**Title: Wednesday, December 13, 2006 Legislative Offices Committee**
Date: 06/12/13
Time: 9:02 a.m.
[Mrs. Tarchuk in the chair]

**The Chair:** Good morning, everyone. I'd like to welcome all members to our meeting today and, if I could, ask everyone to introduce themselves for the record. We'll start with Len.

[The following committee members introduced themselves: Mr. Griffiths, Mr. Lougheed, Mr. Marz, Mr. Mitzel, Dr. Pannu, Mr. Strang, and Mrs. Tarchuk]

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**The Chair:** Great. Thank you.

Your meeting packages were delivered to you last Wednesday.

I'd also like to remind members that we are hosting our annual Christmas lunch today for the officers and their staff who are able to join us.

At the front of your binders you have today's rather aggressive agenda. I wonder if someone could move that the agenda be adopted as circulated. Raj. Any questions? No. All those in favour? Okay. That motion is carried.

Under tab 3 you've got the minutes that were e-mailed yesterday morning. If you've had time to peruse them, I wonder if someone would like to move that we adopt them as circulated. Len. All those in favour? That motion is carried.

I would like to for the record welcome Richard Magnus to our meeting.

If we could move on to tab 4, we have a copy of the 2007-08 committee budget estimates. I understand from Karen that the budget was completed with a 5 per cent increase over last year. I guess the major changes were adjustments made to reflect the location of the 2007 COGEL conference, which will be in Victoria next year. Are there any questions for Karen on the budget? Just so you know, the committee budgets will be considered by the Members' Services Committee tomorrow. If there aren't any questions, I wonder if someone could move the 2007-08 budget estimates for the standing committee.

**Mr. Strang:** If I could just sort of ask one on the aspect of Other Labour and Services. How come we're going so much on that one?

**Mrs. Sawchuk:** Madam Chair, we had increased substantially our numbers under Other Labour and Services last year in anticipation of the compensation review. At that time we didn't know what numbers were going to be coming in, and it was substantially less than what we budgeted for.

The only other item under Other Labour and Services is the Kingston Ross Pasnak contract that we have. They do the audit of the office of the Auditor General. We'll be returning funds from that, and that's why it's reduced again for this next year.

**Mr. Strang:** Okay. Thank you.

**The Chair:** So it was movement in the right direction.

Okay. Is anyone interested in moving that the 2007-08 budget estimates for the Standing Committee on Leg. Offices be approved as circulated?

**Mr. Strang:** I so move.

**The Chair:** Ivan has moved that. All those in favour? Okay. That motion is carried.

We'll be receiving the 2007-08 budget estimates from all of the officers today as well as their business plans, starting with the Ethics Commissioner's.

Before we start, I thought I'd mention that in previous years the committee has waited to pass motions on the budgets until the end of the day, and then we deal with all of them at once. I think that in the past this has worked well, so unless there are any objections, we'll do the same today. Just for your information, we have to submit the committee motions for the budgets to the Budget Bureau at Alberta Finance by the second week of January.

If everyone is ready, I'll ask that Don Hamilton, the Ethics Commissioner, come in and present the first budget.

Before we begin with our presentation, I'd like to also welcome Jack Flaherty. He is here as a committee member.

Welcome to both Don Hamilton, our Ethics Commissioner, and Karen South, senior administrator. You can proceed with your presentation. I understand that it will probably take 10 or 15 minutes, and if we can leave about 10 minutes afterwards for questions, that would be great. So Karen and Don, I'll pass it over to you.

**Mr. Hamilton:** Well, you have the information, and we want 4 per cent. That's about it.

My mother said to me once that if you're enjoying what you're doing, time goes fast, and then when you're getting older, it gets faster. I was thinking about this meeting today because next year at this time – I will be finished in three months. I can't believe that it came that fast.

**An Hon. Member:** Is that fatal or what?

**Mr. Hamilton:** No. I just think four months in the south is better than two weeks in Edmonton.

***9:10***

**The Chair:** Did you want to make any comments on it or just proceed with questions?

**Mr. Hamilton:** No. Everybody showed up, disclosures. The vast majority are wonderful people doing a good job, and we're there to keep them out of trouble. I think I keep my name out of the papers, too, because that's not my role. It's your role. I work at that.

**The Chair:** Okay. Do we have any questions or comments for Don?

**Mr. Marz:** On the contract services, Mr. Hamilton, your estimate the last number of years was $50,000, in '05-06 and again in '07, but it's always been less than that. How come there's always an estimate of $50,000 instead of bringing it down to something more realistic? You're only forecasting $35,000, but you're budgeting $50,000. Are you anticipating extra contract services?

**Ms South:** The extra money is there in case we need it for outside legal counsel, and for the last several years we have not had to engage outside counsel.

**The Chair:** Any other comments, questions?

**Dr. Pannu:** Commissioner, you mention on page 7 of your report, goals and objectives, that one investigation was commenced in 2006-2007, and it wasn't completed when you submitted this document. Is it now complete?

**Mr. Hamilton:** No. It will be shortly.

**The Chair:** Okay. The committee is satisfied with the information as presented, and we have no other questions?

Well, then, thank you so much, Don and Karen. Don, I understand that you're unable to join us at lunch.

**Mr. Hamilton:** I have to be in Lacombe for ag financial and then all day tomorrow with the EUB people, so I can't.

**The Chair:** Well, on behalf of the committee the very best over the holiday season.

**Mr. Hamilton:** Thanks. Same to you.

**The Chair:** Karen, you're able to join us, hopefully, for lunch?

**Ms South:** Yes, I will.

**The Chair:** Great.

Just so you know, we'll have the decisions of the committee sent out to you probably within the next week.

Thank you very much.

We'll have to wait a few minutes for the next presenters to get here, so I wonder if we can move to tab 10 and deal with some business of the committee. Seeing that both items under tab 10 have to do with confidential issues, I wonder if someone could move that we go in camera for that item.

**Mr. Marz:** I'll move that we go in camera.

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

[The committee met in camera from 9:15 a.m. to 9:40 a.m.]

**The Chair:** Okay. I'd like to welcome Fred Dunn, our Auditor General, to today's meeting as well as Ken Hoffman, Assistant Auditor General, and Loulou Eng, manager of finance. As you know, we've got a copy of your business plan and your budget. At this point, if you want to just make any comments regarding it or highlight some things, we'll get into questions afterwards.

**Mr. Dunn:** Okay. Thank you very much, Madam Chair. First of all, Ken Hoffman. Why is Ken here? Ken did retire last year from my office. As you're aware, Patty Hayes was with me last year. Patty is now on a one-year parental leave, so I've asked Ken to fill in on a part-time basis. Ken is acting two days a week as chief administrative officer for the office, and Loulou, whom you've met before, continues in the financial manager role.

I plan to just walk through the submission that we have at the back of this three-part folder that we sent to you. I'm going to go through the PowerPoint presentation very briefly, and once we've finished that, Madam Chair, then we'd like to obviously open it up and take any questions at that time.

If you've all got the same material, if you'll flip to the back end, the third part, I'll go through the PowerPoint presentation, try and lay out the challenges and the opportunities for our office and why we have the budget request that we do have. Then we'll get into the actual detail and the financial numbers there.

The mission is the same as it has been in the past, what you've seen before, and that's looking at the opportunities and proposing solutions for the improved use of public resources. We refer to that line of the business as our systems auditing. Other Auditors General quite often refer to it as value for money or performance auditing. Our terminology is the systems auditing, and it consumes about 30 per cent of our resources.

The other area, improving and providing assurance on performance reporting, is your financial statements. That's the provincial account and every ministry account and all the other elements of the public sector, every university, college, et cetera. We call that the assurance auditing, and that consumes about 70 per cent of our resources.

Change and renewal, the challenges that face us: this will be the key theme throughout the presentation and probably in a lot of our answers. It's the increasing costs of recruiting and, our challenge, retaining professional auditors in this economy. It's something we've faced for the last couple of years, and actually it's gotten worse over the last year.

Succession management. As described here, another AAG, not Ken, is to retire in the next fiscal year, and in the five years that I will have been the Auditor General – it will be five years on June 1, so 2002 – 80 per cent of the AAGs will have retired, and 65 per cent of the principals will have retired or moved on in that time. So substantial change at the senior levels within this office.

We also lay out here the professional staff departures: two principals – and it's the principals who are just under the AAGs – 12 managers, and 15 staff auditors in just this calendar period, in the 11 months to the end of November. That's 29 of our senior people out of a staff of 122. Professional staff are approximately 97; the internal corporate staff, the administrative group, the technology people and that, are about 25. The vast majority of our losses are in our professional staff, those who go out and do the actual audits on the jobs.

The other challenge that we have to face – and I think you might hear it from others in the private sector – is the increased emphasis around the quality control in the audit processes. That takes senior personnel time, where we're undergoing quite a change, in the planning, the execution, the review, and then of course in our business the reporting, making sure that what we come up with is valid and understood and can be implemented by the management of the entities we're auditing.

New accounting standards are asking for more information to be provided, and in the public sector and in Alberta we're starting to address it, what's called the reporting entity, adding more of the entities into the consolidated total. That affects the province as a whole and the three big ministries: Health, Advanced Education, and Education. Then increased accountability around internal controls to try to prevent problems from happening before you're having the disasters that the private sector had.

If you flip over: how are we trying to address it? We've been trying to address the challenges around the turnover in our staff by promoting from within, and that's been our strategy for the last three years. It does lay out here that we've had one principal, four managers, and we've managed to hire three people from outside. So we've replaced the senior losses through those eight more senior promotions and hires, but more so it's from the bottom end, the 24 students hired, and this is the sector that we can compete with the private sector. We can bring them in from the universities, whether the U of C or the U of A, or the colleges. We can bring them in, and we can get them through to their certification. The problem becomes once they get certified. Then, of course, they become very desirable and very attractive to others.

At the present time we have 44 students out of our professional staff of 97 in the precertification program. We've increased the student recruiting; therefore, we have many more people writing their certification program, and we've done relatively well in the exams. I'll be blunt. I'd like to do better, but we've done relatively well. We're generally about average with the province and with the country, and I'd like to see us around the 90 per cent mark.

However, I don't foresee any weakening in the market demand for certified accountants and auditors over the next couple of years.

**Mr. Magnus:** What's the pass on that, Fred?

**Mr. Dunn:** The pass rate normally? Are you talking about the aggregate mark?

**Mr. Magnus:** For a CA taking that exam, what's the pass rate? You said you're at 80 per cent now; you'd like to be at 90 per cent.

**Mr. Dunn:** The pass rate nationally has been somewhere around the low 70s per cent.

**Mr. Magnus:** Is it on a bell curve or something?

**Mr. Dunn:** There is some of that challenge in the bell curve. But it is higher than it historically has been. In the old days it used to be 50 per cent, but today we're into the low 70s per cent. That's nationally, across all jurisdictions. Alberta tends on average to be a little higher than the national average, and I'd like us to be higher than the Alberta average.

What are some of our priorities? We want to match resources to risk. Thus we want to ensure that what we produce is relevant to the users, and that's where we have to focus our senior resources and then select the most appropriate projects. You'll see these described on page 3 of our business plan, the projects that we want to look at that we think can be of value and that are important to MLAs, Albertans, and any oversight committees, the boards of directors and the audit committees that we report to, and of course senior management in the government.

The other priority is that we want to be efficient in our processes, and that's because the expectation of auditors and the standards for senior review work require senior people to make sure that you can accomplish those requirements efficiently and effectively.

Then, of course, responding to the market demands for our professional staff. This is the key question: how are you going to retain the most vulnerable? The most vulnerable in my office are those with four to eight years of experience. That's when we tend to start to lose them, just as they're being very much developed. Very simply, what are the staff looking for? I can lay it out in three quick comments as to what the staff are looking for. They want challenging, fulfilling work, and the Auditor General's office in the public sector of Alberta can produce challenging and fulfilling work. If you're looking at seniors' care, if you're looking at governance matters, if you're looking at royalties, et cetera, it is challenging and fulfilling work. But they also want a competitive salary. Then underneath that they want staff resources that can support them when they complete the work.

The assurance work, which is our standard type of work, I'd say normally would consume about 70 per cent of our resources. It is now consuming 74 per cent of our resources, and while we would have like to have been on the systems work, or value for money, around 30 per cent, we're going to be lower than that, about 26 per cent. What's happened is that the cost pressures, especially from external service providers, have made it more expensive for us. When we outsource the work, it's much more expensive. It is consuming much more of our budget, thus leaving less of our dollars available to do the systems work. The challenge is to retain those special and senior skills needed for the systems type of work.

The office accountability is laid out in our business plan. As you said, Madam Chairman, you've had a chance to look at that. You'll see that our performance reporting is laid out in the material submitted to you, but it's also at the back of our annual report. We submit that every year to all external readers.

*9:50*

The budget request is made up of two components: the operating expenses and the capital investment. Last year we made a request for 5.6 per cent in operating expenses – you might remember the debate that took place – and it was reduced slightly, to 5 per cent. It came in at $19,046,000. This year we're looking for an operating expense increase of approximately 6 per cent, and that is the $20,190,000 which is provided for in detail in the forward part of this presentation.

Together with the capital investment – and you might remember that when I've met with this committee previously, we looked at renewing our computer fleet every three years. The third year is coming up in '07-08; thus we have an irregular capital investment program. It's very low for two years, and it jumps up whenever we do the replacement of the computer fleet. It'll be approximately $580,000 for the '07-08 year. The details and the explanations are on the slide down below, which is slide 9. As I mentioned, it's an overall 6 per cent increase in operating expenses.

Back to the key theme. It's mainly attributable to the higher cost of the professional accounting services. That's made up of two components. There will be an actual decrease in our salary line year over year, and that's because we're just short of people. We're short nine people, which, after you add in the rate increase, will result in a 2 per cent decrease in salaries. What will more than offset that is that we have to hire what we call temporary audit services from outside, and we have to therefore engage more agents. The cost increases externally are much higher than our salary increases. As a kind of comparative, it costs us approximately $140 an hour on average when we rent staff from outside sources. We can do the work ourselves in about the $105 to $110 an hour range, about 30 per cent less. If we could have enough bodies to do more of the work, we could get more accomplished at a lower rate, but we have to hire external service providers, whose costs are going up faster than our internal salaries are going up.

There's another slide on page 10. This I'll call the Denis Ducharme slide, which is the return funds, which historically we weren't consuming at all. We do not expect to have any return funds this year, but I will also issue a warning. Should we be asked to take on additional work before April 1, additional work within the current fiscal year, we will be coming back to the committee and probably looking for additional funding. We are tight right now, and if some of the matters which are being brought to my attention have to be completed by March 31, we won't be able to do it with the resources that we have available.

The next slide shows a four-year comparison: two years' actual, the forecast for the current year, and then, of course, the projection into the year under question, the '07-08 year. You'll note within that the ratio between the basic or financial statement assurance auditing. Where we would have liked it around the 70 per cent level, it's moving up into the 74 per cent level, and we will therefore be taking from the work or the resources in our systems auditing to support the assurance auditing.

Just a quick idea or snapshot as to what we plan to look into next year in the areas that many of you end up discussing and debating at Public Accounts Committees in the systems auditing area. What we have on our plate that we'd like to start next year, which we will be starting and we believe completing in the current year, is a look at mental health. Mental health devolved to the RHAs, as you know, a couple of years ago. How are the mental health services being provided through the nine distinct RHAs?

We've also had on our slate and wish to complete revenue forecasting: how can the government predict its budget revenues in the future more accurately? That's the three key areas of, obviously, the taxation area, the energy area, and then, of course, gaming. We expect that we'll be completing that work this year.

Capital planning: how does the government set its priorities and determine where the capital plans will be emphasized in the next year? We already have that under way and planned with Infrastructure and Transportation and Finance.

We also want to look again at the accountability framework. This is how it is reported through to you as MLAs in the House and also to the public through their annual reports. Many of you are now quite familiar with their performance measures and performance reporting. We're going to look at that after it's been involved, as we say here, for about a decade in Alberta. Other jurisdictions are just starting to follow the Alberta model. It's time for us to double back and look to see if it's serving the purpose that it was intended to.

Not on the slide, one that I've made a commitment to recently in some of my meetings, is that we will be looking at royalty review plus volumetric reporting. I'd like to have both of those completed relatively shortly and probably available in the spring for the House.

We plan to start but we may not get finished what is on the next slide. We have under way the planning on child intervention, the standards by which the ministry monitors the CFSAs and designated First Nations around child care.

We looked last year at the water supply as to quality. You might remember that in our report we talked a lot about the quality of water between the municipalities and the rural areas, et cetera. We want to look at quantity, and that will be the next side of it. We are now in the stage of: where is the water and the sufficiencies of the water, and how does one tabulate and determine it?

We also have a couple of others here: the occupational health and safety, seniors' care and programs. The seniors' standards are out in this time frame, the latter part of the fiscal year under discussion, the '07-08 year. We plan to go back out and test the application of those new standards, actually, and the service providers, and that's why we say that it's a follow-up with the RHAs and the long-term care facilities.

Then sustainable forest management. We looked at reforestation last year and reported on that, but there's a much larger footprint of industry on the forest and what's called the conversions. Those are the other industries that impact the forest. So we're going to be looking at the rest of the land conversions. This is beyond just the forest companies and the reforestation there.

I tried to be as brief as I could, Madam Chair, as to what our plans are, what our needs and expectations are, and of course also what our challenges are.

**The Chair:** Great. Well, thank you very much.

I've got quite a speakers list here, but before I go to that, can I just clarify: on page 8 are you looking at the capital investment included in the $20 million, or is it in addition to?

**Mr. Dunn:** It's in addition to. There are two separate votes that are made. One is the operating, which is the recurring and the normal, and then the capital is the separate one. You normally, historically, have made two votes on that. Yeah.

**The Chair:** All right. Thanks.

**Mr. Magnus:** And your capital is all the computers, right? The laptops?

**Mr. Dunn:** Essentially, it would be 90 per cent computers.

**The Chair:** I've got Len and then Ivan.

**Mr. Mitzel:** Thanks, Madam Chair. Thanks for the explanations here. I think you probably answered part of it. It was on page 3 regarding your staff departures. Just for my information, I'm curious as to the 20 per cent turnover that you have there. Is that typical? Is that high? I know that you answered part of it when you said that the market demand perhaps was doing some of that. Then I think I understood that perhaps a lot of it was because students wanted more challenges. You mentioned that the amount of money they receive is competitive, so then I didn't quite understand. Is this a higher turnover this year than normal, or is this just what happens?

**Mr. Dunn:** This year has been the highest historically. We went back and looked over the last eight years. This has been the highest historically, and it's high compared to my experience in the private sector, coming from the firm that I was with. It is very high. It's essentially very high at our senior levels.

When I say that we're competitive at the student salary range, let me be clear on that. Whether a student takes up a CA degree or CMA degree, they're essentially with your office for approximately three years. It's a 30-month mandatory training program, so approximately three years. Of course, we can compete those years. It's when they get to the fourth year that they suddenly become very precious to the public marketplace, et cetera. We do not lose all of our staff at the fourth or fifth year strictly to private industry. We lose it also to the government agencies. So Finance hires them, Gaming hires them, the RHAs hire them. We've lost a couple of our senior people to the RHAs. But the salary scale from about year 5 on is very difficult for us to compete with.

**Mr. Mitzel:** Okay.

**The Chair:** Ivan and then Rob.

**Mr. Strang:** Thanks, Madam Chairman. I guess that the one thing I wanted to sort of ask on is page 10, where you're talking about the Denis Ducharme scenario. I mean, this is sort of pie in the sky. With the new regime coming in now and with amalgamation of the different departments, are you going to see that that's going to drive your budget up in the out years?

***10:00***

**Mr. Dunn:** Initially it does because when you amalgamate two departments – historically what the government has done is that they've amalgamated them retroactively within the year. So if what we have read is correct, then if the amalgamation takes place effective April 1, 2006 . . .

**Mr. Strang:** Then you're okay.

**Mr. Dunn:** No. Because then we've been auditing two separate ones. Now they've got to come together. There will be a turnover in personnel, et cetera. If it is forward amalgamation effective, say, April 1, 2007 – and I could of course be way off on my own on this one, speculating – it would be a little bit easier to handle because you'd complete the current fiscal reporting against the supply votes and the appropriation and all the business plans, et cetera. So initially it will take more work for us, but once it's in place and the restructuring is there, it will actually be whatever it is: three, four, five, or six departments, ministries less.

However, underneath each of the departments and ministries the underlying entities that do the work are still there, and they still have to be audited. To be blunt, initially it would take us more work on our part. Thereafter there will be a couple of departments less, but not a huge difference because you're still going to have nine RHAs, and you're still going to have four universities and that sort of thing.

**Mr. Strang:** I guess one other question, if I may, Madam Chairman, is on page 8. You say that the biggest increase is going to be the replacement of your computers, and you do it every three years.

**Mr. Dunn:** Yes.

**Mr. Strang:** Why don't you budget so much each year?

**Mr. Dunn:** That's a good question, and it's been asked of departments and it's been asked of others. We try to get the best out of those machines for as long as we can. If you try to rotate a third of them every year in an office of our size, then you're constantly undergoing some change. It's not just the hardware; it's also the software. Thus the training for your staff and everything else: you can do it in one lump. It is disruptive when everybody can take away their old machine, put a new one in with new types of icons and software on it. It's easier to do it all in one lump sum than a third each time.

**Mr. Strang:** Okay.
Thank you, Madam Chairman.

**Mr. Lougheed:** Last time you were here, I was intrigued with the split between your assurance work and your systems work. I have a couple of questions regarding the systems work which seems to me to be different but really, really important. In your core businesses, if I'm not mistaken, everything you've listed there is systems stuff.

**Mr. Dunn:** Yes.

**Mr. Lougheed:** Yet that's only 30 per cent or even less.

**Mr. Dunn:** It's the one where there is discretion, I'll call it, Rob, and it is not something that recurs every year. So we can look at seniors' work; we can look at child care. We can look at one or the other or both. But every year we must audit the government's provincial accounts. Every year we must audit each of the ministries and each of the underlying entities there. So we see that as a recurring or standard type of work that has to be done. It's the systems work where there is flexibility or discretion.

**Mr. Lougheed:** And if I'm not mistaken, you view that as being very important to the successful delivery of programs and so on and being really key to efficiency and good delivery and so on and being, perhaps, even more important than the 30 per cent would indicate.

The other question I would have is: what kind of people do you have? You talk about the special skills needed for this type of work. I'm curious. What kind of people do you have? What are their backgrounds? Where do they acquire those skills? How do they differ from the people within the ministries, where you're kind of coming in at the back end and looking or making recommendations for future? How do these people differ from the people that are setting it up to start with?

**Mr. Dunn:** Okay. Well, I'll turn a little bit of it over to Ken, who's walked the walk for 36 years or so in the office.

First of all, they are auditors, and most of them are financially trained types of auditors, so accountants and that type of thing. Generally, what they do have is the fact that they've got many years of experience of examining one department, trying to set out its goals and its targets and its achievements compared to another department. So they've had lots of experience around watching how departments do set their objectives, do set their goals and their performance measures type of thing. Most of them, though, would end up being older types of accountants who we aren't using on the financial statement audits as much now because they've got a lot of practical business experience; they've got a lot of experience around the operations of systems and controls.

We have a number who are trained in what we call technology. We have about seven people who are IT specialists. We have some who are trained in forensic, so when we get into the forensic areas, we have those specialists. Basically, they've had a background in the RCMP and that sort of thing. And we have others who've had an awful lot of program evaluation type of work, business planning type of work, human resources type of work. So although many of them are accountants, there are a lot of other ones who have specialized training in other nontraditional accounting areas. But all of them have had a history of auditing experience.

Ken, can you help on this one?

**Mr. Hoffman:** Yes. I'll just add a little bit to that; it was a pretty thorough answer. With respect to our people who are specialized in looking at business plans, we've recruited them out of departments, so they've actually done the work in the departments, so in that sense they're probably very similar. HR specialists again: some we recruited out of departments. They're an HR professional that's worked a lot in the provincial government, so we bring in both the government experience through that as well as bring in people. In the case of the forensic audits, who have a lot of experience in that particular area, they did it a lot in the private sector or were retired RCMP officers, that kind of thing.

**Mr. Lougheed:** Let me reframe the question and give you an example. What you've spoken to is kind of, as I would perceive it, going in and evaluating – auditing I guess is the word – the success of a program and whether in fact the business plan was followed and so on. Let me give you an example. We've got here in the core businesses on page 13 seniors' care and programs. So as I would understand, you'll go in and evaluate the compliance standards and things like that. Let me ask you this question. How would you or would you – I suspect the answer is no here. Let me offer as an example self-managed care for persons with a disability. That program is embedded in health right now, yet it's the recipients of those programs whose concerns are addressed by another ministry, Seniors and Community Supports right now. What can you offer those people who are asking for a different mechanism? You're going in and going to check business plans, compliance. I'm asking you: it seems to me that if you're doing systems analysis, you're trying to find better systems, a better mousetrap, and you haven't addressed that.

**Mr. Dunn:** Let me try and translate it. We aren't going in to do program evaluation. We're challenging: does management have the systems and processes by which they can demonstrate that they can provide the services that are needed? So simply what we ask management is: "How do you know? How do you know the program is working? Show us what achieves your objective." Then the second question, "Show us what achieves your objective efficiently and effectively on a recurring basis."

So when you pick up on PDDs, yes, we do go in and look at the PDDs, persons with developmental disabilities in care. Show us you have systems and processes that (a) start with standards. Be sure to start with a standard of care, an objective to be achieved. Whether it's a contractually or individually funded type of thing, show us that you can manage those systems in order to achieve the outcome and the objectives properly, consistently. At the end of the day if we see that there are weaknesses in the system based upon our own academic knowledge or accumulative knowledge we've picked up from looking at other departments and that you can do it easier, better, or more effectively this way, that's when we make the recommendations.

But, Rob, at the beginning we start with: do you have the standards first of all? Then if the standards are there, how do you deliver against those standards? Then how do you know what you're achieving? That's all that we're looking at in the auditing. We're not there to run the program better but to ask how they know they're running the program efficiently and effectively to achieve that outcome that's expected.

***10:10***

**Mr. Lougheed:** Okay.

**Mr. Marz:** Mr. Dunn, what determines what departments you do a systems audit on? I would like to know that. And if I could be specific, I don't see anything under liquor sales, yet I get complaints in rural Alberta that they're not being treated fairly, especially the small operators compared to the large operators. Their ordering dates are different than the large operators. By the time they can order, the supply is done. Right now they're getting half of what they order because the supply is taken up by the large-scale stores. There seems to be some unfairness in the system. So, I guess, what determines what is done? Can MLAs bring certain issues forward for you to look at? Would that be a determinant?

**Mr. Dunn:** Yes. If you could turn to page 3 of the submission, the first box, where there are three bullets. It's right at the very front. We have in general three guidelines there. Where do we get the information it comes from? We listen very carefully at Public Accounts Committee. So, yes, a lot of it does come from questions. Remember, in Public Accounts they're asking the minister and the senior staff members: "What are you doing? How are you doing it? How are you achieving your goals? What are you going to do differently next year?" We listen carefully to that, and we look at that as areas for us to follow up on. We also hear what is being debated in the House. So matters that are in the forefront of MLAs' minds, yes, we treat very seriously. We also, obviously, get submissions, whether it be from a minister or MLAs themselves. So it comes from MLAs and what is interesting to them.

We also look, of course, at what Albertans are concerned about. Why did we look into seniors' care? There were a lot of questions around: are we taking care of the vulnerable adequately? We try to then concentrate, as we say, on the safety and welfare of Albertans. We look at other matters which I like to think of as around the resources. So why did we look at forestry, and why am I going to look into the royalty review? Because it's important around the assets and the revenue streams for Albertans that we look at that area.

Then the final one that we look at is stuff that comes to our attention in the course of our basic auditing. I don't want to downplay the value of the basic auditing, the financial statement auditing. While we're in there dealing with management around the challenges that they're facing, that will then create matters that management will bring to our attention and say: we really should look into this area. By way of an example, last year we looked into school board budgeting. We went to 13 of the school boards and engaged in how they are doing their budgets and their follow-up. That was really as a result of us doing the Department of Education and seeing that one of their biggest concerns is the validity of the budgets when they come into the department for funding and then the ongoing monitoring by the school board. So we said: "Okay. If that's a challenge to you, we'll go out and look at it."

So really it's the four areas: what's important to the MLAs, what's important to Albertans as a whole, what gets debated, and what's important to the management of the organizations as they come up. That's what we look at.

**Mr. Marz:** I'll send you a letter.

**Mr. Dunn:** Thank you.

**Mr. Griffiths:** I actually have, I guess, a similar question to the one that Richard asked, but it's in regard to municipalities. There are apparently some new accounting standards that require equity and asset incorporation. Virtually every municipality in my constituency has phoned me saying that they don't know how to do it. Even when they contract out, they can't find anyone to take the job. They're worried that they're going to have to meet these standards with no ability, nobody to accept the contracts to meet these new standards. Forgive my ignorance about accounting, but is there something that your office can do to offer assistance or advice or to help? I mean, can you comment on it? It sounds like it's a serious municipal issue.

**Mr. Dunn:** Yeah. It's been an issue at all levels of government. It's an issue at the federal level as well as the provincial level. We've referred to it in the past around what's called the reporting entity: that which you are responsible for as a government you should be putting together and saying in the aggregate what's been the result. In the past, whether it be municipal or provincial or federal, we're certain governments have chosen to only include portions of their responsibility in order to describe an outcome that they believe is what they want to be able to describe. So if I don't want to show a deficit, I won't show some of the costs of some of the departments. If I want to show a lower surplus, I'll exclude certain departments. Federally they did some of that. They excluded the endowment funds, this type of thing. The standards came down and said: like any private-sector organization, you should include the whole if you're going to reply to the whole. So it's around that, Doug, which is what you're saying about these standards.

**Mr. Hoffman:** If I could supplement. I think what you're talking about is when the tangible capital assets are being moved onto the balance sheet, and that's supposed to be effective – what is it? – two years from now, I think. So that's creating the challenge. They don't know what their tangible capital assets are perhaps, and we're talking about roads and buildings and computers and that kind of thing. Then they've got to amortize those over a number of years, and that, of course, affects their annual rate-setting process because their costs might be going up if they're moving away from the fund accounting model that they're currently in. I understand that that's another thing on the horizon for municipalities. So they'll follow the kind of accounting approach that the government does with respect to its balance sheet.

You're right. There are some challenges there for municipalities. I understand there's a committee, set up by Municipal Affairs, of financial officers that are helping to put together some material to facilitate that transfer, but it's two years out, and I think it's relatively fresh in people's minds right now. There are a lot of issues around: what does it really mean to the budgeting? What does it mean to the rate setting and whatnot?

As to whether the office can help, typically we don't get involved with municipalities at all. That's outside of our scope. I mean, that would just detract from the work that we do elsewhere. But I know that there are CA firms who do municipal accounting that would probably be very open to helping with that, and they should understand the issues as well. Every municipality has an accounting firm doing its auditing, and they're going to have to contend with that change. The tangible capital asset model that I think they're dealing with is fairly well replicated, the private-sector model, so they should have familiarity with it, but it's got to be translated to that. I think the big issue will be sort of the setting of the annual mill rate and what impact that has on the annual mill rate. What you might find is that there may be these infrastructure deficits, deferred maintenance and other kinds of things, that are going to cause rates to go a lot higher than they would have otherwise.

So that's what you're talking about. I know there's stuff happening out there, but I don't know very much about it personally.

**Mr. Dunn:** Okay. Well, thank you. That's probably more correct. It's something that I'd forgotten about. We dealt with this at the provincial level probably about three, four years ago. It came into the more senior governments earlier, and there was a lag or delay for municipalities. So you're probably right. It's something which others have dealt with before, and for us it's behind us. The municipalities are now just starting to face all that.

**The Chair:** Okay. Len and then Rob.

**Mr. Mitzel:** Thanks. I just want to go back to your HR for just a moment. I looked at your core businesses. You were talking about those. You've got 10 different programs that you plan on working with, from mental health right through to sustainable resources. But at the same time you've also noted that you have nearly 10 per cent less staff than you require. It seems kind of ambitious to be able to do all of this and anything else that might come up. How do you plan on addressing this? In your budget it almost looks like you're accepting the fact that you're short nine people or you're short these. Are you going to be able to bring yourself up to a full complement? Will that, then, change the way the budget looks? In your notes there you mentioned a certain budget less these nine people; therefore, costs for wages were down. Aren't you going to try to bring yourself up to a full complement?

**Mr. Dunn:** Well, we are. On page 3 we talk about some of the additional costs that we're going to incur. Len, we are going to look at some national recruiting. Historically we've tried to recruit within Alberta. We're now looking to other jurisdictions. So we're going into Saskatchewan and Manitoba, and then we will look at national recruiting. That's why there'll be an increase in travel. But we do recognize that should we even be successful, it's going to take some time to get them and then relocate them and bring them out here if we can. If we can be successful there, Len, then that will actually be advantageous for us. If we can bring in a good, solid person, we'll generally reduce our external costs. Until such time as I'm able to recruit and bring them in successfully, I'm going to have to then fall back on the alternative, the external service provider.

**Mr. Mitzel:** Okay. All right.

*10:20*

**Mr. Hoffman:** If I could supplement just a little bit. First, this year we put the salary budget together based on a realistic expectation of what our staff was going to be as opposed to previous years, where we were always FTEs of 131. One hundred and eighteen was the current number for this year. We said, "Let's try to get four more at least," and that's where we get the number. So you see the shift in the budget. I think the budget is built around this expectation that's in the plan, and that, in fact, manifests itself when you look at the shift from systems to attest, where we moved from 30-70 to 74-26 as the split. So that all was built in to make this work. If it actually turns out that we get staff, we might be able to do more than this.

**The Chair:** Okay. Raj.

**Dr. Pannu:** Thanks, Madam Chair. I have some process questions and some substantive ones, pages 12 and 13. There are two sets of system audits that you indicated, ones that are due for reporting next year, 2007-2008. First of all, a general question about this. Are these audits done within a certain set time period within a fiscal year, or do they overlap fiscal years? When were these audits started, and when are you likely to report on them?

**Mr. Dunn:** Okay. As you know, statutorily we normally would report once a year, and generally it has been early October of each year. So, Raj, the answer is yes to both of your points. Some were started earlier and will carry forward and be completed in the next year, like revenue forecasting. We had started and done a lot of the work already. Others are about to start. We were already into the planning, and we are into the latter part of this fiscal year. So with capital planning and that sort of stuff we're into the planning phase of that now. It'll be finished after March 31 and will be reported in the October period.

So I think I'm answering your question. It's both. Some will be started and finished within the same fiscal period. Others will be started in the previous fiscal period and completed in the next one. This, as you'll appreciate – so maybe back to you also, Len – is only just certain of the ones that we are going to do. These are the higher or larger ones, but we have a series of other ones that we also plan to try to get under way at the same time.

**Dr. Pannu:** Okay. My second question or set of questions has to do with what you'll be looking at. Mental health issues, delivery of services, have been a matter of concern, quite a public concern, in the province for some time because of changes that were introduced many years ago. What exactly would you be looking at when you're auditing mental health and the Alberta Mental Health Board activities? What are the questions you'll be looking at?

**Mr. Dunn:** You said: some years ago. It was approximately three years ago when there used to be the Alberta Mental Health Board, and we always audited the Alberta Mental Health Board, and we continue to audit that slimmed down Mental Health Board.

We've been raising with their board: how do they know that the mental health services are being delivered effectively throughout all of the nine regions? Our experience, obviously, with seniors' care is that it was different in the different regions. What are they doing to assure themselves that mental health services are being done efficiently and effectively throughout the whole of Alberta? That's what we're going to start out with: the standards, their expectations. Then we'll go to each of the RHAs and we'll look at how they have set up their processes by which they provide the services, identification of needs, and then service providers, and then make the comparison across the whole of all the nine RHAs.

**Dr. Pannu:** Okay. Now, on the revenue forecasting side, revenue forecasting obviously affects budgets and surpluses and determining those things. Included in that, of course, are the sources of revenues. Royalties are one of them, and you suggest that you'll be looking at that. What exactly would you be looking at in terms of royalties? Is it the efficiency with which the royalty tax is collected or where the leakage might be, or are you also going to assess the adequacy of the level of the rate of royalties in the province?

**Mr. Dunn:** First, we're going to answer on the royalties specifically, because that's a separate audit beyond revenue forecasting. It just so happens to be included in revenue forecasting because it's a large component of the province's resources. So that we are doing separately. When we get to the royalty review, the question is – because it was debated last year in the House – was a royalty review done? We'll answer the question: was a royalty review done? If we should say that, yes, the royalty review was done, was it complete, accurate, and sufficient? If it was not done, then what was done? Was that, whatever it was, complete, accurate, and sufficient? If you wanted to do a royalty review, what would it take to do it?

It is very similar to how we address the issue around triple P. What have you done? What should be done? That's what we'll ask. What we will not step into and address – and hopefully everybody understands it. We're not going to step into the public policy determination. That is for you the MLAs in debate in the House. You'll set public policy. What we'll look at is the processes which they say they've gone through to have done a royalty review – was it sufficient and complete? – so that the information that comes to the House is appropriate for debate.

**Dr. Pannu:** On the issue of accurate surplus forecasting what kinds of things would you be looking at?

**Mr. Dunn:** Well, as we said, it really affects three main departments, but there are a couple of other smaller ones. The main one around Finance, of course, is personal income tax determination. Alberta does follow the accrual method, where Alberta uses an economic model to anticipate what it will be collecting in personal tax. Other provinces don't. They just take a cash base: whatever we get, that will become our revenue. Alberta uses the accrual method on personal income tax as well as corporate income tax, so we'll look at that system. In the energy area, it's royalties that are collected: are you collecting that which you're entitled to? Then, of course, in Gaming it's the gaming, lotteries, and that sort of stuff that's coming in.

There are some other minor revenue sources, but those are the primary three. Thus, does the information come forward into the Department of Finance accurately and appropriately, completely? So when the provincial budget is put together, in our own budget are you dealing with relatively realistic numbers, as you called it, or are you dealing with things which are very theoretical or hypothetical and are not likely to be achieved?

**Dr. Pannu:** Thank you.

**Mr. Flaherty:** My question, Mr. Dunn, is based on reporting to the public. I was looking at this, and I was wondering: is there any approach that you're looking at in the next year or so to address how you report your audits to the public at large, including the Legislature and the citizens of Alberta?

**Mr. Dunn:** We don't plan to change how we report. We report under the legislation, and the legislation requires the Auditor General's office to report annually on the results of the work of the office, so that's the scope, and then any recommendations are to be reported annually to the House. We plan to continue to do that. We'll only report separate reports if we are asked to have a separate one, and an example, of course, is the Alberta Securities Commission. We were asked to report separately on that. You ask: will we adopt a different style or approach? No. We plan to continue to report what we have done and what we have found, and it will be reported to you through the chair, gets tabled in the House, and then of course stands before the Public Accounts Committee. We'll report recommendations made and the results of all our audits and what our findings have been.

**Mr. Flaherty:** So you don't feel that there's any need, for example, when things may be leaked that may not be appropriately let out – in other words, to the community at large – about what had been done?

**Mr. Dunn:** We certainly do not support leaks.

**Mr. Flaherty:** I'm suggesting that I hope you don't.

**Mr. Dunn:** We do not support leaks. The last report, we felt, was a very, very sensitive report, the one that ended up having AADAC, Aboriginal Affairs, and Lakeland College. We took extra pains, and I went through the Deputy Minister of Executive Council, the Deputy Minister of Finance, who normally would see our material in advance, and with each of the deputy ministers or the organizations that were impacted by that and emphasized the importance of confidentiality. We did not like, obviously, the leaks that went out with the interpretation around the leaks, but the two that I was most sensitive to: the Fort McMurray land and the Alberta Securities Commission. What they tried to do was portray something which was not in our report. We'd rather people deal with the reality.

The other one that we were concerned about and that I'll mention the minister of health was very concerned about, our last annual report, is very comprehensive and covers a lot of very important areas: reforestation, drinking water. It covers a lot of important ones. It was superceded because of the *Edmonton Journal*'s leak of a previous report, the report that supports what came into our annual report, that we call the management letter, around food safety, and everything got around about the health inspections around restaurants. Very honestly, it overwhelmed the rest of the very valuable information. I hope that all of you have a chance when you have some time to at least skim through the summary of what we're reporting in our annual report because it is very comprehensive. In fact, it's two volumes this year.

***10:30***

**Mr. Flaherty:** The key thing here for me, Mr. Dunn, is that I think it undermines the good work that you do when this information gets out and creates all kinds of rumours. It doesn't do a good job for the public's viewing what you're doing and understanding what you're doing because of the very thing I'm talking about, these leaks prior to the information getting to the proper sources.

**Mr. Dunn:** Well, very honestly, at this moment we are engaging in a leak. I have put on slides 12 and 13 where we plan to spend some time. It is now being recorded. I expect that we will fulfill those commitments, but obviously we do not want to have the results of our audit, the findings and recommendations, released prior to our commitment to provide them to you the MLAs. We take great effort on that.

In the auditing world the auditor must first of all complete the work thoroughly, but you must also clear your findings. So, yes, we must report to management what we have found and what we intend to report, and that's what we call the management letter. All of the matters that go into our public account, these public reports, are first cleared with management. Yes, they do have the draft, if you want to call it that, beforehand, and we emphasize to them that they must keep that confidential. They cannot release it before we've had a chance to compile them all and put them in the report that goes to the MLAs.

We have taken extra steps this year to re-emphasize the importance of their not releasing the preceding information as a result of one audit. As you would expect, when we do a report, there's a combination of lots of them in there. Well, obviously they're staged over time, so some people have the information many months in advance, prior to the preparation of our final report. We emphasize to them: do not release it.

**Mr. Flaherty:** Thank you.

**The Chair:** Okay. I don't have anybody else on the speaking list, so I'd like to thank Fred, Ken, and . . .

**Mr. Rodney:** Oh, sorry. I had my hand up some time ago. I don't know if you saw me, but I did. I thought you had seen me.

**The Chair:** Go ahead, Dave.

**Mr. Strang:** We thought you were yawning or something.

**Mr. Rodney:** No. This is all very exciting. That could never happen. Obviously, from the interest here, this is a very, very important part of what we do and what you do here.

First of all, I want to express to Mr. Marz and other people at the table that it's not just in smaller centres or rural centres, but the AGLC/supplies problem that you've mentioned is something that affects bigger cities as well, all kinds of smaller operators. So thanks for looking into that on behalf of constituents and small-business owners.

I want to express further concern about what Mr. Mitzel mentioned in his second question, about staffing for systems audits that you have and all the work that you do. I believe it may be fair to say that in a perfect world many of our constituents would be asking for absolutely every aspect of every government and business to be audited all the time for free. I mean, that can't be done, but I think it shows what age we're living in.

I know that many people in Public Accounts and across the province would be asking – and you've already mentioned how it is that you chose, for instance, these nine on pages 12 and 13 – why it is that RHAs entirely and school boards entirely wouldn't be audited.

**Mr. Dunn:** Well, first of all, they are not always audited by the Auditor General, but they are audited by a professional. We audit six of the nine RHAs. It's a matter that I have raised with others that we audit by way of the construct of the Regional Health Authorities Act and the Financial Administration Act. At the time the regions came in, they were not described as provincial agencies. They do not automatically follow under the Auditor General Act. Those that have chosen to follow under the Auditor General Act come under what is known as section 11(b), and I go through the chair and this committee to accept those appointments. So we're the auditors of six of the nine RHAs.

We are not auditors of any of the school boards other than the one which we do up in northern Alberta. Those school boards are entitled to appoint their own auditors, and very honestly, it would be impossible for us to provide the services to audit those. There are approximately 75 school boards across the province of Alberta. It would be just physically impossible for us to do it. That may be a request made of this committee. We may end up doing more of the RHAs than the six that we do now.

**Mr. Hoffman:** If I could supplement specific to school boards. Our mandate allows us to go into school boards under the systems audit core business when we're looking at a system within the Department of Education. All right? So our legislation as constructed doesn't say that you can go off and audit the Edmonton public school system on a systems basis or this value-for-money concept because that's outside the scope of our work.

Then when we do go into a school board, the act provides a particular mechanism for doing that, which involves employing the auditor that has currently been appointed by the school board. So we, then, can't do a competitive bid. We're told that we have to hire this person, and we're told that we can't use our own staff. Again, we have to hire that person. So it makes it rather expensive and difficult. When we did the school board budgeting work, it was a very expensive project. It was the first time we did any kind of work of that nature at the school board level.

You know, I think we learned a lot about the process through it. There are, clearly, things that we can do. We look at the department level that requires us to go off and look at what's happening in school boards. It's really finding a way of doing that in a way that makes it economically reasonable, if you like, and gives us assurance as to the quality of the results as well because as we've talked about, in the systems audit area there were some specialized skills and views and experience that brought to bear that, you know, some of the smaller CA firms are providing audit services to rural school boards. Don't misunderstand me. They're doing a fine job on the attest side, but they might not have the skill sets to do the systems work. So it's a bit of a difficult challenge with the school boards specifically.

**Mr. Rodney:** Yeah. Madam Chair, I needed to ask the question because it's been posed to me many times by people in different parts across the province. They say things like: "Wasn't that particular report wonderful? We can save all kinds of monies and utilize them better in other ways that we should be." But that's small potatoes compared to RHAs and school boards. So perhaps we can discuss this at a later date.

My second and only other question is of a sensitive nature, and it's said with a lot of respect and, again, because people have been asking me about this in the past. Mr. Dunn, when you or people in your department do a report, is there a set of criteria that specifies if there's a line between a reporting of fact and expressing an opinion? I guess that I need to know the rule of your department when it comes to fact versus opinion.

**Mr. Dunn:** This is a challenge for all Auditors General across the country, not just our office. Clearly, when we produce this report, which has recommendations in it, we look for evidence-based. We can go so far in evidence, and where there is lack of actual concrete ones, we believe, also based upon our years of experience, that we are entitled to express an opinion. We try to make sure that we portray it appropriately, that this is an opinion, thus when we can find a hard and cold fact that supports that this was not done correctly, we can report that matter.

On the other side, I'll pick up on recommendation 35, where I express the opinion around the accounting of the Capital health authority. That was clearly my opinion that it was not an appropriate accounting treatment they were using. They will have a different opinion, but that's two professional accountants differing as to their opinions. I felt that it was an inappropriate use of funds to repay their long-term debt, and I expressed my opinion on that. I believe that it is both my right as well as my responsibility to do that if I disagree with what they have chosen to do with their funds. I say that that was not the appropriate use of the funds, and I believe it should have been used somewhere else, but based upon evidence, I knew that they'd repaid their long-term debt.

**Mr. Rodney:** Thank you.

**Mr. Dunn:** So it's not an absolute bright line.

***10:40***

**The Chair:** Okay. Seeing that nobody else has any questions, I'd like to thank Fred, Ken, and Loulou for their presentation. The committee's decisions on the officers' budgets will go out in the next week. I hope that all three of you can join us for our Christmas luncheon, which will be at 11:45. That would be great. On behalf of the committee thank you very much.

**Mr. Dunn:** Thank you, and to each and every one of you, if I don't see you at lunch, Merry Christmas.

**The Chair:** We'll take a five-minute break before the next presentation.

[The committee adjourned from 10:41 a.m. to 10:48 a.m.]

**The Chair:** Okay. I'd like to welcome Frank Work, Information and Privacy Commissioner, to our meeting. With him we have Suzanne Frederick, finance manager, and Wayne Wood, communications director. We look forward to your presentation. I understand that you have a PowerPoint, so I'll get out of your way promptly here and look forward to the questions and answers later.

Thanks.

**Mr. Work:** Thanks, Madam Chairman. Good morning, ladies and gentlemen. Nice to see you all again.

Yeah. I have a very brief PowerPoint for you: 12 slides, some general ones and some that pertain to the budget specifically. I don't have a problem if any of you want to interrupt during the PowerPoint and ask questions – depending on how the chair would like to handle that, that's fine with me – or we can wait till the end.

**The Chair:** That's fine. Yeah.

**Mr. Work:** Okay. Yeah. The chair says that it's okay, so if something on one of the slides interests you, please feel free to stop me.

Like most of the legislative offices, we are a creation of the Legislative Assembly, and everything we do is governed by three pieces of legislation: the Freedom of Information and Protection of Privacy Act, the Health Information Act, and most recently the Personal Information Protection Act. Alberta has the distinction of having more information-related statutes than any other jurisdiction in the country. There are only three provinces that have private-sector privacy laws: Alberta, British Columbia, and Quebec. Then there's a federal law that governs the provinces that haven't passed private-sector laws. I think that's a notable achievement for Alberta, especially in the information age.

Our core business: to ensure open, transparent government; to educate and inform Albertans, businesses, and organizations on protecting personal information. That's becoming more and more an issue. I mean, I'm sure you've noticed in the newspapers that hardly a day goes by that you don't read a story about a database being hacked or a laptop being lost or some such nightmare. Part of our mandate is to educate and inform people on that. Another part of our mandate, which I will get to, is to enforce that, to force people who have personal information to take care of it.

We investigate and resolve complaints. In fact, under all three of our statutes the fundamental process is that if a member of the public feels something is not being done according to the legislation, they complain to us. One of our officers tries to negotiate or mediate a resolution between the individual and the public body or the business and resolve it in that way. If it can't be resolved through negotiation, then it comes to me, and I hold an inquiry, and I issue an order. My orders are binding. I can file my order with the Court of Queen's Bench, and if a business or whatnot doesn't obey the order, it's a contempt of court. So it can get to be pretty serious stuff in terms of enforcement.

Core business again: review and comment on programs of public bodies. Always a challenge. Public bodies – governments, municipal governments, councils – like all the rest of us, are just trying to stay abreast of the information age. The technology is changing so fast. Often governments in the name of efficiency or security will want to adopt the latest technologies in order to address an issue. I view our legislative mandate on this as to help them with that, to advise them, to make suggestions. It has been said to me: well, why should a commissioner be telling democratically elected governments what to do? I don't. Up until the point in time where the elected body passes their bylaw or their legislation, I feel that it's quite legitimate for my office to make suggestions, to make comments, to offer alternatives. Clearly, once a municipal council or the Legislature makes its decision and passes its bylaw or makes its policy decision, that's the end of the matter.

**Mr. Rodney:** I have a question, if I may. Just on your previous point, you had mentioned that basically it's the power of the court that will back up your decision. You did use the word "contempt." I'm just wondering: how often has that happened in the last year or perhaps the last decade? What can you tell us about how often you have been pushed this far?

**Mr. Work:** Yeah. Thank you. That's a good question because it's only happened once. It's never happened with a government, I'm happy to say. It happened with an individual in the private sector. There was a complaint from a citizen about how their personal information had been used by this business. The business just totally ignored my office. They wouldn't respond to phone calls, letters. They wouldn't discuss it. They wouldn't negotiate it. So I issued an order and filed it with the Court of Queen's Bench, and that got their attention. We wound up in court over that. They had a number of reasons why they didn't respond.

The reason I appreciate the question is, I should point out, that that whole action cost my office $45,000. So enforcement carries a price tag, but it's only happened that one time, thankfully.

***10:55***

**Mr. Rodney:** How long ago was that?

**Mr. Work:** Four months.

**Mr. Rodney:** Okay. Thank you.

**Mr. Work:** Finally: to ensure the protection of the personal information of Albertans.

The information age. The reason I said earlier that I think Alberta is very much in the vanguard in this area is because the Legislative Assembly has passed these three laws. There are information-age issues. There are technology issues. As I said, it's new to all of us; it's changing fast.

The information age is important to governments. I'm sure that you all are aware of the issues around electronic service delivery, e-government, called in some places one-window service desks, and Alberta SuperNet. The prospects of the information age for governments to do a better job of delivering services to the public is huge. Of course, there's the Internet. Alberta was one of the pioneers in terms of making high-speed Internet available throughout the province. It's called Alberta SuperNet. E-commerce is certainly becoming more and more prevalent, and that brings with it privacy and security issues.

Electronic health records. I probably sound like some kind of chamber of commerce blurb for Alberta, but the fact is that I'm quite proud of what's happening here. The development of the electronic health record in Alberta I think is by consensus across Canada much in the vanguard. We are doing things in this province with respect to electronic health records and electronic patient records that no one else in Canada is doing. The overall concept that Alberta Health and Wellness is applying to this program is Netcare. That's the noun for it, I guess. I mean, you can imagine that putting health information into electronic records brings with it more privacy and security issues, and we work very, very closely with Alberta Health and Wellness on the development of Netcare. In fact, we work very closely with thousands of physicians across the province on the development of their office records, and that's because of the Health Information Act.

Again, identity theft: a huge issue. The bad guys are probably even better than the good guys are at adopting new technologies, for the wrong reasons, of course. We're very much involved in that because of our legislated mandate to help businesses and public bodies safeguard personal information.

Similarly, the security of data on computers and portable computing equipment: I mentioned earlier that you've probably read the horror stories in the press.

A short word on identity theft. According to polls, a lot of people – 71 per cent; I've seen numbers as high as 80 per cent – are worried about identity theft. It's the third highest concern about crime. We have entered into some very powerful partnerships with the police services in Alberta. You may have seen them, promotional things we've done to make businesses aware of the need to protect, safeguard personal information and to make consumers aware of taking care of their own information.

Recently, for example, we've had two very high-profile incidents involving stolen laptops. One laptop contained financial information of about 8,000 people. It was lifted out of the back of a Jeep, and it wasn't encrypted. It just had the usual password, you know, the power-on password and then the Windows boot-up password. That's a piece of cake for the average fraudster now. In fact, you can go on the Internet and find out how to bypass those passwords. The investigation report we did following that incident I think was the first time in Canada that a commissioner has said that if you are a business or a public body and you've got personal information on a portable, you must encrypt or you're not upholding the reasonable standards that the law requires. I think that's the first time it's been said.

Similarly, another laptop went missing about three months ago with health information of about a thousand people on it, so the same issue again. A large part of our day is spent trying to get businesses and public bodies that have personal information on portables to take better care of it.

It's Christmas, and it was about two Christmases ago that the Edmonton Police Service came up with about three bags of paper that they had found in a crystal meth den. You know, when you do your point-of-sale/terminal transaction, you pay for something with a credit card or a debit card, or when you return something, the machine spits out that little chit, usually about – what? – a three by four piece of paper. Well, the people involved in the drug trade – at that time what those chits often contained was the full credit card number. If you look now, often there's a bunch of asterisks, but at that time a lot of the older terminals were still printing the whole number, which was very convenient for a fraudster. You get a complete credit card number and a signature and a name, and they can take advantage of that.

When the Edmonton Police came up with those bags of paper, that was what really got our attention in terms of how we relate to the crime, fraud, drug trade factor. The police are dealing with the fraudsters and the people in the drug trade. We have the legislative mandate in Alberta to deal with the businesses and the people, the entities that generate this paper and don't dispose of it properly.

Working with public bodies. That is becoming more and more of our core business. As I said, the technology has caught us all by surprise. It's hard to implement some of these technologies and think of every possible concern or issue. I regard it as an important part of our mandate to co-operate with public bodies and help them analyze these technologies and apply them in a rational and privacy-sensitive way.

Some examples. We've been very involved with municipalities who are thinking about video surveillance. There's a project called the child and youth data laboratory. These data laboratories are going to become more and more prevalent, and this is a situation where a public body or a couple of public bodies will want to bring together a lot of information about people to try to address a problem.

For example, with youth who are possibly in trouble or potentially in trouble, we no longer regard it as productive to deal with those people in a stovepipe or a silo – you've heard the expression – way. So the theory now is that you try to bring in the school, the police, possibly the clergy, community resources. You try to bring, you know, a multidisciplinary approach to these problems. But that means that you have to collect information about whoever the person is from a lot of different sources, and it means you build a large database, a pretty comprehensive database. Whether it's youth at risk or drug criminals or WCB recipients, you start building these databases.

Number one, that raises the issue of taking care of the database and making sure that the information is secure and that it's used fairly with respect to that individual. But those databases also become very attractive to researchers because they see this wealth of information, and there's always, you know: we could do better social policy, we could do better health research if you would let us into these databases, let us have access to them to do research. Again, you can imagine the privacy concerns with that. So we're involved in that.

**Dr. Pannu:** On this child and youth data laboratory why isn't it called a bank or a library? Is it an experimental project? Is it just a pilot? Is that why it's called a laboratory?

***11:05***

**Mr. Work:** Yes, sir. At the present time it's a pilot. I believe the reason they call it a laboratory is because the initiative has two objectives. One is to assist with youth-related issues, to assist the people themselves. The other reason I think it's called a laboratory is because the government and the departments involved in this want to formulate better public policies. So by using this information to analyze where the problems are coming from, they're hoping to decide where better policy initiatives can be taken, better interventions, and so on. I think that's why they call it a laboratory.

**Dr. Pannu:** It's not about testing policies. It's just about banking data, right?

**Mr. Work:** No, sir. I don't believe it's to test policies. There are a couple of other laboratories. It seems to be a popular term for these kinds of projects. I won't go through the rest of them. We sit on all of these committees. We participate in all of these undertakings.

**Dr. Pannu:** Mr. Work, another question on this.

**Mr. Work:** Yes, sir.

**Dr. Pannu:** The steering committee is the creature of what agency?

**Mr. Work:** It's the creature of about three government of Alberta departments.

**Dr. Pannu:** Okay. So it's a government-appointed steering committee?

**Mr. Work:** Yes.

**Dr. Pannu:** Okay.

**Mr. Work:** Electronic health records. That's becoming huge, as I mentioned. The Health Information Act is the only law in Canada that requires someone who is contemplating doing an electronic health record, an electronic patient record to give my office a privacy impact assessment before they throw the switch. That is the single most powerful tool that there is. It means that all of these systems, whether it's the massive system that the Netcare is or a single general practitioner's office where he or she brings in a new electronic system, still have to do their due diligence with respect to their electronics.

**Dr. Pannu:** What percentage of medical practitioners in Alberta now use electronic health records?

**Mr. Work:** I would say that Alberta Health and Wellness has a very good program called POSP, physicians operating service program I think the words are, where they are encouraging doctors to go electronic. My guess would be that probably a third of physicians in Alberta outside of the big hospitals and so on have probably gone to electronic systems.

**Dr. Pannu:** This information is not encrypted, is it?

**Mr. Work:** Yes, sir. We are now asking that it be encrypted. For example, when they submit their privacy impact assessments, some of the rules are that you have to back up your information to a secure server. You can't have it floating around. In fact, one doctor in Airdrie, I believe, had his clinic broken into. The desktops were stolen, but nothing was lost because we had told them, "You have to back this up to a secure server," which the thieves didn't get. Just a little anecdote. It works most times.

**Mr. Magnus:** You know, there are three passwords to get into one of their laptop computers. I appreciate that they want to go to encryption now because of this latest case a couple of weeks ago in Calgary. The moral of the story is – I mean, I'm not that familiar with computers, but if you've got three passwords to get in, how the hell could anybody get that information off somebody's stolen laptop?

**Mr. Work:** With the typical laptop your first two passwords are the power-on password you get. If you're running Windows, it's a little blue bar. Then the second password you have to enter is usually to power up Outlook. Both of those can be overridden if you know how. You don't even have to guess the password, Mr. Magnus. You can actually go around the whole password if you know how to do it, and according to Microsoft there are websites where you can go and find out how to do it.

**Mr. Magnus:** It's nice of them to tell people how to get around it.

**Mr. Work:** Somewhat ironic, isn't it?

I've had my laptop encrypted now, and that means now I've got the third password. I also have to plug a little fob into one of the USB ports and then the third password, and I'm told that the third one is foolproof. Well, they've got a fool doing it, so I guess it better be foolproof.

**Mr. Magnus:** You must have been at my house last night because my wife said: what do you mean you can't remember my password?

**Mr. Work:** Well, the joke with the three passwords was that now people are going to have to use bigger Post-it Notes to write their passwords on and stick them on the back of their machine.

**Mr. Magnus:** To help you, Raj, actually Frank mentions that 30 per cent of docs are on this thing or on some form of electronic health record. Now, they would all like to be on it, but the regions have to catch up to where the docs are, and they're still selling docs. My wife does this for a living.

**Mr. Work:** Yeah. Exactly so.

Since the Health Information Act came in, we've gotten a thousand privacy impact assessments. I might mention to you, speaking of enforcement, that about a month ago for the first time we laid charges against an individual near Calgary who had been willfully going into another person's health records contrary to the law. When I spoke to a reporter at the *Herald* about that, they said, "Well, isn't this sort of minor?" I said: "Well, no, actually it isn't. If we're going to move to electronic health records, which we are, there has to be public confidence in them." It may seem sort of nasty to find one individual who's been surfing and single them out, but I think that if the public is going to trust the health care professions and the government to have this health information, they have to know that the rules will be enforced. This is the first prosecution we've had under that legislation, and we'll see how it goes.

**Dr. Pannu:** Was this person in question successful in accessing in spite of the encryption?

**Mr. Work:** Yes. I'm sorry. I should have said that this was a health care worker – I should have told you that – so they had access, and they allegedly misused their rights of access.

Okay. Some numbers. In the past year our files under FOIP, which involves public bodies, 371 files, an increase of 22 per cent;

under the Health Information Act, 434 new files, an increase of 38 per cent – I should add that the majority of those HIA files were the privacy impact assessments that I was just referring to – under the Personal Information Protection Act, which is the public-sector law, 230 files open for an increase of 22 per cent. We've issued 34 orders. I might mention that we already have 58 inquiries scheduled for 2007. So business is brisk, I guess you would say.

We have instituted some efficiency measures in the office. I'm delegating more people in my office to make decisions because I can't handle the volume myself, and the law allows me to do that. We are trying to screen out complaints that are, well, as the law says, frivolous or vexatious or repetitious and abusive. We're trying to work with organizations and public bodies to screen those out as best we can, and we're doing some things with – oh, I mentioned that – having other people in the office make decisions on certain issues.

Money. In the 2007-08 budget we are asking for an increase. This slide breaks down the increase. As you can imagine – and this is no different from any other of the other legislative officers – we are heavily reliant on a staff component because we investigate and mediate and handle complaints, and someone has to answer the phones and issue the orders and so on. So far and away our biggest budget item is staff salaries. We have to assume. At this time in the year we don't know for sure what the Public Service Commission or government is going to authorize by way of salary increases. That usually follows negotiations, so we're going with what was recommended by the Public Service Commission last year, which was 7.4 per cent, I believe. We have a senior management position that's vacant to fill, we have two part-time people that I would like to move up to full-time positions, so that's an increase of $42,000, .9 per cent.

*11:15*

Professional development. We pretty much didn't do any of that last year in order to economize. I would like to bring it back this year. It's hard to keep staff in this economy. Anything you can do to make their jobs more fulfilling, more interesting is obviously to your benefit in a superhot economy. That represents $100,000, 2.2 per cent, and other supplies and services. That roughly explains the requested increase of $618,000.

Now, this is a very important slide, I think. I think that in years past I have not done a very good job of explaining to the committee the one item that always catches your collective eye, and that is the contract services item, so I'm going to try to do a better job this year. This slide deals exclusively with the contract services item in our budget. These are the things that we have spent this money on this year.

We project that we will spend $189,000 on judicial reviews. This whole slide, I think, distinguishes the office of the Information and Privacy Commissioner from the other legislative offices because we are the only office that issues orders, and we're the only office that has an enforcement mandate under the law to find, investigate, and prosecute people who break the law. We don't do the prosecutions. That's done by Alberta Justice, special prosecutions branch. But we are required to investigate and assemble the evidence in order for them to decide if there should be a prosecution, so this is what distinguishes us from the other offices.

Now, a judicial review happens when someone doesn't like something I've done and takes me to court. It might either be that they don't like an order I've made, or it happens when they won't obey an order I've made, and Mr. Rodney's question earlier pertains to that. It can happen if I refuse to deal with a matter. If I say, "No; this is frivolous or vexatious or repetitious," I can be taken to court to see if the court will order me to deal with the matter.

**Mr. Marz:** What's your record on judicial reviews as far as winning in the courts?

**Mr. Work:** It's actually gotten better. I would say that we win about 8 out of 10. The reason it has gotten better: two things have gotten better. In the early days of FOIP, which is the law that pertains to public bodies, we often found ourselves in court with government, which was never a particularly happy situation. It was a new law. I would make an order under the law, and my job there is to try to guess what you all were thinking when you passed the law. Government might disagree. They might feel that I misinterpreted. So for the first few years we were often in court with government. At this point in time I have no judicial reviews with any government body in the courts, so those issues have been resolved.

The other factor is that I think we were new to the courts, and early on they had no idea what this information and privacy thing was, so their handling of us was uneven. There were a couple of cases where I felt I had to appeal court decisions because they didn't get the legislation right. One of the latest orders we got from the Queen's Bench seems to indicate that they now are sort of at peace with what my office is supposed to do, and I think that has explained why we're having more success.

**Mr. Marz:** So would it be a fair assessment to say that since you've held the office, that record has been improving or increasing?

**Mr. Work:** I think it's been improving, yeah. As I say, it's very, very rare now that we go to court in a dispute with a government institution or agency. We have 11 judicial reviews going on now, and they're all with private-sector entities. Again, I would expect that the reason for that is that the private-sector law is quite new, and some businesses and individuals are just saying: "Wait a minute. What is this? Do I really have to do this?"

The thing with judicial reviews is that (a) I can't predict when I'm going to get them, and this makes budgeting pretty tough. I can't predict when someone is going to take issue with something I've done or haven't done. And (b) even when somebody does take issue and we get served with a notice of motion for a judicial review, I don't know if these 11 judicial reviews that I have now are going to be heard in what's left of the '06-07 budget year. Maybe they'll get heard in the '07-08 budget year. I can't tell. So it's impossible for me to budget really, really tightly for this item. I need some elasticity there.

**Dr. Pannu:** Are judicial reviews always initiated by a party other than your office, or do you initiate some?

**Mr. Work:** They are always initiated by someone else.

**Dr. Pannu:** Someone else.

**Mr. Work:** Yes, they're always initiated by someone else.

Severance. We let go of an employee last year. Now, remember, this is how I spent this contract services money in the previous year. This is not projected. We let go of an employee last year, and the severance package was $99,000 on the advice of counsel.

Order writing. We have used in the past freelance people to write orders for me if we get totally jammed, which has happened, and we spent $70,000 on having a number of outside people write orders.

We have a part-time officer for the private sector. We retained a former police officer to help us with some private-sector investigations because this person had very good investigation skills, as you can imagine, and good knowledge of commercial crime. So we are spending $40,000 of this contract services to have this person part-time.

Offence investigations. I do not have any detectives on my staff, so if someone breaks the law, I have to hire an outside investigator to gather the evidence to take to Alberta Justice to see if a prosecution is justified. Again, as it happens, last year $23,500 for that. In the next year I don't know. I can't say. If we get more alleged offences reported, then I will need more money than that to have the investigations done. You need trained investigators to gather evidence. I mean, if you watch TV, you always see in the court shows, you know, that if someone doesn't gather the evidence properly, the case can't be made; it gets thrown out and stuff. So we hire professional investigators where we're gathering evidence for court purposes.

Regulatory prosecution. That was collecting evidence as well to prosecute.

I had one inquiry where the issue was very complex. I had a number of parties before me, and I wanted an outside counsel who had specialization in this issue to help me with the inquiry.

There's a $2,000 book that is written every year that summarizes all the orders that have been made. That $2,000 goes to Queen's Printer to help subsidize the production of this book. It's good for public bodies to know.

***11:25***

**Dr. Pannu:** Mr. Work, how many offence investigations did you have this year to this point?

**Mr. Work:** Three.

**Dr. Pannu:** It cost $20,000?

**Mr. Work:** Yeah. One of them alone cost $17,500 because it involved allegedly tampering with evidence on a computer. You've heard the expression metadata and hidden codes in computers. I needed a specialist who could go into a computer and try to determine if a document had been altered electronically, which can be done, so that was the big ticket item for that investigation.

We also used a private investigator for – I think the other one was a health information issue, and the third one was a private-sector issue.

I think we're almost done. In fact, I think we are done.

**The Chair:** You've got a question?

**Mr. Strang:** What I was wondering, Frank, when I looked at your budget that you gave us here and looked under your line of contract services: why are you going down? I mean, basically, next year you're looking for $388,000. You're down $87,000 from last year, and from what you just showed us there, you've got $442,400 already spent. So I'm just wondering why you're going down in that area when you're sort of leading us to believe that contract services is one of your biggest items.

**Mr. Work:** The answer is that if you look at last year's numbers, there was $100,000 out of the contract services budget that we spent on a severance package. I don't anticipate doing that in this coming year, so I think that'll be $100,000 less what I will need. At least, I don't want to do any more severance.

**Ms Frederick:** In addition, I believe that Frank is anticipating that he won't have any outside legal order writing happening, and that has reduced the budget as well.

**Mr. Work:** Yeah. Thanks, Suzanne. As I mentioned, we are changing our office processes a little bit to try to spread out the decision-making process internally and avoid the use of contract services.

**Mr. Magnus:** Frank, a couple of things. I'm having difficulty with the 13 per cent. What does it work out to?

**Mr. Work:** Six hundred thousand dollars.

**Mr. Magnus:** Yeah. I understand where it comes from, but I'm still having difficulty with the amount, or the percentage if you like.

One other quick question for you. When we dealt with the Auditor General, he had a portion of his budget that was dedicated to buying new laptops and things. I know that every one of your people use laptops, and I don't see it in your technology line here or anywhere else for that matter.

**Mr. Work:** On the laptop issue, Mr. Magnus, I think that's in what they call evergreening, turning over machines and getting new machines.

**Mr. Magnus:** That's what you do? So do you do a third of them each year, that kind of thing, in your department?

**Ms Frederick:** Yes. But we don't have individual laptops. We have a pool of four laptops encrypted, et cetera.

**Mr. Magnus:** Oh. You have four? That's it?

**Ms Frederick:** That's it.

**Mr. Magnus:** Oh. Then we don't even have to talk about it.

**Ms Frederick:** Okay.

**Mr. Work:** On the overall amount I guess all I can say is that the largest single increase is the 7 per cent. Last year the government, Treasury Board and the Public Service Commissioner, allotted to public bodies to budget up to 7 per cent for what they called in-range increases for staff. There is not a number for this year. I'm using last year's number, and that represents the lion's share of my increase. As I said, we're very highly staff dependent in my office.

**Mr. Magnus:** You've got 37 staff, and you only have four laptops?

**Mr. Work:** Yes, sir. Everyone else uses desktops. I mean, everyone in the office has a computer.

**Mr. Magnus:** Maybe I'm just asking the question incorrectly. How do you replace those, and where is the expense for that?

**Ms Frederick:** That is in the materials and supplies budget.

**Mr. Magnus:** It's not in technology?

**Ms Frederick:** No. Technology services is for licences. It's not for goods. It's more for licences and services.

**Mr. Magnus:** Okay. I got it. A much bigger budget.

**Ms Frederick:** Yes.

**Mr. Magnus:** Thank you. But you do this: a third, a third, and a third with a three-year lifetime and stuff like that.

**Ms Frederick:** We do the evergreening, yes.

**Mr. Magnus:** I still can't figure out why the Auditor can't do the same thing.

**Ms Frederick:** In fact, last year we held back, this fiscal year that we're in right now, and we are only evergreening the ones in our Calgary office, just from a budget constraint standpoint.

**Mr. Magnus:** So when they change software on you, as an example, everything just works with the new software? You don't have to change the whole kit and caboodle?

**Ms Frederick:** No.

**Mr. Magnus:** That's what the Auditor told us. I don't know. I'm not very computer-literate.

**Mr. Work:** There's a limit. Especially if you're hooked on Microsoft, you can usually go about two to three revisions to a software on your existing machines, and then at some point the machine just won't run the new software very well anymore, usually because you need more speed for the operating system or bigger memories. So, yeah, the evergreening is an issue. I've made the conscious decision not to issue all my people laptops. I've seen too many of them go missing, so we pool the laptops. If someone needs to do work at home, you know, they can take one home and write their report on it, but all the personal information we have stays in the office on desktops.

**Dr. Pannu:** You had one of the slides showing the percentage increase in cases, caseloads, files if you wish. That's from 2005-06? You said: the previous year. What previous year is it?

**Mr. Work:** Those statistics are for '06, this year that we're finishing off.

**Dr. Pannu:** Okay. The current fiscal year.

**Mr. Work:** Yes.

**Dr. Pannu:** And we still have three months remaining. Do those increases reflect a pattern, a trend, or are they exceptional to this year? That's what I'm asking.

**Mr. Work:** I think it's a trend. Yeah, I think it's a trend. Now, with FOIP remember that that's public bodies, and I think people want to know. They want the transparency with respect to public bodies about how government money was spent. Interestingly, according to a report issued out of British Columbia, their requests of that nature have gone down in this past year, but I guess Albertans are more demanding or more interested. With HIA that's a trend, but as I said, out of those 430 files opened, 351 of them are privacy impact assessments. Again, every time a health care provider goes electronic, they have to give us one of those, and I think that number will just increase as more and more physicians go onto electronic systems.

**Dr. Pannu:** What implications and impact does this trend have on your budgeting numbers here that you're presenting to us? Are you able to deal with this kind of increase with the 7.4 per cent increase in the current wages and some other expenditures? Do you have the capacity to deal with this increase?

*11:35*

**Mr. Work:** I'll be completely honest with you, sir. Some of our timelines are getting long, and we get complaints, not a lot, probably less than a dozen. But our timelines are getting long because there is a queue forming for a lot of our services. There's a queue forming for complaints to be dealt with, and there's a queue forming waiting for me to have an inquiry and issue orders. So, yeah, the increase is affecting our timelines, certainly. I'm not asking for any new FTEs; I'm not asking for any new staff. As I said, we are instituting some internal changes, some internal different allocations of work in order to try to deal with the increases, and I think we can manage. But the timelines are getting longer, and we're not the only office in Canada where that's happening.

**Mr. Magnus:** You are asking for one more staff, right?

**Mr. Mitzel:** Changing from part-time to full-time.

**Mr. Work:** I'm changing, yeah.

**Dr. Pannu:** As the queues grow in length, public complaints are likely to grow with it.

**Mr. Work:** Yes.

**Dr. Pannu:** We'd like you to report next year what happened with this queuing business.

**Mr. Work:** Okay. So some idea of changes in timelines. Yes, we will do that.

**Dr. Pannu:** Okay.

**Mr. Magnus:** In the past, Frank, your office put out where the requests for information come from, and that would sure be helpful, I think, in this kind of a scenario, just to have a one pager in there saying, "Well, they come from government," and breaking them down. That's all I'm after.

**Mr. Work:** Sure.

**Mr. Magnus:** I haven't seen it in a while. I think that about two years ago was the last time I saw that, but it actually delineated that some of them were government requests, that some were private, you know. So a one pager on that.

**Mr. Work:** Yes. The Ministry of Government Services keeps those numbers for government. We keep the numbers of complaints for the private sector and the ministry. Would you like that? We can get that to you today or, well, tomorrow.

**The Chair:** Yeah. If you'll just follow up and send it to me, I'll distribute it to the members.

**Mr. Work:** Yeah. All right.

**Mr. Magnus:** Yeah. It's curiosity more than anything. I just want to make sure Raj isn't putting in too many requests.

**Dr. Pannu:** That's my job.

**Mr. Magnus:** Oh, yeah. I want him to put in as many as he would like to.

**Mr. Work:** Well said.

**The Chair:** Okay. Any other questions? I don't have anyone left on my speakers list. No?

Okay. Well, Frank and Suzanne, thank you very much, and also Wayne, otherwise known as Vanna.

Just so you know, on the committee's decision on budgets, we'll get that to you in writing within the next week.

At this point we're going to break for a little Christmas luncheon, and hopefully you can join us.

**Mr. Work:** We'd be delighted. Thank you all very much. I wish you season's greetings.

[The committee adjourned from 11:39 a.m. to 12:32 p.m.]

**The Chair:** Okay. On behalf of the committee I'd like to welcome Gord Button, our Ombudsman, and Glen Resler, director of corporate services, to our committee. At this point I'll just hand it over to you for an overview of your budget, and then we'll have some questions and answers following that.

Thank you.

**Mr. Button:** Thank you. Well, it's again my pleasure to appear before you to update you on the activity of the office of the Ombudsman over the past year and to provide you with a snapshot of what is to come as I embark on my fourth year as the Alberta Ombudsman.

**Dr. Pannu:** It's already four years?

**Mr. Button:** The lunch in that room was quite a reminder. First time I've been in that room, Raj, since I was interviewed by the committee.

You'll recall from my presentation last year that we've gone through a significant period of transition. Half of the current staff were hired since I became the Ombudsman. This has presented some challenges to keep up to the demands for service and to strive to fulfill the responsibilities of my office while providing the necessary training and orientation to new staff.

You will see later in my presentation that although we've accomplished most of the objectives set out in our current business plan, we continue to fall short of my expectations and those of the citizens of Alberta in one key area; namely, completing investigations in acceptable time frames. This is largely due to a lack of capacity and resources to meet those demands. Our goal of completing thorough investigations in response to complaints in an acceptable time frame has proven difficult if not impossible to accomplish. We're also experiencing increasing numbers and complexity of complaints, which is partially the result of expanding jurisdictions. The introduction of my alternative complaint resolution process has contributed to a significant improvement in this area, but we're still not meeting all of our targets, and the feedback from complainants and departments reflects a level of dissatisfaction in that regard.

My vision for the future. In looking at my role, it's long been understood that important responsibilities of parliamentarians and of the Legislatures in our democratic process include the complementary roles of watching and controlling government, and added to this in more recent times is provision of grievance redress. These roles have become increasingly more difficult for legislators to fulfill given the ever-increasing scope and complexity of government activities over the years. The response of the Legislatures has been the creation of special agencies of the Legislature to carry out some of these resource- and time-intensive functions. Mine is such a role. As an officer of the Legislature I'm entrusted to resolve complaints and promote high standards of administration throughout the bureaucracy of government. The resolution of individual complaints is important; however, only when patterns of maladministration are analyzed and publicized will good practices be adopted.

The Ombudsman is best described as the watchdog of administrative fairness. I'm empowered to accomplish that role through three types of investigative responses. The most common one is reactive investigation in response to a complaint from a citizen who feels unfairly treated, and this has been the primary focus of my office and the Alberta Ombudsman for many years. It satisfies the role of grievance redress assigned to me by the Legislature.

I also have authority and, I believe, a responsibility to conduct other types of investigations into larger, systemic issues, and in the past this office often undertook such investigations either on the motion of the Ombudsman or at the request of a minister. Some examples in the early 1990s were investigations into daycare licensing in Alberta, the awarding of government construction contracts, and the role of the provincial government in the collapse of the Principal groups of companies, to name a few. These are important responsibilities of the Ombudsman, which I need to be able to undertake. With current resource and work levels I don't have the capacity to undertake these more labour-intensive investigations. As a result, I believe the Legislature and I are not fully fulfilling our mandate to the extent possible.

My focus during the first three years of my appointment has been on providing a strategic direction for the office, introducing new tools and technology, and rebuilding the investigational capacity required to meet the expectations of Albertans and the Legislature. We've made significant inroads in these areas and are now poised to move forward towards delivering better and more timely outcomes on reactive investigations while expanding our sphere of influence through more proactive investigations. During my presentation to you last year I advised you that this would be my focus for 2007.

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 2006-2007, and my budget estimate for the next three years. I've placed on your desks a copy of the PowerPoint presentation deck. Because of the setup of this room I find that doing an actual PowerPoint presentation is not the most convenient way to do it; there's always somebody that can't see it. So I've done it up in a PowerPoint presentation giving you each a copy of the handout package that I'll work from.

In addition to the introduction which I've just provided you, I intend to provide you with an update on the strategic business plan results in the past year, talk to you a bit about our workload and how that's changing, talk to you about the future, particularly with respect to expanding jurisdictions of the Alberta Ombudsman and about the need for systemic investigations. I'm going to give you an overview of some of the results that we've achieved in the last year or so that have some significance over and above the actual reactive investigation of citizen complaints. I'll then move into providing you with the budget forecast for 2006-2007 and our estimates for 2007-2008 and the out-years and of course leave time for discussion at the end.

As an update on our strategic business plan for 2005-2008 – and you've seen this document before, but just to recap – our vision is stated as: "the Alberta Ombudsman is the recognized leader for independent investigation, promotion and support of administrative fairness." The goals that we established in our business plan when I became the Ombudsman were to provide high-quality service; fairness and accountability in administration; alignment of resources, policies, and processes with core business objectives; and public awareness and education. The significant objectives that we set for ourselves in order to attain those goals were to manage the workload in an efficient and an 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 that exists about the role of the Ombudsman.

***12:40***

Looking at our strategic business plan scorecard – I provided you with a copy of the scorecard that tracks all of the key initiatives within our business plan in the packages that were sent out to you in advance along with our budget submission. I won't go over that in detail. You'll note that it tracks our accomplishments against our objectives, and you'll note that most of our goals and objectives in that business plan have been accomplished. The one area, as I mentioned in my introduction, that we're still concerned about, where we don't feel that we're meeting our expectations or those of Albertans, is the reduction of timelines to complete our investigations. We are in the process now of developing a new business plan, which we will implement April 1, 2007, which will build on the solid foundation that we developed through our last business plan.

One issue in the scorecard that I just wanted to cover is on page 18 under the objective To Excel in Investigations, item 1, "Investigations of written complaints are completed within an acceptable time frame." You'll notice that for the period '05-06 we completed 8 per cent of our investigations within 90 days and 23 per cent within 180 days. Those figures and our method of calculating them when we set that business plan in place did not include what we accomplished through our alternative complaint resolution mechanism that I introduced just over a year or a year and a half ago. So you will see some different figures than those contained on page 18 of the business plan when I talk about time frames in a few minutes here.

I don't intend to go over the rest of the business plan in detail as you've all had a chance to look at it, but I'll certainly entertain any questions that you might have about any other elements included in the business plan scorecard that was in your packages.

**The Chair:** Okay. Thank you so much.

**Mr. Griffiths:** I actually have three questions. First, in the budget . . .

**Mr. Button:** I'm sorry. I'm not through the budget yet. I was just asking for any questions about the business plan scorecard.

**Mr. Griffiths:** On the business plan? Well, then, I do have one question on the business plan.

**Mr. Button:** Thank you.

**Mr. Griffiths:** I'm not sure about the investigative timelines. I understand your desire to complete them, you know, to resolve issues as quickly as possible. I can see trying to adhere to timelines if you're building a building or accomplishing a particular project, but when you're dealing with people who have complaints, I personally wouldn't worry about it. I think if you resolve them as quickly as possible, that's wonderful, but to say that it will be completed in 90 days, I think you're setting yourself up for failure.

**Mr. Button:** I agree to an extent, Doug, that every investigation is going to follow a different timeline. Some investigations are quite straightforward, quite simple, especially those that we're able to take on through alternative complaint resolution. We're normally able to resolve those within 30 days. Other investigations may of necessity, because of the complexity of them, take a longer period of time. What we are concerned about is that our investigations are tending to take well over a year to complete. Often the frustration that the citizen brings forward to us is the length of time that it takes to get decisions through the bureaucratic process, and if we can't deal with those matters in an acceptable time frame, we're just compounding the very issue that brought them forward in the first place.

So I agree; your point is exactly right. Every situation is different. We're just striving to be more responsive to Alberta citizens in order to provide them with a response and a decision on their complaint within what we consider to be a more reasonable time frame. We think we can do better than we have been doing.

**The Chair:** The other questions are on the budget, so why don't you proceed and just address that?

**Mr. Button:** Okay.

**Mr. Griffiths:** Could I just ask a follow-up?

**The Chair:** Sure.

**Mr. Griffiths:** You mentioned that there wasn't enough staff to help resolve issues. Is that the predominant reason, or is it bureaucratic lag that's the predominant reason?

**Mr. Button:** In some instances it takes a significant time to get a response back from the department, but by and large we do get those responses in an average of about four weeks, which I think is quite reasonable when you consider that the department has to go back and review their entire process before they can provide that information to me.

We have had issues with some departments where that time frame has gone on to an extensive eight, nine, 10 months, which certainly gets in the way and causes us a problem, but we've dealt with that. We deal with that on an individual basis between me and the administrative head or deputy minister, and normally it's not a problem.

**Dr. Pannu:** Commissioner, you talk about equitable assignment of workloads as one of your key initiatives for this current year, and you set that at 20 to 30 files per investigator. Two questions on this. What was the workload year, against which we can assess whether you have moved forward and by how much? Second, how many investigators do you have, and are these full-time employees, or do you hire them on a part-time basis to do investigations?

**Mr. Button:** Largely due, Raj, to an increase in workload compounded by significant attrition of staff within my office, as I discussed here last year. Six of my nine full-time investigators retired within a period of less than 12 months. I have nine full-time investigators, 1.5 full-time analysts who complement the investigators in addition to my Deputy Ombudsman and my legal counsel. So part of the backlog was created, obviously, when six of your nine investigators retire in a short period of time.

Bringing on new staff – getting them hired, providing them with the orientation and training and learning necessary to perform what is a very complex function – not only is time consuming and not only are they not as efficient during that period of orientation and mentoring, but your more senior staff have to devote a lot of their time also to helping them. All of those factors together contributed.

As to the number of files. We were up in the neighbourhood of 40 to 50 active investigations for each investigator at one time, which is significantly above anything that any other jurisdiction in the country would accept. We generally believe that in the neighbourhood of 25 active investigations is manageable per investigator, and we're getting down pretty close to that level now.

**Dr. Pannu:** Okay. I think I have one more question. All of these investigations fall in the category of activity that you call reactive responses. Is that so?

**Mr. Button:** We have one proactive investigation ongoing currently that I'll talk about later in my presentation. The rest are all complaint-generated, or reactive, investigations, where a citizen has lodged a complaint with us with respect to unfair treatment and we are investigating that specific complaint.

**The Chair:** Great. Why don't you proceed with the budget.

**Mr. Button:** Just going on, then, to the workload, the quantity of work. In the most recent completed year, 2005-2006, our oral complaints were down slightly. Our oral complaints tend to run in the neighbourhood of 4,000 to 5,000 a year. I believe we were at about 4,400 this past year as compared to about 4,800 the year before. These are oral complaints or simply calls that come to my intake office from citizens who have a concern or a problem. They're not always jurisdictional to the Ombudsman. Some of them deal with complaints about federal levels of government; some of them deal with complaints about municipal government. But it is a big part of our service, and it's 87 per cent of our contact with the public.

Our written complaints, which are a much more significant element of our workload, were up by 6.8 per cent last year, and that continues a trend that we've seen over about the last two or three years after a number of years of our complaints going down.

Looking at the quality of work, I have stressed emphatically in the business plan that you've seen and in my management of the office that quality work is our goal, and as Mr. Griffiths commented, you can't always determine timelines. You have to look at doing a quality job depending on the circumstances, and that's been our focus.

Our performance indicators have emphasized such things as being more responsive to complainants and authorities, including them in the investigation on a regular basis, having regular contact with complainants to update them and let them know how the investigation is proceeding, setting attainable but reasonable timelines for our investigations, constantly emphasizing the quality of our investigations and the need to be very thorough. A significant element of that work is advocating for our recommendations and change.

One of the things I noticed early in my tenure was that I was going back to departments and making recommendations that my predecessors had made in years before me, and nothing was changing. We've made it our responsibility, when we make a recommendation to an authority or to a department, to follow up and to hold their feet to the fire, to use the terminology, to make sure that the change is forthcoming. So it's more work on our behalf, but at the end of the day we're advocating for our recommendations and making sure that they're being implemented.

***12:50***

As an example, if we make a recommendation to a department that their policy is inconsistent, for instance, with the legislative framework and regulations, and they agree that that's so and that that policy will need to be amended and changed, we'll accept their commitment to do that. But I'll advise them that I'll be checking back in three or four months to make sure that it has happened, and I'll ask the deputy minister to please provide me with a copy of that new policy when it is approved so that my office will not only know that it has been approved but will also know what the current policy is. That's worked very well, and I've had good feedback from the authorities.

Of course, we introduced, as I explained last year, alternative complaint resolution. We were able to siphon off about 25 per cent of what otherwise would have been formal investigations last year into alternative complaint resolution where it was deemed appropriate. Normally the indicators are a situation where there seems to have been a communication breakdown between the citizen and the department, where maybe there appears to be a lack of understanding of what took place. Where those conditions are apparent, we'll enter into alternative complaint resolution with the agreement of both the complainant and the department, and we'll generally allow 21 days to try and resolve the matter through that process. If it's not resolvable through that process, we reassign it for formal investigation. But the results have been significant in bringing resolve and redress to issues in much shorter time frames.

One of the commitments I made that I've talked about before with this committee but bears repeating is that in that process my commitment and the agreement I struck with the deputy ministers and administrative heads of departments is that I would continue to monitor for any systemic issues so that we're not going to continually address the same problem through ACR and not deal with the systemic root that's causing that problem to exist. That's worked extremely well as well.

Looking a bit to the future of the office, the jurisdiction over the complaint resolution process in all of the health profession colleges should be fully implemented by the end of this year. That's been a long, slow process. I've been working on that since I became the Ombudsman. We now have, I believe, either 19 or 20 of the 28 colleges that are jurisdictional, and the minister has committed to me that the balance will pass their schedules in 2007, so that jurisdiction will be fulfilled.

The regional health authorities patient concerns resolution process. The amendments to the Ombudsman Act giving me that jurisdiction were actually made in 2003 and carried by Mr. Ducharme, formerly on this committee. We waited until June of 2006 for the passage of the regulation – that regulation came into effect on September 1 of this year – which now requires all of the regional health authorities to develop a patient concerns resolution process and appoint a patient concerns resolution officer accountable to the CEO of the health authority. My jurisdiction to investigate complaints with respect to how concerns are dealt with in the health authorities, as I say, became effective September 1. I'll comment a little bit later about some of the proactive work I've been doing with the health authorities to further that authority.

Interesting to note – and I'll talk further – that the Health Quality Council of Alberta, who regularly survey issues with respect to the delivery of health services in the province, in their 2006 survey results indicate that only 21 per cent of those surveyed are satisfied with the resolution of serious complaints from the regional health authorities. I'll give you a little bit more insight into that later on.

The other element in the future in addition to expanding jurisdictions and complexity of work and, obviously, a heavier workload is, as I addressed in my opening comments, the need to involve myself and my office in systemic investigations as the agency of the Legislature that has the time and resources to undertake those very resource-intensive but very significant and important investigations. I have the authority to investigate systemic issues on my own motion or in response to multiple similar complaints. Such an investigation can also be generated by a request from a minister to conduct an investigation. I have the authority to issue public reports and therefore bring those significant issues into the public eye. It's a very proactive role of the Ombudsman.

To further explain it, you would all be familiar with the recent report of the Auditor General of Alberta, a subsequent report to his annual report, wherein he outlined the results of six systemic investigations, or further audits, he had done on specific issues. Those are the same types of matters that I have the authority and the responsibility to investigate from the administrative fairness perspective, which is my jurisdiction, as opposed to the financial management, which is the Auditor General's jurisdiction. In fact, the Auditor General and I have discussed that many of those types of issues would be better addressed if we addressed them co-operatively in a joint investigation, where Auditor General investigators would look at the financial management and governance issues within that program area while my investigators would look at the administrative fairness or reasonable rendering of decisions elements, which are part of my mandate, and we certainly see an opportunity to move forward that way in the future.

You will see in my estimates, that we'll discuss in a minute, that I am asking for new resources. I alerted the committee to that last year when I was here. I'm looking to establish a manager of investigations to give me the competency and the ability to oversee those major types of investigations, two additional investigators, and an additional early resolutions and referrals complaints manager. The FTE for that position already exists but was encumbered in the past year as a result of an internal management issue that is now freed up. So basically I'll be looking for three additional FTEs, and we'll discuss those when we get into the budget.

Just to re-emphasize, the role of the Legislature includes those complementary roles of promoting high standards in administration, controlling functions of government, and providing redress for grievances, and the Ombudsman is the Legislature's dedicated capacity to fulfill those mandates. What I am proposing is to develop the capacity in my office to be able to fulfill those mandates on behalf of the Legislative Assembly of Alberta.

Looking at some of the results achieved and talking more specifically about our investigative timelines, you'll note that these are matters fully investigated either through a formal investigation or through our alternative complaints resolution mechanism. We've made very little progress in the under-90-day category, but we're close to our target. Those are primarily our alternative complaint resolution files.

In the 180-day time frame we're still below what we would believe to be reasonable time frames for resolutions at 38 per cent in '05-06 and down marginally to 37 per cent in '06-07. The '06-07 statistics, as you'll note, are April 1 to November 30 of the current year as compared to a full year in '05-06. But we set a target of 50 per cent for '06-07, and we're striving to get there.

Where I am concerned is those investigations completed in less than a year. We've lost some ground there from '05-06 at almost 70 per cent to current year up until November 30 at just under 60 per cent. Under two years we're still quite successful. Very seldom does a file go over the two-year report. Just to clarify what is in the scorecard to our business plan, these statistics include files that are concluded through alternative complaint resolution, whereas what you saw in the business plan talks about only formal investigations, where we go the full route of a formal investigation.

I'd like to talk to you about some significant outcomes, just to give you an overview on something I haven't done before in this report, some of the significant accomplishments or impacts the work of the Ombudsman has on providing for continuous improvement and good government. I'll use some examples with respect to students' finance; the Workers' Compensation Board; protection for persons in care; an example of our work with a new jurisdiction, the Alberta Dental Association and College; talk a little bit about the impact of the patient concerns resolution regulation; and the current ongoing own-motion investigation that we're working on, which is with respect to Alberta Agriculture, Food and Rural Development in the remote area heating allowance program.

***1:00***

One comment I would just make is that I'm sure all of you are aware of the class-action lawsuit that was settled with respect to AISH applicants in the last year and estimates that that lawsuit could approach a hundred million dollars in liabilities. I've read that in its entirety, and virtually every issue that was at hand in that lawsuit was an issue that the Ombudsman's office had identified and made recommendations on over the last five or six years and, properly pursued, might have been dealt with prior to ever becoming a matter of a lawsuit. A proactive publicizing of our investigative results could have addressed those issues earlier without the involvement of the courts, which is in many cases to the advantage of the citizens as well as government and the system.

Talking about a few of those just to give you a flavour. In students' finance one of the issues we've been dealing with is the appeal process for assessment of overawards and defaults. We found it, as do students, to be a very confusing and complex process. One of the problems is that two departments are involved in providing student funding. Depending on the requirement, it can come through Human Resources and Employment, or it can come through Advanced Education, primarily through a shared services contract with HR and E. The appeal process was not clear and was not known to students, there was an available appeal to the minister, which was not well known or understand and seldom used, and time frames hadn't been established for the various steps in the appeal process.

We investigated one matter, where the appeal was at the first level of a three-stage process, had been there for over two years, and really nothing was happening to move it forward. One would expect that the student had some obligation there, but in many cases the students just don't know what's required to take it forward, and the department has a responsibility to bring matters to conclusion and move them on.

As a result of several investigations we did in that area, I was able to get a commitment from the Deputy Minister of HR and E that as the lead agency they would accept responsibility for all issues, and where Advanced Education needed to address a recommendation, they would deal with that through their shared services agreement.

A new regulation is under development to clarify the appeal process. They've developed new policy in both departments to establish definitive process and time frames for each step in the appeal process. Information is available now to students online, and it's also provided to them at the time they apply for funding, so they know up front what the appeal process is and what their responsibilities are. Decision letters that are generated by the departments at various stages of the appeal process advise the students of the next step in the appeal process that's available to them and ultimately of their right to petition the Ombudsman. So that's been a substantial improvement in that process and one that is still ongoing as we work with those departments.

Workers' Compensation Board. The decision review body was established when the Workers' Compensation Board was restructured in 2002. The issue there is that the decision review body envisions a dual role for review specialists. Their first responsibility is informal problem resolution, and their subsequent responsibility is adjudication. This creates a perception of bias in that the same review officer adjudicates the matter who attempted to informally resolve it through discussion with the injured worker and the caseworker.

The DRDRB was not defining the issues they would review with workers, particularly when there was no written request for a review. They were issuing decisions on issues that workers had never brought forward or argued for. Their files lacked documentation. The process wasn't documented and provided to all the parties, including workers and employers. The time period that the review would focus on was not identified and therefore not clearly understood.

As a result of a number of investigations and recommendations, the WCB has agreed that in the absence of a written request for a review, review specialists will contact the worker and agree on the issues for review and create a written record so that there is a document trail that establishes what was requested and what was reviewed. All parties are advised when a review has been initiated and given the pertinent information and also given an opportunity to make representation. Review specialists issue written decision documents on collaborative problem-solving approaches, outlining what was reviewed and decided prior to their formal adjudicative process. They've established clearly defined time periods for what time period the review specialist will be looking at in order to ensure that there's a clear understanding by all parties as to what matters are before them.

It's just one small example of some very significant issues we've been able to address and accomplish within the Workers' Compensation Board, not to say that there aren't still issues; we're still working on a number there.

Protection of persons in care. This is normally dealing with complaints of abuse of people in extended care facilities. It became very clear to me when I became Ombudsman and through the first couple of years that in this case we were continuing to make the same recommendations, continuing to identify the same deficiencies in the investigative process that protection of persons in care was following.

The rights of parties to investigations were not being observed. For instance, caregivers often didn't know that they were being investigated, were never contacted by investigators, never given a chance to present their case in defence of themselves. Their right to information and to present their argument was not being followed. There was a disconnect between the investigative process and the decision-making process. A short précis of the file created by the investigator was prepared by an official within the department and provided to the minister, on the basis of which very far-reaching decisions were made, and there was no assurance that all of the information was always presented.

This is an area that my predecessor entered into a ministerial-ordered investigation in 2002 but abandoned in 2003, when an MLA review committee was appointed to investigate basically the same issues that my predecessor had been asked to deal with. My review indicated that we had made a number of the same recommendations over a lengthy period of time going back to about 2001.

As a result of continued efforts, I identified several systemic issues to the Deputy Minister of Seniors and Community Supports. A review was implemented by the program manager, and new guidelines and a new policy for investigations were developed and released in June of 2005, which addressed virtually all of the recommendations my office had been making over the last five or six years. It's considered to have developed improved communication between investigators and parties. They're now working on guidelines to provide to investigators for how to conduct interviews and take statements during the investigative process to make it much more fair. The impact has been significant, as measured by the numbers of issues coming forward to my office for investigation. We're seeing far fewer complaints, particularly from families of persons in care facilities, than we were seeing in the first couple of years I was in the office.

I mentioned the Alberta Dental Association and College. Just briefly, we've done a lot of proactive work with the professional colleges. There was always with all of them some skepticism when we started exercising that new jurisdiction. They didn't understand what we would investigate and how we would investigate it.

Through proactive discussions one of the good examples is the Alberta Dental Association. In meetings with their registrar and their complaints commissioner and their counsel we identified a number of deficiencies in their complaint resolution process. For instance, professionals weren't given any time to respond to the college when an investigation started, and some of them took months and months to provide a response. The response from the professional, the dentist in most cases, was never being provided to the patient, the complainant, so that the patient had an opportunity to know the case made against them and present their argument in their own defence. Decision letters were not satisfactory. They were very scant in detail and didn't really explain how the commissioner came to the decision.

Through that collaborative process, which has been a very mutually receptive one, the college has significantly improved their complaint handling process. The result is a much fairer response to complainants. That's just an example of one of the many that we'll be dealing with in the health profession colleges.

I mentioned the patient concerns resolution process. The first contact with my office to something I thought was fairly new was actually in 1996, when the ministry first contacted the Ombudsman of the day and asked our co-operation in developing a patient concerns resolution process. I committed myself with the minister to offering my services in a proactive way to see that this process is envisioned and developed and rolls out to meet the best needs of the patients and also the health care community. In doing that, I've currently made 15 presentations to eight of the nine regional health authorities, starting with the CEOs and boards of directors and then going to the management and the team leader groups, to make sure that they understand what a good complaint resolution process looks like and what the prime responsibilities are.

***1:10***

Why is it important? Looking at the Health Quality Council Alberta survey results released just this fall, 14 per cent of Albertans report a serious complaint about health care services received and 28 per cent report a more minor complaint. Only 21 per cent report being satisfied with complaint handling by the regional health authorities. The top four factors identified that impacted on Albertans' satisfaction with complaint handling in health services: was the complaint handled in a fair and thorough way, was the complaint responded to in a timely manner, were complaints welcomed by the health authority, and were complaints acted on in a meaningful way?

We've taken a very proactive approach, very labour intensive, and it's taking a lot of our time, but it will reap rewards downstream as that process comes into play. Nobody argues that complaint handling, complaint resolution, and identifying systemic problems aren't significant issues within the whole goal and aim of delivering quality health services.

I mentioned to you that we are currently in the midst of the first own-motion investigation that this office has undertaken since, I think, about 1994. It's with the remote area heating allowance program under Alberta Agriculture, Food and Rural Development. Basically, that was a program that was initiated in 1980. There are remote areas of the province – and I believe the chair lives in one of them – that the natural gas grid doesn't provide services to and doesn't provide the availability of natural gas. This program gives those people who are not on the natural gas grid an opportunity to submit their receipts for home heating fuel or propane and receive a rebate for 25 per cent of their costs of home heating, recognizing that they're paying higher costs than those on the grid.

The program was extended periodically, about every three to five years, and historically applicants had two years in which to apply for reimbursement. What we found was that the program was renewed in March of 2003. The time frame for applying for reimbursement was reduced to one year, but nobody was ever told. There was no communication initiative to make sure that current or future applicants for the program knew that the rules had changed. They continued submitting their applications in the two-year time frame, and many of them were not reimbursed because they were outside of what was now the acceptable time frame of one year.

We found over 700 disallowed claims and reviewed them. The minister had to go forward and seek a new regulation, which he did in July of this year. We identified a number of unfair practices of the department in administering the program. We worked with the department to develop criteria for the review and in a very co-operative approach with the department have now identified over 400 claimants who quite likely were unfairly treated as a result of that change. The department is now in the process of going back out to those 400 claimants and offering them an opportunity to resubmit their receipts for consideration and reimbursement.

I want to emphasize that the department has been most co-operative. When we first approached them, they accepted our premise that there was a problem here. They have worked diligently with us to address it. But it's an example of the types of issues that are there. This one, I think, is a small one compared to some others that might be there that need to be looked at.

That's just an overview of some of the results that we've had. I don't know that everybody sees those because they're issues that we don't report on regularly in our annual reports. In addition to grievance redress for individuals, they demonstrate how the Ombudsman as an agency of the Legislative Assembly, that you represent, can have greater impact on controlling and oversight of government and providing for good governance and improvement of programs.

Moving from that on to the budget itself, we've provided you with our forecast for 2006-07. We're predicting a $31,000 surplus in personnel, largely due to a resignation that we had last spring and a delay in hiring a replacement and one FTE vacancy since the third week in November, that will likely remain vacant until April pending the hiring process.

We're also predicting about a $53,000 surplus in supplies and services, primarily due to management strategies that were introduced in the last year. A lot of the credit for that goes to Glen Resler. We've significantly reduced our annual report costs, as you'll see in our itemized budget, our tech services' contracts have been reduced, we've managed our travel as carefully as we can, and we've reduced some of our contract services.

Looking at our estimates for 2007-08. First, looking at personnel, recognize that personnel is 82 per cent of my budget, by far and away the largest part of the budget. We're projecting and asking for a personnel increase of 17 per cent, or $306,000. Some of the factors we've highlighted there: 6.1 per cent of that is collective agreement base increases. We have no discretion over the cost-of-living increase for staff, and a great majority of my staff, I think about two-thirds of them, are not at the top level of their pay scale and are eligible for up to a 4 per cent in-range increase each year. That works out to about 6.1 per cent.

As I mentioned, we are requesting your support to increase our FTE level by three FTEs to address the timelines for investigations, the extra work being generated by our new jurisdictions and new complexity of investigations, the increased volume and complexity of investigations we've been experiencing over the last two or three years, and the need, as I spoke about in the last portion of my presentation, to develop the capacity to do the systemic, or own-motion, investigations that are so important.

I'd just comment that by comparison, Saskatchewan's Ombudsman's office, which serves a population of less than a million citizens, has exactly the same FTE resource base as I have. They have 20 FTEs; I have about 19.5. Manitoba has 13 full-time Ombudsman staff plus the Ombudsman plus shared administration support with the information and privacy office. They, by and large, have about the same resource base that I have but, obviously, only about one-third of the population.

**Mr. Magnus:** How many has B.C. got?

**Mr. Button:** B.C. is close to 50, as I recall. They were over 50 until an across-the-board budget cut about four years ago now, where all departments were cut. They were cut back to about 35. They've been getting increases yearly since then. I don't know exactly where they are, but they're back up in the mid-40s somewhere, and in talking with the current Ombudsman, they're seeking additional resources this year.

The other way, the bigger provinces, Ontario and Quebec both have about 100 on their staff. Ontario, I think, is about 96, and Quebec is just over 100.

Looking at those estimates in supplies and services, the other side of the budget, a much smaller side, obviously, only 18 per cent, we've been able to reduce our estimate by 17 per cent, or $87,000, this year. By and large, that's through management strategies we've introduced. We've reduced our annual report and contracting costs by finding a new way to produce and publish and print our annual report, we've reduced our tech support costs with the introduction of new technology and the agreement that we formulated last year to work with the B.C. Ombudsman's office on a shared database, and we're projecting to maintain our travel budget even with the increased staff and increased investigation responsibilities.

Overall, we're projecting an increase in our estimates of 9 per cent over current year, or $219,000. The detail is in the spreadsheets that you were supplied, so I won't go any further with that.

I'll welcome questions, Madam Chair.

**The Chair:** Doug, did you have anything on the budget?

**Mr. Griffiths:** Two questions. One on the rentals. I see from the fiscal year ending '06-07 that there was about a 13 per cent increase in the cost of rentals. You only allowed $300 for next year's increase, and then it stays the same. I'm wondering if you can explain that.

The second one. You mentioned briefly the change in contract services. From the fiscal year ending '06, there was a 50 per cent expenditure above what you projected, and even though it's not as high from this last fiscal year, it's still 18 per cent more than '06. Then I'm wondering why it suddenly drops to $77,000. You said that you'd changed your printing, but I wonder if you can explain more how that had such a significant drop.

*1:20*

**Mr. Button:** There is one issue in there that I addressed in camera with the committee last year because it's a delicate personnel issue that we may not be able to talk about. But, Glen, I know that some of the other elements you can talk about.

**Mr. Resler:** When we look at the rentals specifically, what I've done this last year is a three-year agreement. So there it's contractual arrangements for rental of equipment in the Calgary and Edmonton offices. That's why we see the same numbers for all three years. Those are fixed contract amounts.

For the contract services we did have the prior increase. The reduction in '07-08 was referenced in point 6 there.

The annual report contract. Last year I based the actual budget on the contracts that were in existence. I didn't have any prior knowledge; I was just brought in a couple weeks before to do the budget. Over the last year I've retendered all the contracts. I've looked at them and made improvements on the technical side, and so we were able to reduce. For the annual report we dropped the cost by 70 per cent. That's for design, printing, the whole thing. The same work is being done; we're just able to get a better value for our dollar.

So those are the main ideas that we're looking at.

**Mr. Button:** As explained in bullet 6, on the second page, the one other significant element in there is the severance agreement.

**Mr. Griffiths:** Okay. Thank you.

**Dr. Pannu:** Madam Chair, I have a question on number 6, if I may.

**The Chair:** Sure. On this point, go ahead.

**Dr. Pannu:** How does the contract investigator and severance item there explain reduction in contract services? I thought severance would increase the costs rather than reduce them.

**Mr. Button:** The severance was paid out in that fiscal year so is not a factor in our budget for the coming fiscal year.

**Dr. Pannu:** Oh, I see.

**Mr. Button:** We also hired a contract investigator during that period of time when we experienced such high attrition. Just to try and keep up to the workload, I hired a contract investigator on an hourly basis last year, which we're confident we won't have to do again.

**Mr. Lougheed:** Not directly related to the budget here – maybe I should have asked this earlier, but you were on a roll. The discussion about the AISH recommendations that you commented on that could have been taken up five or six years earlier and mitigated the consequences of the court case or whatever: can you outline how you made those recommended changes? You must have some perception as to why they weren't taken up.

**Mr. Button:** I do. At the conclusion of a formal investigation when we determine that there is an administrative unfairness, we make recommendations to the deputy minister or administrative head of the organization being investigated. I outline my findings, the evidence on which I'm basing them, and I also make recommendations as to what I believe needs to be done in order to rectify that problem.

In the case of the AISH matter those recommendations had been made predating my appointment and after my appointment. You asked if I had a personal intuition as to what had taken place, and in that case I had a very definite one. It's one of the areas where when we went back and looked at it, what we saw was a good body of evidence that indicated that the deputy ministers of the day had taken our recommendations, had issued appropriate policy directives, had said that this is the right thing to do, but nothing was changing at the front lines. It was quite evident because the problems kept coming back to us over and over again. The same problems, the same unfairness was being exhibited at the service delivery level despite the efforts of the deputy minister and senior staff in the department and the obvious guidance and direction they had given to change the way things were being done.

It's still a bit of a struggle, and the current deputy minister in Seniors and Community Supports and I have had a number of discussions in changing that mentality. Basically, in that area and in all of the areas that deal with disadvantaged Albertans, all of which were moved over into Seniors and Community Supports in 2004, there had been what I would call an attitude of a very regulatory approach to determining whether people qualified for these benefits or not.

The current deputy minister and current staff have changed the philosophical approach to one of: once a determination is made that a citizen qualifies for that benefit, then manage the relationship to ensure that that citizen's needs are being met on an ongoing basis. It's a change of philosophy and a change of scope and one that I believe is truly the right approach, to not be regulatory in nature and always look for ways to exclude people. Look for who is really in need of that service, and work with them to either address their needs on an ongoing basis which is in their best interests, or if possible, of course, look for ways to provide some sort of redress or opportunity so that maybe they won't always be in need of that service in the future.

The issues have been identified repeatedly. Senior management had taken what we looked at as the appropriate direction, but we're maybe somewhat at fault. As I mentioned, I've taken a very strong advocacy role with respect to advocating on behalf of my recommendations and making sure that they are being implemented and that they actually come to fruition. That's a primary reason for that approach in that we saw the disconnect there between the direction of senior management and what was actually changing or not changing at the service delivery level.

**Mr. Lougheed:** To add to that then: if the head of the organization, in this case the deputy, had understood the reasons for the recommendations and whatnot, then going beyond what you've just said, what is the mechanism that prevented it from leaking down to the front lines?

**Mr. Button:** My own opinion only, based on many years of experience as a senior manager, though, is that it is sometimes difficult to move the direction of the senior management of the executive down through the organization to get the acceptable or desired performances at the front line when they've been doing the same thing the same way for many, many years. There's a lot of resistance to change that exists in organizations in those kinds of environments. I expect and the current and previous deputy ministers and I in discussing it acknowledge that there is still some resistance to change and that there's still a challenge to have the newer philosophy of the senior management and of the department reflected in how it's being delivered at the front lines.

That's not unique to that organization or to any one organization. That's a pretty common dynamic in all organizations but one I think that on behalf of the Legislative Assembly through what I've proposed in the way of larger systemic investigations we can influence.

Does that answer your questions, Rob?

**Mr. Lougheed:** Well, it raises others, I guess.

**Mr. Button:** It always does.

**Mr. Lougheed:** I appreciate what you're saying because when the AISH review was done, that attitude was actually part of that. It seems that it is a disconnect between the efforts of the people on the ground, which are very well intentioned and so on, yet it's wrapped up in some kind of a structure, like you say, regulatory, going outside of what would be intended, the individual supports model, where everybody has unique needs and has to be addressed individually rather than "here are the parameters, and people fall within those guidelines," when they may not because of unique circumstances. It seems like what you're saying is that it's more pervasive, I'm sure, than just in AISH, as you said, but it just doesn't make sense why that exists that way.

*1:30*

**Mr. Button:** The whole dynamic of organizational change is one we could, I'm sure, discuss at length. I agree with you. It's unfortunate, but it exists, and it exists, in my experience, in virtually any larger organization, where trying to implement change requires a community of thinking from the administrative head of the organization to the front-line service delivery people and getting everybody on the same page. In successful organizations it happens but not without always some challenges when you implement change.

**Mr. Lougheed:** It begs also the question of the political side. You only talked about the administrative side.

**Mr. Button:** And as I discussed, the role of the Legislature and of parliamentarians is to provide that controlling and oversight function to the government in the democratic process.

**Mr. Magnus:** Is that what we're doing when we're phoning you?

**Mr. Button:** I expect that that's what you're trying to do. I am an agent of the Legislative Assembly reporting through you as representatives of the Legislative Assembly looking for the best ways to do that, recognizing that it is an important function of the Legislature.

**Mr. Magnus:** I don't want to take too much of the committee's time, but I have one little problem here. I'm looking at your whole budget, and the reason I asked the question about B.C. is that it's the most comparable population. I figure that if complaints come on a per capita basis, it was closer than Saskatchewan or Manitoba, which are the two that were brought out.

Here's my problem, though. I'm looking at this thing, and I understand your arguments for the extra bodies and everything. But if I knock off those three extra bodies, I also eliminate the professional fees and development for them. I also eliminate the employer contributions for them, and I save about $200,000 on this request. If every single department that we look at, not just in this room but as a government, comes in with a 14 per cent increase – I understand that it's only three bodies but a 14 per cent increase in personnel – we're going to have a hell of a problem.

**Mr. Button:** My only response to that – and I agree with you, and I realize that that's the function of this committee.

**Mr. Magnus:** I wish I had an answer for you.

**Mr. Button:** Well, you know, just going back in the history a little bit, the establishment of my office has been static for many years. My previous requests for incremental increases to deal with my workload have not been funded. Prior to my appointment there was funding, significant funding, provided by the committee with respect to new jurisdictions over the health professions and the regional health authorities in recognition of the increasing workload that would result but also recognizing that predicting the time frame for that was impossible because there were a number of regulatory and legislative processes that had to be undertaken before the jurisdiction would actually move.

The committee, as I was advised when I was appointed, had provided funding within the budget with the gentleman's agreement between the committee and the Ombudsman that that money wouldn't be expended until the new jurisdictions came on board and the need was evident for expanded resources. Since I've been the Ombudsman, certainly the annual increments to my budget have not met the increased costs of running the office, but we've had that fat, shall we call it, that we could eat away at that allowed us to continue to operate within what was allocated by the committee but not to grow.

We're now at a point in time where, by and large, with hard work and a lot of effort we can meet the current reactive requirements. I don't know about the impact particularly of the patient concerns resolution process because it's impossible to project what the impact of that will be, but it'll be some element of work. We certainly can't move forward into the systemic investigations that I've outlined today, that I believe are very necessary and very deserving in this province, with the current resources that we have. We have to start somewhere. Last year I advised the committee that I would be coming forward this year with this request because I needed last year in order to stabilize the rapid changeover in personnel that we'd had. As I mentioned, Saskatchewan has the same resources that I have and less than a third of the population.

**Mr. Magnus:** You know, as you've pointed out, we're the oversight group. Call us anything you want, but as an oversight group I have to tell you that I've had precisely two calls in 10 years about an Ombudsman-type complaint, where they were complaining about your work or the work of your office. Two isn't very damn many.

**Mr. Button:** Well, I get 5,000 a year.

I can advise you that the Ombudsman for Ontario has taken a very high-profile, proactive approach to doing systemic investigations. He's done six of them in the last year. The demands for service in Ontario are growing in leaps and bounds because citizens are becoming more aware of the role and function of the Ombudsman and what the Ombudsman can do as the overseer of administrative fairness. So there is that element of it as well.

**The Chair:** Jack.

**Mr. Flaherty:** I'll pass.

**The Chair:** Raj.

**Dr. Pannu:** Thank you, Madam Chair. Mr. Button, I want to compliment you for presenting a very comprehensive report, particularly the work that you have done with different public agencies and entities, including deputy ministers and government departments. It tells me that a great deal can be accomplished if the Ombudsman takes a more proactive role, and all of us benefit from it. Sure, it'll cost a few more dollars, I guess, if you expand your activities from reactive to proactive and do some other things, but imagine the amount of money saved by government departments if they improve their administrative practices. I think your activities have led to some improvement already as I notice here from your report. That's commendable. I am very pleased with the diligence you have shown in informing yourself about the history of some of these complaints that your office before your appointment had been trying to address but never really brought to a conclusion, and you have attempted to do that. That's very good.

My question to you is about the three additional FTEs. You said that you currently have nine investigators?

**Mr. Button:** Nine full-time investigators, yes.

**Dr. Pannu:** You're asking for two more?

**Mr. Button:** Yes.

**Dr. Pannu:** I can understand that, with increasing workloads and all that, and you're trying to reduce the workload from a level that seems to be unreasonable, in your judgment, but why would you need a manager of investigations just because you are asking for an increase of two more investigators? That's something I find difficult to understand.

**Mr. Button:** Two reasons, Raj. One is that I've reached or exceeded the extent that I can with my current management structure. I have a very flat organization. I have one deputy Ombudsman, who is responsible for all operations and all investigations, who oversees and supervises all of the operational staff: the nine investigators, the two complaints analysts, the work of legal counsel. As we add to that workload, we're simply going beyond what's an acceptable sphere of control for one individual. Additionally, as we move into the more intensive, longer term systemic investigations, we need more capacity to manage and oversee those investigations and provide ongoing direction and control from a management and controlling framework.

So as we enhance our abilities and enhance our numbers, obviously we still want to keep the management structure very flat. I don't believe in multiple layers of management, of supervision, but we do have to have the capacity to oversee, to train, to guide, to mentor, to make sure our investigations stay on focus and stay consistent with the priorities that we've set. We're just at that breaking point where one supervisor can no longer handle the oversight necessary with that number of staff.

**The Chair:** That's all I had on my speakers list. Is there anybody else that has a comment or question?

**Mr. Strang:** Well, if I could just say one comment. What I want to say, Gord, is that I really appreciate you putting the employees on your list. I think that with your FTEs it is very important when we sit here because we don't really look at it that often, and it's interesting to see how you put it in there and how you space it out. So I really appreciate that.

Thank you.

**Mr. Button:** You're welcome.

**The Chair:** Okay. If there are no more questions, on behalf of the committee we thank you very much, and the very best over the holiday season. We will be making decisions at the end of the day and get that forwarded to you right away. So thanks very much for your presentation.

**Mr. Button:** Thank you very much.

***1:40***

**The Chair:** Okay. Well, I'd like to welcome Lorne Gibson, our Chief Electoral Officer. With him today we have Bill Sage, Deputy Chief Electoral Officer; Jim Eigner, director of registrations and financial operations; and Lori McKee-Jeske, director of election operations and communications. So welcome. We look forward to your presentation and questions afterwards.

I'll hand it over to you, Lorne.

**Mr. Gibson:** Thank you, Janis. Good afternoon. Thank you. I was glad to see that you scheduled the best budget for the last. This being my first time before the committee to present a budget, I wasn't sure how detailed the discussions would become or whether there may be some discussion of how things have been done in the past, so I decided to bring along those who have a much better historical perspective than myself in case the discussions go in that direction.

Now, this isn't a good way to start, but I promise it's going to get better. I have to start with an apology, and that is that I've not submitted a business plan with my budget. My staff had been waiting for the appointment of a new CEO and the potential for some new vision and direction before crafting a business plan for the next three years. That business plan will be forthcoming. You'll see much of that vision that we've been working on in my budget, and you'll hear about our strategy for the next year in my presentation.

I'll begin with the expenditures for 2006-2007, the year we're in right now. You'll see that our expenditures thus far and those that have been forecast for the remainder of the fiscal year are in line with the budget that we presented last year. We're projecting to be under budget, and we'll be returning approximately $330,000 by the end of the year. That's providing there are no by-elections between now and March 31, 2007. You'll recall that it's been our standard practice to budget for three by-elections each year should the need arise, and naturally if there are no by-elections, these funds aren't spent, and they'll show up as a budget surplus and be returned to the general revenue fund.

Now, I want to spend a little more time on the 2007-2008 budget request. This should be a budget that grabs your attention since it relates directly to the process that got all of you into public office and a process that many of you will be participating in again. We're currently into the third year of the government's mandate, and the 2007-2008 budget will cover a period of time that will bring us into the fourth year of the government's mandate. Of course, we have no idea when the next general election will be called, but we have a mandate to be ready whenever elections are called. For this reason what I presented you with is a general election budget for 2007-2008. It only seems prudent to budget for this possibility. Naturally, if there's no general election in 2007-2008, we won't be spending the funds that we're requesting, and we'd be requesting this level of funding in the following fiscal year.

Now, this uncertainty is the nature of our business, as it is yours, and our job is to have the plans and preparations along with the necessary funding in place to be able to run elections at a moment's notice. I'll speak more about this later, and I'm prepared to discuss in detail that perennial and vexing question that is frequently posed to election administrators in Canada and around the globe, and that is: what do you do between elections?

We've done our best to adhere to the budget template that has been used by all legislative officers. There are some deviations, however, since our budgets are driven by the election cycle and by election events, and for that reason it really would be pointless to compare our proposed budget for the next fiscal year with the budget that we're working with now. What we've done is compare the general election budget that we're proposing for 2007-2008 with the 2004-2005 election year budget. To ensure that we're presenting you with an apples-to-apples comparison, we've stripped out all of the costs that were associated with the Senate nominee election from 2004-2005.

Now, I won't go line by line through the budget unless that's your wish. However, I want to highlight three salient features of this budget. First is the use of the register of electors, second is our need for additional staffing, and third is service enhancements during the campaign period. I'll start with the register of electors. Elections Alberta has had the legislative authority to build, maintain, and use a permanent register of electors as a means of registering voters in elections for the past 10 years, since 1996; however, we have not. In 1996 that was to be our last time enumerating. We told Albertans that it would be the last time we'd be coming to their door, but we didn't keep the list that we produced for the 1999 election up to date, and we continued to enumerate prior to the general election in 2001. We didn't keep that list up to date either, and we again enumerated in 2004.

Enumeration produces a very accurate snapshot at a given point in time of who is eligible to vote and where they live, but it's a very expensive process. We use approximately 5,500 to 6,000 people to go door to door over a two- to three-week period, and then we have to data enter all of that information to produce the list of electors. When we do an enumeration, it costs us between 4 and a half and 5 million dollars. It seems a shame that we'd go out and re-collect this information again and again, particularly when we have the legislative tools to maintain a permanent register of electors.

Now, last month our office celebrated a real milestone. For the first time we released a list of electors that was substantially updated using a variety of sources of data. We updated this list with Alberta Health and Wellness insurance plan registration information. There are 2.5 million records, and we now receive those annually from Alberta Health and Wellness to update our list. We updated it with Alberta Government Services driver's licence records. We receive 3.5 million records from them quarterly. From Alberta vital statistics data that we receive quarterly there were 4,500 decedents. From Alberta municipalities address extracts we receive 1.6 million records annually, and from Elections Canada's national register of electors – this is the Canada Revenue Agency updates that are obtained when people check off the permission box on their annual income tax returns – we receive 2.3 million records semiannually. We used all of this information to update the list of electors.

***1:50***

Now, we performed several quality measures on this list before it was updated. We found that as of October 2006 – that's before we released the list to you – we had 79.6 per cent, almost 80 per cent, of all the eligible electors on the register. This is what we call coverage. We had 1.969 million eligible voters on the list versus the 2.385 million eligible electors in the province. The currency of our list, which means having the right elector at the right address, was 77 per cent.

After updating and releasing the list of electors to political parties and MLAs, the coverage is now 95 per cent. The list now contains 2,251,000 voters as compared to the 2,385,000 eligible voters we have in the province. These are numbers that we've obtained from the demography division of Stats Canada. This is a net increase of 280,000 voters that we added to the register: 30,000 who attained eligibility since the last election; over 130,000 who moved into the province; over 150,000 who were not included on the list of electors for various reasons; and the removal of 27,000 names, 10,000 people who had died and 17,000 who had left the province.

Now, these enhancements were made as a result of intensive co-operation and effort over a monthlong period between our office and Elections Canada. We have a very good rapport with Elections Canada, and they were very generous with their staff and their time. They placed a priority on this project for me, and they dedicated the time of several of their database analysts, research methodologists, and computer programmers to get the job done. This was all performed with the assistance and under the watchful eye of my staff.

While Elections Canada was a welcome partner in this endeavour, they can't continue to update Alberta's register for us. We have to be able to manage Alberta's register independently, and we've developed a strategy for that. We have the statutory authority to maintain a permanent register of electors, and now we have most of the necessary agreements in place with public bodies to obtain the data to continually update our register. What we lack are staff resources to update and maintain the permanent register on an ongoing basis.

Alberta is one of only four remaining jurisdictions, including Yukon, P.E.I., and Manitoba, that produce their voters lists primarily through enumeration before elections. The other 10 jurisdictions all have permanent registers, or they use the national register of elector information for their province provided by Elections Canada. Now, even in Manitoba, where legislation requires them to enumerate before elections, the city of Winnipeg, which comprises about 60 per cent of the population, uses a permanent list of electors when running municipal elections.

As an aside, the Minister of Municipal Affairs, the Hon. Rob Renner, requested a meeting with me several weeks ago specifically to discuss the establishment, maintenance, and use of a permanent register of electors updated from provincial sources and available for use in municipal elections. It was a rather short meeting because I was able to inform him that we have the authority to establish a permanent register, that we have the agreements in place with other public bodies to receive update information, and that we can make this information available to any municipality that wishes. I was also informed last week by the deputy clerk for the city of Calgary that Calgary city council just recently passed a resolution calling for the use of a permanent register in their municipal elections. This is information that we can share with Calgary and any municipality who wants to use the provincial register as their voters list.

Sorry that I went off on a tangent there for a minute, but what I was saying is that we've never had the resources to be able to maintain a register of electors. In this budget I'm proposing that we change our course and correct this resource deficit. Now, this move represents an overwhelming trend in the election community across the country. My colleagues across the country and my predecessor have often cited the increasing challenges of enumeration, including such things as persuading electors to open their doors. In fact, last election as an added measure of security for the elector we had CPIC criminal record checks performed on all of our enumerators.

The risk to the personal safety of our own staff that we send out door to door: we have a working-alone policy, and increasingly jurisdictions are having to send out people in pairs and with cellphones, at additional costs. Of course, there's the increasing cost. About 75 per cent of the cost of enumeration is the wages of enumerators. Finding 6,000 qualified enumerators is going to be a real challenge. Last time we had about 5,400, but we're projecting about a 10 per cent increase because of the growth in population.

Now, on this last point I have to say that with Alberta's booming economy and extremely high job-vacancy rate, I think we're going to be hard-pressed to find 6,000 qualified people who are unemployed and willing to work for us. We would hardly be able to offer them the incentives, the benefits, and the promise of permanent work that other employers can offer, and they're still having trouble finding enough employees.

Anecdotally, you may be aware that in the last census Statistics Canada couldn't find enough people to work in Alberta to go door to door to do census work. Even after increasing the rate of pay beyond that which was paid in the rest of the country, they still couldn't find enough workers. They had to bring in census workers from Manitoba. Even today the census for Alberta is still not complete. Heaven help us if a provincial election is also called at the same time we're having a federal election or municipal elections.

**Mr. Magnus:** That's the way we look at that too.

**Mr. Gibson:** Well, people think there may be some economies in running several elections at a time, but that's just not how it works.

We've never been able to match the rates that the federal government pays or that cities pay for their election workers. Actually, the best thing that could happen to us is if federal elections and municipal elections were held just before the next provincial general election. That would provide all kinds of updated information for our own register of electors.

**Dr. Pannu:** For which someone else has paid.

**Mr. Gibson:** For which someone else has paid. Yes, of course.

Now, you may recall that my predecessor mentioned that a shift to more automated methods of updating elector information would cause a redirection of funds from enumeration and those wage positions to hardware, software, and IT staff. I'm presenting a strategy to do that in order to achieve all the benefits of a register that's continually being refined and updated and with a very large cost saving. What we're going to need minimally are three additional FTEs in the IT area, which would carry a salary cost of about $190,000 on an annual basis, along with some modest hardware costs. To offset the salary costs of these staff, I've included cuts of over $200,000 in our technology budget because we would have these additional staff performing some of the work that we have performed by outside consultants. This is mainly in updating our Alberta register of electors system.

These aren't just my recommendations, the recommendations to cut our technology budget and add additional staff. We also had a study conducted by an independent IT consulting firm that thought we could better maintain our systems and save some money by bringing some of the maintenance of our automated systems in-house.

A secondary benefit to having our own IT staff – it's difficult to quantify, but it's more valuable to me than any kind of saving that we've achieved in this budget – is the ability for us to be able to minimize risk and regain control of our own affairs in the management of elections. I don't want to be just another client of an IT firm. I want to be able to set our own priorities and timelines and be in a position to manage our own affairs when it comes to IT development, system maintenance, and registration of voters. It will be a much more effective way for us to do business.

Now, this change in strategy also produces a huge financial saving to the province. With continual updates to our register we'll be able to move away from a full-scale door-to-door enumeration process for each election. Prior to the 2004 election the enumeration of voters cost, as I said, between 4 and a half to 5 million dollars. It was $4.8 million. With the increased costs of labour, benefits, travel, materials, and the sheer volume increase due to the unprecedented growth in population, we've estimated that a full-scale enumeration next year would cost approximately $6.45 million. I'm planning to largely eliminate these costs – these are ongoing and escalating costs for a full-scale enumeration – in favour of very modest investments in staffing and equipment. My only regret in proposing this budget to you is that I probably haven't asked for enough in terms of staff resources. My staff are telling me that we can probably get away with three staff. For me the jury is still out on that. I think we may need more. It's very ambitious.

***2:00***

However, like most jurisdictions that use a permanent list of electors, we can never completely eliminate the need for some targeted enumeration of voters, nor would we want to. This is particularly the case with the economic and demographic climate in Alberta right now. There will always be areas of new growth and high mobility that require additional attention, and our office will work in conjunction with provincial returning officers to identify those areas and target them for intensive scrutiny and updating prior to the election event. We've estimated that we'll need to target approximately 25 per cent of the residences in the province as opposed to a full enumeration, and by doing so, we'll save approximately $4.8 million. This isn't a one-time saving. This will be the magnitude of cost avoidance that we'll be able to achieve every election.

Naturally, we'll want to be continually measuring the coverage and currency of our register, so I've included an annual amount of $50,000 to continually measure the quality of our list. I may even be able to reduce this amount in the future and achieve even better research results by partnering with Elections Canada in this kind of register-quality measurement. Naturally, the voters in Alberta that vote federally are the same voters that vote provincially, and we're using very similar information. So they have an interest in measuring the quality of their list, as we do.

Now, the final area I wanted to mention is some of the service enhancements that we're planning to introduce for electors during the election campaign. The service enhancements will focus on increasing public awareness. There's been a lot of discussion and concern about declining voter participation. You'll recall that I indicated earlier to a select group of this committee that some of the reasons people give for not voting we can address and that others we have no control over. There is a group of reasons that voters cite for not voting which are sometimes categorized as administrative factors, and to the extent that we can remove this group of administrative reasons that voters cite for not going to the polls, we've tried to address them in our budget.

We've carefully reviewed the resources we provide to electors to see if there's a lack of basic information on where, when, and how to vote and if that's a contributing factor to them not coming to the polls. We've decided to try and bolster public awareness of the election by getting some basic information into the hands of the voters. In the past we've placed the required statutory advertisements in the newspaper, but with reduced readership and dwindling subscription rates that may no longer be the best method, the most effective method of communicating with the voter. My personal view is that that's not sufficient.

What we plan to do is communicate directly with the electors by mail on two different occasions during the election period. We'll provide information to every residence on the different voting opportunities, when they can vote, where they can vote, the location of their polling station, and how to vote as well as points of contact for additional information or if they have any questions. This type of mail-out will be possible because of the enhancements that we've recently made to the register, and it'll be possible in the next election if we're able to keep our register up to date.

The voter information program will cost about $810,000. It's a very reasonable cost when you compare that to the cost of newspaper advertising alone, which was $400,000 in the 2004 election. This new voter information approach will bring specific information to every household, compared to the low penetration of newspaper advertising. It's a new initiative for us, and we'll monitor it very closely for its effectiveness. In the future it may even replace the newspaper advertising as a primary source of where-to-vote information. However, right now we're required by legislation to do that.

The second step involves the development of a corporate identity that properly identifies and distinguishes the information that we produce and disseminate to the public. The identity will clearly distinguish us as an independent and nonpartisan office distinct from government, established to run elections and provide unbiased information during the campaign. The corporate identity that we develop will be used on all of our communications with the public to differentiate the information sent out by this office from that of other participants in the election process. It'll help reduce confusion, often voiced by electors, as to what resources can be relied upon as official election notices.

The third element of this campaign involves a media campaign, a gentle-nudge campaign that will encourage voters to participate. It'll remind voters that voting is important, that it's easy, and that the information is readily available via a number of sources around the clock and around the world. We serve electors through our office and through 83 returning offices in the province by phone, by mail, in person, and through an interactive where to vote, am I registered? application on our website. The trouble is that many electors don't know about these resources. They don't know they exist, and we need to tell them about it.

The media campaign is just in the beginning stages at this point, so I can't provide a lot of details, but I can tell you that we plan to use tasteful, intelligent, and direct messaging to communicate with all electors regardless of their age, ethnicity, area of residence, and so on. I get very nervous when I see advertising campaigns used in other jurisdictions that seem to be directed at certain groups or one segment of the elector population or another.

The final campaign will be extremely cost-effective, approximately $330,000, when compared to the campaigns that I've seen in other jurisdictions across the country. For example, we recently learned that Ontario has a voter outreach budget of $6 million. We expect that this campaign will receive very positive response from electors, especially those who have complained that information can be hard to find.

Now, it'll come as no surprise to you around the table that Alberta has the lowest voter turnout in the country. Our neighbour directly to the east, Saskatchewan, had a turnout of 75 per cent in their last election. Quebec had a turnout of 80 per cent in their last election. Our official turnout rate was 44.7 per cent in the last election, and if you calculate that statistic based on the number of eligible voters in the province rather than the number of eligible voters that we had on our list, the turnout rate is really 38 per cent. That's something that I'm embarrassed by, and it's something that I'd like to do something about. I think it's within our control to address some of this by removing many of the reasons and excuses that people have for not coming out to the polls.

You can see from the election budget that I presented to you that we've been able to forecast a cost for the next election that's 5 per cent lower than what was forecast in 2004. This is a budget that's looking out to 2007-2008. That's up to three and a half years since the last election.

We've been able to contain the costs despite over a million dollars in fee increases to front-line workers. Those are wages that have been topped up to the federal levels, all of the incremental salary and benefit costs that are awarded to public servants, three new FTEs, inflationary cost increases for other things like rent and equipment, volume increases that we've accounted for due to the population increase in the last election, and the new programming that I've just outlined. We're hoping to be able to provide a better list of electors, better service to Alberta electors during the election period, and we've been able to contain the costs at a level that's comparable to the previous election, in 2004.

On a per voter basis we're planning to reduce our costs from $4.99 per voter to $4.56 per voter, and that's almost a 10 per cent decrease in the cost per voter. This also compares very favourably with the cost per voter in smaller provinces like Saskatchewan, where the cost per voter is $11.55, and with larger jurisdictions like B.C., where the cost is $8.40, and Quebec, where it's over $10 per voter.

I hope these improvements are clearly evident, and I welcome your questions on any aspect of the budget.

**The Chair:** Great. Thank you.

I've got Dave and then Ivan.

**Mr. Rodney:** Thank you, Chair, and thank you for this report. I want to congratulate you on your refinements so far, and I'm really looking forward to, for instance, how you can spend 10 per cent less money on each voter and get a better turnout when we compare them to our sister provinces.

My two questions. The first one might be really easy on you. You may have to take a look to your left and right for the answer because I know that you weren't here at the time. I thought I heard the words "keeping and updating" when it came to records for the elections before and after the millennium. The fact is that the records were not kept or updated. I don't quite understand. I wonder if you can clarify the rationale for why that information wouldn't be kept and updated.

***2:10***

**Mr. Gibson:** We had the legislative authority back in 1996 to begin to develop a permanent register of electors. Part of the difficulties that we had was in obtaining the necessary sources of information from public bodies. In fact, it wasn't until just this past August that we were able to sign an agreement with Health and Wellness in order to obtain their health data.

Another difficulty that we had as well was with Elections Canada. While they had provided some information, it wasn't in a format that we were able to use and incorporate readily into our own register of electors. Part of that problem again was the fact that we didn't have the expertise, and we didn't have the staff resources in order to be able to do that. I think that certainly the interest was there. The will was there. However, we didn't have the resources or the experience with that to be able to update and maintain a register of electors.

Instead, what Elections Alberta has done over the last couple of elections – and I certainly say that we didn't go back to square one each time with the register information that we had. We used that register information to be able to print up confirmation lists, confirmation records that we went out with. So we'd go out door to door with the information as to who may be living at that residence. If the same electors were living at the residence, there was nothing to update, and of course it had some economies there in terms of data entry and so forth. If the residents had changed and there were new electors there or there were nonelectors there, well, then that information had to change.

So that's how the voters list information, the list of electors, was used in the past. But we're at the stage now where we have all the agreements in place, and I think we can develop and maintain a list of electors for use in future elections.

**Mr. Rodney:** Without using my second question, can I just ask a clarification? Was this experience fairly similar to scenarios in other provinces, where it's about now that the facilities and resources are there to keep and update these records quite a bit easier and more efficiently?

**Mr. Gibson:** I think all of the different jurisdictions that I'm aware of have undergone slightly different processes. In some jurisdictions they've simply adopted the national register of electors. For example, Ontario has realigned their boundaries. They have the same number of electoral districts as Canada does, and they have simply adopted the national register of electors. In other jurisdictions, for example in B.C. and Quebec, they have had registers for many, many years. I believe B.C. has had it the longest, so they have a lot of experience. In fact, B.C. used to have 14 different offices set up across the province for the sole purpose of updating their register. With the increases and improvements in automation I think the whole process for being able to update and maintain registers has been vastly improved.

**Mr. Rodney:** Mr. Lougheed earlier had mentioned – this only begs more questions, but I'm only allowed one more, so I'll turn it over to my colleagues here in a second. I thought I heard you say that $330,000 is set aside for by-elections. We know we're going to have at least one. We could have a few or perhaps even many more. How many by-elections are budgeted for within the $330,000? Or another way to phrase it: what would each by-election cost?

**Mr. Gibson:** Well, each by-election is approximately $110,000. Now, of course, that does depend on where it's being held; you know, if it's an urban electoral division or a rural one. But it would also depend on how much targeted enumeration we had to do. For example, if there was a by-election in Fort McMurray, we would probably be doing a full enumeration in that area, and it would cost us more than if we were to be looking at, say, a rural electoral division that had experienced very little growth and development.

**Mr. Rodney:** Thanks.

**The Chair:** Ivan and then Richard.

**Mr. Strang:** Thanks, Madam Chairman. Lorne, I want to just quickly go through a couple of items on your expense side. I wonder why we would have less travel in 2007-08, in a possible election year, than what we had previous, 2004-05. Then the other thing was with communications, too, how different it was. Then on the aspect of contract services. One aspect that really shocked me was material and supplies, how much lower we are. You answered my question on the aspect of the Senate election. I guess I was curious, too, with wages. I mean, you only went up $587,756 over the 2004-05 to possibly an election in 2007-08. I was just wondering if you can give me some answers on them. I thought I'd just class that as one question.

**Mr. Gibson:** Okay. Well, I'll go through them as best as I can. First of all, you pointed to the line item called Travel, and the travel amount, as you can see, has been reduced quite significantly. The reason for that, as I mentioned earlier, is the strategy that we are proposing whereby we would not be doing full enumerations. We would be doing roughly 25 per cent of what we had done in the past in order to be able to update things. A lot of that travel is in fact consumed by enumerators travelling around, particularly in the rural areas, and the mileage rates that are paid to them.

Is the area of telephones and communications an area that you had pointed out?

**Mr. Strang:** Telephones and communications, yeah.

**Mr. Gibson:** We see there a 5 per cent decrease in telephones and communications. Again, there are some rate increases that are contained within that for increased costs of telephone services, but there are also some significant reductions there as well as a result of doing a partial enumeration.

In the area of contract services you see a very significant decrease. Again, that's where the wages for the election workers are contained, so with fewer enumerators out on the streets enumerating, our contract services amount is going to decrease quite significantly.

**Mr. Magnus:** A couple of real quick questions. You've got almost a million dollars budgeted for elector notification and vote-at cards.

**Mr. Gibson:** That's correct.

**Mr. Magnus:** Do we send out vote-at cards during elections? I mean, I do as an individual MLA or somebody running for election. Of course I put out vote-at cards, but Elections Alberta doesn't send them out to every house, do they?

**Mr. Gibson:** Up till now we have not sent out voter notification cards, no. What we have done in the past, of course, is we have had enumerators going door to door, and information would be left behind by the enumerator with the voter indicating the address of the returning office, when election day is, when advance poll voting days are, and where they would vote. In lieu of that process, because we would not be doing a full enumeration, we had planned, using our updated voter register notification cards, to mail out to voters that basic kind of information about where to vote, voting opportunities, that sort of thing.

**Mr. Magnus:** Why would we want to take that on? I mean, I've run at two different levels of government, and at both those levels, municipal and provincial, we did our own vote-at cards. We gave them out. Boy, we made sure that everybody got them. I mean, doesn't everybody? So why would we as Elections Alberta take this on? I'm missing something. Why would you take on something that's already being done?

***2:20***

**Mr. Gibson:** I'm not familiar with the kind of information that you would have. You mean as candidates in the election?

**Mr. Magnus:** As candidates. I mean, as a constituent living in my riding, I get a vote-at card from every damn guy running in the riding. I get about six of those. Again, I'm back to my question: why would Elections Alberta start taking on the job of vote-at cards? In a municipal race we put out vote-at cards. I remember hanging them on people's doorknobs, and they get one from every candidate running in each riding.

**Mr. Gibson:** The type of information that would be on our cards – and I can't say because I haven't seen your cards or what all of the cards look like and whether they all have consistent and accurate information on them – would ensure that the voter is aware not only of election day, which is something that's pretty much common knowledge and would be contained on your card, I presume, but also the different voting opportunities that they have, whether it's absentee voting; whether it's the advance poll voting; where the advance polls are located; the phone number, address of the returning office; where they would vote on election day; and information about where to call for answers to questions that they might have, the website of Elections Alberta. That kind of information would be contained on the cards.

**Mr. Magnus:** It sounds like a duplication to me. We do that as candidates. I've done that. I've run seven elections. I've put them out every single election. I wouldn't dream of not letting my guys know where they go to vote and what time it is and the address and everything else. I mean, I just don't get why we would. Have we ever done that before?

**Mr. Gibson:** No, we haven't done that before.

**Mr. Magnus:** I think you're wasting a million dollars.

**The Chair:** Okay. Raj.

**Dr. Pannu:** Thank you, Chair. You know, I haven't run in seven elections but in three, and the information that I as a candidate send to my constituents is in the last week. It doesn't get to them ahead of time. It doesn't get to them at the beginning of the election. I do it only once and hope that I've covered every household. There's no certainty that every candidate running in the election has the capacity to do it, so I see an advantage in Elections Alberta undertaking to do this without regard to who's running and who's not and get the information there on time, ahead of time. We have a problem of voter participation. We all know this. I mean, when we were interviewing the Chief Electoral Officer for this job, one of the questions that all of us asked him was: how will you help us increase voter participation? This is just one of those many steps, I think, that will hopefully deliver us that result and expectation.

Mr. Gibson, thanks for a very interesting and detailed presentation. My question to you is: to create and then maintain a permanent register, what are the annual costs? I couldn't find them here. What would it take? Is it indicated in the budget? What would the cost be?

**Mr. Gibson:** They're not separated out in the budget. We have always had certain costs, either in the contract services areas for some of the IT contracts that we've used or in the technology services area, you know, for producing and maintaining the systems that we have. The additional costs that we're referring to here are the $192,000 in salaries and . . .

**Dr. Pannu:** The FTEs that you're asking for.

**Mr. Gibson:** Yes, the three FTEs. In addition to that, there are the benefits, and there is some need for additional equipment, additional servers that we will need in our office. The total additional costs that we're proposing are about $245,000.

**Dr. Pannu:** Two hundred and fifty?

**Mr. Gibson:** Two hundred and forty-five thousand.

**Dr. Pannu:** So over a four-year period, an election cycle period, that will come to about a million dollars, right?

**Mr. Gibson:** Yes, it would come to about a million, and we're proposing to eliminate, certainly for this next election, $4.8 million.

**Dr. Pannu:** If we went this route.

**Mr. Gibson:** If we go this route and use the register of electors as opposed to full-scale enumeration.

**Dr. Pannu:** So your budget, then, is built to deliver us $3 million in savings on enumeration?

**Mr. Gibson:** It actually works out to be a cost avoidance of approximately $4.8 million. For example, if there was, you know, overwhelming concern and no one had any interest in using the register of electors in the next election, we would be forced to submit a new budget to you, which would be $4.8 million higher than it is now.

**Dr. Pannu:** All right.

**The Chair:** Okay. I don't have anybody else on the speakers list. Any other comments or questions?

**Mr. Magnus:** Have they ever done a report on systems like Australian systems, where they have a little law that says that you must go and vote and then, damn, everybody goes and votes? Has anybody ever brought this as a private member's bill, as an example?

**Mr. Gibson:** Not that I'm aware of. The notion, of course, has been discussed, and I believe there has been research done in other jurisdictions where the public have been asked about this. There seems to be very little interest on the part of the public to be required to vote.

**Mr. Magnus:** Well, ergo we get 38 per cent showing up as opposed to 98 per cent or whatever they get in Australia.

**Mr. Gibson:** A very high turnout in Australia, yes.

**Mr. Magnus:** It's not saying that everybody likes it, but it is democratic as long as they all vote.

I've got one more quick question on this because I'm going to go after this million dollars for the vote-at cards. I'm sorry, but unless you can break something out of there – it's a two-part thing. Elector notification: that could be in advertising as well. I mean, it's a big phrase. I just don't know how to break that out. I don't want to take your whole million. Help me. Help me, or I'm going after it all.

**Mr. Gibson:** The amount of money that you've mentioned on a couple of occasions, a million dollars – the actual amount is $810,000. It's broken down by about $250,000 for one card that's being delivered that isn't specifically addressed, and the second card costs about $650,000, and that's specifically addressed to each residence in the province.

**Mr. Magnus:** It's showing specific polling stations, et cetera, et cetera.

**Mr. Gibson:** Yes, that's correct.

**Mr. Magnus:** The first one, the notification: what does it tell other than that it's a notification that there's an election?

**Mr. Gibson:** The first one also talks about different voting opportunities that people have, for those that could be away during advance polls and on polling day. It gives information about the returning office and where it is and the name of the returning officer, that sort of information, and basically encouraging people to vote.

This is also in response to a number of calls that we get through our call centre about people asking us that very basic information: where do I go and vote? What's my electoral division? Who's running in my electoral division? Things of that nature we get calls about. A lot of people don't subscribe to the newspaper.

**Mr. Magnus:** That isn't going to show up on the card, who's running and stuff.

**Mr. Gibson:** No. That information is in the newspaper, and we're required to publish that along with the names of, you know, chief financial officers, official agents, and so forth.

**Mr. Magnus:** I don't mean to be argumentative, but wouldn't that be in another line, under advertising or something else?

**Mr. Gibson:** Excuse me? Wouldn't what be under that?

**Mr. Magnus:** Well, you're saying that you do this other card that shows people where to go. I'm not sure how to explain this. I mean, you've just finished telling us about this secondary card outside of the vote-at card that you send out with certain amounts of information. You know what? I'm just not getting this, and I don't understand the vote-at. I'm going after $600,000 of that. What I'm saying is that you're saying that it's used for advertising, but you've got another line within the same budget that is advertising, and I'm not sure how you differentiate between two different types of advertising. More to the point, I'm not sure how we differentiate between two different kinds of advertising.

**Mr. Gibson:** Oh, sorry. The $810,000 is actually listed under postage and courier because the vast majority of that cost is for the stamps.

**Mr. Magnus:** Yeah, I know, but you broke down the postage and courier to two different things, the vote-at and the other card. But the other card is advertising, so why isn't it up under advertising as opposed to postage and courier?

***2:30***

**Mr. Gibson:** Well, I suppose that it could go under either category, but I was explaining what the cost of it was. The production of the card is a very minimal component of the overall cost. The vast majority of the cost is for the postage. Producing the information is something we only need to do once. There is a printing cost, but as I say, most of the cost, because it's being addressed to a specific household, is a postage cost.

**Mr. Magnus:** I'm going to leave the rest of it alone, but the vote-at cards I think is a duplication of what is already done by every other camp that's out there and running. I just don't get why we would also take that on, and I'm not sure it would increase the number of people that go out to vote. But I'm argumentative as well.

**The Chair:** Are there any other questions or comments?

**Mr. Lougheed:** If you'd just answer this question. The old enumeration process and your expected voters list that you have right now: how do those two compare in accuracy, completeness, I guess, or whatever the term is?

**Mr. Gibson:** Well, when we conduct an enumeration, the number of eligible voters that we get on the list is still not a hundred per cent. In fact, in the last election we were only able to get to 91 per cent of the households, 91 per cent of the residences, so there was even a lower percentage of actual voters on the list. In the election previous to that we were able to get to 95 per cent of the residences. So the coverage of that list with enumeration wouldn't be at a hundred per cent either. However, based on the information that we have from Statistics Canada, from Elections Canada, and from Alberta Health and Wellness as to the number of eligible voters in the province, we now estimate that we have 95 per cent of those voters on our list.

Now, not all of those voters would necessarily be right now at the same address. It's a constant process of having to triangulate a whole variety of different data sources in order to be able to update that list on a continual basis because, as you know, people are moving every day, and it's only as good as the last update that we've received from a variety of sources. We're trying to obtain those sources as often as we can to be able to keep them up to date.

**Mr. Lougheed:** But the point is that it may be better than the old enumeration process, especially if you can't get labour.

**Mr. Gibson:** Yes. It may not be possible to enumerate, and that is one of the main points that I hope I was able to make. We may not be able to enumerate in the next election. At this point I couldn't make any guarantees as to whether it would be as accurate, more accurate, or less accurate than an enumeration would be. Enumeration, as I said, is a snapshot at a given point in time, and it all depends on how much time has elapsed from when that information was collected to when the election is held as to how up to date that information will be.

**Mr. Marz:** Well, I don't share some of the viewpoints that were put forth on the vote-at cards. I myself as a voter would welcome one from the Chief Electoral Officer's perspective with an accurate address on it. Rural Albertans don't all have street addresses unless they live in a town, and not all town residents have street addresses either. Some of these partisan ones go out, and if the address isn't exactly perfect, the post office returns thousands of them the day after the election, when they do absolutely no good at all.

If we went to a central distribution of vote-at cards from the Chief Electoral Officer, I think you would have a few thousand very happy volunteers that work on all campaigns regardless of political stripe. Extremely happy. So I think it's a good idea because the difference between accuracy in urban jurisdictions and rural jurisdictions has been a consistent problem ever since I've been involved in this occupation, and it never seems to get resolved. So I welcome your thoughts on that.

**Mr. Gibson:** Well, rural addressing has always been an issue, and it is an issue in every jurisdiction across the country. We collect the residential address of voters. That's what the legislation requires us to collect for our register of electors. We collect the civic geographic address. Now, I know that a lot of people don't use that. They use mailing addresses. We've begun collecting post office boxes; we've begun to collect that information as well. So we have two address fields. One is the point on the ground where people live, which might be, you know, lot, block, plan numbers, but we're also collecting the mailing addresses as well. We're working with Canada Post and we're working with a variety of other partners, such as Municipal Affairs, in order to be able to get that kind of information linked up, a link between the civic geographic address and the mailing address.

**Dr. Pannu:** Just a simple information kind of question. Does the federal elections commission – I think it's called Elections Canada – send those cards during the elections?

**Mr. Gibson:** Yes. Elections Canada sends two pieces of information out to voters during the election. One is an information piece that provides the voter with some information about, you know, different voting opportunities and that sort of thing, names of people to contact if they need more information. A second is a specific voter card that directs voters to a particular poll location on polling day.

**Dr. Pannu:** What you are proposing for us now would be similar.

**Mr. Gibson:** Something very similar, yes.

**Mr. Magnus:** I agree with what Richard said. I mean, this is great for the candidates because we don't have to spend the money. We don't have to get the volunteers together when you've got 65 polls in a riding and get them all stamped and make sure they get in the right address. Now, my question to you is: you're going to do this with the post office?

**Mr. Gibson:** The post office would be delivering the mail, yes.

**Mr. Magnus:** Good luck. You guys better get into this issue a whole bunch more. We've tried using the post office on vote-at cards in past elections. Their boundaries and our boundaries for electoral purposes and for poll purposes don't match. This is going to be a large – what's the term I can use? This is going to be a mess. You have no idea. Your price is going to, I'll bet you, double next year on this thing. It's complex. The post office cannot deliver them to the appropriate people for the appropriate polls. They can't.

**Mr. Marz:** On this point, Madam Chair, the post office is the only avenue that rural Alberta has for distribution of these vote-at cards. We don't have any other choices of hand delivering them. The job of delivering them personally would just be too great and the distances too far. So my advice, if you go this way or if the committee approves your going this way, is that you would just have to get those vote-at cards out early enough to make sure that they got to the voter in time.

**The Chair:** Okay. Any other questions? No? Thank you.

On behalf of the committee I'd like to thank all of you for coming and for your presentation this afternoon. At the end of this meeting we will make decisions on the budgets, and the results of those decisions will go forward to you in the next week or so. So to all of you I wish the very best over the Christmas holidays.

Lorne, you had sent some correspondence to the committee which is coming up next on our agenda, so I wonder if you could stay behind for a couple of minutes just to address that.

**Mr. Gibson:** All right.

**The Chair:** Perfect.

**Mr. Gibson:** Thank you.

**The Chair:** I wonder if we could have a motion to move in camera.

**Mr. Strang:** I'll make a motion that we move in camera now. Thank you.

**The Chair:** All those in favour? Carried.

[The committee met in camera from 2:39 p.m. to 3:03 p.m.]

**The Chair:** With regard to the correspondence under tab 10 I understand, Raj, that you have a motion to entertain?

**Dr. Pannu:** Right. Madam Chair, I move that

> the Standing Committee on Legislative Offices provide a copy of the executive summary of the report Review of the Officers of the Legislature dated June 22, 2006, to the Auditor General, Chief Electoral Officer, Ethics Commissioner, Information and Privacy Commissioner, and Ombudsman.

**The Chair:** Any discussion? All those in favour?

**Mrs. Sawchuk:** Madam Chair, there's a correction. My apologies. The correct one is dated August 2006. No day; just August 2006. That was the final one before the committee. My apologies.

**Dr. Pannu:** Not the first one. August 2006. Thanks, Karen.

**The Chair:** With that correction, all those in favour? That motion is carried.

Jack, I understand you have a motion on the Ethics Commissioner budget.

**Mr. Flaherty:** Do I put my name on this, Madam Chair, or do I just say that it's moved by the standing committee? Moved that

> the Standing Committee on Legislative Offices approve the 2007-08 budget estimates for the Office of the Ethics Commissioner in the amount of $433,000 as presented.

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

**Mr. Griffiths:** Madam Chair, it's my pleasure to move that

> the Standing Committee on Legislative Offices approve the 2007-08 budget estimates for the Office of the Auditor General in the amount of $20,190,000 for total voted operating expenses and $580,000 for capital investment.

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

**Mr. Lougheed:** Madam Chair, I'd like to move that

> the Standing Committee on Legislative Offices approve the 2007-08 budget estimates for the Office of the Information and Privacy Commissioner in the amount of $5,128,000.

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

**Mr. Strang:** Madam Chairman, I'd like to move that

> the Standing Committee on Legislative Offices approve the 2007-08 budget estimates for the Office of the Ombudsman in the amount of $2,546,000 as presented.

**The Chair:** Is there any discussion? All those in favour? That motion is carried.

**Mr. Mitzel:** Madam Chair, I'd like to move that

> the Standing Committee on Legislative Offices approve the 2007-08 budget estimates for the Office of the Chief Electoral Officer in the amount of $13,228,000 as presented.

**The Chair:** Is there any discussion? All those in favour? Any opposed?

**Mr. Magnus:** Opposed.

**The Chair:** That motion is carried.

The date of the next meeting will be at the call of the chair.

If we have no other business, I would like a motion that we adjourn.

**Mr. Griffiths:** I so move.

**The Chair:** All those in favour? That motion is carried.

Merry Christmas, everyone.

[The committee adjourned at 3:06 p.m.]