

March 30th, 2021

MINISTER GLUBISH

#63, 201 KASKA RD, SHERWOOD PARK, AB T8A 2J6

Minister Glubish:

As a former Minister of Service Alberta, I respectfully submit to you my informed perspective on the recent decision to post an REOI for a private firm to manage and modernize the Land Titles Registry.

I fully embrace the many advantages generated through partnerships with the private sector. There are numerous examples where privatization was a resounding success. However, there are also countless examples where privatization was an abject failure. Privatization itself, is not a goal, but a means to securing quality services to Albertans without overloading costs onto taxpayers or users of the system.

As functions and roles were privatized in this province, we continually measured and evaluated the situational elements required for privatization to be a success. We found privatization could provide benefit to the government, to taxpayers, and to users of the system through cost reductions, efficiencies, and innovation, but only in cases where privatization created competition.

In the case of Land Titles, we found no opportunity for competition. For integrity, consistency, and securing privacy, privatization would require contracting out the services to one provider. That means the critical driver of competition, the factor that ensures overall benefits to the government, taxpayers, and users of the system, is also absent.

The greatest challenge we identified with Land Titles Services was the need for modernization of the system. In times of austerity, the organization has been starved of needed resources, which created inefficiencies, backlogs, and increased costs, which is exactly what drove the discussions about privatization. In effect, the solution of privatization was looking for a problem, and we created it by underfunding the system.

Still, through such austerity, the Land Titles System managed to generate over \$90 million of revenue for the government with only \$13 million in operating expenses in my final year as Minister. That is a net return of approximately \$75 million per year, every year. I anticipate the net return to the Provincial Government to be approaching \$120 million now, revenue which would be forever lost in a one-time privatization initiative.

Without competition to drive efficiencies and cost reductions into the system, privatization loses its benefits, and has demonstrated to create substantially increased costs, or reduced services, to users of the system. However, I see the most significant driver for this initiative is modernization. I mentioned earlier that one remaining benefit of privatization is to improve service delivery through innovation. Modernization, however, is not the same as innovation.

The Land Titles System is not challenged by a lack of innovation, but by a lack of resources for modernization. Modernization could be achieved by a short-term reinvestment of some of the revenue generated by Land Titles, which would also eliminate inefficiencies, prevent backlogs, maintain costing, improve service delivery, and secure privacy of personal data. We concluded the best course of action was investing into modernizing the Land Titles System.

Ultimately, a modernization re-investment would ensure Land Titles can continue to produce revenue for the government, revenue it desperately needs right now.

I know your goal is to deliver exceptional services to Albertans while keeping costs low for both the government and the users of the system, but our finding was that without competition available, the government would lose long-term revenue, costs would increase for users, and the need for modernization would be converted into profit. In the end, we found no benefit to the government, taxpayers, or the users, which is why we withdrew our consideration of privatization of Land Titles.

I do hope this information and my experience help you to make the right choice for Albertans.

SINCERELY,

A handwritten signature in black ink, appearing to read "Doug Griffiths". The signature is fluid and cursive, with the first name "Doug" being particularly prominent.

DOUG GRIFFITHS, MBA