debate Continued

Agreed to:

Vote 1 – Departmental Support Services:

1.0.3 – Finance and Administrative Services \$14,336,100

MR. TAYLOR: Mr. Chairman, may I speak on this?

MR. DEPUTY CHAIRMAN: Yes. The Member for Westlock-Sturgeon.

10:10

MR. TAYLOR: Mr. Chairman, in speaking to the estimates today, I'd be very interested in . . .

MR. WICKMAN: Ray's going to speak.

MR. TAYLOR: Oh, I'm sorry. Then I will yield the floor to the minister.

MR. R. SPEAKER: Mr. Chairman, what I thought I would do rather than deal with each individual question that was raised – I believe there were about six areas, not altogether general in each one of the questions that were raised, but somewhat. Possibly it would be worth my while to talk with regards to those six items and then answer the others by letter following.

One of the key, overriding thoughts that I heard from the hon. members that made presentations this evening was with regards to partnership and municipalities working together. I certainly appreciate those comments, and I believe that each and every one of us of this Legislature should encourage our municipalities to work in that direction.

There was some question with regards to off-loading in terms of the province to the municipalities, the federal government to the province, and so on. One of the things that we have implemented as a government is a consultation process prior to a new policy being implemented so that the municipalities would be part of that discussion. We as a government recognize that we can't meet every demand, we can't do everything that the municipalities want, but we try and discuss it and come up with some type of a compromise position with regards to our policy. That was a commitment that I made both at the Urban Municipalities Association and the rural municipal association as well.

One of the other themes that ran through the questions this evening, Mr. Chairman, was with regards to the capabilities of local municipalities to have adequate revenue to meet the needs of that respective jurisdiction. The question of new sources of

revenue and a new formula by which revenue can be used in terms of meeting those local needs has been raised by the hon. Member for Edmonton-Whitemud and the hon. Member for Edmonton-Beverly. The Premier has put in place through the premier's council on local government financing a committee that involves the Alberta Teachers' Association, the rural municipalities, the urban municipalities, and the Association of Alberta Improvement Districts. We have been meeting regularly, and our first task was to look at corporate financing, corporate pooling, with regards to education. After a significant amount of discussion it was decided to set that aside and look at other possibilities.

The committee at the present time is looking at a number of options. It's my indication that into June we will look at the preliminary first round of recommendations from this working committee. There are four subcommittees working under the main political body. Some of those subjects are financing, various revenue/expenditure patterns, assessments, and then two other areas that are being looked at as well. We're hoping to have a preliminary report from that group in June, and then through the summer I'm sure discussions will follow. It's our hope that some type of innovative recommendations will come forward for the fall of 1991.

A couple of other areas. The question was raised with regards to those that are disabled or are presently on AISH. The hon. Member for Athabasca-Lac La Biche raised that. I think there's a lot of good in that argument and presentation. I would think the limiting factor to this point in time in terms of the rental assistance program and the property tax rebate is just strictly dollars. There's a lot of merit in the suggestion that persons that have disabilities or are on AISH could qualify and benefit significantly from those two programs. I think we'll just keep working on it and see if we can work something like that into our budget in the upcoming year.

The other item I'd like to raise is the local development initiative. There's much concern by government that the rural population is moving into the larger urban centres, and that creates all kinds of social, economic, and educational problems that we all recognize. Where we are with the local development initiative: two reports have been presented from the minister's council. The theme that runs through those two presentations and what the communities told us – and this is a reflection of their attitude. They said, "We want to help ourselves, and where the provincial government can assist us, that would be nice." They want to be independent in determining or reaching out for their personal or community initiative.

We are looking at four areas at the present time from that report. One is a better information system to the communities so they can develop their initiative better; secondly, an educational program whereby the local communities can train or educate persons so that they can better pursue their local initiative. The third area is with regards to co-ordination. A lot of the concern from the local communities was that they weren't sure who to talk to when they needed help for their local initiative, so we need to co-ordinate at the local level and the regional level, and that is happening. The other is in the area of community development bonds.

Mr. Chairman, those are some of the things I wanted to mention.

MR. WICKMAN: What about Brazeau?

MR. R. SPEAKER: With regards to the municipality of Brazeau, on May 8 two people from my department will be

meeting with the council of Brazeau. At that meeting the council will pass a resolution requesting a review to take place. Now, following that we will decide on the parameters and the terms of reference. We will make allowance so that the community at large can make presentations to us in terms of the terms of reference. That is allowed for in the process. It's our intent to look at all of the matters that are raised both by the community and by the council members so that we have an overall, inclusive type of review in that area.

If there are no other questions, Mr. Chairman, thank you.

MR. DEPUTY CHAIRMAN: Ready for the question?

Agreed to:

Total Vote 1 – Departmental Support Services	\$15,210,000
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MR. TAYLOR: Mr. Chairman?

MR. DEPUTY CHAIRMAN: Yes. The Member for Westlock Sturgeon.

MR. TAYLOR: Just a short question to the minister. Maybe he could promise to do it in a letter to us anyhow. He didn't answer the question on how the municipal district of Sturgeon is able to circumvent the taxpayers when they present them with a petition.

SOME HON. MEMBERS: That's not in the estimates.

MR. DEPUTY CHAIRMAN: Order please.

MR. TAYLOR: You can answer that anytime; I'm in no rush.

MR. R. SPEAKER: I'm going to check that out, because I don't have all of the details, and I asked for some advice from above. We don't have the adequate details at the moment to respond to that question. I will do it by letter to the hon. member.

Agreed to:

2.1 – Alberta Partnership Transfer Program	\$110,292,400
2.2 – Municipal Debenture Interest Rebate Program	\$46,246,000
2.3 – Alberta Municipal Partnership in Local Employment Program	\$61,143,700
2.4 – Senior Citizen Accommodation Municipal Tax Grant	\$1,100,000
2.5 – Transitional Financial Assistance	\$1,000,000
Total Vote 2 – Financial Support for Municipal Programs	\$219,782,100
3.1 – Program Support	\$680,800
3.2 – Senior Citizen Renters Assistance	\$49,971,400
3.3 – Property Owner Tax Rebate	\$71,717,000
Total Vote 3 – Alberta Property Tax Reduction Plan – Rebates to Individuals	\$122,369,200

10:20

4.1 – Grant to Alberta Planning Fund	\$6,139,000
4.2 – Co-ordination and Administration of Community Planning	\$3,646,400
Total Vote 4 – Support to Community Planning Services	\$9,785,400

5.1 – Program Support	\$464,700
5.2 – Administrative Assistance to Local Authorities	\$2,952,600
5.3 – Improvement Districts and Native Services	\$7,518,050
5.4 – Administration of Special Areas	\$84,400
5.5 – Assessment Services	\$12,743,100
Total Vote 5 – Administrative and Technical Support to Municipalities	\$23,762,850

Total Vote 6 – Regulatory Boards	\$1,988,200
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7.1 – Program Support	\$2,540,800
7.2 – Program Delivery – Southern Alberta	\$9,871,500
7.3 – Program Delivery – Northern Alberta	\$15,379,200
7.4 – Financial Assistance for Housing Programs	\$64,137,400
Total Vote 7 – Administration of Housing Programs	\$91,928,900

8.1 – Social Housing	\$98,485,000
8.2 – Mortgage Subsidies	\$5,100,000
8.3 – Disposition of Assets	\$5,216,000
Total Vote 8 – Housing and Mortgage Assistance for Albertans	\$108,801,000

Department Total	\$593,627,650
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MR. R. SPEAKER: Mr. Chairman, I move that the vote be reported.

[Motion carried]

MR. STEWART: Mr. Chairman, I move that the committee now rise, report progress, and request leave to sit again.

[Motion carried]

[Mr. Jonson in the Chair]

MR. MOORE: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1992, for the department and purposes indicated.

The Department of Municipal Affairs: \$15,210,000 for Departmental Support Services; \$219,782,100 for Financial Support for Municipal Programs; \$122,369,200, Alberta Property Tax Reduction Plan – Rebates to Individuals; \$9,785,400 for Support to Community Planning Services; \$23,762,850, Administrative and Technical Support to Municipalities; \$1,988,200, Regulatory Boards; \$91,928,900, Administration of Housing Programs; \$108,801,000 to Housing and Mortgage Assistance for Albertans.

MR. ACTING DEPUTY SPEAKER: All those in favour of the report from the Member for Lacombe, please say aye.

HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Those opposed, please say no. Carried.

[At 10:28 p.m. the Assembly adjourned to Tuesday at 2:30 p.m.]