

Title: Tuesday, December 13, 2005 Legislative Offices Committee

Date: 05/12/13

Time: 9:31 a.m.

[Mrs. Tarchuk in the chair]

The Chair: Good morning, everyone. I'd like to welcome the members and our guests to the meeting this morning.

You should have all received your packages last Thursday, December 8. I wonder if we could move that the agenda be adopted as circulated.

Mr. Magnus: So moved, Madam Chairman.

The Chair: Any discussion? All those in favour?

Hon. Members: Agreed.

The Chair: Okay. That motion is carried.

The minutes actually were e-mailed to you yesterday morning, Monday, December 12. If you've had a minute to look at them, I wonder if someone could move that we adopt the minutes as distributed.

Mr. Strang: I'll move this. But are we going to get the information that you were going to give us at the bottom of page 5?

The Chair: It's under Business Arising. We will later on in the meeting.

Mr. Strang: Okay. I'll move this.

The Chair: Okay. Any discussion? All those in favour? That motion is carried.

Today we're going to be receiving the 2006-07 budget estimates for the officers as well as reviewing their business plans, starting with the Ethics Commissioner. Before we start, I would just like to mention that in the past we've passed motions related to all of the budgets at the end of the day, and it seems to have worked well. I'd suggest that we do the same thing this year.

Actually, before we get started with the presentation by the Ethics Commissioner, I wonder if we can just go around and introduce ourselves for the record, maybe starting with Laurie.

[The following members introduced themselves: Ms Blakeman, Mr. Ducharme, Mr. Loughheed, Mr. Magnus, Mr. Marz, Mr. Strang, and Mrs. Tarchuk]

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

[The following staff of the Ethics Commissioner's office introduced themselves: Mr. Hamilton and Ms South]

The Chair: Thank you very much. Welcome, again, Don and Karen. I understand that you've got a presentation that's probably 10 or 15 minutes long, so that should give us a good 10 or 15 minutes for questions at the end of it. At this time I'll just pass it over to you.

Mr. Hamilton: Good morning, everybody. Last year we reduced our budget, and I'm happy to tell you today that this year we have reduced our budget by \$17,000. So we've been working diligently to do that. Perhaps sometimes some things go down, and then they come back up, but for this year we have taken it down.

In terms of what we have accomplished, one of the accomplish-

ments was to stay away or get out of the media, and I think we have done a pretty good job of doing that. I think it's important that we don't get into the media. The members do and other people do, but we get information, and we keep it.

We have had two or three issues. I can't talk about them, but I guess I would just say that there will be two or three people that won't be sending me a Christmas card this year.

That's my report.

The Chair: Well, we do all have the report in front of us.

I've got Laurie and then Ivan.

Ms Blakeman: Actually, it was the other way; I think Ivan was first.

Mr. Strang: Go ahead.

Ms Blakeman: I'm sorry; you've rather piqued my interest with your statement here that you can't talk about things. But they will come out in the report for the year-end – will they not? – if this is an official investigation from your department, sir.

Mr. Hamilton: Not necessarily.

Ms Blakeman: Can you expand on that? I'm obviously misunderstanding the nature of these investigations then.

Mr. Hamilton: In the act it says that if I or anybody in the office leaks information, we can be fined \$20,000.

The Chair: Ivan.

Mr. Strang: Thanks, Madam Chairman. Mr. Hamilton, on just perusing your expenses, you had budgeted \$30,000 for 2005-06, but you figure you'll only go with \$10,000. Then if you drop down to your contract services, in 2004-05 you had \$75,000, but you only spent \$14,800. Then in 2005-06 you were looking at spending \$50,000, but you figure that you're only going to spend \$30,000. Then for 2006-07 you're looking at \$50,000, and then you move up. So I'm just wondering: why the difference there?

I guess that on your technology in 2004-05 you were high, but you spent hardly anything, and then for 2005-06 you're looking at spending quite a bit, but you're forecasting very little and then very little for the three years out. I'm just wondering why on that.

Mr. Hamilton: Money was underspent in '05-06 as no one attended COGEL from our office. That's travel.

Mr. Strang: With the technology services?

Mr. Hamilton: Yeah. We've been advised that we will not be charged for SuperNet, so funds in this category have been reduced.

Mr. Strang: The contract services: what's that?

Mr. Hamilton: The funds available should we need outside legal counsel. None was used in '05-06. The funds also reflect salary increases in OIPC re our service agreement with them.

Mr. Strang: Okay.

Then I guess my last one is on wages. We go from the actual in 2004-05, where you were down, yet when you go to your out-year of 2008-09, you're – what? – about a \$52,000 increase from that

year. So is that basically what you're looking at, roughly around 3 per cent per year?

Mr. Hamilton: The five officers got a raise.

Mr. Strang: Okay. Thank you.

The Chair: Richard Marz and then Denis.

9:40

Mr. Marz: Thank you, Madam Chairman, and thank you, Mr. Hamilton, for reminding me to send you a Christmas card. I'll have to check to see if you're actually on my list.

On the second page of your budget just on travel I noticed that around \$20,000 was budgeted in '04-05, and then you budgeted up to \$30,000 but, actually, only forecast \$10,000. Now you're forecasting \$25,000 and targeting \$30,000 again. The \$30,000 is about a 50 per cent increase over '04-05. Is that reflective of increased travel costs or extra locations of some seminars that you're planning to go to? What reflects that? All of the above?

Mr. Hamilton: Yes. New Orleans next year maybe. We think that that's going to be on down there if they've got it patched up. We're going to the Arctic for the Canadian one, and it costs a lot of money to get up there. You can go through Yellowknife or through Toronto, and it's a whole day.

Mr. Marz: Okay.

The Chair: Denis, then Rob.

Mr. Ducharme: Thank you, Chair. First of all, Mr. Hamilton, I just want to say thank you very much for coming forward with a budget that's in realistic terms. There's nothing that frustrates me as seeing budgets come forward with a major increase and then at the end of the year seeing a lot of the funds come back. So I commend you in terms of having something that not only toes the line but, basically, also shows a reduction. I commend you for that.

Thank you.

Mr. Lougheed: I'm glad Richard was able to lift the veil of suspicion with those comments.

Mr. Magnus: Yeah, we're all sending you a Christmas card.

Mr. Lougheed: I think you should maybe make that a motion. Can you comment a little on the contract services: where, what?

Mr. Hamilton: Mostly legal. You know, we don't have any staff except Karen and I and the receptionist. When we have to get a lawyer, we have to pay for him.

Mr. Lougheed: You bring them in as needed.

Mr. Hamilton: And we can't anticipate that. You know, it depends on what happens. If nothing happens, we don't have any lawyers.

Ms South: We also have a service agreement with the office of the Information and Privacy Commissioner. They do all of our HR, our accounts payable, and IT support. With our server this year they did do an awful lot of work for our office.

The Chair: Richard Magnus.

Mr. Magnus: Thanks, Madam Chair. I've been looking at a lot of budgets these days, and I haven't seen too many come down. I appreciate it.

That's all I've got.

Ms Blakeman: I note under the highlight section in the annual report that six speaking engagements were accepted. I'm wondering if the office or the commissioner was seeking out opportunities to speak to groups or whether these were requests that had come in. Was the commissioner actively seeking out opportunities to speak to people and spread the word?

The supplemental question to that is if you could describe under goal 1, objective 3, "publish materials for promotion of understanding of obligations," including updating information on the website and producing advisory opinions. Were any documents produced, any pamphlets or brochures or posters?

Mr. Hamilton: Well, under that whole thing there that you read, I did several speeches at various places. I was out in the community speaking about what we do and trying to let people know that we have a commissioner. Was that the question?

Ms Blakeman: Not quite. There are six speaking engagements that are noted here on page 7. My question was: did your office initiate those engagements, or were they brought in, unsolicited from you, and you responded to them?

Mr. Hamilton: It's both.

Ms Blakeman: In other words, are you actively seeking opportunities to speak in the community, and if so, where are you seeking opportunities to speak?

Mr. Hamilton: Some people come and ask us, and we talk to other people and say that we can come and do it, and we do the Leg. school, those things. We generate some, and we get some. We don't turn anybody down unless we're otherwise busy.

Ms Blakeman: And the publishing?

Ms South: We have not produced any new materials such as a brochure in part because our act is under review. Until we know what changes might be anticipated, we won't explain further what we do. A revised version of the brochure on the office itself was put on the website I think shortly after Don Hamilton was hired as Ethics Commissioner, and that's the last revision that we did. We haven't done any advisory opinions that were of a general nature in the last year.

Ms Blakeman: So that brochure, then, is 18 months old, a year and a half?

Ms South: Approximately.

Ms Blakeman: Thank you.

Mr. Rodney: I'm just wondering if we need to call the office of the Ethics Commissioner. I'm wondering if there's something wrong coming in under budget like that, and I'm wondering if you're actually going to give seminars to other departments as to how to do that in the future.

In all seriousness just two questions, one involving advertising. I'm wondering if this is a nonissue and actually should not be a

budget item. I see zeros across the board apart from spending \$139. So really two questions. Is advertising just a nonissue for you folks? Secondly, do you anticipate the need for any additional staff in the next 10 years or so?

Mr. Hamilton: Well, that's a good question. I suppose it would depend if MLAs really get out of line and a lot of problems, but I don't anticipate that. Bob Clark was here for 10 years, I think, and we haven't grown any. I don't anticipate that because we don't have to advertise. We only have jurisdiction over MLAs and senior officials, and that's about 150 people that we deal with.

Mr. Rodney: Good. Thank you. That's all.

The Chair: Great. Are there any other questions or comments?

Seeing none, I'd like to thank both Don and Karen for their presentation. I understand, Don, that you're heading to Calgary, so you won't be able to join us for lunch. I'm not sure if that's the same for you, Karen, but if you'd like to join us for lunch, feel free to. You'll probably be hearing the results of our decisions on the budget in about a week.

Before you leave, to make up for the two or three people that won't be sending you a Christmas card and in case the others around this table are not going to follow up on behalf of all committee members, we do wish you a very Merry Christmas and the best for the new year. So thank you very much.

Okay. Our next presentation is going to be by Gord Button, the Ombudsman, as well as Glen Resler, director of registrations and financial operations for the office of the Chief Electoral Officer. I did receive a letter from Mr. Button saying that before he presents his budget and his business plan, he would like to go in camera and talk about a personnel issue that may have implications for the budget. So what I would like at this point is a motion to go in camera.

Mr. Marz: I'll move that.

The Chair: Okay. Any discussion? All those in favour? Okay. That motion is carried.

[The committee met in camera from 9:50 a.m. to 10:05 a.m.]

The Chair: Okay. Once again we have here Gord Button, the Ombudsman, and Glen Resler, the director of registrations and financial operations for the office of the Chief Electoral Officer. At this time I'll just hand it over to you and let you proceed with your presentation.

Mr. Button: Thank you very much, Madam Chair. As the chair announced, assisting me here today is Glen Resler from the chief electoral office. Glen was good enough, as was Mr. Fjeldheim, to assist me in the last couple of months and help me put this budget projection together when I had a vacancy in my office, so my thanks to Glen. He's getting lots of practice this year, doing two submissions to you.

I'd like to start today with just a few brief comments that will position the submission I'm making to you, then go through the presentation deck. I'm advised that you have a copy of that as well as a copy of the scorecard from my business plan, which will give you an update on our accomplishments against our business plan in the last year, and then move into the budget forecast and estimates.

As most of you know, the Alberta Ombudsman was established in 1967 and was the first in Canada. The concept had its beginnings in

Sweden in the early 1800s and then spread from Europe to New Zealand and Australia. It began its western world evolution in the 1960s. The expansion of the institution was a response to the growing bureaucracy and proliferation of social programs run by governments post World War II.

The Ombudsman is observed as the public's gateway to the seat of power and government. He or she gives the average citizen an avenue to right wrongs outside the legislative and judicial branches of government. The Ombudsman is an alternative to the more time-consuming and costly court processes and is therefore available to segments of our society who might otherwise not be able to afford to pursue resolution when they feel that they've been treated unfairly. The Ombudsman fills the void by providing free, independent, impartial oversight of government's actions or inaction. He is protection against the growing complexity of government and its relationship with the individual citizens. In Alberta this authority is also continuing to spread to oversight of professional organizations and soon to the patient concerns resolution process of the regional health authorities.

The power of the Ombudsman as conferred in the Ombudsman Act is recommendatory in nature. I can make a recommendation when upon completion of investigation I am satisfied that the decision, act, omission, or recommendation appears to be contrary to law, unreasonable, unjust, oppressive, improperly discriminatory, or just plain wrong. In the great majority of cases I'm able to convince the authority to implement my recommendations, and fairness is attained.

In the rare circumstances when that's not possible, the Ombudsman has the authority to take the matter to the minister responsible to seek resolution, and if that fails, he "may send a copy of the report and recommendations to the Lieutenant Governor in Council and may afterwards make any report to the Legislature on the matter that the Ombudsman thinks fit." I think a mark of success in our system in Alberta is that that hasn't occurred since 1975. It speaks well for the efforts towards righting the wrong.

My focus during the first two years of my appointment as the Ombudsman has been on providing a strategic direction for the office, introducing new tools and technology, and creating the investigational capacity required to meet the needs of Albertans. As you will see in my presentation to you today, we've made significant advances in many areas. I'll work to stabilize that base during the early part of the next year and then proceed to exciting new opportunities.

As I've noted, the bulk of our work is in response to complaints brought forward by citizens. However, I have the authority to conduct investigations on my own motion or upon the request of a minister. Such investigations are normally into systemic issues or issues which may affect a significant number of citizens or programs. My office has not conducted these types of investigations in recent years. However, some examples of significant investigations we did complete were into such major issues as the Alberta family and social services investigations of licensed daycare centres, a ministerial request for a review of government construction contracts, and an investigation into the role of the provincial government in the regulation of the Principal Group of companies when the Principal Group collapsed.

As you can see, those are significant, broad, far-ranging types of investigations that can be conducted with that capacity. This is a capability that I feel is of significant value to Alberta and its citizens, and as you will see in my submission and strategic business plan, it's a capability I am committed to rebuilding.

I'd now like to provide you with an overview of our work and accomplishments over the past year, a forecast of our budget for

2005-2006, and a budget estimate for the next three years. I refer you now to the handout Alberta Ombudsman strategic business plan update and budget submission, presented to the Standing Committee on Legislative Offices on December 13, 2005. As mentioned, the overview of the presentation is to reaffirm the vision, the mission, and the values statements of my office, update you on operations and the strategic business plan, provide you with a budget forecast for the current year and estimates for the next three years, and then I'll provide time for discussion and questions.

The Alberta Ombudsman determines administrative fairness. We respond to complaints of unfair treatment by provincial government authorities and professional organizations. Those two statements are a part of the communication strategy for the office, and you'll see some of the supporting work and documentation displayed behind me here, and I'll talk more about the communication strategy as we go on. Those are referred to as the positioning statement and a reassurance statement, that we've developed in order to better explain to the average person what we do.

Turning the page, I've provided you with a copy of the vision, the mission, and the values of the office of the Ombudsman as developed and refined with input from all of my staff as part of the strategic planning process leading to our business plan last year.

On page 5 I've provided you with the matrix that basically in chart form lays out the significant goals and objectives contained in the business plan. Within the vision the office of the Alberta Ombudsman is a recognized leader for independent investigation, promotion, and support of administrative fairness. Our goals, across the top, which are the long-term results we want to achieve, are high-quality service; fairness; accountable administration; alignment of resources, policies, and processes with core business objectives; and public awareness and education.

Down the left-hand column our objectives are listed, and those are the core business objectives that we must succeed at in order to accomplish the goals we've set out. They are to manage the workload in an efficient, effective manner; to pursue excellence in investigations; to improve morale, workplace wellness, and competency through communication, self-development, training, performance management, and adherence to our values; and to enhance the knowledge and understanding of the role of the Ombudsman. Within that framework the business plan, then, lays out a number of key initiatives which we have identified as the things that have to be accomplished in order to meet those objectives and attain the goals for the office. I'll speak about some of the more significant ones as we go through the presentation.

Looking back at 2005, it was certainly a year of significant change in our office. For the first time since 1992 we had the retirement of an investigator. In fact, we lost five senior investigators in the last year. As I noted, the last time an investigator was hired in the office of the Ombudsman was in 1992, so I had a very, very senior, very experienced staff, who had been there a long time. Some turnover of staff is good for an organization. Losing five senior investigators with well over a hundred years of combined experience is a significant challenge to overcome.

In order to address that, we were actively recruiting. We have hired six new investigators in 2005 as well as one new administrative support position. We also implemented our strategic business plan, that I presented to you briefly last spring. Within that we developed three cross-functional working groups. Each one took on one of the key priorities within the business plan that we felt were absolutely mandatory to accomplish if we were going to move forward. In the midst of all that we had to relocate our Calgary office into new accommodations due to the expiration of our lease in our previous accommodations.

10:15

The strategic business plan, as I discussed with you last year, was a result of input from every one of my staff and with the help of some excellent facilitators, who helped us through the process. I have to admit that within the world of the Ombudsman and my counterparts in other jurisdictions and to a degree locally there was a perception that my office lacked direction, was in some respects seen as ineffective, and that there were internal strife issues within the office that needed to be addressed.

Also in 2005, as I briefed you last year, I pursued a partnership with the British Columbia Ombudsman to cost-share the development and continual evolution of our case tracker system, our database, by which we not only now track all of our work and record it, but it's an interactive database that drives our work and now provides us with electronic reminders and diary date updates when we're not meeting our specific performance measures that are laid out in the business plan. It was certainly a cheaper, better way than going it on our own, and it includes upgrade capacity to keep it current and stay with current technology and needs. I can advise that upon our successful initiative the Saskatchewan Ombudsman office is now also pursuing a partnership with Alberta and British Columbia to partner into that same system, which will make it even more cost-effective by sharing the load.

I introduced a new management structure in the last year. Prime in that is the creation of a senior management team as an advisory team to the Ombudsman. That's comprised of the Deputy Ombudsman, that I'll talk more about in a minute, my general counsel, the director of corporate services, and the Ombudsman. The senior management team now reviews all supported investigational outcomes and all sensitive investigations in order to provide me with advice and input and guidance as to getting to the best resolution, input into the budget, into management decisions and the strategic planning process, and ensures a quality and consistency in decision-making within the office. So it's basically a quality assurance process that puts four minds to the significant issues which previously were handled by the Ombudsman almost in isolation.

In a sensitive investigation or an investigation where significant recommendations are going to be made to a department, the investigator is now asked to appear before the senior management team either in person or by video conferencing and present an overview of their investigation, the recommended outcomes, and answer any questions that the senior management team may have, take guidance from the senior management team, and quite often go back and do additional investigation in order to fill in gaps that the SMT may have seen in the original investigation. It's a process that we're becoming comfortable with and is really adding to the quality of the outputs of the office.

Within that new management structure I also created the position of a Deputy Ombudsman. Previously I had a director of investigative services in Calgary and in Edmonton. Although on paper they appeared to be supervisory positions, in fact they were primarily senior investigators, and all of the file management, all of the oversight and supervision was coming to my desk. The Deputy Ombudsman has complete oversight of investigations for both the Edmonton and Calgary offices, so she directly oversees and has input on an ongoing basis into all ongoing investigations.

The Deputy Ombudsman has been responsible for recruitment, staff training and orientation, and acting for the Ombudsman in the Ombudsman's absence. We now make sure that in the greatest percentage of cases at least one of us is present in the office at any one time, so there is a continuity of leadership. The day-to-day operations, as a result, are improving significantly. The oversight

and quality assurance of investigations have been built up. It has freed me, as the Ombudsman, to take the time necessary to lead and to manage, to do things like developing and promoting the strategic business plan for the office, to develop a more rigorous budget management process, to provide direction, and to communicate widely with the public, with authorities, deputy ministers, administrative heads of organizations that we investigate, and the general public. It's a process that's working very well and has certainly given us more consistency and oversight of all of our operations.

Just looking at the workload, in 2004-2005 our oral complaints were up 15 per cent, our written complaints were up marginally, about 10 files. This year through the first eight months we carried forward 264 investigations into the current fiscal year. That is largely due to that attrition that we experienced with the loss of capacity in our senior investigators. That's about a hundred files more than we would normally have active and carried forward into a new year, and that has certainly been a burden for us. Our request for investigations are up about 10 per cent so far in the first eight months of this year as compared to last year, and our oral complaints are comparable to last year.

I note that we began a process in the current fiscal year of tracking and asking people who come to our office for assistance what prompted them to contact us, in order that we have a better understanding of our communication strategy, of where people are finding out about us, and where maybe they aren't finding out about us.

In the first six months that we undertook that review this year, we found that 6 per cent of people found out about us from our website. As I'll mention later on, we've significantly updated and revamped our website recently, and I expect that number will go up. Departments and department publications result in 9 per cent of the people coming to our office; our advertising campaigns through the transit advertising and posters and brochures result in 14 per cent of our calls; personal referrals are 7.4 per cent, previous contact with our office about 22 per cent. Contrary to what I thought was significant and we discussed at my last meeting here, referrals from MLA offices only amounted to 1.9 per cent of our calls in the past year.

As you know, I've spoken before that one of my strategies is to get out and meet with the administrative office staff in all of the MLA offices across the province because I see that as a first line where citizens are going to go when they have a concern, have a complaint. Ensuring that the people in those offices know what we do and what we can and can't do, I had anticipated, number one, would give the administrators in those offices a referral point to go to and may help citizens get to our office when we could be of assistance to them. It's certainly something we'll continue to pursue.

The other dimension of the workload, of course, is the complexity of work. I mentioned this in passing last year, and it's contained in my annual report this year. We recognized that we had gone from a situation a few years ago where, basically, each file that we opened had one matter of complaint, with one complainant and one authority involved. An evaluation of our work over the last three years or so demonstrated that the trend now is to multiple issues of administration being complained about in a complaint from a citizen. Each of those issues of administration requires an analysis, an investigation, a resolution, and an advocacy for outcome, so in effect each issue of administration on file is a mini investigation of its own. Counting the issues of administration is a more accurate indicator of the number of complaints coming forward to the Ombudsman than simply counting the number of files generated.

On the other side of the equation, that analysis also indicated that counting our statistics by the number of files was in many ways unfair as it represented the departments or authorities being investigated. We often have four or five or six matters of investigation,

issues of unfairness that are complained about and are investigated in one file. Under our old way of keeping statistics, if one of those four or five or six issues of administration resulted in a finding of whole or partial support, then the file was recorded as supported when, in fact, it might have been the case that in four of the issues investigated we found that the department acted fairly and appropriately and in only one case was there an unfairness, but as far as the department is concerned, it's being charged with a supported complaint.

10:25

In the current fiscal year we have started tracking our workload by issues of administration so that we will have multiple issues of administration on some of our files, to more accurately reflect the work we do and more accurately reflect how departments and professional organizations are doing at resolving problems.

Our performance indicators in the business plan emphasized what we think are our key issues: responsiveness to complainants and authorities, regular contact with complainants, honouring timelines for investigations, the quality of our investigations and outcomes, advocating for our recommendations and change at the conclusion of our investigations, and the use of new tools such as alternative complaint resolution when appropriate. I'll explain that in more detail later on. Those really are the priorities that you see in our business plan for the current and future years.

Within the strategic business plan, as I mentioned, we set out three priorities, and we created cross-functional teams to address those three. The first one was new tools, and I mentioned alternative complaint resolution. We've introduced alternative complaint resolution with respect to jurisdictional written complaints this year. Prior to doing so, I met with all of the deputy ministers, as well as administrative heads of professional organizations, and made a presentation to one of their quarterly meetings to get their support. I got their overwhelming support to introduce this tool.

In the first eight months of 2005, 56 complaints were referred to alternative complaint resolution, 38 were successfully resolved using that tool, 10 couldn't be resolved and were referred back for formal investigation, and eight are still ongoing in initiatives to resolve them through ACR. That addresses close to 25 per cent of our workload during that period. Albeit many of the issues that are resolved through ACR are the less complex issues, still resolving them quickly through ACR is a significant benefit and gives us more capacity and time to investigate the more complex issues.

We also introduced informal resolution as another informal problem resolution tool. This is at the jurisdictional oral complaint or when we receive an e-mail or a phone call from a complainant. Again, during the first eight months of the year 157 informal resolutions were attempted by my intake officers, and so far 54 per cent of them have been resolved to the satisfaction of the complainant and the department, which again is a significant piece of the work. Those would otherwise have gone on to formal investigation in most cases. The remainder have usually been referred to the appropriate authority for further review or action for investigation.

The benefits: certainly faster resolution. We do the informal resolutions in about 48 hours; we allow a maximum of three weeks for alternative complaint resolution; whereas our average formal investigation – although, as you'll see, we're striving to bring that down – takes in the neighbourhood of eight or nine months. So certainly it's faster. It's a much more efficient use of time for investigators and authorities. We're not spending a great deal of time compiling a formal investigation. Authorities aren't being required to spend a great deal of time researching and providing a response to me when I open an investigation.

It focuses on problem resolution, which is always the focus of our office. It's not about laying blame; it's about resolving the problem, identifying issues of unfairness, and working with departments and authorities to improve their processes so it won't happen in future. It frees up more of my staff for the more complex, time-consuming investigations. It improves relationships: when you move to informally resolving a problem instead of building a wall between citizens and department representatives and professional organizations, you create a feeling of trust. We see that repeatedly in the feedback we get from people who've been involved in those successful ACRs.

I have committed to monitoring for systemic issues. There's always a danger that the same problem might be coming up over and over again, and instead of fixing the problem, we just keep dealing with the symptoms, but we monitor for that. I've made a commitment to annually, and more often if required, report back to deputy ministers and administrative heads of organizations on the ACRs and IRs that we've done within their jurisdictions.

The second of the strategic business plan priorities that we've addressed is to develop a new investigative process. It's basically a four-step process of investigational planning. To plan and focus the investigation from the start and form a basis for the investigation, moving into the formal investigation, which will result in a continuous loop of updating and formalizing the investigative plan. It's at this stage that the Deputy Ombudsman provides that oversight to keep investigations moving forward and on target. We've developed a standardized investigational reporting tool so that all of the investigative reports come to the senior management team in a consistent tool with the analysis, the investigation, the findings, the outcomes, and the recommendations reported to us, and resolution of complaints where change is necessary and working with departments and professional organizations to advocate for our recommendations and ensure that there's a positive result. The benefits of that process are a focus on effectiveness and efficiency, improved quality of investigations, consistency in the process and reporting, emphasis on key issues of the complaint, and trying to shorten the time frames for investigations.

The third key initiative that we undertook was our communication strategy. As I mentioned earlier, you see some of the work that we went through in order to arrive at our communication strategy. We took this initiative in order to develop a very clear understanding of the key messages that we needed to communicate, to emphasize the independence and the identity of the office of the Ombudsman, to enhance public awareness of the role of the Ombudsman, to be able to explain what we do and how we do it, and also to address internal communication issues that we had in our office.

We have as a result of that communication strategy developed a number of new communication tools. You'll see on the beam here a couple of the posters that we've just received. The lower one is specific to correctional facilities because of a specific process that exists there. The upper one is one that we send out, a more broad distribution, to government offices and service centres across the province.

Our communication tools have been developed specific to audiences. Unfortunately, I don't have the new brochures here today. They'll probably be here by this afternoon. But we've developed a new brochure and also an insert. The brochure more adequately explains to the average citizen what we do and how we do it and how we can be of assistance. We developed an insert, when we're providing that brochure to authorities and departments, that gives the authorities and departments some guidance and some input into how they can help in the problem resolution and complaint resolution process.

In October we went live with our new interactive website, a number of innovations in that website. We've provided reference material for complainants on how to make complaints, for authorities on how to develop complaint mechanisms, a number of hot links so people can go directly through our website and access the websites of both jurisdictional and nonjurisdictional entities in a broad spectrum where they'll be able to find the questions they're looking for in order to try and resolve their complaints.

We've incorporated an online complaint form on our website so that people no longer need to write to us. They can submit a complaint to us through a secure web portal by filling in an online complaint form on our website. We've had a significant response to that already in the first few weeks that it's been available.

We've developed a new logo, new brochures and posters, and stationery that more clearly identifies who we are and what we do. We've clarified the mission and vision for our staff.

I've provided you with a strategic business plan scorecard as part of my submission. This is the piece of the strategic business plan that tracks our accomplishments against our key initiatives and our objectives. I'll go through a few of those that are specifically interesting. I think you'll recognize that we've made some significant advances in our first year. We're looking to stabilize our office, our structure, our new investigators in year 2 and year 3 and again, as I mentioned earlier, to build capacity to undertake systemic investigations on my own motion. I won't go through all of them. I'm sure, if you haven't already and if you're interested, you can take the time to read it.

10:35

Just looking on page 1 of the scorecard. On item 3 – and this is with respect to response to complainants – we set a goal of e-mail inquiries responded to within 24 hours 90 per cent of the time. So far this year we've exceeded that. We're responding within 24 hours 98 per cent of the time and within two days 100 per cent of the time. Telephone inquiries responded to within four hours 90 per cent of the time. We've been able to respond to telephone inquiries within four hours 99 per cent of the time and, in fact, responded within two hours 90 per cent of the time, which was our goal. Responding to all complaints within eight hours or within the same business day that they're received.

On page 2 I've already commented on the access opportunity and initiative we entered into to partner up with the British Columbia Ombudsman to develop the case tracker system.

In item 6 on that page, quarterly expenditure reviews and forecasts, we've set up a process whereby we're providing the senior management team on a quarterly basis with expenditure updates and forecasts on our budget so that we can become more rigorous in managing that budget and knowing where we are. My approach as a manager is to manage a budget, not let a budget manage me, and this certainly allows us to do that by knowing where we are at all times.

On page 3 a pretty aggressive undertaking with respect to investigations of written complaints. This one won't be measured until the end of the fiscal year, but as I mentioned, due to the attrition – we experienced a large number of senior staff leaving – it's going to be a real challenge to meet that one this year. Those timelines are pretty aggressive, but we have recently launched an initiative to catch up to the backlog that was created by the significant carry forward of files, as I mentioned, into this year, and we're confident that those goals will encourage us to improve our service. Investigating complaints and getting to results in a reasonable time frame is a key component of our responsiveness, not only to the complainants but also to the authorities being investigated.

Contact with complainants is another key objective, and we set a performance indicator of: complainants are contacted within 10 days of the receipt of a file. Our target was to do that 80 per cent of the time. So far this year we're at 78 per cent and 87 per cent within 20 days, and I'm quite confident we'll meet that objective by the end of this fiscal year.

Just skipping forward to page 7, as I mentioned, the communication strategy, the development and implementation of it, was a key piece of our work during the last fiscal year. We're almost at the end of that.

The one thing that we're going to do still is develop an initiative to take the office of the Ombudsman to rural Albertans. We're going to go out this spring. I will take probably two of my senior investigative staff, and we'll go out into an area of rural Alberta for a week where we will set up intake offices where citizens can come in and speak with one of my investigators or intake officers about any issues they may have, set up some opportunities to do presentations to service clubs and groups, media outlets in the communities just to try and take the office to the rural people. We haven't surveyed it, but certainly all of our indicators are that the bulk of our work comes from the urban areas. It may be that access is certainly one of those issues because a lot of the people who have problems to bring forward to the Ombudsman lack the ability to use modern technology, to travel, and we want to make ourselves more available to them.

On the last page, of course, developing and implementing the strategic business plan for the office, of which the scorecard was a significant piece. I don't want to take up any more of your time on that. I'm sure you've had a chance to read through it, but I'll certainly entertain questions from you in that regard.

In the future we're looking at expanding jurisdictions. To some who have been on this committee for a few years this is a yearly topic. Mr. Ducharme worked hard with my predecessor to push through amendments to the Ombudsman Act that were passed in 2003. We have been advised by the Department of Health and Wellness that by March of 2006 all of the health professions will have come under the provisions of the Health Professions Act, and therefore their complaint resolution processes will be jurisdictional to the Ombudsman. We're currently sitting at about 14 out of 28, I think, with a couple that were passed towards the end of November.

With the regional health authorities the amendments to the Ombudsman Act that were passed in the spring sitting in 2003 provided a framework as yet unproclaimed for the Ombudsman to have jurisdiction over the patient concerns resolution processes in the regional health authorities. We've worked extensively with the department over the last two years. I began meeting with the former deputy minister in December of 2003. We have worked with a committee in developing a regulation. That regulation was in the process and awaiting passage. When it's passed, the patient concerns resolution processes in the nine regional health authorities will be within my jurisdiction to investigate.

I made a submission to the MLA task force on continuing care facilities in this regard because this is an avenue of oversight dealing with the issues that that committee was tackling in that the patient concerns resolution process of the regional health authorities will apply to all of those continuing and extended care facilities that are managed by the regional health authorities and, therefore, will provide independent, impartial oversight to that process through my office. So we're anxiously awaiting passage of that regulation. It's been almost there for quite some time, and I can't advise you as to when it might get passed at this time.

Continuing on to page 20 of the handout, into the systemic investigations, as I mentioned, we're planning for sufficient

resources by 2007 for the addition of two additional investigators and one administrative support position to investigate significant systemic issues on my own motion or in response to multiple similar complaints. Those investigations can also be triggered by a request from a minister through a ministerial order for me to do an investigation of a significant issue. This is an area, as I mentioned previously, that can be of significant advantage to the citizens and the province of Alberta and is one that we are actively pursuing.

The difficulty right now is building up the capacity and the bench strength with all of the new hires that we've experienced this year to have the experienced investigators to be able to undertake those kinds of investigations and do them well. We anticipate a stabilization of the workforce during the coming year, in 2006, and being able to then move forward late in 2006 or early in 2007.

Just an update on something that I mentioned to you last year and has been covered in the media lately. Some of you may know that I was elected as the president of the Canadian Council of Parliamentary Ombudsman this year, which is an oversight body that is made up of all of the parliamentary ombudsmen across Canada. Along with the federal council of ombudsmen we made a joint submission to the Gomery inquiry and recommended the establishment of a federal ombudsman of general jurisdiction in the federal milieu as a means of providing oversight to the processes of government departments that we have with the provincial ombudsmen. I mentioned to you last year that out of over 190 countries in the world that have ombudsmen at some level, only four, Canada being one of them, have ombudsmen at some levels of government but do not have a federal ombudsman. This is an issue the ombudsmen community has been pushing for many years, and as the president of the CCPO I've committed to continuing to push for that on a national stage.

Did you want to stop there for questions on the business plan, Madam Chair?

The Chair: No. Just proceed, and then go to questions right at the end of it.

Mr. Button: Okay. On page 22 is an overview of a forecast of our current budget year. In 2005-2006 we are forecasting a slight surplus in personnel of just under \$20,000 and a slight surplus in supplies and services of just under \$19,000, for a total projected surplus at this time of just under \$39,000.

10:45

For those of you who haven't been involved in the committee and myself prior to my appointment as the Ombudsman, it's my understanding that in anticipation of the expanded jurisdiction of the office with particular attention to the health professions and the regional health authorities there was funding provided to the office of the Ombudsman with the understanding that it would not be utilized until such time as the expanded jurisdiction and corresponding workload necessitated it. That has made a very awkward situation because it's hard to be accountable when there's money sitting there, and year over year we were returning significant surpluses to general revenue.

In the past budget year, certainly, with the committee's direction we did add a lot more rigour to our budget-setting process and our management process. Our estimate was reduced in '05-06 by \$138,500. When I went back and reviewed the budget, we were able to make those reductions without significantly impacting our productivity. We did delay hiring replacement investigators until the latter part of the year to make sure we came in under budget or at

least at budget. We did cut back on our advertising program. We would hope to pursue that again in the coming year.

We had a backlog of investigations. That backlog is not entirely as a result of the budget reduction because the new investigators are basically in an orientation and training mode this year anyway. The real backlog is as a result of the retirement of a significant number of senior staff in the past year.

Certainly, our budget last year didn't contain the rigorous analysis and review that we're presenting to you this year.

We did during the year have to create a holding queue for new files, where new complaints were put into a holding queue for 90 days because we simply didn't have the capacity to open them and start investigating them. Partway through the year, when it appeared that I could do it, I hired an hourly wage contract investigator, who was a significant help and took on a significant number of very complex investigations and helped us keep up to the workload during the year.

We're getting over that hump now, and we're starting to see progress towards closing a lot of the longer term investigations and gaining some ground on the file load. It's generally accepted that a file load of about 25 active investigations is about all an investigator can handle. At times this year we were up close to 50 investigations per investigator, and in fairness to them they simply couldn't keep up to and keep active on all those investigations at any one time.

Looking forward with our budget estimate for the coming three years. In 2006-2007 we're projecting an increase in total personnel, an estimate of 11 per cent. Some of the factors there are staff severance and holiday payouts, the 3 per cent cost-of-living increase for bargaining unit employees, a pay increase for management and opted out and excluded staff that we experienced this summer, an increase in the cost of employee benefits – and that's really a factor of a percentage of the salary cost that accrues to employee benefits – and staff development and professional fees to address the strategic business plan priority for staff training and development. Our full-time, FTEs, will remain at 21 for 2006-2007, which is fully staffed.

On the supplies and services side of our estimate for 2006-2007 we're seeing a reduction of 7 per cent overall. One of the factors there is a more rigorous budget management regime. Our communication strategy has been largely completed in the current fiscal year. You'll notice a significant increase in contract services. That's primarily due to a reallocation of some cost items from materials and supplies that we have done this year. We've also provided for legal counsel for what may be a challenge to our jurisdiction that we're currently in the middle of and a negotiated severance agreement.

Materials and supplies: decrease, again primarily because of a reallocation of costs from that spending authority to contract services.

Overall our increase for 2006-2007 is approximately 6 per cent over our 2005-2006 budget, and as I mentioned, for our 2005-2006 budget we're projecting just above balanced, a surplus in the range of \$39,000.

Our estimates for 2007-2008. We're looking to be able to reallocate from within to partially fund two new investigators and an administrative support position. That is, as I mentioned in my business plan update, to facilitate systemic issue investigations. Contract services will be reduced, and we're estimating an overall increase in that year of 2 per cent given what we know today.

Our estimate for 2008-2009 is an increase of approximately 5 per cent. Salary is over 80 per cent of our overall budget, and those increases are largely cost-of-living increases in salaries and merit increases in salaries and associated costs.

We're looking at expanding jurisdictions, as I've mentioned

previously, which certainly may impact on the pressures in out-years and in an expanding workload as our communications strategy and efforts towards making ourselves more visible and more available reap rewards.

Looking at other jurisdictions, our per capita resources as compared to ombudsmen offices in other jurisdictions are very low. For instance, Saskatchewan has approximately the same staff, with one-third of the population that we serve in Alberta. They have 20 staff.

That is what I had prepared to bring to the committee today. I thank you for your time, and I'm certainly sure there are questions.

The Chair: All right. Thank you.

We've got Richard Magnus and then Ivan.

Mr. Magnus: Thanks, Madam Chair. I was kind of hoping that I wasn't going to go first. When I look at a budget – and I've been doing this for a long time – normally I start comparing whatever is coming forward for the current year and go back to the year we're in and then the year before, perhaps. But, I mean, when I look at this sheet, it should be fairly simple, and it isn't. For every single number in here the disparities from one year to the next, going up and down in some cases, are stunning.

I'm not even sure where to begin, but I'll start with contract services. I understand your explanation, but when your actuals are so far below where you think this is going to get to before the year is up, I'm a little bit perplexed as to why you need that kind of money for contract services. You know, part of my problem is that I'm going from an actual from 2004-05 to what your estimate is for 2006-07, and it's a two-year leap as opposed to one year. When I look at the one-year leap, it doesn't bother me nearly as much, but the two-year leap is driving me nuts because the percentages are just so, so high. I appreciate that the office hasn't been running – how do I say this? Well, you've had some difficulties in the office.

As I say, I don't even know where to begin, Madam Chair. I'm looking at some of these numbers that are just right out of whack, and I don't know what the explanation is. I've listened very patiently here for quite some time to a long explanation, but some of it just isn't working for me at all.

Mr. Button: Significant portions of that allocation in contract services are a provision for outside counsel with respect to an anticipated challenge to my jurisdiction to investigate a particular body. I'm not at liberty to discuss that any further right now, but that's a significant allocation. It's also a provision for outside counsel to advise me in a current personnel issue that I'm dealing with.

Mr. Magnus: And I don't want you to get into that at all. You know, I'm more concerned about total supply and services going from the actual 2004-05 to the estimate, well, two years later. As I say, if I had every single government department come in with these kinds of increases, frankly, I'd be wanting to jump off the top floor of this building at this point in time.

10:55

Mr. Button: Without denigrating past processes, the budget management in the office of the Ombudsman, as I've alluded to, was not a very rigorous process. The office had fallen down to 16 staff when I assumed the position just over two years ago. A lot of things that we are currently doing were not being done. A lot of proactive initiatives, to provide the best possible service that we could, needed to be addressed. Staff needed to be brought up to an acceptable level

in order to meet the demands that we were facing. Obviously, there is a significant jump when you look back, as you say, to '04-05, I believe. Was it '04-05 that you were looking back to?

Mr. Magnus: Yeah. I'm actually on the actuals.

Mr. Button: Yeah. As compared to estimates for '06-07. Overall I don't have the percentages. Glen, you didn't go back that far, did you?

Mr. Magnus: We have them in front of us. I think what's bothering me more than anything is that when I look under personnel, I've got two out of three where the leap is huge. Then when I look under supplies and services, I've got five out of 11 items where, again, the leap is huge from those two years.

I understand the problems that you've had in the last year and a little bit, but I don't know how we do this budget. I honestly don't. I don't know where it should be. Do you zero base it, start at zero again?

Mr. Button: Well, I can advise the committee that that is largely what we have done this year, certainly with Glen's assistance in the last couple of months. Glen has been a great assist to go in and look at our budget and at each of our spending authorities and do a rigorous review. Some of the changes are reallocations where expenditures were being wrongly coded previously. We have looked at each and every one of those spending authorities. As noted, we've reduced our estimate for '06-07 over the previous year by 7 per cent in supplies and services. Recognizing that some of those still vary significantly – and contract services is certainly one of them where we have a significant expenditure change year over year in the last year.

Mr. Resler: I could add something to that.

Mr. Button: Sure.

Mr. Resler: As an example, when I came to the office, I pretty much started from the zero as far as: let's build it, what it is that we do day to day. I don't have the familiarity with the office. As an example, technology services is an item where the actuals were just under \$60,000, and we're proposing, forecasting \$126,100. So what we have – and this is pretty much all fixed cost – is the case tracker system so that we're in alignment with B.C. It's a fixed cost of \$43,000 plus there may be some additional costs to us as far as staffing of just over \$5,000. Our network support, the support that we have for our desktops, our servers, Edmonton and Calgary offices, is a fixed contract of \$58,000. We have an additional contract with ACSC, who are now RGE, Restructuring and Government Efficiency, for human resource services, and also for IBM. That's another \$18,000. Our web hosting is just under a thousand. So really the only flexible number within that budget item is about \$5,400. That may or may not happen depending on if further enhancements occur with our case-tracking system.

So when you look at the numbers in comparison, although the actuals were low in '04 and '05, the budget did acknowledge that that system was coming into place, and that's what was approved the previous year. We are moving to that target, so there really isn't too much flexibility in that number at all, as one example.

Mr. Button: Just by way of explanation on the case-tracker system, the office did have a database which had been purchased in the '90s but had not been upgraded or updated since. We were in a situation where it was completely inadequate to manage our work. Our

choices were to go it alone and build a system and maintain that system on an ongoing basis. Certainly we're spending close to \$50,000 a year to maintain and upgrade and update that system, but I assure you from the research we did, that's far less than we would have incurred had we tried to build a system on our own and maintain it on our own in future years.

So Glen's explanation with respect to technology: certainly, we're looking at a difference there of \$66,000 over the time period you're looking at from '04-05 actuals to '06-07 estimates. There's no flexibility to speak of in those numbers.

Mr. Magnus: I understand the explanation, and I wasn't here two years ago when this evidently came up before and somebody agreed that you would go ahead with this. Again, it still doesn't alter the fact that these are just huge leaps. I'm going to wait for the rest of the questions to see where they go on this, Madam Chair.

The Chair: Ivan, Denis, and then Laurie.

Mr. Strang: Thanks, Madam Chairman. Mr. Button, I guess the one thing I have, too, with the wages, especially when you look at 2004-05, when you go from budget to actual, you're \$240,000-plus under, but then if you look from the actual to your budget in 2008-09, you're over half a million dollars. So I guess that sort of gives me some concern on the aspect of the budget. Then, basically, what you were saying is that two years ago is when you came, so you only went up four staff. So that's quite a bit.

Then I guess I wonder about your travel, your first item. With your budget and then your actual, you know, you're up \$41,600. But then for your projections for the rest of the three-year budget plan, you're going to go up over your actual of \$20,000. So I'm just wondering what the travel is. I mean, you mentioned something about trying to get out into the different constituencies. So is that your thought process on that?

Mr. Button: Responding to your first issue with respect to salaries and wages, those increases reflect primarily fully staffing the office, too, the FTE complement that we were provided since I took office. The other increments largely reflect cost-of-living increases as agreed to by the bargaining unit and generally apply to opted-out and excluded management staff.

Is there anything else on the salaries, Glen?

Mr. Resler: Yeah. The low actuals in '04-05 would have been the result of a lower staff complement, so being fully staffed in '05-06 results in that increase there.

Mr. Button: With respect to travel, certainly our travel has increased. Largely that is due to the management and oversight that we're providing within our office with the Deputy Ombudsman and the Ombudsman providing guidance and oversight and being on-site in Calgary with our Calgary staff much more often. Prior to my arrival, I'm advised by my staff, that was a bit of a rarity, that the Calgary staff didn't have the benefit of the Ombudsman being in attendance very often. The Deputy Ombudsman is attempting now to spend one week each month in the Calgary office in order to provide the guidance and direction there.

We've also taken a more aggressive approach to investigative processes and budgeted for travel for investigators in order for the investigators to go out and meet with complainants and meet with authorities and do their investigations face to face as compared to doing document investigations in the office. So that has certainly increased some of our travel requirements.

We have a budget forecast in our estimates for a staff training retreat, and we are also partnering with the British Columbia office to put on an investigators' workshop. There is no such thing as an investigators' workshop or any training environment for Ombudsman investigators that's available. In order to address that gap, we have developed a training workshop in conjunction with the British Columbia Ombudsman's office, and we're looking at staff travel to attend that.

Glen, did you have other comments on the travel?

11:05

Mr. Resler: There is fluctuation in travel. That's one thing that's hard to budget in part because you can't determine what investigations you're going to have. Depending on where those investigations are, the investigators will go there. Whether it's Fort McMurray, Grande Prairie, there are costs for flying to those areas to meet with the appropriate contacts there. So there is that component.

The Chair: Okay. Denis and then Rob.

Mr. Ducharme: Thanks, Janis. I have four questions. The first one relates to your hosting budget. In '05-06 you had a budget of \$4,000, and you forecast that it's going to be \$9,000 by the end of this fiscal year. In '06-07 you've got an increase of \$800 to \$4,800, and basically the definition that I saw was due to the national investigators' workshop. I guess my question is: what happened this year to be out 225 per cent on the hosting line item?

Mr. Button: In '05-06, Denis?

Mr. Ducharme: Yes. You'd budgeted \$4,000, and the forecast is to be \$9,000.

Mr. Button: Oh, that's the investigators' workshop that I just discussed that we're co-hosting with the British Columbia Ombudsman's office.

Mr. Ducharme: Okay. So it's an annual event?

Mr. Button: Yeah. The first one will be in February of '06. Then it will be an annual event, we're hoping.

Mr. Ducharme: Okay. Fine. You'd show that for '06-07. But your '05-06 budget was \$4,000, and you forecast it to be \$9,000.

Mr. Button: That's because the first training workshop will be in '05-06. We said '05-06; we're not done yet.

Mr. Ducharme: We're not done yet. Okay. Fair enough. Good answer.

You made reference to the office relocation in Calgary. Does Infrastructure cover your rent?

Mr. Button: Yes. We don't pay the rent, but we had to cover portions, and I couldn't explain it all to you here because it's been a confusing experience. Infrastructure paid for the fit-up of the new space. They do pay for the lease costs on the new space. We had to pay for the actual relocation. We had to pay for the reconfiguration of workstations and that sort of thing. All of the equipment, basically, that goes into the space is our responsibility. The space is Infrastructure's responsibility, by and large.

Mr. Ducharme: Thank you. I'd like to go to travel. You made a comment that the Deputy Ombudsman and yourself do have quite a bit of travel between the two centres in terms of being able to be a little bit more hands-on. When I compare your travel budget to another one of our committee's, that of the FOIP office, their travel is about \$22,000 more a year, but they've got double the staff members. I'm just wondering: has there been any consideration to relocating the position of the Deputy Ombudsman to the Calgary office probably in terms of being able to help curb a lot of those travel expenses?

Mr. Button: For operational reasons, no. It's very important and necessary for me to have daily and ongoing contact with my Deputy Ombudsman. She's my second in command and a key component of my office.

There's also the reality that we face in Alberta, that I certainly face in my office. The seat of government is here in Edmonton. The departments are here in Edmonton. The great percentage of the jurisdictional entities that we investigate have their offices here in Edmonton. A large part of my work and the Deputy Ombudsman's work is the interaction and working with those authorities and departments. I don't think it would be feasible from an operational perspective to have the Deputy Ombudsman in Calgary and the Ombudsman in Edmonton.

Mr. Ducharme: The last one. You made reference in your opening statements that as far as investigations, some of them will be your decision, and others could be ministerial requests. I guess it's more in regard to the ministerial requests. If the minister should have requests for certain specific investigations, have you got the flexibility in your budget?

Mr. Button: I would have a great deal of difficulty this year and in the coming year in addressing any significant investigation by ministerial request. That is capacity that I'm hoping to build into the out-year, into 2007. Part of that is budget. Part of it is, as I've addressed earlier, significantly trained and experienced investigators who could undertake an investigation of that complexity.

The Chair: Okay. I know that I had Rob excited. I said that he was next, but in actuality it's Laurie and then Rob, and then we'll wrap up. That's the end of the speakers' list.

An Hon. Member: Favouritism.

Ms Blakeman: Actually, she missed me on the list several times already.

Thank you. I'm seeking clarity around the number of people you have working versus the amount of activity that you're processing in the office, and it's a bit confusing trying to track from the '04-05, the '05-06, and the '06-07 year. What I'm interested in is starting on page 6 of your report. Were you short a couple of people coming into this year? Because on that page it's talking about five investigators that you're down. But then it says that you hired six of them, which to me would look like one more that you would be adding to your staff costs, and a new administrative support. So, again, were you hiring because you were short and had come into the year short, or have you in fact added a position here? The first two questions.

The end question to that is: how many people do you have working in the year that you're referring to?

Mr. Button: In '05-06?

Ms Blakeman: Well, I'm referring to page 6 of your report.

Mr. Button: So that's the current fiscal year, '05-06. Yes, we came into the year, as I mentioned – actually, I believe that when I assumed the position, Laurie, the complement of the office was down to 16 staff, 16 or 17. So in addition to backfilling behind the retirements, we did fill one of those previously vacant positions as an investigator.

Also, in creating the new management structure of the Deputy Ombudsman – I had two directors of investigations, one in Edmonton and one in Calgary. One of those positions was reclassified to create the Deputy Ombudsman position. The other former director's position was reclassified to an investigator's position. Through the latter part of the last fiscal year, '04-05, I did have a temp occupying one of the admin support positions in the Edmonton office. As of January 1, 2005, I hired that person on a permanent basis. So that's the additional admin. support. We're now at 21, which is our full FTE allocation.

Ms Blakeman: Okay. So you're at 21 now for your forecast under '05-06.

Mr. Button: Actually, no. We're at 20 right now.

Mr. Resler: Twenty, and then the replacement would be 21.

Mr. Button: Twenty, and the replacement I'm currently pursuing for the director's position will make 21.

Ms Blakeman: Okay. On page 9 you're talking about your level of activity and whether it increased or not. What I'm looking for is the correlation between the new staff positions or filled from vacant staff positions and the increase in your workload. Can you make that correlation work for me, please?

Mr. Button: Our number of formal investigations has been going up over the last couple of years. As indicated there, we're up about 10 per cent in the first eight months of this fiscal year over 2004-2005, and 2004-2005 was up marginally over the year before that. So our number of requests for formal investigations is rising. In addition, as I mentioned later on in my presentation, the complexity of our investigations is also increasing significantly in that these are reflecting actual files; whereas, as I commented, we're finding that files more routinely now contain multiple issues of administration per file than they did previously, and we've of necessity begun tracking our workload by the actual issues of administration that we investigate as a more accurate reflection of workload. Certainly, the complexity and the number of issues we're investigating is increasing, but it's not a number that we tracked until this fiscal year. We started as of April 1, 2005, to track the issues of administration per file.

11:15

Ms Blakeman: Okay. So coming from '04-05, you had 16 staff, you've come to 20, and you'll have 21 by the end of this fiscal year?

Mr. Button: Yes.

Ms Blakeman: Matching it, your workload increased by 15 per cent from '04-05 coming into the '05-06 year, and you're expecting another 10 per cent increase above and beyond? Am I tracking this appropriately?

Mr. Button: It's somewhat misleading, Laurie, because the 15 per cent increase in '04-05 was in oral complaints as opposed to written complaints. We only begin investigations upon the receipt of a written complaint. The oral complaint is the first stage of contact between an individual citizen and my office. At that stage if it appears that the issue they have a problem with is jurisdictional to my office, we ask them to write to us and provide us with all the necessary documentation.

Ms Blakeman: Which is when the ball starts rolling.

Mr. Button: That leads to our formal investigations, yes. So those are two different measures of workload.

Ms Blakeman: Okay. So you would maintain, then, that there is a correlation between the increase in activity and the number of staff that you have and the increases in staff?

Mr. Button: Yes, the staff we currently have. It's a little difficult right now to project because of the various health professions becoming jurisdictional on a repeating basis between now and March and the anticipated passing of the regulation, which will bring the regional health authorities' patient concerns resolution process within jurisdiction. That's sort of the unknown component of the work that we're trying to ensure that we're ready for. We know that it's going to come in the next few months.

One of the issues with the current workload is the significant carry-forward of investigations that we brought into the current fiscal year, and that's creating quite a challenge for us to try and keep up. Generally the numbers of files and the complexity of files is increasing. Jurisdiction is expanding. My estimate is that the number of staff I currently have I think will be adequate when they are fully trained and everybody is carrying a fair load of the files.

Ms Blakeman: Okay. Last question. I'm curious as to what safeguards and criteria you've got in place around your alternative complaint resolutions and your informal resolutions. I'm just concerned that we're setting up something here where it's all about closing the file rather than dealing with the issue. Certainly, I'm hearing increasing complaints coming through Human Rights, that the system they work on is counting the closed files or incredible pressure on people to settle, settle, settle. Rather than attempting to reach something that's going to satisfy, there's pressure on the complainant to settle. What criteria and safeguards do you have in place so that we don't have people feeling that they're being pressured into that?

Mr. Button: It's an excellent question, Laurie, and it's one we addressed in developing this process. We have a fairly extensive interoffice directive that guides the use of alternative complaint resolution. It is managed largely by the Deputy Ombudsman.

Ms Blakeman: Maybe you could supply me with a copy of that.

Mr. Button: I'd be pleased to supply it to all the committee if you'd like.

One of the precursors is that both the complainant and the authority are willing to enter into an effort to resolve the matter through informal problem resolution. Particularly, I have advised deputy ministers and administrative heads that I do not want this to become a situation where department authorities would cave in on their principles in order to make it go away, and I've used that language with the deputy ministers. I want it to be a legitimate

opportunity to take a second look at an interaction between a department and a citizen.

Most often we refer matters to alternative complaint resolution when there are obvious indicators in the information we receive from the complainant that maybe there's been a miscommunication, maybe something just got a little off track here.

Similarly, complainants are asked if they are willing to enter into an alternative complaint resolution. If anybody objects, then the matter is referred back for formal investigation. We go to the formal process.

You're appropriate in identifying those risks. We know that those risks exist. What we have put in place is a very comprehensive process to ensure that we're not compromising the rights of complainants and we're not unduly pressuring authorities to resolve an issue just to make the Ombudsman go away.

I'd be glad to provide you with that comprehensive directive.

Ms Blakeman: Thank you. Through the secretary, please.

The Chair: Great. Thank you.

Just to clarify, Laurie, that you weren't repeatedly bumped. You asked your questions in the exact position on the speakers' list; it's just that last time I missed saying that you were next.

We have Rob, and then Richard Marz has a quick question as well.

Mr. Lougheed: Some of the questions I was asking here, Laurie started on. But I didn't get a sense: of your staff complement of 21, how many are doing the investigations or do you classify as investigators?

Mr. Button: Nine are full-time investigators. One is general counsel, who provides legal interpretations and legal advice to both the investigators during investigations and to me as the manager of the office. Two are involved in complaint analysis. When the complaints come into the office, they receive the written complaints, do the analysis to determine jurisdictional issues, whether it's within our jurisdiction or not, whether all appeals have been exhausted, whether all avenues have been taken by the complainant to resolve the issues. So nine investigators, two complaints analysts, general counsel, and the Deputy Ombudsman are fully deployed to the ongoing investigations.

Mr. Lougheed: I was curious about how you classified these complaints or acted on them. On page 9 you've got oral complaints are up 15 per cent, and you give the number there. Written complaints are up by 10. Is that numerically? That's not per cent?

Mr. Button: Yes. Total.

Mr. Lougheed: What's the number, then, of written complaints?

Mr. Button: Last year it was I believe about 647 or 650, something in that range, of formal written complaints.

Mr. Lougheed: Then I was curious: do you consider e-mail a written complaint?

Mr. Button: Until the new website went up with the online complaint form, we didn't accept complaints by e-mail largely because we couldn't verify who the sender was. The legislation requires that it must be a person affected by a decision or action, and we couldn't make that determination by e-mail.

In order to move forward into the electronic age, we set up a

process with the online complaint form where we will accept the online complaint through a secure web portal. We follow up immediately with verification to the complainant by person or by telephone. So that's the long answer, to ensure that everybody is clear on it. The short answer is that e-mail contacts previously were treated as oral contacts with the office, not as written.

Mr. Lougheed: Out of those 4,000 or so, that would trickle down to 650 that were actually going forward and being acted on?

Mr. Button: Yes.

The Chair: Great. Thank you.
Richard Marz.

Mr. Marz: Yeah. Actually I have two questions. One is a clarification of a previous question that was asked regarding the hosting: \$9,000 for '05-06. This is a cross-Canada workshop, I assume, so we can expect this again in roughly 10 years.

Mr. Button: Depending on how we make out this year, we're anticipating putting these types of workshops on on an annual or semiannual basis. That's difficult for us to assess right now. We have projected for an annual training workshop because there's no other venue that provides that in Canada.

Mr. Marz: Then if that's the cost, \$9,000, how come that same amount is not reflected in subsequent years? You're back down to the \$4,800 and \$4,900.

Mr. Button: Glen?

Mr. Resler: The portion of the \$9,000 is increased because we're cohosting, so we're putting more of the funds up front. That component is actually \$7,000, part of the cohost. In subsequent years we're only looking at a \$2,000 component to that. That's why there's the big variance from \$9,000.

Mr. Marz: So it's going to cost more to cohost than it is to host it ourselves?

Mr. Resler: No. It's costing more as far as cohosting with B.C. in this year. In subsequent years we may sponsor a breakfast similar to what they do in COGEL and such like that. When jurisdictions host, you'll sponsor one portion of the conference.

Mr. Marz: Okay. My other question is about the position of Deputy Ombudsman. How many other jurisdictions in Canada have that position?

Mr. Button: Most of them have.

Mr. Marz: Most of them our size or bigger?

Mr. Button: Yes. Saskatchewan has a Deputy Ombudsman in Saskatoon. British Columbia has one Deputy Ombudsman colocated with the Ombudsman in Victoria. Of the smaller jurisdictions, Richard – and I'm thinking of New Brunswick and Nova Scotia – I don't know if they have a Deputy Ombudsman. I don't think they do, but any that are our size or larger do.

11:25

Mr. Marz: I was wondering: if it was tried to have the Deputy

Ombudsman relocated to Calgary, couldn't the communication be done through the many forms of technology that we have to communicate with each other on a moment-by-moment basis?

Mr. Button: It could. My experience in managing head office and district offices in many environments is that as good as telephones and e-mail and video conferencing are, they don't substitute for the moment-by-moment, daily interaction and certainly would not facilitate the contact the Deputy Ombudsman has to have with the jurisdictional authorities, the government departments, and the professional organizations that we deal with. The great majority of those are primarily located in Edmonton.

Mr. Resler: Could I add just one thing on the travel part. We're concentrating quite heavily as far as the travel for the deputy, for the senior management to Calgary. That component of the travel expense is only \$13,000 for the senior counsel, Ombudsman, and the deputy for the Calgary travel component. So it isn't a large part of that number.

The Chair: Okay. That's the end of the speakers' list.

I'd like to thank Gord and Glen for your presentation. I hope that you are able to join us for lunch. That will start right after the next presentation. You're welcome to either come back or wait in the foyer or listen to the next presentation.

Mr. Button: Glen's staying. He's not going anywhere.

[The committee adjourned from 11:26 a.m. to 11:30 a.m.]

The Chair: Okay. Our next presentation is from the office of the Chief Electoral Officer. I'd like to welcome Bill Sage, Deputy Chief Electoral Officer, and Glen Resler, director of registrations and financial operations. I should say: welcome back, Glen.

Actually, before you start with the presentation, I was just wondering maybe, Bill, if you wanted to give us a little bit of background about the proposed amendments. I understood that you had something to leave with the committee for our discussion later about to what extent we get involved in that process and how we review. We probably have enough here, so if you want to just start with your presentation.

Mr. Sage: On the legislation?

The Chair: You can just proceed with your business plan and your budget. Thanks.

Mr. Sage: I am starting with the budget presentation. Do I have 15 minutes?

The Chair: That would be good.

Mr. Sage: Or as long as it takes? Okay. I can fire through it at a pretty good clip.

Good morning. Best of the season to all of you. I appreciate you making the time to see us today. As you said, you've seen Glen already this morning. My experience in the office: I've done a lot of these budgets, and I've done a lot of answering questions, but I've never done the whole presentation before, so I ask you to be gentle with me today.

The Chair: That's not possible.

Mr. Sage: I understand from Glen that it might not be.

Anyway, I'm confident that you'll find things in order. We've had a very smooth transition from when Brian left to the Acting Chief Electoral Officer. We're going to miss Brian, certainly, for all that he brought to the job, and I say that sincerely. You can take me at my word for that; I no longer report to him.

We had done some succession planning prior to Brian's leaving. As I say, I think everything is going smoothly in terms of projects that were under way, you know, that started under Brian's watch. One of the things that we are committed to doing is maintaining Brian's approach, the collegial and informative management approach that's been in our office for some time and is, as I say, something we're committed to.

The current fiscal year includes a lot of cleanup from the last election. It's a particularly busy period of time for us. We ran the two general elections in November of 2004. Following the elections we had five sets of financial statements that were received and reviewed. Those were from the candidates and parties in both the general election and the Senate election and then the constituency associations both under the new boundaries and the old electoral division boundaries.

One of the things that we did for the first time after this election was we included the cost summary in the election reports. Previously we had run those reports separately, so we had extra printing, extra distribution costs. We think we've obviously saved some money, and more importantly I think we've provided the information on the finance data on a more timely basis.

Our annual report, the one that deals primarily with the Election Finances and Contributions Disclosure Act, we'll be delaying until February of next year. One of the reasons that we're doing that is that we have a new initiative of web posting financial statements at the same time as they're consolidated into our hard-copy report. We're a little slow this time around, but I think the information is going to be better, and I think Glen will agree that we won't be as slow in the next year.

Following the election we had just under 80 tonnes of supplies returned to our warehouse. Those have all been reviewed, archived, and destroyed or restocked where necessary. We do maintain enough supplies to run by-elections and special enumerations. Typically we will resupply the whole warehouse in years 2 and 3 following the last general election.

Again, some of the restocking will be dependent on the review of the Election Act and the Election Finances and Contributions Disclosure Act, that we're going to talk about in a few minutes. When those happen, we'll have to look at where we're going and what sort of impact it will make on the different forms, guides, and the sorts of materials that we make available to the parties and candidates.

One other thing that came out of the October 12 meeting was the ex gratia payment for candidates' legal expenses incurred in the Edmonton-Castle Downs general election. Those payments have been made, and they amounted to \$157,897. We took a big chunk out of the \$160,000 that you had approved.

This year there haven't been any by-elections or special enumerations, and that's going to account for a big portion of the variance between our 2005-2006 budget and what we're actually anticipating spending. It is my recommendation that we continue to budget for three by-elections and three special enumerations. I've been involved with this office for 27 years. It has happened once where you can get three by-elections. So that's where that comes from. A worst-case scenario, there's no doubt about it, but I do think you want to leave that money in the budget.

In the upcoming budget you're going to see some standard increases for wages and salaries.

One thing to mention here is that we had a long-time staff member that resigned just back in August of this year. He had been on medical leave for over a year, and while he was on medical leave, we ran the election and the enumeration. While he was away, we redeveloped the strategy covering his position, and I think we made more effective use of the person's time. I think we saved some money. So we redesigned that position completely, and we looked at it after his tenure and the significant costs that would be involved in the retraining of him and the possibility of his success versus nonsuccess. When he asked for a severance payment, we made the severance payment to him. Now, the cost of that severance payment or the amount of that severance payment is offset by the long-term disability insurance plan that covered his salary for 11 months while he was on leave.

There will be a continued requirement for a wage staff during the next fiscal year. We're moving ahead with putting financial statements onto our website. We're enhancing our street key database through Canada Post, and there is a minimal budget in there for cover off on special projects. We will recruit to the position that I just talked about, the revised position, and of course the new Chief Electoral Officer once the Select Special Chief Electoral Officer Search Committee concludes its work. It's crucial that we have people up to speed well in advance of any major events.

We've budgeted for work with other jurisdictions and other public agencies to keep the register of electors up to date. We're moving to an address-based system, that we've discussed in previous years with you. We've confirmed with 94 per cent of the municipalities across the province on getting that information on their addresses, and we're doing that through Municipal Affairs. They have a system called ASSET, that that information goes into. We've contacted municipalities. They've agreed that we can get it, as I say, with the exception of 6 per cent, that we're still trying to come to some agreement with.

We continue to work with Government Services regarding the driver's licence data that we get. There have been some transitions in the people over at Service Alberta and the registries area, so we're working with new people right now with that agreement.

We're also looking at Alberta Health to acquire information that will update the register of electors, and we're also asking that we get information from their database for qualified electors that aren't in the system right now. For example, if you have an 18-year-old living at home and there are three or four other electors in there, we can probably make a pretty good assumption that that 18-year-old is going to be an elector. We would contact him and ask him if he wants to be in the system.

It's interesting to note that these sharing arrangements are very dynamic projects, and sometimes they take on lives of their own. Again, with this environment around the sharing of personal data, we're reviewing these agreements on a regular basis. What's appropriate at one time, when the agreement is signed, sometimes is not appropriate the next day. But as we rely more on these sources to update the register of electors, it is important that we keep these agreements in place and, obviously, keep in touch with the people supplying the data.

11:40

We are working with the other jurisdictions. We contribute our expertise to other election offices, and we've also made our computerized register of electors and the election management software system that we've developed available to those other jurisdictions. One thing that you will notice in the budget coming up is that we've got a pile of money under hosting this year. We've doubled what we were asking for over previous years. One of the

things we're asking for there is that we will be hosting the other jurisdictions that actually use our election software or the other jurisdictions that are looking into it. They're mostly the smaller jurisdictions. Federally they're on their own. Ontario and Quebec are both on their own. Alberta is kind of, when it comes to other jurisdictions, a bit of fish and fowl, I think it is. We're not quite fish; we're not quite fowl. I'm not sure what it is. We're not big players like Ontario and Quebec, but we're not like P.E.I. and some of the territories.

A lot of the stuff that I've mentioned today has a strong information technology component, and that in part explains our expenditures in that area. The costs are considerable, but I think it's worth while to look at the statistics on the usage of that money to make sure that we're getting, you know, a good bang for our dollar. We've been tracking the street key portion of our website since September 21 of this year, when it went live, and to this point in time there have been just over 39,100 queries to that system. So in terms of the perspective from our office, if we had to answer those 39,000 phone calls or letters or whatever they would be, it would certainly take a lot away from our other resources and other activities that we do in the office.

In short, it will continue to be business as usual at Elections Alberta, and with that, I'd be happy to go through the budget line by line or whatever you'd like to do.

The Chair: Well, we've got the budget in front of us, so why don't we move right on to questions? I've got Ivan, Richard Magnus, and then Rob. So we'll start with Ivan.

Mr. Strang: Thanks, Madam Chairman. What I'm looking at: I see in your budget for 2004-05 that you're over about 80 grand, so that must have been a carry-over from the main event. Looking at the rest of your budget, it looks like you're gearing up in 2008-09 for the aspect of another main event.

Then I'm looking at your travel. I guess I was just wondering a little why on your 2004-05 you're about \$47,000 down. Then I was really surprised on your advertising in 2004-05. Between what you budgeted for and what your actual was is quite a difference.

Then if you look at your contract services, you know, I notice that from what we have forecast for 2005-06 and you go to 2006-07, it's quite a jump there. But then I see that as it moves out to 2008-09, it's got to be for the other main event. So if you could just maybe clarify those for me, I'd appreciate it.

Mr. Sage: Okay. Well, as you say, the 2004-2005 was the last event. Both a general election and the enumeration took place in that year. For 2008-09 that's just kind of a four-year period where we think there will be an election every four years.

Mr. Magnus: Are you expecting something?

Mr. Sage: Well, it could be earlier. Actually, by legislation you can go over five years.

Mr. Magnus: It could be later.

Mr. Sage: Yeah. Traditionally everybody thinks an election is every four years, but if you look at the actual stats, it's something less than four years for historical purposes, but for budgeting purposes we do a four-year cycle. We will be looking at doing in the fiscal year 2008-09 another general enumeration and another general election, and that's where the big \$16 million figure comes from.

We've certainly had inflationary increases between 2004 and 2009

that we've tried to anticipate. I hope that answers your question on that one.

In terms of some of the advertising, I do look at that. You know, we budgeted \$1.3 million and spent half of that, basically that.

Glen, could you offer any more advice on that?

Mr. Resler: As part of the advertising component, we are administrators for the returning officers. The returning officers themselves go out and solicit the advertising on their own for each electoral division, so some of the cost estimates we're basing on the information we had from the previous election, four years prior. One of the components that wasn't completed was that we were originally estimating a householder to go out, and that didn't take place at that time, and that's a significant portion that we are looking forward to in the next general.

Mr. Strang: Okay. Thank you.

Mr. Magnus: Well, you've answered all my questions about the budget stuff, and I don't have a problem. I was going to be a smart aleck and talk about, "Was there something going to happen in 2008 or '09?" but that's already been done.

The only question that I've got for you really doesn't have a lot to do with your budget. I've run a number of elections personally, and one of the things that I'm finding very hard to get my hands on anymore – and other colleagues are talking about it – is maps, really good maps of ridings and things like that. The city of Calgary used to do some of this stuff, but they seem to have gone out of business or at least out of that portion of the business. What are we going to do next time when there are no maps available? Is anybody looking at that?

Mr. Sage: We get the data from the city of Calgary, and the city of Edmonton actually produces the maps for us. We couldn't come to a working agreement with the city of Calgary to do it. We can get far better maps than what you actually see, but they're huge in size. If you look at those poster boards behind you, you know, most ridings would be something similar to that, so they're huge maps. We can't work with them in the newspaper. The maps are a common complaint. We have an arrangement that if you're interested in better maps than what we can supply, we can give you the name of the contact in the city of Edmonton, and you can pay the extra dollars to get the better maps.

Mr. Magnus: The city of Edmonton has the city of Calgary maps?

Mr. Sage: Yeah. We get the data from the city of Calgary. We have to buy it from them, but we couldn't make an arrangement, you know, at an equitable cost – how does that sound? – for them to produce their maps for us, so we have an arrangement with the city of Edmonton. The data comes up electronically. They produce the maps. We prepare them and send them back to the returning officers in Calgary.

Ms Blakeman: They'll actually give you special maps too. They'll add stuff on that's not included in what you get through them.

Mr. Magnus: I've had seven campaigns. The first three or four were a piece of cake because the maps were a thing of beauty, but for the last couple it's just been a nightmare. You can't get numbers on the houses and all kinds of stuff. I don't even know if it's your guys' stuff, but somebody help us out here, will you?

Mr. Sage: We can. As I say, we do have those maps with the street addresses on, but you're limited by the size of them. You can imagine trying to put that in the *Calgary Herald* or the *Calgary Sun*.

Mr. Magnus: Yeah. I want them for different purposes, but that size is perfect. I didn't know that we could come to you and go: hey, guys, can you get the city of Edmonton to print Calgary's maps?

Mr. Sage: All you have to do is just pay for it.

Mr. Magnus: We pay for it anyway, and they're expensive where we're getting them.

Mr. Sage: There are, again, Edmonton and Calgary. In the rural areas we're limited to what we can get from the municipalities. There isn't any kind of standardized thing for maps across the province in terms of the municipalities. I think there are 347 municipalities, ballpark, so we have a real range of very good maps to stuff that's – I was going to say: done on a napkin. But that sounds less than . . .

Mr. Magnus: Perhaps just before the next event someone could send out a note saying that these things are available because we searched all over heck's half acre for them last time and had a hard time finding them.

Mr. Sage: We can do that.

Mr. Lougheed: I have a bit of a question about the technology side of things. You used to be able to phone up and just based on the postal code, you could find out, or you could punch it into your website and get that data immediately. I don't know whether it's there yet, but as recently as two or three months ago we were trying to get that kind of information several times, and it was never available. Is that from a particular budgeting, a lack of resources? Is it just something that I don't understand, why it wouldn't be up there quickly and ready to go?

Mr. Sage: It is available. On September 21 it was up and running. You can go in and punch, you know, postal codes, legal land descriptions. There's a wealth of information in there. It is up and running. It did take us a while to get up and running.

The change in the boundaries also affected everything that we do. You were Clover Bar-Fort Saskatchewan and now you're Strathcona, so you have a brand new electoral division. We had to take that information and massage it to put it into Strathcona. We were very slow doing it. I'm not sure; some of it would be, you know, just manpower on our part, certainly not financial reasons. Now it's up and running. For the next election you won't have that problem because boundaries shouldn't change in the next election. But every time there's a change in boundaries, it does impact a lot on what we do.

11:50

Mr. Lougheed: So it can't be overcome by any mechanism that you can see.

Mr. Resler: I was going to add something. As far as the postal code search it's a very effective way of searching. The problem with it is that in the rural areas your postal code is usually a mailbox. For instance, I live in Namao, but my postal pickup is in Gibbons. That postal code isn't reflected in the correct electoral division or even for polling purposes in the right PSD. So unless we have the legal

description and the proper address of that location for that elector, you're not going to have accurate information. That's where you run into more of a laborious challenge, when you have the boundary changes, to ensure that that postal code reflects the proper electoral division because postal codes will cross those boundaries.

Mr. Lougheed: That crops up during the election when people phone to say: where do I vote?

Mr. Resler: That's part of the delay. We were with Infrastructure, who we originally developed the street key system with. They didn't feel that that was their responsibility, so then it fell to us, and that's where we had to develop it. But we're improving it come forward. The date itself is going to be based on our register of electors where previously the postal code search was a manual process. Our information is going to be more accurate, and it'll be updated on a continual basis, so we shouldn't run into this problem like that in the future.

The Chair: Laurie, then Dave.

Ms Blakeman: Thanks. Three questions. I'm noting that between the two election years here, so for '04-05 and '08-09, there are four significant increases that we're looking at. What I'm querying is that it's more than just a little bit more. It's more than just a little bit of inflation over four years, so I'm wondering why you think these costs are going to be so much more for the next election. Advertising is going from \$764,000 to over a million. Courier and postage goes from \$138,000 to \$639,000. Whoa. The rentals go from \$896,000 to \$1.395 million. They're huge increases beyond what you would expect from inflation. The last one was repairs and maintenance, going from \$2,800 to \$8,600. So what are you anticipating here that I'm not figuring out?

Mr. Resler: I agree with your comments. They are large jumps. What I've taken was based on the actual costs of the prior election and enumeration. When we specifically look at advertising, the expectations of the public have increased as far as: where do we vote? We had a lot of situations, uncertainty as far as the locations. Boundary changes was a big item. So what we're looking at is to provide a householder to every residence and a where to vote card similar to what the municipal and the federal are providing.

When you're looking at a million households that you're mailing this out to – obviously, this is a preliminary number – it could be \$700,000 just for the production of one of those mail-outs and the appropriate postage that goes along with that. The postage is based on the full rate, the 51 cents. I'm expecting that it'll go up a penny in the next few years probably. If we're able to sort it by the postal code, by their requirements, then that'll reduce drastically as far as the postage. There is some work with our database to ensure that we can provide that to the Canada Post requirements. So those are two of the large numbers.

Ms Blakeman: Okay. That makes sense.

Next question. You talked about software that you developed and that you've now shared with other groups. I'm wondering if you leased or sold it to them or if we were nice people and gave it to them.

Mr. Sage: We were nice people and gave it to them. We had spent the money. I appreciate that there are other jurisdictions, but all we have asked of them is that they don't sell it and any enhancements that they make to it come back to us at no cost.

Ms Blakeman: Okay. Final question: was there any significant cost in informing and enforcing access to security buildings in this last one? This has been an ongoing concern of mine. I would say that it was successful in the apartments but not successful in the condominiums, and I don't know about the – what are they called?

Mr. Sage: Gated communities.

Ms Blakeman: Thank you. I was going to say fenced or moated. That was the concern of the Member for St. Albert. So was that a particularly onerous task, or can that be expanded on inside the budget that you've got here?

Mr. Sage: That's kind of a difficult question to answer. We did spend some money on it. We had two ex-RCMP officers, one in Calgary and one in Edmonton, that worked with us on it. We did some advertising in advance of the events to apartments, gated communities, and condos, any multiple unit that we could think of. We tried advertising directly to them. They have an association bulletin that goes out. We put comments in that. So there were certainly some costs in it. We only did it in Edmonton and Calgary and the immediate surrounding areas, but certainly downtown Edmonton, downtown Calgary are a problem. There's no doubt about that. We will continue it in the next election.

In terms of the cost of it, I'm not sure what we'd be looking at. We had, as I say, those retired RCMP officers. I think we had them on standby at \$40 an hour for whenever they went out, and they did go out and get some candidates into buildings. I can't remember yours specifically. But a lot of it is cajoling the people involved in it. We give them the legislation. We try to work with the candidates and be reasonable with them. Don't ask to go in at 5 to midnight on a Sunday night, that sort of stuff. I know that the act does give you a lot of power to go in, but during the last election we had one condominium that was prepared to go to court on it.

Ms Blakeman: That was mine.

Mr. Sage: Yeah. It was yours.

It's one of those things. Our legal advice is that both you as a candidate and our office would get involved in that. You as a candidate would likely get splashed on it, so is getting into that building worth it? I appreciate that maybe that's the thin edge of the wedge, so you really have to look at it a little bit differently than we do. It is something that we are working on, and I would suggest that we will continue it.

Ms Blakeman: It's only going to get worse. There are only going to be more secure buildings.

Okay. Thank you.

The Chair: Dave.

Mr. Rodney: Thanks, Madam Chair. I had a few questions on the budget that have since been answered, so thank you for being so thorough. I wonder if I might turn it back to the chair. I really have the same question regarding the second handout, Election Act – Review, dated the 12th of the 12th of 2005. What if any role is it that this committee is being asked to play with this? I don't know if we deal with that now.

The Chair: You just may want to comment on that.

Mr. Sage: That's kind of the problem that we run into: does this

committee do it, or is it done by Justice? You know, Alberta Justice has done it in the past.

We've seen three scenarios in the past. The government does it and we get advised. You know: "There are some changes to the Election Act coming forward. Did you want to have a look at them?" The other one is: the committee themselves look at it, and they take it forward to the Legislature. That was done in '96. Ron Hierath did it. The other one is: in the last year we actually worked with Justice, and the Minister of Justice took it through the Assembly.

We came to you in August, I guess it was, and October and asked for your direction on it. Do you want to do it through the committee? Do you want to do it through Justice? We're going to work with either one of you. There's certainly no problem with that.

What I've given you today is basically a nine-page handout, and that includes six pages on the Election Act, one page on the Election Finances and Contributions Disclosure Act, and two pages on the Senatorial Selection Act. You really don't have to worry about the Senatorial Selection Act. That's International and Intergovernmental Relations that will champion that legislation.

12:00

At our October meeting I think Brian mentioned that there were 125 changes. That's ballpark. When you look at this, you're going to see some – I'm guessing – I would say controversial stuff. Whether you want to handle it, whether you even want to look at it, or whether you want Justice to look at it – it's just things that we think should be looked at.

The last page on the Election Act we call Systemic Changes for Consideration, and that is a little incomplete. I mean, there are a couple of things that have come up on previous occasions, advertising to increase voter turnout. Right now the Election Act doesn't talk about doing any advertising on that. We literally only advertise when the Election Act tells us to advertise. So if you want to advertise to try to increase voter turnout, I think we need legislation for that, and I think we need authority to spend the money for it.

The other thing is that a couple of the provinces, B.C. and Prince Edward Island, are looking at changes, proportional representation. Are you interested in that? I mean, if you're looking at the Election Act, do you want to open it all up? There are a multitude of changes that you can look at in here, and as I say, the first six pages of the Election Act are where, you know, the big changes are coming. The Election Finances and Contributions Disclosure Act changes are relatively minimal, I would suggest to you. But the Election Act, if you look at the second thing that we've shown on there, says, "Fixed election date."

Now, I don't know whether that's, you know, electoral reform, but as an election administrator I would say that that's the way to do it. Certainly, municipal elections have run like that for a lot of years. Whether the feds are ever going to go to it, whether Alberta will go to it – again, B.C. has gone to it. Ontario is going to it. I think Quebec is looking at it, Newfoundland. So a lot of jurisdictions are.

Do you want to do it in Alberta? Again, my opinion is that, yes, it's a good thing. It's not going to save a lot of money, but it makes the system run smoother. We should be able to do better advertising in terms of getting things out instead of us scrambling at the last minute trying to rent office spaces, those sorts of things. Telephones were a huge problem for us the last time. We spent a lot of time with Telus trying to get phones in. And you guys are in the same position, unless you've done it two months in advance. You have that luxury where we don't. We have to wait until the writ is called. It's relatively presumptuous of our office to start – your question about the 2008 election. I think it's going to be November 1, 2008.

So if we start blowing money out the door and it's not until 2009, we look a little foolish. I would suggest it probably would be foolish doing that.

The next one down is prisoner voting. Do you want to look at that? The Supreme Court has said that prisoners should vote. If you want my personal opinion, it's a little bit different than the Supreme Court, but I think it's a matter of time before we're legislated to, you know, let prisoners vote. I would suggest doing it in advance. Waiting until partway through the campaign period, we then have to bring in – you know, the court says: yes, you must let them vote.

Mr. Magnus: It's like a conflict of interest, letting lawbreakers vote for lawmakers somehow.

Ms Blakeman: No. But his point is that if he's ordered to do it midway through a campaign, it's an administrative and financial nightmare.

Mr. Magnus: I understand.

Mr. Sage: I do think that if you do it in the middle of the campaign, you leave yourself open to another court challenge. You know, look at Edmonton-Castle Downs, where there was a three-vote or five-vote difference. If you get five prisoners that say they couldn't vote because of the way we administered that, they might overturn it anyway. That's the thing that I think you have to look at. I guess we're just looking for guidance. Does this committee want to do it, or do you want to do through Justice?

The Chair: Okay. If I can make a suggestion. This is coming up in this afternoon's discussion, and hopefully we'll have time to take a look at what Bill has shared with us. It's under Business Arising.

I don't have anybody else on the speakers' list, so I would like to thank both Bill and Glen for their presentation. I understand that you're able to join us for lunch. I should remind members that this is our opportunity to have a holiday lunch with our officers. So we'll break at this point and go out. The lunch is all set up.

[The committee adjourned from 12:04 p.m. to 12:39 p.m.]

The Chair: Okay. At this point I'd like to welcome Frank Work, Information and Privacy Commissioner, as well as Suzanne Frederick, finance manager. I'd ask that you proceed with your presentation, probably somewhere around 15 minutes per presentation, and then we'll leave at least the same amount of time for questions. That would be great.

Just go ahead, Frank.

Mr. Work: Thank you, Madam Chairman. I can probably even keep it under 15 minutes, allow more time for questions.

The office of the Information and Privacy Commissioner continues to work under our mandate, which is sometimes hard to summarize, but I'll summarize it today as looking for a balance between individual rights, technology, and social needs for information in the information age. Alberta, I believe, has the best legislative regime in Canada in terms of access to information and privacy with the Freedom of Information and Protection of Privacy Act, the Health Information Act, and most recently the Personal Information Protection Act.

A couple of highlights. Alberta continues to lead the country, I think, in the area of electronic health information initiatives. I say this on the basis of both the number of initiatives that Alberta is embarking on and from my knowledge of projects funded; for

example, Canada Health Infoway across Canada. Alberta is doing some incredibly innovative things in the area of health information. My office's role with respect to those kinds of initiatives is as an oversight agency. We work very closely with whoever is initiating the health information system. We deal with security issues, audit issues, information flow issues, and so on.

We have had to date, for example, almost 750 privacy impact assessments handed to our office under the Health Information Act. These occur when a clinic or a doctor's office or a large system like what is now being called Alberta Netcare – before the switch is thrown on those health information systems, they have to give us a privacy impact assessment, outlining how the information will be used, what the security safeguards are, auditing systems, and so on. So 724 of those to date.

We've been extremely busy under the Personal Information Protection Act. As you probably saw in some of the materials I gave you, just a small indicator of the traffic under that act, we've had 4,000 inquiries under that act since January 1, '04, when it came into force. That's been an interesting area. I had a couple of surprises, personally, with the Personal Information Protection Act. We always anticipated that there would be a lot of issues between businesses and customers, clients, over things like loyalty cards or collection of customer information and so on. What we didn't anticipate so much was the number of issues involving workplace privacy issues, and that's taking us into areas like drug and alcohol testing in the workplace, quite controversial, use of personal information to monitor employee performance in the workplace, and things like that.

The other unanticipated consequence of the private-sector privacy act, I'll call it, has been the very significant role that this legislation is playing in terms of identity fraud and identity theft. That, of course, came to our attention when we started noticing that the police were finding large volumes of commercial paper in drug dens, or in premises inhabited by people involved in the drug trade. It came as quite a revelation to some of us, me included, the extent to which the drug trade can be fuelled by fairly simple commercial fraud, and that in turn is fuelled by bad information-handling practices by businesses. We're working very closely with the police, particularly in Edmonton right now, to try to get some of these habits that are conducive to fraud and the drug trade curtailed. We are also very involved in the identity-theft initiatives of the government of Alberta. The Solicitor General has a significant initiative going on that. My office is also involved in the activities that are being planned right now, leading up to a major push for anti-fraud week, which I believe will be in March.

12:45

Turning more specifically to the budget itself, we are looking for a 15 per cent increase from our '05-06 budget. The components of the 15 per cent increase are set out in our letter.

The 7.5 per cent, or \$264,000, for salary and benefit increases. In previous years we had managed cost-of-living increases out of our normal budgeting process. Effective April 1, '06, the Public Service Commissioner has authorized in-range salary increases of up to an additional 3 per cent, which would make for a potential total management salary increase of 6 per cent. We now feel that we should be budgeting for that.

The 7.17 per cent, or \$253,000, attributable to the achievement bonus program. The Public Service Commissioner, similarly, effective April 1, '06, has implemented an updated achievement bonus program, and we have not in previous years budgeted for that.

The distinction is that the first item could maybe be described as an across-the-board cost-of-living increase that all civil servants get,

and this second item, the 7.17 per cent, is a bonus increase to reward employees for performance.

The next item is a 4 per cent increase, \$140,000, for the addition of an adjudicator. I need one. In the office right now there are two people who make – I'll go back a step. All three statutes allow for an adjudication process if mediation fails. So far I've done most of the inquiries myself. A few years ago we appointed an adjudicator who could also hear inquiries because the number of cases going to inquiry increased. Now, again, largely as a result of the private-sector privacy act we're finding the volume of inquiries to be such that we need a third decision-maker. For example, in my own case I'm now scheduling inquiries into April of '06. Even after you hold the inquiry, it takes time to get the order written and issued. I've given you some numbers there showing the increase in the number of inquiries, so I'm seeking another position as an adjudicator.

Finally, 1.39 per cent, \$50,000. I'd like to get an administrative support person for the private-sector group. As I said earlier, we've had 2,300 telephone inquiries during '04-05, and we're on track for about 2,000 in '06. Right now I have one person handling all of those calls. She's very good, but that many calls is just too much for one person to handle. It's usually not just a matter of answering the phone and saying yes or no or something. There's usually follow-up material to be sent out or questions to be referred to the investigators and so on. So I think we're very much in need of support there.

For '05-06 we're forecasting that our budget will be fully expended. We are reducing our supplies and services item largely due to less than anticipated IT costs. It's like there are always a lot of things out there that you think you would like to have in terms of information technology, the most recent one probably being the push towards electronic documents management, electronic information management systems. We're fundamentally a paper-based office right now. We have looked at moving towards a more electronic base, which is in step with what the government of Alberta is doing, but we've decided that we're not ready for that for the coming year, so we've budgeted accordingly.

We continue to provide legal, finance, IT, and human resource services to the office of the Ethics Commissioner, and I think that's a very good relationship, and we continue to share office space in Calgary with the Auditor General.

Madam Chairman, that's all I have to tell you about. I'm sure there are some questions.

The Chair: Yes. We'll open it up to questions. I've got Ivan, Richard Magnus, and then Laurie.

Mr. Strang: Thanks, Madam Chairman. Mr. Work, I guess what I'm trying to figure out here is your salaries and wages. As I look at it and try to decipher it from your budget 2005-06, you've got your budget and your increase for 2006-07 as \$603,000, but your forecast is \$524,000. I guess the big concern I get, seeing that you're only going to hire one more body in 2006-07, when you look at your budget of 2005-06 to 2008-09, you're \$954,385 more. So I just wonder about that.

Then I look at the aspect of your rentals and that, and I'm just wondering about that. As you go through, I see that you're increasing that.

Your contract services is the one that sort of gets me. I'm wondering why, you know, your budget in 2004-05 was \$255,000, but you only used \$140,589. Yet looking at 2005-06, you're looking at \$385,000. Then for 2006-07 you're the same, but you jump up for '07-08 to \$404,250 and then up again. I'm just wondering about that.

Then you've got quite a jump on technical services.

If you could maybe give me some insight on those, I'd appreciate it. Thank you.

Mr. Work: Okay. Maybe on your first questions first. Suzanne, can you explain the forecasting?

Ms Frederick: On the salaries and wages?

Mr. Work: On personnel salaries and wages.

Ms Frederick: Salaries and wages. If you take a look at 2005-2006, we're actually forecasting to spend more than what we actually budgeted for. So we budgeted \$2.8 million. We're looking at it's going to come through at probably \$2.9 million. Eighty one per cent of our staffing is management, and management received a 6 per cent increase this year. We'd only forecast 3 per cent because in previous years management has only received cost of living. On top of that, we also have to pay out bonuses this year, which we never had budgeted for before. So if you take this \$2.9 million, we took our existing staff that we had with existing salaries, added another 6 per cent for 2006-07, and added a bonus of 7 per cent, added our new people in, and that's how we came up with the \$3.4 million.

Mr. Strang: Okay. Thank you.

12:55

Mr. Work: On the contract services, that's always an item that draws attention. It certainly draws mine. The functions that are paid for out of contract services are, for example, consultants. In this past year we've had such a heavy caseload that rather than staff up or try to get FTEs, we've used consultants to do a lot of the private-sector privacy cases. So, in other words, when someone complains to us about a certain company or an organization, in some cases we've used outside people to try to investigate and resolve those. We do that both under the private sector and under health information because there are times when we get large volumes of privacy impact assessments. In order to clear them quickly, we have used outside people, outside consultants, to review the privacy impact assessments.

Out of that amount also comes money for judicial reviews where someone doesn't like an order that I issue and challenges it in court. Legal fees for that come out of that item. From time to time we have need to get outside legal advice on certain issues, interpretation of the act. The most recent one was a legal opinion on how the private-sector privacy act and the Health Information Act juxtapose in terms of the flow of health information, to give you an example.

Now, there was another one you asked about, Mr. Strang. Rentals, I think.

Ms Frederick: Rentals are very much just the Xerox machines and the fax machines, and that's very much what was in rentals. Although we're looking at probably about \$25,000 this year, we've increased the forecast for it just ever so slightly because we just don't know what Xerox is going to have an increase on. But that's primarily what's in here. Rentals are just purely the office equipment.

I think you also had technology services. Was there a question?

Mr. Strang: Yes.

Ms Frederick: Okay. Technology services include the cost of our finance system and the cost of our HR system and our website maintenance, our case management support system and all the virus

management, so anything that's IT related. It has fluctuated over the years, and we always seem to budget a little bit higher than what we actually come in at. The reason for that this year is that by the end of March 2006 – we have a case management system that requires maintenance, and we had budgeted that this was going to be for a full year. It's going to turn out to be only for three months. But next year, being 2006-07, that case management system will require a maintenance contract of \$12,000 for the full year, and that's why it's gone up.

Mr. Strang: Okay. Thank you very much.

The Chair: Okay. Richard Magnus and then Laurie.

Mr. Magnus: Thanks, Madam Chair. I'm going right back to the contract services. I mean, I'm looking at it, and I don't expect you to respond to this, Frank, but the office of the Ombudsman has done exactly the same thing. It's almost like I'm kind of getting the feeling all of a sudden that if a department can't get enough help – because you've got two new FTEs; is that what it is? – then we'll just go contract.

Mr. Work: Mr. Magnus, we try not to hire staff if we can avoid it because professional staff are expensive. With contract services we try to bring in the real specialists we need, the real expensive help we need on that basis rather than having highly paid help around the office that we might not need all the time or might not fully use. Lawyers are probably the best example. The lawyers that do work for us are fully occupied writing orders and reviewing submissions and advising the different teams on the legislation.

We probably have three or four judicial reviews a year. That kind of help is just too expensive to keep on staff, the kind of litigation help that we would want for judicial reviews, so we prefer to contract that out.

Mr. Magnus: Frank, I understand that, but it's from two years ago.

Mr. Work: Am I missing . . .

Mr. Magnus: Well, I'm looking at your complaints, and your complaints are certainly up. Two years ago you could have used the same argument, but you used half the money. You actually used less than half the money. You used about 30 per cent of the money.

Mr. Work: Yeah.

Mr. Magnus: It's just an enormous increase that I'm just not getting. Obviously, you needed it two years ago. You must have needed some of this specialized help as well. You're obviously needing a lot more specialized help here.

Mr. Work: I think that when we need that specialized help is often beyond our ability to predict. In the case of lawyers, particularly, it's very hard to anticipate how many of my decisions are going to be challenged in court in a year. We try to budget for a median amount. If we're lucky or good – I don't know which it is – we may not get the judicial reviews that we anticipate, and then we don't use the money. In a busy year where for whatever reasons there are more controversial orders issued and we get challenged more, that money gets eaten up pretty quickly.

Mr. Magnus: So you've gone from \$140,000 to \$385,000 this year, Frank. I mean, it says here that you're going to spend all of that. Are you?

Ms Frederick: Yes.

Mr. Work: I anticipate. Yeah. I anticipate, and here's part of the reason why. Looking at the kinds of issues that I think are going to come before us under the private-sector act, I anticipate that some of those issues, like workplace drug and alcohol testing, will result in either very large inquiries, where we'll need outside help, or they very well may be the kind of thing that will be taken to judicial review following my order because the issues are so significant.

Even under FOIP this year we're looking at a huge number – well, no, define huge. We're looking at dozens of inquiries over the Edmonton Police Service use of the Canadian Police Information Centre database. Unless some of those issues are resolved, there will be a number of inquiries, I will probably have to have outside counsel to help with some of those, and my decisions on those could well be taken to judicial review.

Mr. Magnus: You've answered the question about – that was 2,000 telephone inquiries for the whole year up to the end of 2006 there. It's just the way it's written.

Mr. Work: Okay.

Mr. Magnus: On the same page, page 2, you talk – and this is the thing that really bugs me. The rest of it was just for interest, I guess. But what really bugs me here is that you want to go up 7 and a half per cent, salary and benefit increases. I'm kind of curious. Your very last sentence in that second paragraph says: "In previous years, we have not specifically budgeted for achievement bonuses as they were not a certainty." This year they are?

Mr. Work: Yes.

Ms Frederick: Yes.

Mr. Magnus: How so?

Ms Frederick: This year the Public Service Commissioner issued a letter – they started doing this in about July, August; I have one dated November 16 – where quite a few things came down, one being the in-range movement for management, this 3 per cent we had talked about where previously management had only ever received cost of living. The second one was to come up with the government of Alberta achievement bonus policy. Now this policy itself, the way it's written, isn't new. It comes out looking like this every year, but it comes out at the end of the fiscal year, so after we've budgeted, and we never do know the exact percentages. This year they've given it to us, and they've told us that it's 7 per cent for management and 5 per cent for opted out and excluded.

Mr. Magnus: It's an automatic?

Ms Frederick: Apparently.

Mr. Magnus: So out of your 81 per cent of management staff within your department, what percentage of that staff gets a full-blown achievement bonus? Did everyone perform outstandingly?

1:05

Mr. Work: No. I couldn't tell you the exact per cent, but I can tell you that not everyone got the full bonus last year, nor do I anticipate, if 7 per cent is allowed, that everyone's going to get the full 7 per cent in the coming year.

Ms Frederick: It's a pool. What happens is that a bonus pool is established at 7 per cent of the ministry management payroll. So if our ministry management payroll is \$2 million, we take 7 per cent of that \$2 million, and then it's based on performance measurements, the directors, and Frank. He then decides what their percentages are.

Mr. Work: Yeah.

Ms Frederick: And we use up that pool of 7 per cent. So you could have some management doing exceptional work getting 10 per cent and some only getting 3 per cent.

Mr. Work: Or none.

Ms Frederick: But the goal is to just use the 7 per cent pool.

The Chair: Could you just clarify if we're actually talking more people than, for instance, got bonuses last year?

Mr. Work: I'm sorry. Say that again?

The Chair: Are we talking about more people getting bonuses this year, this next budget year, than last year?

Mr. Work: No.

The Chair: Everyone that's in that 81 per cent management category got a bonus last year?

Mr. Work: Yes, but not all the same bonus.

The Chair: What would be the average?

Mr. Work: I would think 6 per cent.

The Chair: Richard, did you have anything else?

Mr. Magnus: No. Thanks.

The Chair: We'll go back to Laurie and then Rob.

Ms Blakeman: Well, I think the same thing is piquing all of our interest because I look at your statement on the front page of your letter, and the first thing is that it's 7.5 per cent, or \$264,000, for salary and benefit increases. Out of that we've heard that there's 3 per cent for cost of living and 3 per cent for grid movement, for a total of 6 per cent. So my question is: why is it 7.5 per cent?

Ms Frederick: That's just the way the percentages fall out based on last year's budget. The budget was \$2.8 million, let's say, last year. If we were sitting at exactly salaries and wages at \$2.8 million today, then I could just add the 6 per cent, but there was some movement, et cetera, so the difference between last year and this year is the 7.5, and that's still only using 6 per cent. It's just the way it falls out.

Ms Blakeman: So it is the 6 per cent that you're using.

Ms Frederick: Definitely.

Ms Blakeman: There isn't an extra bit just tucked in there for safety.

Ms Frederick: No. Not at all. That's probably a very important point. There is nothing in this personnel budget tucked in for safety. There are no vacant positions that are being budgeted for. Like I said before, what we did was take everybody's existing salary as at the date December 1, truly added 6 per cent, then added the bonus, and that's what we've come up with. There's absolutely nothing in there for anything else.

Mr. Lougheed: A few of my questions are answered, but I would just like clarification on the 81 per cent management. I'd hate for somebody to read *Hansard* and say that, you know, nobody's working there; they're all managing. What's the reason? Is it the nature of the classification? Just explain it a little bit.

Mr. Work: Yeah. Thanks for that opportunity. Exactly right: most of our staff are classified under the public service system as senior managers. In fact, as the number says, 81 per cent are managers and senior managers. They work pretty hard. The proof of that is the fact that only 20 per cent of our staff are administrative or support, so these senior manager classifications are doing their own typing, and a lot of them are answering their own phones and writing their own letters and so on. They do work pretty hard. Yeah. Most of the complement are investigators and arbitrators, negotiators, and you need certain skill levels in order to be able to perform those functions. As a result, we're very high on the management end and light in the administrative support end.

Mr. Lougheed: So it's more a function of the naming of them, the nomenclature rather than their operational functions.

Mr. Work: Yeah. Exactly. They're classified as either, quote, managers or, quote, senior managers under the public service classification system.

The Chair: Okay.
Denis.

Mr. Ducharme: Thank you. Frank, you're going to probably look at me as the grinch who stole Christmas after I finish here. I for one will have a very tough time going into the Legislature and debating this budget when I see a 21 per cent increase in salaries and wages when all the other Leg. offices are coming through roughly in around that 6 per cent range. It's just out of whack in comparison to what's happening in the other offices, and it's out of whack in regard to what's happening in all the ministerial offices. I for one can tell you that it won't be coming in at 21 per cent.

I can see that you've got some staff. You raised some questions in regard to the management roles with the comments that you made. Lots of them are doing their own typing. They're writing their own letters. Maybe it's time to look at cutting back on management and hiring some secretarial, administrative staff, you know, if you're paying the high-priced help to be doing jobs that could be done by someone at a lower level. You know what I'm saying here.

I've got concerns in regard to the bonuses, and I question the criteria that you're using if everyone ended up last year at 6 per cent. I don't look at that as being mandatory. The letter that you've received from the public service has allowed a certain percentage, but it seems as though it's being taken as saying, "Yep, that's standard; everybody gets it," and away we go. I've got problems with that, and I'm going to be honest about it.

Somehow I think there's some more work that has to be done to see a 21 per cent increase in salaries and wages and employer contributions. I can understand that your 21 per cent in wages is for

a little over 6 per cent and new hires, but when the other departments are coming in roughly around that 6 per cent, I can't justify that other 12 per cent or the other 9 per cent increase that you're requesting.

Mr. Work: Yeah. Okay. On the last part if we're not talking about the 4 per cent for the adjudicator or the 1.4 per cent for the admin support staff, the issue is the 7 and half for salaries and benefits and the 7.17 for achievement bonus. No, there's no guarantee that everyone should get a bonus or deserves a bonus nor that everyone should get the same bonus. On the other hand, there's no rule that they shouldn't, if they're performing in accordance with the criteria, get the bonuses.

I mean, I'm not sure. My impression of what we were doing here is that it was consistent with what government is going to be doing with the other officers, taking away the new FTEs. Possibly I stand to be corrected on that. I suppose you could, say, budget for half of that and say: okay, our bonus pool this year will only be 3 and a half per cent, and employees can fight for it; the best will win out. But I'm not sure that's the intent of what the public service is trying to achieve.

On the matter of what senior managers do, I didn't mean to say that they were doing secretarial work exclusively. We need those people to do the jobs they do, which are pretty sophisticated jobs in terms of dealing with anything from complex IT systems to dealing with human resource policies in major corporations, and it takes a certain amount of skill to deal with those issues and to negotiate resolution of those issues between parties. I'm of the view – and, you know, these positions are all reviewed by the Public Service Commissioner – that the level of work that they're doing is rationalized under the classification they hold.

I'm going to ask Suzanne if she could do a better job of explaining the salary and benefit increase and the achievement bonus category in terms of consistency with government and other offices.

1:15

Ms Frederick: Sure. I think that the big difference here with us is that there are no vacant positions at all. So there's no money, especially in the last couple of years, that we've been able to go and take and use as part of our salaries. I mean, I have an analysis here of exactly what's happened between 2005 and '06, 2007. We're looking right now, today, December 13, at a management payroll of \$2.4 million. That includes the adjudicator position that we're asking for. If you took off the adjudicator position, you'd still be looking at a \$2.3 million payroll. Adding 6 per cent to that is something that has to be done.

Mr. Work: The 6 per cent . . .

Ms Frederick: . . . onto that full \$2.3 million, all these people that are employed with us right now.

Mr. Work: And that's the cost of living.

Ms Frederick: That's the cost of living and the in-range movement.

Mr. Work: In-range movement.

Ms Frederick: Yes. It could be argued that in-range movement, then, is not a given. A deputy head may adjust the salary of a management employee who is classified in the position, but again it boils down to the same premise as the achievement bonuses: it has to be worked out as far as what is the employee morale if some

people are being moved up, and others aren't being moved up. That's where, I guess, HR and the directors fall in.

Our payroll right now, today's date, would be \$2.3 million for management and about \$540,000 for admin staff. Add those two together, add 6 per cent on there, and that makes up our payroll.

Mr. Work: One other thing. Quite frankly, I would be somewhat surprised if other public bodies, either government of Alberta entities or entities like ourselves, are not availing themselves of whatever bonuses are available because let's face it: right now it's hard to keep professional staff. The economy is very strong. The private sector is growing rapidly. I mean, there are certain trade-offs that people make when they work in the public service. In order to keep, well, probably any staff these days but particularly professional staff, I think you have to be prepared to offer bonuses for performance in addition to the basic cost-of-living allowance and the standard across-the-board salary increase that the Public Service Commissioner has authorized in past years.

The Chair: I think Denis had one more question before we move on.

Mr. Ducharme: Yeah. Thank you. I thank you for some of those comments. Please don't take it as though I'm trying to say that your staff aren't doing their job because I'm sure that they are. It's just that it stands out here when I see 21 per cent when everybody else, the other officers, come in at 5 per cent or 6 per cent. It's a big amount, and it stands out, quite frankly, like a sore thumb. If I don't do my job as an MLA, I should get turfed out too in regards to wanting to dispense those type of dollars. So I'm saying that something has got to be reinvented in this, Frank, and I certainly will not be supporting it. It's got to be brought more into line, let's say, with what's happening everywhere else.

I want to just move on. There was a discussion that took place in regard to contract services. You mentioned in your answer that there was a lot of – I'll try and remember the proper word that you used – adjudicating, let's say, regarding the decisions that you granted. I guess I'll just ask this question: in making some of those decisions, are we pushing the envelope in terms of seeing more? Could we be a little bit more lax in regard to the judgments that come down, that would ease back in regard to the case of adjudication going forward and us spending a lot of dollars? Are we pushing the envelope in terms of some of those decisions?

Mr. Work: Thinking back to the matters that we've had go to judicial review, no, I don't think that I'm a particularly radical decision-maker that's pushing people to challenge my decisions because they are either surprises or, as you said, outside the envelope. It's hard to know what creates an issue like that. I think as a lawyer I'm a fairly conservative decision-maker, in fact. I tend to read statutes pretty closely to what I think the Legislature intended by them, so when I look in the mirror, I don't see myself as particularly radical or creative in terms of statutory interpretation. In fact, I've been criticized in some quarters as being a little too conservative.

For example, one judicial review involves the use of physician prescribing information. That one has been ongoing for a couple of years. I made the decision I thought was right. There is a lot at stake for some organizations in this information, and they're quite determined to have it reviewed by another court. We've gone through a number of procedural applications by them. Not something I would have predicted.

Another judicial review involved court dockets. Alberta Justice

took us to judicial review on that one. Of course, I thought it was a reasonably consistent decision with the intent of the legislation, but Alberta Justice disagreed, and the court sided with Alberta Justice on that one. It's just very hard to predict.

I would say that I think if I was pushing the envelope, we would have dozens of judicial reviews instead of two or three or, at the most, four a year because those things tend to reverberate. I know that under the FOIP Act government departments tend to analyze my orders pretty closely, and if they thought I was doing violence to the intent of the legislation, we'd really be in court a lot. We're not, but it is expensive when we go.

Ms Blakeman: I'm interested in your response. I think part of my issue around these achievement bonuses is that I'm at the point where I'm saying: what are they being paid for? They're now being paid a salary, they get an automatic cost of living, they get a grid increase, also called an in-range management, and now there's an assumption here that there is potentially up to a 10 per cent automatic achievement bonus that happens every year. What happened to doing your job because you're paid to do it?

I'm wondering if this isn't larger than you. Maybe, Madam Chairperson, we would like to direct a question to the Public Service Commissioner for an explanation on what's happened with achievement bonuses in that it now seems to have become part of a salary expectation. The thought that you have something called an automatic bonus is striking me as an oxymoron. That's where I'm struggling with this.

I think the best argument you've given us today is that you're running an agency in which you require highly qualified professionals for whom you compete with the outside world to get the staff in there. That I can accept, but I also look at that outside world and go: I don't see automatic bonuses in the private sector, and I most definitely do not see automatic bonuses in the rest of the public sector that is nongovernment. I keep in fair touch with the groups that I work with, and this is absolutely unheard of.

1:25

That's where the struggle is. Not that these people aren't worth it – and I think we've all stated that repeatedly – but the question of this automaticness of a bonus system when they are already getting a cost of living, which lots of sectors still don't get, and they're already getting an in-range, a grid movement. You know: you've been there for so many years, you're supposedly more experienced and therefore more valuable, and therefore we pay you more. They're already getting those two things, and now there's an achievement bonus above and beyond that, and it seems to be an automatic. You assume – and you stated, unless I misheard you – that all staff will receive some form of a bonus, whether it's 1 per cent or 10 per cent. That's where I think this issue is coming up for me.

Mr. Work: Okay. Thanks, Ms Blakeman. On the last point first, I don't think I would want to say – if I did, I shouldn't have – that everyone necessarily gets the achievement bonus. As Suzanne said, it's a pool you have to hand out to those who do merit an achievement bonus, so some people may get more; some people may get nothing on the achievement bonus.

I very much appreciate your point that this may be something bigger than all of us in that I think it is. I think there's been a great deal of significant movement in terms of the public service and how the public service is remunerated. I'm not qualified to speak on that because all I really know other than the documents we get from the public service personnel administration office is what I read in the

papers. But you will recall that earlier this year – was it mid-year? – a task force struck by the Premier reported that senior public service salaries were grossly out of whack with the private sector. As I recall, the deputy ministers received increases in the order of 27 per cent. That, I think, is part of this whole package that I'm looking at to try to bring the public service into line with, I suppose, the market. As I said, I'm not qualified to say if that is so or not, but from what we're aware of, this is the way it's going as far as personnel administration within the government of Alberta. We're trying to stay close to that just because we tend to hire people out of the same pool of employees.

For example, I know that as long as I've been working in the public service of Alberta, since '91, once someone came into a certain salary range – and we talked about being a senior manager – and you got your salary of X dollars, historically you've never been able to move from that salary that you were given. You'd get your cost-of-living increases, but there was no what they call in-range movement unless your job got reclassified to a higher level. That was the only way you could get a raise.

I see what's being done here as an attempt to address that, to allow people to get raises as well as get performance bonuses. Beyond that, the rationale for it, how it's justified, I'm not in a position to speak authoritatively.

Mr. Magnus: You know, I think we're going around in circles with this a bit. I'll let it go.

The Chair: Is there anyone else here? I've got no one left on the speakers' list.

Okay. Well, on behalf of the committee I'd like to thank both Frank and Suzanne and wish you a very merry Christmas and all the best in the new year.

Mr. Work: Thank you. And to you as well.

The Chair: Talk to you soon.

Our next presentation will be the office of the Auditor General. We'll just take a two-minute break here.

[The committee adjourned from 1:30 p.m. to 1:34 p.m.]

The Chair: Okay. I'd like to welcome Fred Dunn, Auditor General, and Patty Hayes, senior financial officer. We look forward to your presentation. I'll just pass it over to you.

Thank you.

Mr. Dunn: Thank you very much. Hopefully, everybody has the package that we sent out. It's a three-part package. I'm going to flip through the slides at the back. Hopefully, you've had a chance to read the first two sections, the business plan and then our budget. We're going to use overheads at the back to very briefly walk through the business plan. I'll do that front part, and then Patty will be doing the back part, on the financial statements.

Just as an introduction, why is Patty our SFO? Patty is from our professional ranks, so Patty was a senior principal in our office and was 13 years in our office. Indeed, two issues. With the additional amount of work that was coming into our office around some very sensitive issues, which took me out of the office quite a bit, I needed somebody who could be able to sit back and make sure that we're running our office efficiently and effectively, that oversight, but also Patty in her own career choices would like to make her way over into the public sector as an SFO. This presents a very good training opportunity for Patty, and that's why she has chosen to take on this role within our office.

Going to the last part of that handout, if you'll turn to the flip charts, I'll very quickly go through these. I'll do the first eight, which will give you a background in answering your questions around our business plan and the challenges that our office is facing.

If you start out on slide 2, you'll have seen this before because our mission hasn't changed at all, the dual focus, which is to make sure that we "propose solutions for the improved use of public resources," thus efficiency and effectiveness, and "help to improve and provide assurance on performance reporting," thus the financial statements and the performance measures that you rely on in your deliberations, certainly, at Public Accounts. You can rely on that information as being accurate.

On page 3 under Change and Renewal: Challenges is something we were talking about a little bit over lunch. There is a substantial increase in costs of professional accounting services. This affects my office both internally, for our own staff, and also from my external resources, which I use as my agents, which do a lot of work for us when we cannot staff it all internally and also for seconded staff.

Patty, you've met with most of the agents, and we've run into some very significant requests for increases. They're running into very sizable salary changes, and I think we're hearing numbers like a 25 per cent increase in their overall salary changes out there. So this is causing quite an impact on our office.

My institute just completed a CA compensation survey, that I received the other day, and I'll just quote from this. I thought it was rather interesting that the average compensation in Alberta – this is for a chartered accountant – has increased since 2002. The average compensation is \$166,000. A good time to be a chartered accountant. The median compensation has increased to \$117,600 from \$101,000.

But this is what scares me. The survey also reported that the average compensation for a new CA in Alberta – that's an average compensation for a new CA; that's a person who joins our office with two years of experience, and then they pass their uniform final exam – is \$67,700. We pay them approximately \$50,000, but it rises steadily each year and jumps after five years to almost \$110,000. That's seven years. We can compete up to about the first five, six years, and then we're into a whole different ball game around remuneration to the staff. So it's had quite a dramatic impact on the salary levels within my office.

The second-biggest challenge is the succession management. Some of you will know Ken Hoffman. Many people know him from Public Accounts. Ken retired at the end of October, and we have had him on an interim contract to the end of December to be full-time. Ken is the third AAG to retire in the last three years, and that's a lot of experience. He had 36 years with our office. I'm entering into a contract, I hope, with Ken. We have yet to finalize the negotiation. Hopefully, we'll be able to retain him on 400 to 600 hours – that's about a third to 45 per cent of a year – in order to bridge the time so that we can develop internally someone else to take on those roles as an AAG.

In succession management it's important for my office to be able to develop people up through the ranks, obviously up to the level of the officer. I'd like to think that we could develop a person that could be considered by the committee. I know you raised this at one time, Laurie, that it's the committee that has the choice of who becomes the officer. I'd like to think, though, that we could make sure that we have succession up through there, that there could be somebody considered, but it's up to you to choose as to who it would be. At least, we have to make sure we've got all our AAG levels and principal levels down below properly staffed.

We've had professional staff departures: four principals, which are

really the senior people in our jobs – those are what I would call engagement leaders, or the partners, from my private-sector days – four managers, and then it says 11 staff auditors, but we just had another resignation yesterday, so it's 12 since January 2005.

1:40

I used to write to the chair about the changes in the staff over the last couple of years, but I haven't this year. The departures are primarily to the private sector. Historically we used to try to encourage them to leave into the public sector. It used to be that we would get two-thirds to go to the public sector, thus the agencies, boards, and commissions, the RHAs, the postsecondaries, and that type, but it's turned around that it's more than two-thirds. It's probably 70 per cent now to the private sector because of the increase in their needs, the private sector's need, and the rates of pay. The biggies out there – Enbridge, Enmax, EPCOR – are the ones who are building up all their staff, and that's where our people are going. They're seen to be very desirable.

The fourth area, then, of the challenges is the continued compliance with evolving professional standards. Certainly, quality control in the whole of the auditing profession is very important because of all the collapses there were in the private sector. What this results in is more documentation of our senior people on the job. I think we run a very, very good office – certainly, based on my experience, very, very good – but it is going to take a little more of my senior people's time.

New accounting standards. You're somewhat familiar with this. The reporting entity is growing, which means putting it all together for the public sector. Alberta will not comply with this and will be offside for one year. We're hopeful that Alberta will be onside by the fiscal year ending March of '07, but we'll be qualifying the financial statements for March of '06.

Then increased accountability and reporting on the effectiveness of internal controls. This is known in the private sector as SOX 404, if you hear that, Sarbanes-Oxley 404, reporting around the internal control. In fairness, it's not legally required in Canada, but it's going to come in through the multilateral instrument. The securities commissions are bringing this out, 52-111. Many of our public-sector clients want to adopt it. The ATB is on record and have publicly announced that they want to adopt it, the WCB wants to adopt it, and the APA wants to adopt it, forcing our staff to be prepared to help them be able to make that certification. So we have to stay up to date on those challenges.

The opportunities. My whole strategy within the office is to build from within: hire, train, and then develop from within. This strategy was started in 2003 and is now just about to produce results. We are tight at the senior level, which will be about level 3 and level 4 in our office, but we are in better shape than many of our private-sector firms, the people that I have to hire as agents. They are very short of staff. We are in good shape compared to them, but we can be in better shape in the future.

In our promotions to replace those departures, we have promoted from within a couple of principals, six managers. We've had some success by hiring into management positions in the specialized services, our forensic and that sort of thing, from outside. We do hire in new students every year. Of the 21 new students, 13 are full-time. I'd like to hire in approximately 15 each year full-time. We're at 13 full-time. Then the rest of them are co-op, where they go back to their respective university for further education, and then hopefully at the end of the day they'll be able to be recruited full-time into our office.

Currently we have 43 students in the CA program. You'll see down in the next two bullets what the impact has been, where we

talk about the number of writers that we've had. In 2003 we only had five people address the final exams, of which four got through. Then you'll see that we had 17 in the current year, and we had 14 get through. Our office has continued over this period of time to exceed the national average and the provincial average on the success rates. So we can train good people, and we're building up that strengthened complement.

Mr. Magnus: How many times can they write?

Mr. Dunn: They can write three times, and unfortunately in our unsuccessful rates here we have the same person three years in a row being unsuccessful. Other than that, we have done exceedingly well getting people through the exams.

Flipping over, other strategies that we follow are through our business plan. We've got to match the senior skills to more complex portfolios. Clearly, when I have a complex task, such as the Fort McMurray land sales or the ASC, I need strong senior people to be able to handle that. The other aspect we're looking to is to continue to increase our efficiency, which allows more staff resources to go to what we call the systems audit, which includes those special reports.

In addition, through our priorities we must be seen to respond effectively to the new professional standards. Our office is expected by the various entities that we serve to know all the rules and to be on top of everything, and indeed we assist many of those organizations in understanding the rules. How we do this is by training and mentoring staff. We focus on not just their accounting and auditing, where they'll be good accountants, but also on their communication skills because you expect well-written, plain language reports, so their written skills, their verbal skills, and their listening skills. In turn, we're also focusing very much in our office now on leadership skills, where they can develop and mentor people.

I'm over on page 6 now. This is a recital, again from prior years, of the two core businesses: assurance work and systems work. The assurance work, for everybody's understanding, is our financial statements work, when you get the financial statement with the audited opinion on it with the various targets and performance reports, which are on the front section of the ministry annual report, when we look at that and make sure that those things are properly and effectively reported. Then we have other compliance work for pension compliance and grant compliances and that.

All that assurance work takes up approximately 70 per cent of our resources. We have moved this from 80-20 per cent to 70-30 over the last couple of years. I would like to keep it at that because that means that for our systems work, which is under sections 19(2)(d) and (e), which is all the work that we do around recommendations for improvements within the processes and systems, whether it be of ATB or whether it be of one of the departments or the universities or an RHA, we've managed to get our time and resources up to 30 per cent of the total office costs.

But as the last bullet says, the real challenge is to keep those senior special skills, which are more experience, business process skills, those good communication skills, and then people who understand how a control system should be designed and properly implemented. We are still at 70-30, and I would really want to be able to maintain that relationship.

Over on to page 7, then I will stop and turn it over to Patty. Our business plan 2006, a similar design as in prior years, lays out our targets and performance measures. Hopefully, you've had a chance to go through our performance measures and that on pages 4 to 7.

What I call the accountability loop, which is our business plan, strategies, priorities, and targets, comes in in the document in front

of you. We then request the budget to make sure that we can accomplish those strategies and priorities and then report back to you in our annual report, this big thick one that everyone gets a copy of, which then shows our actual results. As you know, the financial information that is at the back end of this report shows our actual results with our variance discussion against what we had requested and how we managed to consume and use the resources there. That comes out, as I say, in the annual report, and you'll see those page references there around what has been the accountability for the prior year.

I'm going to stop at this point and ask if there are any questions before we actually get into the numbers around what our budget submission is.

The Chair: Okay. Well, I'll tell you who's on the speakers' list, and then maybe just say if you're okay waiting to the end. I've got Dave.

Mr. Rodney: I'll wait to the end.

The Chair: Richard Marz.

Mr. Marz: I'll wait to the end.

The Chair: Ivan. Richard Magnus.

Mr. Magnus: I'll go after.

The Chair: Okay. Just proceed. Thanks.

Mr. Dunn: Okay. The budget request, which is summarized here, obviously refers to the second of the three items which are in this package.

Patty, you're going to go through the reassessments.

Ms Hayes: Right. Thanks, Fred. On slide 8 we've summarized for you our budget request from last year and our budget request for the following year. Overall we're asking for a 5 per cent increase in operating expenses and a 27 per cent decrease in the capital budget. Some of the details are in your second section of the packages, as Fred described.

I'd like to go through slide 9 with you just to walk through the significant changes, mainly, as Fred mentioned, the increase in our budget as a result of the escalating professional accounting services costs. As Fred mentioned, there have been some significant increases in the province, and we're looking to do our best to try to retain as many accountants as we can, so we try to keep our salaries competitive.

The first things I'll speak about are the salaries and wages. We're looking to increase those in the next year by 6 per cent, and that breaks down to a 3 per cent cost-of-living adjustment and a 3 per cent merit increase. I should mention that within the 3 per cent merit increase some of the folks at the lower end receive higher than that – that's where we're really facing the pressures – but overall it works out to be a 3 per cent increase.

Mr. Magnus: Are you interchanging merit and bonus pay?

Ms Blakeman: Achievement bonus pay?

1:50

Ms Hayes: The bonuses would be a part of the merit, yes.

Ms Blakeman: What about the in-range?

Ms Hayes: That's part of the merit as well, yes, the in-range and the achievement bonuses: 3 per cent overall. But as I said, some of our lower levels, our CA students and such, we're seeing 8 to 10 per cent increases for them, and some of the higher levels and the corporate side of things are lower.

Mr. Dunn: In order to average out at 3 per cent, clearly our senior people aren't going to get the second 3 per cent to the same amount.

Ms Hayes: Right.

Overall our average salaries for the current year are going to be about \$70,000. Compare that with the salaries that Fred was quoting. With this budget request they would move to \$74,000 on average. That increase is in line with the increases that have occurred since 2002 in Alberta. We've seen the CAs increase about 16 per cent since 2002, and we'll be at 13 per cent, so compared to ourselves, we're increasing proportionately, but as Fred mentioned, we don't compare to the private firms.

The next part of our personnel increase relates to temporary audit services. That's when we need to go to the firms to fill peak time requirements and vacancies that are unexpected. It's partially due to the price increases for the temporary staff – we're seeing those to be between 10 and 15 per cent – but the majority comes from an increase in the number of hours that we're going to be using temporary staff for this coming year. We have 16 people who leave in the summertime to go and write their professional exams, and we have two maternity leaves in the senior management ranks, so we need to fill those with costly external people.

The third part of that is our agent budget. We're actually seeing a decrease in that this year. We're using our internal staff to a larger degree to do that work. We've also had a few large systems audits that we're not going to be using agents for again. The seniors' report, for example, consumed a large amount of agent hours. Now, the decrease in hours is offset by a fee increase. We're seeing probably about 8 to 10 per cent in fee increases for the agent hours.

As I mentioned before, in the previous section on page 3 there are more details on the analytics between last year's and this year's forecasts. I'd be happy to take your questions on those in a moment.

Just to let you know, for the targets for '07-08, '08-09 we generally did about a 5 per cent increase with some specific increases for areas that we know are coming, like a laptop fleet replacement in '07-08. That's how we set those targets.

Mr. Dunn: That's for the capital.

Ms Hayes: Correct.

Over on slide 10 . . .

Mr. Dunn: This is the Denis Ducharme slide.

Mr. Ducharme: You used to be good.

Ms Hayes: Historically, yes, we've seen funds being returned. This year we're forecasting that we're managing pretty close to budget. We don't expect to be returning funds. Of course, for the following year we would expect to use our full budget as well.

On page 11, this slide ties into appendix A of the second section, basically just ties into the core businesses and shows the proportion of costs. As Fred mentioned, our target is 70-30, and so far we're tracking close to that. Our goal is always to try and decrease the assurance side of things so that we can free up people for the systems audits.

On page 12 we included a slide just to give you an idea of some

of the more significant systems audits that we're planning to report on in the budget year to which we speak. The work is currently under way in some and soon to start in others. We will have these items be reported in our 2006 annual report next fall.

With that, I think I'd like to turn it over to Fred.

Mr. Dunn: The purpose of the last slide is just to show you where our office will be going for some of the larger areas of systems work. This is the 30 per cent resource. Items that I certainly am quite interested in and have been directing our office on are looking at areas where they affect Albertans, where Albertans are vulnerable. That's why the seniors' work. I want to also look in areas around ethical behaviour, governance, those sort of things, and, as I say, matters that I think most of us as individuals are very sensitive to, that talk about child intervention services, et cetera.

Some of these were requested of us. I'll be straight up that food safety and drinking water are created from our own interest but also supported through the Department of Environment because of their Water for Life strategy.

Child intervention was requested of us after a debate with the previous deputy. The current deputy is very, very much interested in making sure that the standards are set around child intervention, monitoring, and then what do you do if you find an issue, the reaction to it. They want to get a good reading on that. Plus, we also have an interest to get into the DFNAs, the designated First Nations authorities, and what is happening on those as child care deliverers. I'm looking to try and work together with our federal counterparts on that, and we're trying to get an alignment between their funding arm, the provincial standards setting arm, and the First Nations delivery services. This is an area that we'll be spending some time on this year. Of course, it's going to take us throughout the province.

The other one you'll see is some follow-up and ones that you're probably familiar with through the media, where there's been some interest around areas such as the revenue forecasting and the capital planning. So those are ones that we are going to be looking at this year. Many of them are already being planned and agreed to with the various departments and ministries that are being affected, and our teams are being set up to execute that work.

With that, Madam Chairman, we are finished with our presentation and would now look to any of the questions.

The Chair: I've got Dave and then Richard Marz.

Mr. Rodney: Thank you, Madam Chair. Thanks to the both of you and everyone in your department. I've got friends and relatives in this industry, both in the province and outside the province, in public and private, and I have a real appreciation for what you're going through.

My first comment refers to the very last slide, and it's the third last bullet, revenue forecasting. I suppose this is just a note of encouragement. As you know, so many departments draw funds from Albertans, and this is a big chance for Finance, Energy, and Gaming to give back. I know that part of our mandate is to make sure that Albertans are getting their due, so I'm very much looking forward to that being a very important core business. I suppose we could have had bullets on each of those and perhaps more. I'll just encourage you to have your people look deep there, and that could solve a lot of other problems.

I'll refer to the second section now, your budget, page 3. I did have the preamble saying that I can appreciate where you're coming from. I guess that you won't hear me complaining about decreases that we see in items 4 and 6 and 8. That's great. I do think it would

be out of order for us, though, if we didn't ask about double-digit increases. I know that you're probably expecting this. Item 3 is 45 per cent, item 5 is 41 per cent, and item 7 is 46 per cent. I have read the explanation, but can you help us feel better in understanding and appreciating and being able to sell that these indeed are increases that are very appropriate and accurate?

Mr. Dunn: Okay. Maybe I'll start out, and then, Patty, I'll look to you to supplement. Let's start with the temporary audit services. If you go back to your page 1, which lays out where we were with the current year's actual budget, then next year's estimate we're talking about.

We were going to try to grind down temporary audit services. That was our intent. You can see that in the budget for the current year we're at \$815,000. We were trying to get that down. What we failed to appreciate at the time we set that budget was the impact when you have 17 people writing the exams and taking three months off. We had to supplement that time, that period, with some expensive additional resources. That together with some untimely losses of staff meant that we had to rent in staff on a very short-term basis that was very expensive per hour.

We expect that we will start to bring that under control if we can retain some of the students that we've got, this massive number of students coming up through the ranks. If we can retain 50 per cent of them, we can bring that under control much better. So you'll see that although it's fairly high as a percentage, it's because we had a very low budget the previous year. We were not able to achieve the reduction that we thought we would, but by way of the actual we're going to be going down. It's budget to budget that we're going to be much higher on that one.

Patty?

Ms Hayes: No, I have nothing to add. That's exactly right.

2:00

Mr. Dunn: Okay.

From page 3 you also talked about travel, number 5. We have encouraged our staff to get out to the various departments and locations, et cetera, around the province. We would like to try and be as efficient and effective as we can. However, many of our senior people, which includes myself, are spending a lot of time out of the office at different locations. I had to spend a fair amount of time, obviously, down in Calgary this year, and we incur the flight and the accommodation costs there.

Coming forward in the future, we also have these two big ones, the ones that are going to be dealing with the PDDs and the child and family services. We're going to be doing a lot of work through the PDDs. We have to go to all nine regions and the same with the child and family services. Our people are going to be spending time outside the centres of Edmonton and Calgary while we're at those, and there's going to be both the travel and the accommodation for that.

Are there any other ones? Those are just two of the big systems.

Ms Hayes: Those are the two big ones. You know, they're budgeting \$40,000 each for travelling costs, so that's a big chunk of the increase just to complete those two audits.

Mr. Dunn: But, as you know, Dave, if we're going to do the DFNAs, we've got to go to Hobbema and other places like that.

Mr. Rodney: Sure.

Mr. Dunn: We have to go there. We've just got to audit that site, and we can't do it from a ministry level, sitting in Edmonton.

Mr. Rodney: Sure.

The last one was number 7.

Mr. Dunn: On the other one, number 7, I'm going to turn to you, Patty, because this is a switch within our office as to how we're doing some of our internal printing.

Ms Hayes: Basically, it was just an upgrade in the type of equipment we were using so that we've got now one machine that scans, prints, photocopies, the whole nine yards. Instead of having multiple units, we've got two big ones, and they're infinitely faster than the previous system. So it's a big increase in terms of percentage-wise, but cost-wise it's really helping us out.

Mr. Rodney: Thank you. That's all.

Mr. Marz: Basically the same question, but in addition employer contributions you've got listed at 13 per cent, and your explanation is the management and employee pension plan of 5 per cent and supplementary retirement pension plan of 1 per cent. Where does the other 8 per cent come from to make up the 13 per cent?

Ms Hayes: Because it's based on salaries, once your salaries increase, you've got that double effect there.

Mr. Marz: Relevant to the temporary audit services, it seems like a high number for people to be off writing professional exams. How long a period of time is an individual off doing that?

Ms Hayes: Two months.

Mr. Marz: Two months.

Mr. Dunn: Again, I'm going to speak on behalf of the students on that. This is their whole career to that point. This one examination, known as uniform final exams, which is written across the country simultaneously, is the culmination of everything that they've worked for, and it's very important to them.

The private sector generally has a slow period of time in the summer months, and the private sector grants their staff a fair amount of time off. We encourage our staff to stay on the job as long as possible, but once the end of June comes, which is the end of kind of the financial reporting period, July and August is preparation to write the exams in September. Most of them, with their colleagues from school days working in private-sector firms, want to be putting as much time, effort, and study in there. We, obviously, provide support for them while they're off through courses and mentoring and training, and the results have been very good. You don't want them to not succeed. It costs us a lot of money if they don't succeed, but it really is, obviously, career changing for them if they're not successful.

So, yes, it is a big commitment that our office makes on their behalf to get through. But if we can be successful and get them through and get them into the public sector, whereby they go serve in the public sector, whether for another ministry or department, then we've really achieved an awful lot because that's helped the public sector do their recruiting at a relatively inexpensive cost.

Mr. Marz: Does the bulk of that cost pay for the replacements while they're gone or to supports for them?

Mr. Dunn: The bulk is for their replacement.

Ms Hayes: That's correct.

The Chair: Ivan and then Richard Magnus.

Mr. Strang: Thanks, Madam Chairman. To Mr. Dunn. I guess the big thing is that I'm impressed with the aspect of your increase in salaries for 2006-07, but what I'm wondering about is that when we go back from 2004-05 to '08-09, we're at a \$2.394 million increase. You sort of give an explanation about the aspect, number one, of an increase in the workload and the cost for staff. I'm just wondering because that's quite an increase without really any increase in staff.

I guess the other thing that I was looking at was under your technical services. On that, is that computerized systems, or what are you really talking about? Or is that the aspect of what you're jobbing out? I might as well be straightforward; I never do it any other way. I've often wondered why computers can't be capital. It doesn't make any sense to me why we don't have that as capital when we're moving into the age.

Mr. Dunn: Okay. I think I've got it. If we turn to page 1 – you're talking about salaries and wages – indeed we were a little off on our budget. But if you go between the actual of the '05 year, which was \$8.4 million going to \$9 million, I think your challenge is that we're going up to \$9.8 million and then \$10 million. So I think you're saying: how are we going to handle the increase in the future at only 3 or 4 per cent? How are we going to handle that?

We're getting to a certain level with building them up from the bottom, you know, these 17 students who wrote the exams. If we can hold onto them, we've made the big changes. We've made the cost increases for them now. We don't have to go through it more so in the future. Many of our senior people, though, have hit the upper ends of their ranges, and they won't be getting much in the way of increases other than whatever the range changes by, which is what we expect will be about a 3 per cent increase through the public sector. That's all they will have.

Around technology. Technology is, yes, the computer services within our office to run the office, et cetera, and many of those come through the chargebacks to us from RGE.

Patty, maybe you can help on the charges too. We use Imagis all the way through.

Ms Hayes: That's right. The bulk of those costs are actually Imagis costs that are just charged back to us from the ministry of restructuring.

Mr. Dunn: When you talked about technology being capitalized, the computers our staff use to do their work, record their time, all the rest of it, are capitalized. That comes through the capital budget. As Patty mentioned, you can see the ebb and flow when we replace the fleet of computers. But the other ones, the actual cost of running the office through Government Services, are charged across to us as the other technologies.

Mr. Strang: Okay. Thank you.

The Chair: Richard Magnus and then Denis.

Mr. Magnus: Thanks. I always love to get the Auditor General in front of us. Interestingly enough, when you talk about your difficulty finding people to work anymore, I needed a plumber last week. He wanted \$65 a hour and references. If I didn't give him the

references, he wasn't coming to the house. This wasn't one plumber. The third plumber came because evidently I had the right reference for him.

Mr. Lougheed: That was harder than coming up with the money, eh?

Mr. Magnus: Oh, listen, it was brutal.

Anyway, just as an aside, your LTC report was bang on the money. I've been fooling around with long-term care for years and years and years, but that report was right on.

As far as your budget, frankly, I think they know how to make CAs in charge of everything. I don't know why governments always make engineers in charge of departments, but they should make CAs because pretty nice budget. There's just one little thing that bugs me on this. When I look at the definition of what an assurance audit is, because I didn't know until I read this thing, it's just discovering whether the performance reports of government organizations are credible. But you've only got a 71 per cent success rate in finding out if you're credible. I guess that is the way I'm reading that.

Mr. Dunn: You're looking at one of our performance measures?

Mr. Magnus: Yeah. On page 5 it's just under Budgets there. It talks about "the percentage of assurance auditing projects over 200 hours completed within 10%" of the budget. You're only at 71 although you're looking for 90, which seems like kind of a spread. It just strikes me that your performance evaluation of yourself is about 20 per cent short. It's a small point.

Mr. Dunn: No, it isn't. This is near to my heart.

2:10

Ms Hayes: No. It's a big point. Absolutely. A big part of what I see my job to be is to put in place systems and give people information so that we're able to manage those costs a little bit easier. I think that I'm trying to bring everybody's attention to the importance of this. One thing that we've discussed in our office is that when we take in a lot of new students, we have to keep them busy, you know. It would be nice if everybody had five years' experience, but we have to take in the new people. So we've made that commitment, and when we do that, the audit hours go up. Unfortunately, you haven't always budgeted that way, so there are some penalties that come into the system that we consider acceptable because we've got a different goal. That doesn't change our target. We're still aiming towards our target.

Mr. Magnus: That's what I'd do. I'd lower my target just a bit to try and get closer.

Ms Hayes: We don't want to do that. But, you know, it's just a matter of getting people to set more reasonable budgets, actually, in the first place.

Mr. Dunn: I'm going to pick up on this. Being very serious, as a businessperson this was most critical to us in the private sector: your staff utilized, you could sell them out to your customers, and you could collect it back. They were very efficient.

Because we have been taking so many people in at the bottom end, we want to make sure our senior people budget the number of hours it should take to do the work. But, as Patty says, there's no sense having a person sitting idle in your office. It costs me the very same amount of money. Put him or her out on the job and train

them. So there is an on-the-job training aspect. We expect that that will translate itself into very efficient, effective people once you get them up through the ranks. That was the penalty we had to pay for the two years where we did very heavy recruiting – we started in 2003; I joined in 2000 – to take those two years to get them up through the ranks. We ended up having more time on the jobs on an hour-by-hour basis comparatively than what we will be doing in the future.

The Chair: Denis.

Mr. Ducharme: Thank you. I'm perhaps following through with what Richard just brought up, and that's the audit reviews. I'm going to link it back to the temporary audit services. Your business being the Auditor General, I guess you can create as many reviews to investigate or as few reviews as you so wish. My question, I guess, is: are you challenging your department maybe a little bit too much throughout the year? I'm just relating that back to the extra dollars that you need for your temporary audit services when you have your younger people off to write their exams. I'm just wondering if maybe that might be a time in terms of being able to roll back on the reviews that you have, something that would be taking place at that time period, so that you're not going out and probably paying a much higher rate in the private sector than what you're paying those individuals. Maybe that's something that should be looked at. Then you might help to reach your other target that you've got.

You know, I don't think our province is going to hell in a handbasket. There might be, you know, some various concerns, but I don't know to what extent we have to go and expend public, taxpayers' dollars in that way. Maybe we can reconfigure the way that we do business.

Mr. Dunn: Yeah. That's actually a very good business challenge in there. Step back to, first of all, the assurance work. We have a disproportionate amount of work that has to be done at one point in time, which are the March 31 year-ends. All the departments, ministries, RHAs, postsecondary institutions of the university type: March 31 year-end. We have a huge amount of time that must be spent in the months of April, May, and June to get all that work done simultaneously. So we don't have a level amount of work there, Denis, throughout the year. We have a few June 30 year-ends, which is your 16 colleges; we have some December work, which is your WCBs and your pension funds, that type of thing; but we have a phenomenally disproportionate amount around March.

If we recruit these people in, we can't then disengage them. We've got to, obviously, have them throughout the rest of the year. So coming back to your point, we then have to undertake the systems work in what we call the nonassurance period of time. But once you start the work, you become very inefficient if you stop it. Once you start it, you've got to see it through because you run the risk of having a discontinuation of your staff, a changeover in your staff, having different people. Therefore, you must see those through. What we've found with our systems work is that it's better if you use OAG staff. They are much more familiar with public-sector goals, criteria, expectations. We want to use our staff on those ones. So we will rent in some other staff to finish off our assurance work.

Patty, as a person who came from the ranks of doing those things, you saw the challenges that we have thrown at you the principals of making sure that our staff are utilized throughout the whole of the year, properly trained, and that. What were the dynamics that you saw or felt in answer to that question: why don't you just try to do less?

Ms Hayes: I should also add that we really try to only take on seconded staff, as Fred mentioned, during the peak time. That's how we set our budget last year, expecting that we would only hire during that time. Then we had two maternity leaves at the higher levels, and we had a lot of people leave in the summertime. Truthfully, these people in the summertime are doing assurance work. They're doing performance measures for the ministries. That's not something that we have a choice of when we do it. There are no timing decisions. Basically, it's set by the ministries. So our hands are tied, really, in respect of hiring staff in the summertime to do that work.

The other part of it is that, as Fred says, we like to keep our staff for the systems audit, so we try, really, to bring in seconded staff. It's very difficult. It's hard on the team because there's a whole learning curve that these people need to go through before they come on, and they're about 50 per cent more expensive than if we use our own staff. So we really, really focus hard on trying to minimize the times that we need to go outside for those resources.

Mr. Dunn: Then to go back to your challenge, it comes back to the other core business, which is systems auditing. Yes, we could choose not to do something. The question becomes the service to you as MLAs. As much as assurance auditing is most important to you, that all the financial statements of all the various entities are properly prepared and all that, quite often the value to you as MLAs is: what's happening from the program delivery to the citizens in Alberta, and how does it affect them? So it's very tough to argue with some things.

Richard over here just happened to talk about long-term care. But if you talk about food safety – have we got the proper standards and proper oversight? – as I mentioned here, it's very hard to argue that that isn't important to Albertans and, therefore, to you as MLAs.

Same with the drinking water. We want to talk first about quality, and the one that follows after this is quantity. Where will our province be . . .

Mr. Ducharme: I agree that there are always going to be issues that are front and centre for all Albertans, but my question goes back in terms of making the office more efficient in terms of taxpayers' dollars. You'll always have issues. They'll never go away. If you don't have any, someone will make one up, and you'll go investigate. But the thing is that I'm just trying to put it in terms of being realistic. We're going out and spending twice as much money for our staff. Maybe instead of doing eight or nine reviews, you do seven, or you do eight, and you've got that time in terms of placing it. I'm sure you've got the authority in terms of when certain reviews can take place and when you expect them to be completed. That's why I just keep bringing it back in that sense. We could investigate the whole world, but the thing is that you've got to have the staffing and the dollars necessary in terms of being able to do it.

Mr. Dunn: You're exactly right. We've got to have the right senior type of staffing to do certain of these challenges.

Capital planning for the province of Alberta has been in a state of flux for the last seven years. Now, we've been challenging Infrastructure and Transportation. We're going to look at capital planning in order that it can be stabilized as to how it's being prioritized and the deferred maintenance is being handled. It's our choice to go in this year, Denis, to look at it this year. Infrastructure and Transportation would like us to come in a of couple years' time. The question becomes: when do you bring the value of the recommendations?

The Chair: Okay. I've got Ivan on this point and then Rob.

Mr. Strang: Yes. Thanks, Madam Chairman. Just quickly, Mr. Dunn, I guess what I'm looking at is on the aspect of the reforestation. I'm just wondering: did Sustainable Resource Development trigger that, or was it FRIAA or what? The simple reason is that I feel that in Alberta we're doing an excellent job on that. I don't think that would be a high priority going on piggyback and what Denis is talking about.

Mr. Dunn: Okay. The reason why we selected that is because in 1991 the act changed, and the whole reforestation responsibility went to industry. The department then became responsible for oversight and monitoring. We're aware of it through other outside involvement.

Indeed, there are some challenges around the reforestation. In fact, it's very hard to achieve those standards. The forestry companies are having trouble meeting those. What we want to see is: what is the department doing to ensure that it addresses early on the need for proper reforestation? If the private sector is not doing their role and responsibility right, then it's up to us – and I think that it's one of our important aspects – to bring that to the attention of where it can be changed. Then it can be brought to your attention that if there's going to be a challenge around the inadequacy of reforestation, you should know about it, and the department should know about it.

2:20

Mr. Strang: Okay. Thank you.

Mr. Dunn: It is a very important industry to Alberta.

Mr. Lougheed: I'd like some better insight into your 70-30 split for assurance versus systems auditing. I guess you were kind of talking around this with Denis just now. What's the policy decision or the reason that you chose that kind of split as kind of a target? You mentioned being close to it, but it's a target you have. Yet when you look at Ag, Food and Rural Development there, you've got it turned completely around; cross-ministry, same kind of thing. Finance is almost, you know, 90-10 or something like that. In part I think I know the answer to that: because of the nature of the ministries. But there must be some other reasons. Innovation and Science, for example: a huge difference away from the 70-30 there. What's going on in your thinking in some of these situations?

Mr. Dunn: When we sit back to look at the matters to investigate or to carry out a systems audit on, we talk about three primary things, which are impact on Albertans, governance and ethics, then effective use of Alberta's resources and the protection of Alberta's assets and resources. You're right: it was an internal target. We said that we should be looking to a 70-30 split where historically we'd been 80-20 or slightly more than 80 and slightly less than 20. Comparatively across the country, our office is disproportionately heavy on assurance.

There have been challenges at different times about the nature of our mandate versus other Auditors General's mandates. It's because of the legislation whereby we are the appointed auditors of every entity in the public sector. I know that Dave was at the Public Accounts when it was said that we have probably more than 200 entities that we are auditing, and you translate that into an audit opinion every day and a half. Like, how do you do that? We have that phenomenal amount of work that we have to do there. However, what are you as people on the Public Accounts Committee or in the Legislature asking about? You're asking about those other matters.

If we just restricted ourselves to be strictly good accountants, I don't think we'd be bringing the value on the resources that we get to you. Whether it be long-term care or when we got into looking at Fort McMurray land, we have to bring business skills and that sort of stuff and specialized skills. When we get into an entity like the Alberta Securities Commission, it takes a lot of time and effort to deal with those aspects that came there.

That's where we think that we need that amount of resources available, and we don't think that 30 per cent is an unrealistic amount. To go down to 20 per cent, I think that what we'll do is leave a lot of matters unaddressed.

Mr. Lougheed: I hope you didn't misread my thinking there. It seems to me that systems deserves actually more attention rather than less in the broader scheme of governance.

Mr. Dunn: I don't disagree with you. It's just that we have this humongous amount of assurance work. We do the six large RHAs. We don't do all nine; we do the six largest. Those are through agents employed by the RHAs. They must come through our budget. I have no choice about doing that.

Mr. Lougheed: I understand what you're saying there. Can I read into this, then, that you feel that you're assigning an appropriate amount of effort to the systems side?

Mr. Dunn: That's right. To us, for the dollars, which is almost \$6 million, that's suitable.

Mr. Lougheed: Okay.

Mr. Dunn: The rest of it falls out in part because we are the legislative auditors of all those other entities that we just have to do the assurance audit on.

Mr. Lougheed: You didn't comment on how come some of them were turned completely around; like, in 2005 Agriculture, Food and Rural Development is \$300,000 versus \$600,000.

Mr. Dunn: BSE was Agriculture, Food and Rural Development. That's the end of that. Remember when it hit and when our report came out?

Mr. Lougheed: Who could forget?
Why cross-ministry then?

Mr. Dunn: The cross-ministry will change because of some of the focuses that we have in cross-ministry. We've been doing a fair amount of systems work there looking at the cross-ministry around succession planning.

What are the other ones that have come out on the cross-ministry?

Ms Hayes: Managing for results is a big one where we go into the departments. We look at their whole business-planning process and how it ties into all of the different functional areas. That's a big chunk of it. Cross-ministry really doesn't have a set of financial statements. That's essentially systems audits with some performance measures that get some assurance audits.

Mr. Lougheed: Just overlap a little with RGE?

Ms Hayes: No, not really. It's looking at initiatives that are across multi ministries. As Fred mentioned, for a lot of them we look at the

PAO or functions like that that actually serve several ministries. RGE work would be done specifically under RGE. The cross-ministry line itself is predominantly systems auditing simply because it doesn't have a set of financial statements whereas all the others have multiple sets oftentimes.

Mr. Dunn: Where we have province-wide goals, those ones which are affected by many, many ministries, that all falls under cross-ministry. So when we were talking about the overseeing of internal audit departments, that affected, you know, virtually all the organizations that have internal audit departments. We also looked at the whole of the succession management planning within the whole of the public sector of Alberta. We looked at the internal controls across the whole of the public sector, the quality of the internal controls and that type of thing: board recruiting, evaluation and training of board members of these various ABCs that are out there, all the entities. That falls conveniently and is captured in our report all under the one section called cross-ministry. No one ministry or minister owns the responsibility for that. It's a combination of them.

Mr. Magnus: Just a question, Fred. How do you decide where you're going to go next? I mean, I read your long-term care report front to back cover. Fascinating reading. Loved what you did on it. But when I'm looking at a budget like this stuff that we're looking at and I see an increase on a budget that's a couple of million dollars and it's gone from \$2,000 to \$4,000 on hosting, I really don't give a red rat's rear about the \$2,000. I'm looking for bigger numbers.

My question is this. Considering that health care in this government takes as much money as it does – and it is obviously the biggest, and you guys look at the six largest health regions. As an MLA who's been around for some period of time, I hear stories, rumours, and some of it is factual when it hits you, because of the size of that budget, about the extravagance, the waste, it begs the question – and I go back to what I originally started with: how do you decide where to go next? If it was me, I'd be looking at health care, in particular a couple of RHAs, big ones, that I know of.

Mr. Dunn: That's one of our biggest challenges. We're right now doing two things within health care. Population-based funding, the whole formula: is it fair and equitable? We are right now looking at that with the Department of Health. They actually encouraged us to also look at that. The other big one that we'll be following on after that comes under health services costs. It's something which we were challenged on by the deputies. Health care has had a series of deputies go in there. The last two deputies have really challenged us a lot around: can't you help us on making sure we have accurate costing information of health services? So that's the project that we'll be doing, Richard.

We hope this coming winter/spring to go in and look at a series of the RHAs together with the minister's department as to: how do they know that they're getting quality costing information? Capital does a pretty good job, but it's quite noncomparable to Calgary, and we want to see if we can bring the RHAs together with the department to come up with some common basis for appropriate costing so that there can be a sharing of either: this is what the cost is in one RHA versus another, if you can get around the professional standards, the medical standards, et cetera, that people are very conscious of. So that's exactly what we'll be doing. I'm not sure how many hours we've slated for that whole area on health services costing information, but that's the one that we will be doing.

We started out with recommendations that go back to the late '90s around this area, but we left those recommendations sitting at the

departmental level. They could not get the changes made at the RHA level. So we have chosen. We'll go through the department to the RHAs, and then we'll start to create the challenge as to where the costing information incompatibility is between the different RHAs so that that information can be agreed to by the RHAs and start to be provided consistently to the department. Therefore, hopefully we'll have a fairly accurate process by which the department knows where the most efficient and effective way is of delivering the health services. That's exactly what we'll be doing.

2:30

Mr. Magnus: I appreciate that. I've got to tell you that there are a couple of things I'd love to see you guys get into: the health record and the IT stuff. Frankly, I look at systems out there within the health regions that they're spending some money on, large money on. At the end of the day are they copying what somebody else did, or are they just reinventing the wheel at a much higher expense than the wheel that already works in another RHA? I can get really specific here, but I won't. I think you know what I'm getting at. I'd love to see you do the same kind of report on that that you did on long-term care.

Mr. Dunn: We will be looking at costing of health services. It's more from the medical service side of things, whether it's a hip replacement in Edmonton versus a hip replacement in Calgary. Obviously, it's a sensitive area because there are medical standards, and not everybody sees them exactly the same way between the different regions, but we want to make sure that there's a consistent way in which they can cost out that service.

Mr. Magnus: I'd ask also that if you're going to invent a system like that, you have to be able to talk to the other systems that are out there. That's more of a concern that I have.

Mr. Dunn: Right. We're sensitive to the technology one, but, no, we don't plan to do that in the foreseeable future, in the next couple of years.

Mr. Magnus: Too bad.

The Chair: Okay. Are there any other comments or questions? I have nobody else on the speakers' list.

I'd like to thank both Fred and Patty for your presentation and, in case we don't see you, wish you the best for the holidays and the new year. Your office should hear from the committee I think within the next week on what our decisions are later today.

Thank you very much.

Mr. Dunn: Thank you, Madam Chair, and to each and every one of you a merry Christmas.

[The committee adjourned from 2:32 p.m. to 2:37 p.m.]

The Chair: Okay. I'd suggest that before we go on to business arising, we go ahead and do motions for each of the budgets while it's fresh in our minds. What I would toss out at this point is that we need to have individual motions for each of the offices, starting with the office of the Ethics Commissioner.

Now, what he has requested is approval for a 2006-2007 budget in the amount of \$410,000, so I wonder if someone would like to entertain a motion and get it on the floor for a discussion.

Mr. Strang: I'll so move, Madam Chairman.

The Chair: Okay. So approval for a budget of \$410,000 has been moved by Ivan. Are there any questions or discussion on that? All those in favour? Are there any opposed? Okay. That motion is carried.

The second motion to deal with. We have had a presentation that is requesting \$2,380,100 for the office of the Ombudsman. At this point is there anybody that's willing to move a motion regarding the budget for the Ombudsman?

Mr. Ducharme: I move that

the budget for the office of the Ombudsman be increased by 4 per cent, for a total of \$2,326,484.

The request was for 6 per cent, and I'm saying that it should be 4 per cent. That's what my motion reads.

The Chair: Okay. So the request was for, just so I can clarify here, \$2,380,100. Denis, your motion is for \$2,326,484. Is that what you said?

Mr. Ducharme: A 4 per cent increase, \$2,326,480.

The Chair: Comments or questions on that motion?

Ms Blakeman: Can you expand on why you did that?

Mr. Ducharme: With the discussion that took place, I felt that there were areas where they can probably accommodate the increases within that existing budget, that they can afford to reduce it by the 2 per cent. You know, as we go through our budget process, I'm seeing most of the ministries having to stay within those types of guidelines, and I feel that they should be able to do the same.

Mr. Strang: Madam Chairman, through to Denis, are you citing any specific line item that you feel that they should be looking at?

Mr. Ducharme: No. I'd probably make a recommendation that they can review it and forward back a revised budget to the chairperson at a later date. If it's not necessary, fine.

The Chair: Just in reference to what Ivan had mentioned, we don't approve by line, just the total budget.

Any other comments or suggestions on that motion? All those in favour? Are there any opposed? Okay. That motion is carried.

The third presentation was by the office of the Chief Electoral Officer. They're looking for approval of a budget of \$2,514,100. Just for everyone's interest, that would be approximately a 1 per cent increase.

Mr. Magnus: I'll move it.

The Chair: Okay. Richard Magnus has moved that

the committee approve the 2006-07 budget estimate for the office of the Chief Electoral Officer in the amount of \$2,514,100 as presented.

Are there any comments or questions on that motion? All those in favour? Are there any opposed? That motion is carried.

Okay. The fourth presentation was by the office of the Information and Privacy Commissioner. They were looking for approval of a budget of \$5,008,000, and that would be approximately a 15 per cent increase if I've done that calculation right. Would someone like to move a motion on that budget?

Mr. Ducharme: Madam Chair, I move that

the budget of the office of the Information and Privacy Commissioner be increased by 4 per cent, for a total of \$4,509,440.

The Chair: Thoughts, suggestions on that motion? Comments? All those in favour? Are there any opposed? That motion is carried.

The last presentation was by the office of the Auditor General. They're looking for approval of a 2006-07 budget estimate of \$16,935,000. Just for the committee's interest, that should be around a 6 per cent increase.

Mr. Strang: Madam Chairman, I think I would move that we go with strictly a 4 per cent increase on this one because it's consistent with the rest. I think that with some of the different items that Denis had spoken on there, we could move that it would be \$16,416,400.

Ms Blakeman: I disagree with that motion.

Mr. Rodney: What were they asking for? What percentage?

The Chair: They were asking for 6 per cent. Ivan is suggesting 4 per cent.

Ms Blakeman: I think the Auditor General made the case for why he needs to keep the professional staff, and he's pretty carefully considered it and laid it out. I was willing to go with the amount that he requested.

2:45

Mr. Marz: I was going to say that I think the Auditor General made the case. Especially with the junior staff who are off for testing and that sort of thing and the extra expenses, I think it's probably warranted that his request is approved. He's dealing with some fairly high-priced personnel here. I think he's trying to build his staff for the future, and there are going to be some temporary costs involved to do that. I'd be prepared to support his request for 6 per cent.

The Chair: Any other comments?

Mr. Lougheed: I'd concur with Richard's comments. I certainly would hate to see things trimmed back on the system side. I believe that, if anything, more attention could be paid there in redistributing certainly. That would be a concern, that we would lose that second look at how things are done.

The Chair: Any other comments?

Mr. Ducharme: Madam Chair, I'm in favour of the 4 per cent rather than the 6 per cent, the reason being that I believe there are avenues. I think I had an extensive debate with the Auditor General in regard to the start times of some of the reviews that are being done, in terms of being able to accommodate for those students that are off writing their exams during the summer months. I believe that there is some room within his budget to be able to accommodate that other 2 per cent.

Mr. Rodney: Well, as has been mentioned, I think a pretty valid case has been made for the 6 per cent. Good things are happening. Even better things could happen. I just wonder if there's room for a friendly amendment to meet halfway in between and just make it 5 per cent so that there's a little bit of an appreciation and a message sent at the same time.

Mr. Magnus: Well, I just kind of perked up about the 5 per cent. That's my feeling too, you know. I think that when I look at his budget, it's the tightest thing I've seen in quite some time for a

government budget. I mean, you can tell that an accountant has looked at this thing line by line by line, but this is the accountant who is supposed to tell everybody to keep it under control and not waste money, et cetera, et cetera, et cetera. I just think that for him to be the lone officer to whom we're going to end up giving 2 extra per cent, I've got a bit of a problem with that, but I can live with 1 extra per cent just to give him a message. I'll put an amended motion out if you like.

The Chair: Just listening to this discussion, it appears that we all want to deal with this in a friendly way, and we probably have two suggestions for friendly amendments. Why don't I first find out: Ivan, are you willing to withdraw that motion? That would be fine. The option can be just to go ahead and vote on it.

Mr. Strang: Yeah, I can withdraw it.

The Chair: That has to be with the consent of everyone. Is everyone okay if Ivan withdraws that? Okay.

Then I would suggest that if someone else can put another motion on the floor.

Ms Blakeman: I'll move that we accept the request for the budget as proposed.

The Chair: As presented. Okay. That would be \$16,935,000. Any discussion on Laurie's motion?

Mr. Marz: Just a comment. This is the watchdog of the public purse, and I wouldn't want this committee to be perceived as trying to control his work over a 2 per cent cut one way or another. I think he's presented a very good budget, and if he can do his work within that, I think it's something that we should be looking at favourably. The amount of expenditures that have taken place in this last year has gone up a huge amount. It presents more challenges for him to watch out for line by line. I think it's a budget and a motion I'd approve.

The Chair: Any other comments?

Mr. Rodney: Just a question. Across the board here, starting with item 4 on our agenda, the Ethics Commissioner, the Ombudsman, the Chief Electoral Officer, and the Information and Privacy Commissioner: were they 4 per cent each, every single one of them?

The Chair: You mean what we've approved?

Mr. Rodney: Yes.

The Chair: One is zero per cent. One is 1 per cent.

Mr. Rodney: And the last two were 4 per cent. Is that correct?

Mr. Ducharme: We had one at zero, one at 1 per cent, and two at 4 per cent.

The Chair: That's right.

Okay. Any other comments on Laurie's motion?

All those in favour? If we can have a show of hands. All those opposed? Okay. That motion has failed.

Mr. Magnus: I'd put another motion forward.

The Chair: Richard Magnus would like to put a motion on the floor.

Mr. Magnus: I move that the increase be 5 per cent.

The Chair: We need the calculation of the amount of money.

Mrs. Sawchuk: So \$16.935 million minus 1 per cent. Madam Chair, we'd be approving \$16,765,000.

Mr. Loughheed: Well, you can't subtract 1 per cent from the current. You've got to take the old one and add 5 per cent.

Mrs. Sawchuk: Oh, I'm sorry. It's minus 2 per cent.

Mr. Rodney: No. Take the original and multiply by 1.05, right?

The Chair: Yeah. You two have the calculators, so why don't we just do a double check. Let's just do it twice. What he was requesting was \$16,935,000. Apparently that was around a 6 per cent increase over last year's. We should have those numbers here.

Mr. Ducharme: Last year's budget was \$15,785,000, and we said that we would give it a 5 per cent increase, which would bring it to \$16,574,250.

Mr. Magnus: What was that again?

Mr. Ducharme: It's \$16,574,250.

The Chair: Okay. So Richard Magnus' motion would be that the Standing Committee on Legislative Offices approve the 2006-07 budget estimates for the office of the Auditor General in the amount of \$16,574,250.*

Any discussion on that motion?

All those in favour? Are there any opposed? That motion is carried.

Ms Blakeman: Can my opposition be noted, please?

The Chair: Yes. Laurie Blakeman's opposition is noted.

Going back to the agenda, we're on to Business Arising from the Minutes of the Previous Meeting.

Actually, Karen, maybe I'll have you speak. Karen has worked with the LAO's human resources to draft an RFP, that you should all have now, which is a request for proposal for a review of the officers' positions and salaries. As soon as Karen has those handed out, I'll just have her briefly speak to the proposal. My guess is that the background is pretty much standard information regarding the position, and we probably want to pay attention to the project summary.

Karen, if you just want to speak to this and then maybe highlight for us what decisions you think need to be made today.

Mrs. Sawchuk: Okay. Thank you, Madam Chair. I did work with the LAO human resources director on this. In fact, she put most of the project summary part of it together for me so that we would ensure, in accordance with the motion we made at our October 12 meeting, that we would be putting in the right words for the human resource consultants to look at and they would understand what it is that we're after.

The big thing here is the timeline. I did kind of check a bit on that. It's on page 2. I guess this is about the only thing that might be open a little bit. We had put it down so that by Monday, unless

there are some major changes in it, we would release it. We're looking right now at a number of professional associations. There's an Alberta association for human resource consultants, that kind of thing. We're looking for it to be sent out to them directly, and then they in turn post it on their websites or whatever for their members to access. Then there's a deadline for questions. They can actually ask for clarification on some of the terms of what we're after.

2:55

The actual submission deadline for their proposals would be the end of January, at which time – now, this is kind of the key. We can't leave it hanging too long. Once you've gotten those proposals in, just by virtue of the way RFPs are normally dealt with, we'd want to be looking at the submissions that we get within the next couple of weeks right after the closing date. The committee would have to make some form of commitment because once you put it down in here, there's an obligation, then, to deal with it within that time frame. I wouldn't want to leave February 1 to 10 for evaluation and shortlisting of submissions if the committee wasn't comfortable with that or if they didn't think there was an opportunity to meet at that time. I know that it's difficult to pinpoint an exact date, but I guess that it's kind of a standard thing that once you've closed it and received the submissions, you don't leave them hanging for weeks or months. So that's a big thing.

I can answer any questions, but really it's kind of self-explanatory.

Mr. Magnus: This looks pretty standard.

Mrs. Sawchuk: Yeah, it is. It's a standard format that's used.

Ms Blakeman: Well, I just wanted to make some suggestions, and I'm not sure where they go, but I think it's under Recommendations??, that appears at the bottom of the first page.

Some of the things that this committee has mentioned, as we've done these comparisons on our own in the past, were to make sure that we are taking into consideration the population of other provinces or other sectors, the budget amounts that they're dealing with.

The Chair: Staff numbers.

Ms Blakeman: I'm sorry?

The Chair: We've added staffing to that.

Ms Blakeman: Staffing, yes, the number of staff that they're responsible for. And enabling legislation. For example, in Alberta we have our Ombudsman responsible for health information, but that may not be true in comparable jurisdictions. So just to make sure that there's an equivalency or that it's noted so that we can go: well, that's the same except that they're not responsible for this, and that's a contributing factor. Otherwise, we'll end up where we were, where there are so many things that haven't been accounted for that we cannot look across the board and make comparable statements.

I'm also wondering. I don't see as standard in this contract things about defaults and enforcement and monitoring provisions as a part of this. Now, this is an RFP, obviously, not the actual contract. Nonetheless, is that not part of a standard government RFP?

Mrs. Sawchuk: Well, this is an LAO document. This is one that we've used a number of times, actually with another all-party committee just a short time ago for a contract writer. You know, there are provisions. If you go to pages 3 and 4, it goes through

*The calculation resulting in this motion was incorrectly based on the net cost of operations instead of the total voted operating expenses, and should have read \$19,045,950.

conflicts of interest. I'm not saying that there may not be a few other items that go in there ultimately in the final contract. It would be handled through the office of the Senior Parliamentary Counsel.

The Chair: Yeah. We can note that and just double-check.

Ms Blakeman: Well, somewhere could they look at, you know, whether they've got any charges pending on them in any courts in North America?

The Chair: Just going back to Laurie's list there, we've also talked about, particularly with one position, whether it's part-time or full-time. So we have to consider that.

Any other comments or suggestions?

Ms Blakeman: Criminal records check.

The Chair: Karen, you've got that noted, the criminal records check?

Ms Blakeman: That's two things: a criminal records check of your senior officers and whether you've got charges pending against the company.

Mrs. Sawchuk: I'm making note of the changes, Madam Chair. They are a matter of record, so we can make these changes and ensure that they're incorporated properly. We do run it through Parliamentary Counsel's office before it's actually issued because once it's out there, it's got a wide distribution.

Ms Blakeman: Well, I would like to see those included, please. Thank you.

The Chair: Okay. Is that enough on the RFP? Perfect.

We'll move on to item (b) under business arising. That will be to decide what it is that we would like to do in terms of a role that might look at reviewing proposed amendments to the Election Act. First, before we actually open up to a discussion or someone wanting to make a motion in which way that we proceed, I know that Karen as well as *Hansard* staff were going back and looking into history to find out what we have done on other occasions. So maybe just briefly mention what it is that you found there.

Mrs. Sawchuk: Madam Chair, we did find records going back to a subcommittee of this committee in 1994-95. It was three members: two government members, one opposition member. They met not on the record. There were never any meetings held on the record with *Hansard*. They would go to the office of the Chief Electoral Officer. They would obtain what information they required. I think we found three or four different meetings where they reported and just said: these are our recommendations. One of the key recommendations is the one that resulted in the register of electors being created, the whole system being set up. That was a recommendation of that subcommittee. They did report to the committee, but other than that, we don't have a lot of records. It wasn't an official meeting where we had *Hansard* recording or anything like that. So, you know, we could do it again.

The Chair: Thank you.

Okay. Does anybody want to start a discussion on this topic? Denis.

Mr. Ducharme: I'd just like to share with the committee that I had the privilege of bringing forward changes to the Ombudsman Act.

I guess it was a couple of years ago, a year ago. What had happened was that the Ombudsman had been in contact with the minister responsible for his legislation, brought forward his recommendations, and then it followed the government process, basically through the standing policy committee, cabinet, and caucus.

I would see the same thing here. I see some of the issues that they bring up as basically dealing with government policy, and frankly I don't think it's our role as a committee to be dealing with that. I think the recommendations should be forwarded on to the ministry – is it Justice that takes care of the Election Act? – and bring these proposals that came back from the former Chief Electoral Officer for their consideration.

Ms Blakeman: Well, as a member of the opposition the problem with the process that's just been outlined is that it completely cuts out the opposition because, of course, the standing policy committees are committees of the government caucus, not of the Legislative Assembly, so they're not all-party committees that carry through on that.

It could be argued and it probably has just been argued that it's expedient to do it that way, but I don't think there should be any pretense that this is including a sort of democratic process, because it's not. As soon as it goes into the government process, the opposition members from the Assembly are cut out.

Mr. Ducharme: I'd just like to add that the democratic process will then take place in the Legislative Assembly, where it gets debated when it's brought forward as a bill.

The Chair: Was that a motion that you put forward, Denis, or can you word that into a motion, or do we need a motion? Yeah, we probably should.

Mr. Ducharme: I move that

the recommendations for changes to the Election Act that have been presented by the Chief Electoral Officer be forwarded on to the Minister of Justice for consideration for legislative changes to the act.

The Chair: Any other comments, questions?

Mr. Rodney: Just a friendly amendment. Maybe I'm out of order, but I'm guessing that we need the word "deputy" in there. It was the Deputy Chief Electoral Officer today who presented.

Ms Blakeman: Acting Chief Electoral Officer.

The Chair: Yeah. Maybe it should be the office of the Chief Electoral Officer.

3:05

Mr. Rodney: I just want to make sure that it's accurate.

Mr. Ducharme: I thought I'd said office, but maybe I said Chief Electoral Officer.

Mr. Rodney: I just want to make sure for the record that we're on the same page.

The Chair: We're going to allow him to make a friendly correction.

Mr. Rodney: Yeah. That's all it is.

The Chair: Okay. Any other comments, questions?

Mr. Marz: I'd like to know how this came to be on our agenda to begin with.

The Chair: It was brought to our last meeting, and we had a discussion. The office had actually asked us if we wanted to be involved, and he said again today that it can go one or two ways. You know, you can see if the committee wants to get involved in being part of the review or throw it over to Justice and allow them to conduct the review. So this is business arising coming from our last meeting.

Mr. Marz: Well, if the department conducts a review, will this committee have a chance to look at their review before it is drafted into a bill? Could it come back so this committee could have a say in it or not?

Mr. Magnus: Well, again, as Denis says, I just don't believe it's the purview of this committee. It may be the purview somewhere else, but in this committee this isn't what we do.

The Chair: Any other comments?

All those in favour of the motion? Are there any opposed? That motion is carried. Laurie would like it noted that she was opposed.

Okay. The next meeting will be at the call of the chair. I wonder if someone would like to move that we adjourn.

Ms Blakeman: Well, wait a minute. Knowing that we've got the RFP coming back to us, and we've got approximate dates on it, why don't we set a meeting now for then, in anticipation of that?

The Chair: We probably still have to poll. I don't think I've got the capabilities here to pick a date.

Ms Blakeman: We have to be talking about this RFP coming back to us sometime in early February, so why don't we book the date now?

The Chair: We'll have Karen do a poll.

Okay. Would someone like to move that we adjourn?

Mr. Magnus: Let's adjourn.

The Chair: Richard Magnus. All those in favour? Okay. That motion is carried.

[The committee adjourned at 3:07 p.m.]

