

Title: Wednesday, March 3, 2004 Public Accounts Committee

Date: 2004/03/03

[Mr. MacDonald in the chair]

The Chair: Could we call this meeting to order, please. Thank you.

On behalf of the entire Public Accounts Committee I would like to welcome the Hon. David Hancock this morning, Minister of Justice.

Before we get to the formal part of the meeting in regard to the annual report of Alberta Justice and Mr. Dunn's portion, could I please have an approval of the agenda that was circulated. Thank you very much.

Also, for item 3 on the agenda that has been circulated, the approval of the minutes of the December 3, 2003, and the February 25, 2004, Public Accounts Committee meetings, a motion is required. Ms Blakeman?

Ms Blakeman: Yes.**The Chair:** Okay. Thank you very much.

Now, for item 4 on the agenda, the approval of the draft Standing Committee on Public Accounts report on 2003 activities that was attached, there is a motion also required. Ms Blakeman.

Ms Blakeman: Oh, I'm sorry. I had some discussion, but I'll put the motion on the floor so I can do the discussion.**The Chair:** Sure.

Ms Blakeman: Thank you very much for the work that the chairperson and the clerk have put into the report. There's more information, which is great. I'm very pleased to see it. I notice that on page 3 there is a schedule of who we were able to meet with, but it doesn't detail who we weren't able to meet with, which I think is part of the context of what the committee is operating under and part of our ongoing frustration with not being able to have a chance to scrutinize every department. So is it possible to add in the departments we were not able to meet with that were still pending, that were on the list? We always have them on the list, but we didn't get there.

The Chair: I don't see a problem with that. Whatever the committee would like.**Ms Blakeman:** Well, that's what I would ask.**Mr. Goudreau:** It seems that by virtue of omission, the fact that they're not there would indicate that we did not meet with them, so one way or the other, Laurie.**Ms Blakeman:** Well, if you don't have a problem, I'd prefer to have it here than not here because our ministries change, and for those reading these reports sometime in the future, they may not be aware of what departments, in fact, were missing. I mean, if you were looking back at the departments that were missing 10 years ago, there would be 17 departments. Now there are 24.**Mr. Goudreau:** Laurie, I would have no objections really.**Ms Blakeman:** Excellent. Thank you very much.**The Chair:** Okay. That motion is carried, and we will revise this and give it to you next week to circulate, or we can just table it in the Assembly. Is that fair enough?**Dr. Taft:** Fair enough.**The Chair:** Okay. Thank you very much.

Again, before we get to Mr. Hancock, I think for the convenience of Mr. Hancock's staff perhaps we should start with introductions of the committee, starting with Dr. Taft this morning.

[The following members introduced themselves: Ms Blakeman, Mr. Cao, Mr. Cenaiko, Mr. Goudreau, Mr. Hutton, Mrs. Jablonski, Mr. MacDonald, Mr. Masyk, Dr. Taft]

Mrs. Dacyshyn: I'm Corinne Dacyshyn, the committee clerk.

[The following staff of the Auditor General's office introduced themselves: Mr. Dunn, Mr. Gallace, Ms White]

Mr. Hancock: Dave Hancock, Member for Edmonton-Whitemud, Minister of Justice and Attorney General. Delighted to be here and have with us today members of our staff, the hard-working leadership team at Justice, who virtually live in Edmonton-Centre but can't vote here for the most part.

We have the Acting Deputy Minister of Justice and Deputy Attorney General, Peggy Hartman; the acting deputy minister of strategic services, Don Mottershead; senior financial officer, Mr. Shawkat Sabur; and program heads Gerald Lamoureux, acting assistant deputy minister of court services; Mr. Ken Tjosvold, assistant deputy minister of criminal justice; and Mr. Manuel da Costa, executive director of maintenance enforcement.

The Chair: Thank you very much.

Now, before we proceed with your opening remarks, hon. minister, the chair must advise the committee that I've received from a committee member, Mr. Mason from Edmonton-Highlands, a letter with his intention to present a motion at today's Public Accounts Committee, and we will deal with this later. At 10 to 10 or maybe 5 to 10 we have some organizational matters for the committee to discuss.

Ms Blakeman: Can we get that motion circulated?**The Chair:** Sure we can. I don't have a copy of the motion, but I can certainly circulate this letter. I received this letter about 4:15, 4:30 yesterday afternoon, somewhere in that time frame.

Okay. Mr. Hancock.

Mr. Hancock: Well, thank you. It's a pleasure to be at Public Accounts. I haven't had the honour and privilege of being here for some time, so I trust we'll be able to have a good discussion about the good work that's done by the Justice team in our department. I'll begin by giving an overview of the expenditures.

The authorized budget, as you're aware, was \$211.8 million, which consisted of \$210.9 million in the approved business plan plus \$2.6 million in supplementary funding less \$1.7 million for dedicated revenue shortfalls. In the two major components to the supplementary funding obtained and allocated to ministry programs, \$2.1 million was for the increased cost of staff salary settlements in all ministry programs and \$500,000 for internal legal costs related to the Kyoto matter.

I'm pleased to advise that management and staff were able to administer the funds provided to within .4 per cent of the authorized operating and capital investment votes. Statutory spending occurred, of course, for the motor vehicle accident claims fund in the amount of \$25.9 million; expenditures for the program were \$1.3 million less

than the authorized budget. There was a \$5.5 million increase to the valuation adjustments as a provision for estimated future payment obligations for vacation pay and allowances.

I believe a few words on the operations of each component of the Justice system will assist in understanding the financial information contained in the annual report. That financial information is found on pages 81 to 110.

Program 1, ministry support services, provides various support services to the program areas. Staff in this area are responsible for providing strategic services such as business planning, performance measurement, information technology services, human resource programs, management information, cross-ministry policy, financial administrative services, and communications and media relations. Ministry support services spending was \$10.9 million, which was \$175,000, or 1.6 per cent, over the authorized budget. Discretionary spending in this program was limited in 2002-2003 so that surplus funds would be available to offset higher than anticipated central services costs.

8:40

Under program 2 our court services division provides administration, planning, and technical support to all courts in Alberta. Those are the Court of Appeal, the Court of Queen's Bench, and the Provincial Court. We also have had a Surrogate Court in the province of Alberta, but the court structure of Surrogate Court itself was phased out; there may be some element of that in this fiscal year. The services, of course, of the Surrogate Court are carried on by Queen's Bench.

The department also maintains a registry for the Court of Appeal in the Northwest Territories. The courts maintain all court records and accept a wide variety of documents for filing from the public, lawyers, law enforcement agencies, and other government departments. Employees record all court proceedings, swear in or affirm witnesses and interpreters, mark and ensure the safekeeping of exhibits, process fines and other payments into court, perform searches, and provide general assistance to the public and lawyers.

Court services also operates a number of law libraries, which provide legal information to judges, Crown prosecutors, defence counsel, and the public. Spending for court services totalled \$92.9 million in 2002-2003, which exceeded the budget by \$1.5 million, or 1.7 per cent.

In program 3 under legal services is the Legislative Counsel office, which drafts all government bills, regulations, and orders in council. In order to prepare and compose these documents, staff consulted with ministers, deputy ministers, board chairpersons, senior government officials in all ministries and agencies of government.

The civil law division, which is also located in program 3, is comprised of three branches: civil law, constitutional and aboriginal law, and legal research and analysis. Civil law is responsible for providing legal advice and assistance to all government departments and for representing them in matters before the courts and various tribunals. The constitutional and aboriginal law branch provides specialized advice to the government obviously concerning constitutional and aboriginal law matters. The primary responsibility of legal research and analysis is to provide legislative policy advice.

The criminal justice division also falls under program 3, and its principle function is the prosecution of all offences under the Criminal Code, the Youth Criminal Justice Act, and provincial statutes in all Alberta courts as well as in the Supreme Court of Canada. Criminal justice is divided into four branches. Management and leadership services is responsible for leading policy and planning initiatives and the organized crime strategy. Appeals is responsible for criminal appeals to the Court of Appeal and the

Supreme Court of Canada. Special prosecutions is responsible for providing specialized prosecutorial services in areas such as organized crime, commercial or corporate crime, or crimes against government. The fourth branch, general prosecutions, is responsible for all other cases.

Maintenance enforcement is also included under program 3. This program, as we've discussed many times in the Legislature, has the primary responsibility to ensure that court orders for child support and spousal maintenance are collected and paid to the appropriate individuals. Altogether, actual spending in 2002-2003 for the legal services program was \$66 million, which was under the authorized budget by \$2.5 million, or 3.6 per cent.

Program 4, legal aid. Alberta Justice provides a grant to the Legal Aid Society so that low-income Albertans have access to legal services they would not otherwise be able to acquire. In 2002-2003 this grant was \$28.2 million, which was an increase of \$1 million over the previous year. The partnership between the Legal Aid Society, the Law Society, and our ministry is committed to ensuring the most effective legal services at the most reasonable cost.

Program 5 refers to the Public Trustee's office, which has three primary roles. It acts as the trustee of last resort for dependent adults, administers the estates of deceased persons where necessary, and acts as the official guardian by protecting the assets and financial interests of missing persons and children under the age of 18. In 2002-2003 the Public Trustee's office spent \$8.3 million, which was \$51,000 over the budget, or about one-half of 1 per cent over their authorized budget amount.

Program 6 refers to the provincial medical examiner's office. The office of the medical examiner investigates all unexplained natural deaths and all unnatural deaths in Alberta. These investigations determine the identity of the deceased and the cause of death, and the findings are used to settle estates or are used in court proceedings for both civil and criminal matters. The Fatality Review Board reviews all accidental, unclassified, and undetermined deaths, including any death involving a ward of the court, a person held in custody, or a person institutionalized under the Mental Health Act. Actual spending in 2002-2003 for this program was \$4.8 million, which was \$17,000 under the authorized budget.

On the revenue side, turning to the revenue schedule on page 99, the ministry's 2002-2003 revenues total \$102 million, representing an increase of \$14.5 million from the previous year. You'll note that there was virtually no change in the overall federal payments or in investment income. Revenue of \$34.9 million from fees, permits, and licences was almost \$3 million higher than the previous year. Court fee increases and changes accounted for \$1.9 million of the increase. The other \$1.1 million was from volume increases in the motor vehicle accident claims and Public Trustee fees.

Other revenue increased by \$11.4 million. Of that increase \$11 million was due to increased highway traffic act fines to implement a dedicated revenue program and court services. There was an offsetting reduction to provincial and federal statutes revenue of \$3 million due to decreased volumes. There was a one-time legal claim settlement for \$2.7 million, and the remaining \$0.7 million was from net volume increases or decreases.

In 2002-2003 we introduced and continued a number of key activities and initiatives, and I'd just like to share them briefly with you. An example of this is our work on the unified family court. We have a committee established to implement the unified family court in Alberta, aiming towards 2005-2006. It's our hope that a unified family court will greatly improve family law services to Albertans by providing a single forum for the resolution of family law disputes but, more importantly, provide for integrated services, specialized judges, simplified procedures, and more at the front end of the

system to assist people in resolving their disputes themselves rather than having them adjudicated.

We've also initiated numerous programs to help people settle civil and family law matters, as I mentioned, outside the courts. We've started to expand our family mediation services throughout Alberta in order to better serve the public. A JDR, judicial dispute resolution, pilot project has helped people involved in family law and child protection matters in Provincial Court resolve their disputes without a trial. Because of the success of the pilot project, JDR is now an ongoing program in Edmonton Provincial Court, Family Division, as of last year.

We're also into the second year of a two-year pilot in Calgary which requires all persons wanting to vary existing child support orders or do annual recalculations of orders to meet with a dispute resolution officer before appearing in court. By making appearances before a DRO mandatory, 70 per cent of cases are being settled without having to go to court. This saves parents legal fees and provides them with a more collaborative approach to dealing with these sensitive issues and also, of course, keeps expensive court time free for more complex cases.

I should point out there that the success of the DRO program has truly been a collaborative effort because senior family law lawyers in Calgary donate their services to act as DROs. So we provide the infrastructure for it, they provide the legal talent on a volunteer basis – half a day a month for most of them; some put in a lot more time – and it's an extremely valuable collaboration between the bar and the court and Justice. We have a similar but different program in Edmonton, again where family law counsel are donating their services.

Last year we also continued consultations on court-annexed mediation, looking at ways we can improve and possibly expand the role of mediation in civil courts.

This past year we also provided specialized new services for child victims and witnesses by opening child-friendly courtrooms in Edmonton and Medicine Hat, courtrooms which help children who have to testify at criminal trials by preventing them from seeing the accused while testifying and making the court process less intimidating for children.

We increased the province's small claims limit from \$7,500 to \$25,000 to improve Albertans' access to justice in the civil courts. I might indicate on that that we have put in place I believe – correct me if I'm wrong – a provision so that impecunious litigants can have fees waived in appropriate circumstances. The increase will improve access to justice by allowing more Albertans to bring their civil claims forward in Provincial Court, where they can represent themselves. The informality of Provincial Court and its relatively straightforward procedures, along with the possibility of not having to hire legal counsel, will result in major cost savings to parties and access to dispute resolution more effective.

8:50

In closing, Mr. Chairman, Alberta Justice undertook numerous successful initiatives in 2002-2003, as outlined in the annual report. I can say without hesitation that our success is due to hard work and commitment and leadership, and by that I'm not referring to myself but to the senior executives in the department. We have, I can say, exemplary people working in Justice for the people of Alberta. Our staff achieved results by astutely managing resources, identifying innovative savings opportunities, and streamlining operations. I think it's fair to say that there is no end to the pressure that the staff in Justice face trying to accommodate the growth in the system, trying to accommodate the changes in needs and the increasing complexities within the available resources. It's not an easy job,

whether you're operating in maintenance enforcement, where you constantly have huge volumes of people wanting to be in contact, wanting to register files, wanting to find out where there files are; whether you're in court services, with huge growth in unrepresented litigants, which generally means that they're asking staff for assistance; or trying to figure out how to keep libraries open and current when the cost of materials spirals; and in many other ways right across the board. I have nothing but admiration for the work that the staff in Alberta Justice do within the fiscal constraints that they have to operate.

The Chair: Thank you.

Mr. Dunn, do you have any comments to add at this time?

Mr. Dunn: Thank you, Mr. Chairman. I'll be brief. Our comments on this ministry in our current annual report are located on pages 213 to 217. In this section we make one unnumbered recommendation, which resulted from our follow-up work completed on the maintenance enforcement program. Last year, if you'll remember, we reported on the results of work completed by our office and that of the Ombudsman's office: that the ministry had incorrectly withheld since 1986 some \$1.4 million of maintenance enforcement payments from individuals.

This year we followed up that matter and reported that the ministry had implemented a process to ensure that the applicable maintenance enforcement payments are paid to the appropriate party and that the prior-year amounts incorrectly withheld, which eventually amounted to \$1.3 million, had been paid. However, this year we found a somewhat similar problem between the ministry and the Ministry of Children's Services for children in care, and this matter is explained on page 216 of our current report.

We also report on the follow-up work completed on an outstanding recommendation that our office had made for a number of years, starting in 1999, regarding the amount of funds accumulated in the special reserve fund within the Public Trustee's office, which reports to this ministry. This special reserve fund accumulated the difference between the actual rate of return earned on clients' funds held in a pooled common fund and the amount paid to clients by the Public Trustee at rates set by regulation. We report that the Public Trustee's office is investigating what level of funding should be retained in the special reserve fund, and a decision about the amount to be retained in this fund will be made, we understand, by the end of 2003.

We also reported that we had two reservations within our Auditor's report on the financial statements of the ministry. The reservation relating to the capitalization of fixed assets has been resolved for the Department of Finance, as I reported to you last week. The other reservation of opinion relates to an \$81.7 million liability for claims under the Motor Vehicle Accident Claims Act that had not been recorded by this ministry. I understand that this liability will now be recorded by the ministry, commencing the fiscal year ending March 31, 2004.

Those are my opening comments to this committee. I and my colleagues will be pleased to answer any questions that the committee may direct to us. Thank you.

The Chair: Thank you very much, Mr. Dunn.

Now we will get on with questions. There is quite a list developing from members who have expressed an interest in asking questions this morning. I would remind all members that we are dealing with the annual report of 2002-2003 from the ministry and also the Auditor General's 2002-2003 annual report. If we could be

brief with our preambles in respect of other members, I would be very grateful.

Ms Blakeman to start off, please, followed by Mr. Goudreau.

Ms Blakeman: Thank you very much. In my brief preamble I would just like to say that I think that under the leadership of this minister there have been some very interesting programs put into place and initiatives launched, and I'd like to thank him and the team for their work. I think it's good work.

Now, having said that, I'm looking on page 102 of the financial statements. I've actually looked through it, and I don't see a breakout of travel expenses. So I'm asking the minister if he could please provide us with the itinerary of his travel out of province or out of country and anyone going with him, along with purposes of meetings that he held and the number of people and the positions of the people that he met with.

Mr. Hancock: Well, I'm not sure to what detail it would be appropriate to do that. Thinking to the time frame, I can tell you off the top of my head the travel and who was with me for the most part. In 2002-2003 our federal/provincial/territorial ministers' meeting I believe was in Calgary, so I didn't have to leave the province. Usually, my annual trip out of the province is to a federal/provincial/territorial meeting. In previous years it was in Nova Scotia in 2001, in Nunavut in the year 2000. Attending with me at that time would be Betty Ann Hicks and Jack Janssen from my office, as well as the deputy minister, Terry Matchett, and possibly one other department official. We do that on an annual basis wherever the FPT is. This year it will be in Yukon in October.

Also, one year since I've been in the Department of Justice, I attended the Council of Western Attorneys General in Monterey, California. That's a conference where Attorneys General from the United States, primarily from the western states, as the title would suggest, but Attorneys General from across the States meet, and they talk about a number of issues, many of which pertain to, of course, U.S. interests: Indian gaming policy, regulatory matters, water matters. It's a broad agenda but also one that's interesting both in terms of the content of the agenda and the people that one meets. I attended that meeting on my own. My family went with me at our expense.

Ms Blakeman: Thank you for the information the minister has provided. If there are additional trips in this fiscal year, will he provide the copies of the receipts and the information that I asked for?

Mr. Hancock: No. I wouldn't intend to provide detailed receipts unless there was a government policy to that extent. I'm happy to be accountable to this committee and to the Legislature for any money that's expended, but the concept of going into detail about what was on the breakfast menu I think is way too much detail.

Senior officials are expected to live by accountability rules. I think we have to put some trust in them that they will not abuse those rules. They certainly have to be accountable for their expenditures, and if those expenditures are not reasonable, then it's fair to ask questions about them, but it's certainly ridiculous to ask about detailed receipts which would detail what one had for breakfast.

The Chair: Thank you.

Mr. Goudreau, followed by Dr. Taft.

Mr. Goudreau: Thank you very much, Mr. Chairman. Certainly I, too, want to welcome the minister to the Public Accounts meeting

this morning. I want to start by following up on Mr. Dunn's comments where he recommended that "the Ministry of Justice and Attorney General obtain sufficient information from the Ministry of Children's Services to ensure maintenance enforcement payments for children in care are paid to the appropriate party." It's identified there that since 1986 about "\$1.4 million of maintenance enforcement payments had been incorrectly kept by the Crown instead of being paid to the intended recipient." I'm referring, Mr. Minister, to page 215 of the annual report of the Auditor General. So my question is: what measures has the government taken to make sure that the monies are flowing to the appropriate party?

9:00

Mr. Hancock: Well, as the Auditor General indicated with respect to the Human Resources and Employment side – actually, the staff has done yeoman's service trying to match old records and make sure that the question of appropriate payments has been cleared up. They're now engaged in that same process with Children's Services.

We're working closely with Children's Services to determine what the best method is to obtain that necessary information from Children's Services about children who are wards and where the appropriate payments should go. As was noted in the Auditor General's report, accurate and timely information is essential in order to deal with that. So we have to find and we're working at finding a methodology to ensure that accurate and timely information is available.

We also, I understand, have set up accounts with each of the child and family services authorities as client accounts so that they can receive payments based on information supplied by Children's Services, and we will be reporting, of course, to Children's Services on a monthly basis with respect to payments made. The key here is to have systems which can provide accurate and timely information because children come in and out of the status of being wards of Children's Services.

I don't know, Manuel, whether you'd want to add anything to that.

Mr. da Costa: Only that, you know, in the completion of the work with HRE there were quite a few thousand files, most of them not huge amounts, but when you do add them back to 1986, the total amount of \$1.3 million was transferred.

Mr. Goudreau: Thank you.

Dr. Taft: One of the things that the Liberal opposition tries to look at in these meetings is the outcomes, and so often the performance of a department is measured through some form of client satisfaction survey – was the client satisfied with X, Y, or Z service? – which doesn't necessarily tell us anything about the effectiveness of that service. I think Justice could be an excellent example of where we can end up being happy with a process that doesn't have any particularly effective outcome.

Several places in here you've used satisfaction surveys to measure your activities: client satisfaction with the Public Trustee's office on page 32, and there are a number of other examples. So I guess it's more of a kind of general question here. How do you see your department developing performance measures that are focused more on an actual outcome? "Have we delivered a service that leads to a particular outcome better?" as opposed to "Do we have more satisfied clients?" A satisfied client may be no closer to justice or no closer to resolving a problem than before; they're just happier. I know that I'm not being terrifically clear here, but I'm trying to capture the difference between a satisfaction survey and an actual outcome measure.

Mr. Hancock: And that's an extremely important question and one that I think we struggle with. I, as you may know, have been a strong advocate for what I call second generation business planning, which would help us to get more to appropriate measurements of outcomes and how our actions are achieving outcomes or moving us toward outcomes and that process where we can do measurements both on a qualitative as well as a quantitative analysis. I think that too often in business planning processes you measure what is available to be measured because you have historical data comparisons and those sorts of things as opposed to finding ways to actually measure success in moving toward the outcome that you're trying to achieve.

I would have more faith than you in the concept of client satisfaction, whether you call it client or not. If our overarching goal is to have safe communities, surely one of the measures, one of the actual measures of safety in the community, is how safe you feel in your community and how safe you feel in your home. I'd be happy to have any input that any member of the committee or otherwise might have on how you can better measure community safety. Certainly, you can't do it with the crime rate. I mean, the crime rate is to a great extent a measure of police activity. It's an indicator of crime activity because presumably police activity and crime activity are somewhat parallel. If the police engage in an extraordinary activity with respect to drugs, for example, you can expect the crime rate for drugs to go up because they have arrested more people.

So I think the client satisfaction surveys are in a general sense a good indicator because people tend to be happier when their problems have been solved or when they've at least been satisfied that their problems have been addressed in a fair way. I wouldn't dismiss those, but I think you're right that they're not conclusive, and you need to have a basket of measures to really look. But that's the nature, I think, of qualitative measurement. To a certain extent it has to be subjective, but it's necessary because you can't do program measurement on areas of Justice or Children's Services or those areas with the finite types of accounting measurements that you normally would look at in some other areas.

Dr. Taft: I'm trying to get more specific on this. Looking on page 39, we have, for example, "the per cent of clients 'satisfied' to 'very satisfied' with the legal services provided by Alberta Justice." That could, I assume, mean everything from the staff was polite to the files were properly kept, all of that. That matters. That matters, but it doesn't tell us about the outcome. If you were to rephrase that measure in terms of an outcome – and you can open this to any of your staff – what would that be?

Mr. Hancock: Well, what we've tried to do with respect to that – and Peggy may want to supplement this – with other departments of government in providing legal services is to become what I consider to be corporate counsel to government. In other words, rather than being reactive to legal problems as they arise or be litigation lawyers, we participate on the management teams in departments to assist them in achieving their objectives, recognizing the legal risks with respect to any area that they might undertake and helping them avoid legal risk where appropriate, where possible. To the extent, then, that the client is satisfied with that service, you're right: it can be variable.

Sometimes, as I found doing a similar role in private practice, clients don't necessarily like the advice that they get if it doesn't help them achieve the objective they want to achieve. But if you can play that corporate counsel role and assist people in understanding what things are achievable and what are the barriers to success, what are the risks inherent in it so that people can make appropriate risk

choices, then you do tend to have client satisfaction because you haven't been a barrier to their success. You've been helping them to achieve their goals.

Again, in the whole legal services area I don't know how you measure effective outcomes. I can tell you that we have, I think without a doubt, some of the best lawyers in the province, we've got exemplary constitutional advice, but those are subjective things. So the measure that you have in the private sector as well as in the public sector is: how many clients are keen to continue to retain your services and have you provide services because they think they're valuable? That's the measure of success here, client satisfaction.

The Chair: Thank you.

Mr. Hutton, followed by Mr. Mason.

Mr. Hutton: Thank you, Mr. Chairman. To the minister and to his staff, just for reference I'm looking at the Alberta Justice annual report, legal services, page 106, if you could. My question is on element 3.0.4. The criminal justice division underspent its budget by \$1.06 million, or 3.1 per cent. Could the minister explain the principle reasons for underexpenditure during 2002-2003?

9:10

Mr. Hancock: Well, as I indicated in my opening remarks, we always have spending pressures, spending pressures arising from increased salaries that are an increase over budget. In this particular year – Shawkat, you can correct me if I'm wrong – we had major adjustments to salaries because there was a lot of realignment that was necessary. We finally resolved the issue with court clerks and others. It was not just the negotiated increase with the civil service that impacted the department, but we had a particular impact in our department. The increase in salaries was significantly higher than the cross-government increase overall, so we had to account for that and plan for that in some areas.

Criminal justice stepped to the plate by staggering the hiring in some of the newly approved positions in criminal justice to help create some of the surplus that was necessary to deal with that. We had and continue to have an Alberta Justice renewal project. Part of that renewal project was the hiring of new prosecutors to improve the working conditions for prosecutors, to lower their workloads and deal with more issues; for example, the early resolution office. But the reality was that we had to delay some of that in order to accommodate the increased overall costs to the department, and criminal justice helped us with that.

Mr. Hutton: Thank you. A quick supplementary – it's in the same area, same page, Mr. Chairman – to the minister. Could he explain why the criminal justice division required a supplementary funding of \$169,000, though, during that same fiscal year?

Mr. Hancock: Well, the answer is part and parcel, I guess, of the one I gave earlier in that while the overall settlement for government was, I believe, 5 and 4, I think the salary settlements for Justice were closer to about an average of 11 per cent. So we did go back to the Treasury Board to ask for some assistance on the unbudgeted liability that we incurred as a result of those settlements, very necessary settlements. We had long-standing aggravation in the department relative to clerks, for example, and some of the necessary realignment – I don't have the right word with me today – in terms of appropriate comparisons and groups. So there was a major restructuring of the pay structure within the department in that year, which moved us from the 5 and 4 per cent to, as I say, closer to an average of 11, and we had to go back for supplementary funding to deal with that.

Mr. Hutton: Thank you.

The Chair: Mr. Mason.

Mr. Mason: Thank you very much, Mr. Chairman. Thank you, Mr. Minister, for your excellent overview. I think the audit of your department is relatively clean, so I'd like to ask some questions from your annual report.

On page 15 of the Alberta Justice annual report for 2002-2003 there's a paragraph dealing with the aboriginal population in the justice system, and it says that "aboriginal people are significantly over-represented in the criminal justice system." I'm wondering by how much and why.

Mr. Hancock: This is one of my favourite areas but unfortunately not one that I can claim that we've had any great impact or success on, although I think there are some very good things happening. One of the first papers – in fact, I think it was the first paper – I wrote in university with respect to a sociology course that I was taking discussed the overrepresentation of aboriginal people in the justice system. If I'm not inaccurate, I think the percentage then was that about 36 per cent in the justice system were aboriginal people, and they're about 5 to 6 per cent of the population. In 30 years very little has changed. The numbers are still very similar to that.

What we are doing in the justice system is finding better ways to deal with the relationship between aboriginal people and the law. So we have the Tsuu T'ina court structure at Tsuu T'ina in southern Alberta, with a peacemaker and with an aboriginal judge and with an aboriginal prosecutor. We have Judge Bradley of the Provincial Court, who's done yeoman's service in Alexis and other areas where he sits in northern Alberta finding unique ways to bring elders into the court, to create a relationship with the community, to have better results in terms of how the law and the courts interact with the community.

But we've got a long way to go to overcome what in many cases would be seen to be a systemic problem which has been there for a long time, and every jurisdiction is trying to deal with it, and we can learn from each other. I had the opportunity just recently to meet with Dr. Cotler, who's the new federal Justice minister, who has exhibited a high degree of interest in this area as well, and I'm hoping that this year we might be able to focus more on the area.

In an attempt to deal with this we have a Justice Policy Advisory Committee, which consists of those people who sat on the steering committee for the justice summit in 1999 or the people that have replaced them in their various positions, and it includes First Nations and Métis on that committee. We had set up a parallel one for a First Nations justice advisory committee and a Métis justice advisory committee with not much effect, but there's some interest now in coming back to the table for those areas. So I can't really give you much more than that, other than to say that it continues to be, in my view, a very serious issue for us to address, and it requires us to address it co-operatively with the community.

Mr. Mason: Thank you.

Mr. Chairman, a supplemental question that I guess follows from some of the questions put by Dr. Taft about measures. You know, I'm looking at the strategies, and there are a couple relating to aboriginal people in the justice system, but they are of a rather general and, I guess, incremental nature. Why not sort of sharpen the focus of yourself and the department and the entire justice system by setting some goals for the department in terms of actually reducing the number of people incarcerated in our system from aboriginal communities?

I would make the same argument with respect to organized crime. Instead of having goals that deal with, you know, setting up interdepartmental task forces and so on, why not make it a goal to put the Hells Angels out of business? Why not get a little more rigorous in terms of goals for the department?

Mr. Hancock: Well, I guess the answer to that – and I don't in any way, shape, or form intend to pass the buck on this, but the answer doesn't lie, in many areas relative to justice, in Justice per se. I mean, one of the things I do every year is sponsor a golf tournament for Success by Six, and we raise a little bit of money but more appropriately raise awareness because the preventative side of Justice is in helping children be successful. The preventative side of Justice is in keeping people out of the justice system.

So there's a bit of a double edge on this thing. We do have to provide the court services, and when we do provide the court services, we ought to work with the courts to make sure that what we do takes into account the nature of the people who are coming before the courts, whether they're aboriginal and we need to bring into play more tools such as using circles, making sure the elders are involved, making sure there's a community support process, native counselling services, those sorts of issues. So we can do that, but we also have, for example, fetal alcohol spectrum disorder, which is a major issue for the courts. We can deal with how we deal with people who come before the courts. The mental health diversion programs: again, we can take people out of the system and send them to more appropriate places so that they can be helped in an appropriate way.

But we have to work in partnership with the other elements of government and other participants in society because the Justice department itself has a fairly narrow focus. When we went to our Justice Policy Advisory Committee, at the first meeting we had we talked about mandate and brought what we considered to be the report card from the justice summit, what was being recommended and where Justice was in achieving all these goals, and the first thing that one of the public members on the advisory committee indicated was: "What makes you think it's your job or business to try and achieve all these things? It belongs to all of us. We have to work together as partners on it."

Yes, we should be sharpening our focus in appropriate areas where we can actually do some things, but we have to also work across government to implement the aboriginal policy framework and to achieve success on the cross-government goal of making sure that aboriginal people have the same socioeconomic status as all Albertans. That's going to do a lot more towards solving the justice issues and the overrepresentation of people in the justice system than targeting a specific program to keep native people out of the courts.

9:20

The Chair: Thank you.

Mary Anne Jablonski, followed by Ms Blakeman.

Mrs. Jablonski: Thanks, Mr. Chair. First of all, I just want to say congratulations to this department. I applaud you on the numerous successful initiatives you had in the past year. I can't say enough about the unified family court, and I'm very anxious to see it become a part of the Red Deer court services that we so badly need. The child-friendly courts deserve a lot of praise, and I'm also glad to see the small claims limits raised.

Going back to just numbers now, on page 105 of the 2002-03 annual report under 2.4 it shows that the regional court operations have significant overexpenditures in eight of the areas in the program. Could you please comment on that overexpenditure and tell us why that happened.

Mr. Hancock: I'll give you a general answer, and then Shawkat can respond in more detail. Again, it goes back to the answer that I gave to an earlier question; that is, we've had in this particular year significant salary adjustments. Those, of course, operate right across the board because we're talking about court clerks, we're talking about people who work within court services. [interjection] Okay; Shawkat is correcting me here, which is a good idea.

Technology: overexpenditures related to information technology expenses in data processing, forms, purchases, and maintenance. Again, that's one of the struggles we have. There's a constant increase in the need for technology services within a stagnant budget.

The Chair: Mr. Hancock, if you would like, you can respond in written detail to the question through the committee clerk.

Mr. Hancock: I think that's the answer.

Mrs. Jablonski: Okay. Thank you.

I have a supplementary. My problem is that – you'll notice that 2.4.1 is Lethbridge courts and 2.4.2 is Red Deer courts. There is a little bit of similarity there in the numbers. However, in the overexpenditure you're only showing an \$18,000 overexpenditure in Lethbridge but a \$302,000 overexpenditure in Red Deer, so can you account for that, please?

Mr. Hancock: I can find out exactly what that is, but I would suspect that it has to do with the fact that our transcript services for rural Alberta are located in Red Deer.

Mr. Lamoureux: I believe that what happened is that in order to balance the budget, there was kind of an implied employee vacancy rate of around 5.5 per cent across the regional offices that was required. Some of the offices had higher vacancy rates; some of them had lower vacancy rates. For instance, in Red Deer there would have been a vacancy rate lower than 5.5 per cent, resulting in that overexpenditure. That overexpenditure was picked up by other regional offices where there was a higher vacancy rate.

The Chair: Could you identify yourself, please, for the convenience of the member.

Mr. Lamoureux: Gerald Lamoureux, acting ADM for court services.

The Chair: Thank you very much.

Mrs. Jablonski: Thank you.

The Chair: Ms Blakeman, followed by Mr. Cenaiko.

Ms Blakeman: Thank you very much. I'll direct your attention to page 18 of your annual report. I'd like to discuss the Calgary law courts. In your annual report you detailed that during the fiscal year under examination the government, I'm assuming through your department, issued an expression of interest to gather ideas about how to build this new law court in Calgary as a P3, and you were looking to gather information. So my first question is: what additional reports were generated aside from the expressions of interest that were received? What additional reports were generated by the department to examine the feasibility of a P3? Did you commission reports? Did you do reviews of where there had been P3s in other places that involved courthouses? Did you commission

cost-benefit analysis? What other documents were commissioned around the examination of this P3 partnership with the courthouses, and what is the cost involved with those?

Mr. Hancock: The operation, of course, of building government infrastructure for Albertans falls within the purview of Infrastructure, so to the extent that studies were done with respect to P3s or how P3s operate or the benefits of P3s, one would expect to see in Infrastructure or Finance in terms of how they're done.

Our concern from the Justice perspective is to get a courthouse in Calgary to make sure that we can consolidate the courts so that we can have the most effective structure in place for operation, for public access. The P3 model was seen as a method of moving this project up the line, so to speak, because there are many demands for capital. So, from our perspective, we worked in partnership with Infrastructure in pursuing the concept of a P3, but any reports of the nature you're talking about you'd likely have to get from Infrastructure.

Ms Blakeman: Okay. I'll pursue it with them.

This issue, the whole concept of a P3 for a courthouse, has not been without its detractors. So given that you have just stated that your department was interested in how to make the courthouse part of it work, what did you generate? Did your department generate any papers or discussions? Did you meet with groups of people aside from the expressions of interest? Or perhaps you could provide the expressions of interest for us.

Mr. Hancock: The documents relating to the expression of interest and the subsequent RFP are certainly, I think, public documents. I can check on that, but I don't see why they wouldn't be public documents, and I'd certainly be happy to make them available if that's the case.

We have an advisory committee which we, again, participated with Infrastructure in setting up to bring stakeholders and the community together to discuss both the needs and how it might operate. That's an ongoing committee that meets periodically, as well as a court committee to meet more often with Infrastructure and Justice and others with respect to making sure that the plans and the project meet the requirements. As well, there's ongoing participation directly with the courts with respect to their utilization needs.

So there has been a lot of work back and forth and a lot of paper. With respect to specific reports I can't identify for you a specific report. But there's certainly been a lot of consultative work and a lot of consultative documents put forward, including the evaluation team which was put together, which consisted of the experts which Infrastructure brought in relative to court structures, relative to financing, relative to a number of other areas. I think there were six evaluative teams which were put in place to review the expressions of interest and to do the evaluation of them and to determine which ones would be included in the request for proposal call and to do the subsequent evaluations there. So there is a lot of paper around this project, as you might expect, but to my knowledge, subject to checking, I don't think I could point you to a specific report that was prepared, if that's what you're looking for.

9:30

The Chair: Thank you.

Mr. Cenaiko: Good morning, Mr. Minister. On page 73 of your annual report you look at the Anti-terrorism Act, and the second paragraph discusses or talks about that within the annual report covering the first year of operation, there were no incidents of

investigative hearings or recognizance with conditions cases before the minister. That was for the year 2001-2002. Are you aware of any investigations of this type with regard to 2002-2003?

Mr. Hancock: No.

Mr. Cenaiko: No? Okay.

The other question related to this is also the fact that since 9-11 I know the province has done a lot of work regarding and ensuring our approach to antiterrorism. What's Justice's role? I couldn't find anything in here regarding that, so I just wanted to know: what's your ministry's role in providing a safer Alberta regarding anti-terrorism?

Mr. Hancock: Well, other than the normal role that we would have relative to the participation of Crown prosecutors and the courts, et cetera, we did provide a co-ordinating role for government in terms of the legislation that was brought forward, because the legislation impacted – well, I shouldn't say every department – many departments. So Justice carried the legislation, if you will. I serve and my deputy serves on the intergovernmental committee relative to the whole project, and as I say, we had a team within Justice who worked to pull together the legislation which was brought forward to make sure that the various acts of government which fall in a number of different departments were amended appropriately to deal with the issue.

The leadership on antiterrorism falls within International and Intergovernmental Relations and the Solicitor General, but we're part of the team and, of course, play the normal roles that you would expect from Crown prosecutors and others in the system. We co-ordinated the legislation and otherwise are participants in the cross-government team.

Mr. Cenaiko: Thank you very much.

[Mr. Goudreau in the chair]

The Acting Chair: Thank you.

Dr. Taft, followed by Mr. Cao.

Dr. Taft: Thanks, Mr. Chairman. I'd like to return to the very first questions, around spending on travel and that sort of thing. The response from the minister was that he would not provide detailed receipts here, so this is in many ways a question to the Auditor General. In representing the public and the public's interest in trying to hold the government accountable, we raise questions in the Legislature in question period. In there we're directed to raise them through Written Questions and Motions for Returns or through FOIP and often get very little back there, or we're sent to raise questions in the Public Accounts Committee, where they get bounced again, so we end up in this kind of closed circle where we can't get information. Where in the process of accountability do you see the public and MLAs as representatives of the public able to hold ministers accountable on the details of expenditures if those ministers hold back information?

[Mr. MacDonald in the chair]

Mr. Dunn: I'll respond to that, Mr. Chairman. The question was asked for my response.

I'll direct everyone again to my annual report from last year. In response to that, starting at page 289 we did look at expense reports for MLAs and we did look at expense reports for ministers, and this

minister was certainly included in that examination. As I reported last week, we'll be following up on the recommendations that were made and that had been implied to us had been adopted and corrective actions taken. We'll be following that up very shortly.

In response to your request – that is, where do we receive information? – you're aware that there is a report that is prepared and tabled annually in the House that does describe MLA expenditures. We did make a comment about the usefulness of that report which talked about the timeliness of the annual report. We had recommended that the timing be improved. We understand that the last report that was tabled was the 2001-2002 report, and no report has been tabled thereafter. I do understand from a preliminary follow-up that information is being gathered and that that report should be ready relatively shortly, but that report will relate to the 2002-2003 year. That will be tabled sometime, I understand, during the spring sitting of your Assembly.

Our recommendation was that a reasonable target is to table the report together with the ministry annual reports about six months after the fiscal year-end. That's what we're recommending. In preparation to do that, as I mentioned, the Speaker of the House has communicated with each MLA, which would then include each minister, to do their expense reports on a monthly basis. We'll be following up to see what the impact of that correspondence from the Speaker of the House has been. In addition, in order to clarify how these expenses are to be tabulated, whether they belong to the Legislative Assembly Office or to the government and therefore are ministry expenses, further guidance about how those expenses should be accumulated and supplied was issued this year and posted on the web site of the LAO.

If you're asking if there is further information that other jurisdictions provide, it's a question which I'm not yet capable of answering because I haven't made a cross-jurisdiction comparison as to what other jurisdictions do right now regarding information around ministers' or MLAs' expenses, other than that this one report seems to be common throughout all jurisdictions. But I can't provide to you, Dr. Taft, a comparison to what other jurisdictions are doing right now.

Mr. Hancock: I think that's a very good synopsis of what needs to be done. The issue of expenses is an important one, and public officials and ministers and ministries ought to be accountable and have to be accountable for expenditure of public resources. There have to be clear guidelines, and those guidelines have to be followed; we get audited. But it is inappropriate, in my submission, to pull out a specific expense on a specific date and wave it around in public and ask for accountability with respect to that particular item. In doing so, it somehow suggests that there was impropriety, and that's unfortunately what happens with the type of information requests that have been coming forward.

The questions are: do we have good senior public servants and people who are accountable for the public money they spend? Are there appropriate rules? Are those rules being followed? That's the purpose of audits in my view, to ensure that the rules are there and that the rules are being followed, but we ought not to be using the dragging out of individual expenses to bring either elected officials' or the public service's reputations into disrepute just merely by asking them the questions.

Dr. Taft: Well, my supplemental would refer to page 291 of the Auditor General's report where it says, "We found that in a number of cases the support for expenses did not provide sufficient information to readily determine if payment was appropriate." My concern is that I believe the public has a reasonable and reasonably extensive

right to know how their money is spent. While the systems in place address process, I'm not convinced and I don't think the public is convinced that they address the substance of how the money was spent. So we certainly might have all the processes followed – in other words, the numbers add up and whatever appropriate sign-offs were given – but the public does have a right to know, because it is their money, exactly what the money was being spent on. Simply being told that the process and procedures were followed accurately is not adequate. We've even asked questions about what process and procedures there are, and we have been shut down on even those kinds of questions. So if we cannot hold ministers to account in this forum, where do we do it?

9:40

Mr. Hancock: The public has an absolute right to know that their money is being spent appropriately. That has to be done in a context where there can be some understandability. You can't possibly expect an accountability down to, say, X number of dollars was spent on a meal, who attended at the meal, and what the result of that meeting was, because things don't operate in that finite a way. We have to operate in . . .

Dr. Taft: But they do. In the real world they do.

Mr. Hancock: No, in the real world they don't. In the real world when you're engaging in business, you build relationships, you work with people, you have meetings. Sometimes you can document finite results from those meetings; sometimes it's a matter of an ongoing process. So that, quite frankly, is an unfair and unreasonable way to provide for accountability.

You've got a far more appropriate way, in my humble submission, to provide for accountability, to determine whether the actions and the expenditures are reasonable in nature based on the overall results that are being achieved, not in a minute-by-minute or a finite-expense by finite-expense manner but rather on a basis of whether the people involved are acting reasonably in terms of: are they following the rules, are their expenses reasonable for the purposes that have been stated, and are we achieving results? And you can't do that on a minute-by-minute analysis. You've got to do that on an overall basis.

If I took a trip to Nunavut for a federal/provincial/territorial ministers' meeting, I can tell you that the costs of flying to Nunavut are exorbitant, particularly so if you didn't know exactly when the meeting was going to be so you couldn't arrange for the travel on an early basis to get cheap flights, if indeed there are any cheap flights. I can tell you that just making that trip is a judgment call. What message do I send if I don't go to the federal/provincial/territorial meeting because of the costs involved based on the expected result that I'm going to get from that meeting? And I can tell you that that sometimes is very damn little. It's not to say that federal/provincial/territorial meetings aren't important, but sometimes you don't move the yardsticks very far.

So, you know, you can't sort of take a look at those sorts of things. If I have a meeting with someone – we had, for example, the ministers of justice from B. C. and from Manitoba in Alberta this year for what we call a blue-sky meeting, and we did the same thing last year in Vancouver. Now, if you wanted me to detail the exact results that came out of that meeting, I'm not sure that I could do that in a way that would satisfy you. But I can tell you . . .

Dr. Taft: Yes, but the public has a right to know how their money is spent.

The Chair: Thank you, Mr. Hancock, Dr. Taft.
Mr. Cao.

Mr. Cao: Thank you, Mr. Chair, and thank you very much to the minister and his staff and to the Auditor General for being here. I can say as a representative of my constituents that I have great confidence in the judgment and the outstanding service from the Justice department staff in their work and in their protection of our tax money. Also, I have great confidence in our Auditor General in his job of providing us information so that we can make the government accountable. That's my opening statement.

My question is this. This is about the Justice department. We're talking about trust and confidence and the peaceful living of our citizens. Justice is carried out and justice is accessible, so those are the key points that I'd like to focus on. My question from my constituents is regarding maintenance enforcement. I just want to ask the minister: how do you ensure that maintenance dollars are sent to the right person and that they are used correctly for the purpose of the child's welfare?

Mr. Hancock: Well, I'll make an overarching statement, and then if our executive director, Manuel da Costa, wants to supplement, he can.

Our mandate is not in terms of how people use the money. Our mandate is to facilitate the enforcement of the court order. We're only engaged, so to speak, if there has been a court order or an agreement that provides for maintenance to be paid, and then we have to operate within the confines of that court order. It's up to us to find the best way to collect if payment isn't being made on a voluntary basis or sometimes even if it is being made on a voluntary basis but the parties wish to register with maintenance enforcement to have maintenance enforcement's assistance in the facilitation of payment being made. So our role is to enforce the order, not to determine whether the money is appropriately spent or to interfere in the lives of the people who get the money in terms of how they spend it.

Obviously, there may be some concerns and some circumstances of that nature. Oftentimes that's part of the conflict that our maintenance enforcement branch has to deal with because people who were paying the money sometimes question whether it's going to the right place. But the fact of the matter is that the courts determine how much and what's appropriate, and our role is to help the enforcement of those maintenance payments, either to assist parties in doing it or to enforce it if they're not doing it voluntarily.

Mr. Cao: Thank you. My supplemental question. I brought up the accessibility to justice, and last year we talked about court interpreters, so I just want to follow up. What is being done for the court interpreters in terms of fairness of pay relative to their qualifications and the quality of their services?

Mr. Hancock: I'm going to ask Gerald to supplement, if he can, on this one. This has been a particular concern for us and an area that we haven't been able to do much with in the past. We do need to have qualified and competent interpreters in court. The schedule for payment has not kept up, and we've been trying to meet that demand.

Gerald, I don't know whether we've achieved success in that area.

Mr. Lamoureux: No, we haven't done anything to this point, but it is one of our renewal projects. We've got a project looking at this specific issue to see what we need to do to make the system work better, to co-ordinate it better, to look at what we're paying people

to make sure that we can improve it. So that is one of our ongoing initiatives right now.

Mr. Hancock: As I indicated in earlier answers, there is a finite amount of resources available to us, and there is a constant struggle within the department to manage those resources and make sure that they're used in the most effective area. This is an area that still needs some work, but primarily it's a money area.

Mr. Cao: Okay. Thank you.

The Chair: Thank you very much.

Mr. Hancock, in the time that we have left – Mr. Masyk certainly has been very patient here, and he's been on the list to ask a question. It has been a tradition of this committee that any questions that are outstanding are put on the record and the office will respond to the committee through the clerk.

Mr. Hancock: We'd be very happy to respond to any questions which are put on the record, or indeed if anybody wishes to send the questions, I'd be happy to respond to the clerk for the record.

The Chair: Okay. Thank you.

Mr. Masyk, would you like to read your questions into the record, please?

Mr. Masyk: Yeah. Thank you.

The Chair: Are there other members that would have questions as well? Okay.

Mr. Masyk: Thank you, Mr. Chairman. To the minister on behalf of all my constituents. They're very pleased with the promptness of responses from your ministry on all fronts. I'm going to combine my questions because they're both kind of tied. On page 106 of the report, on legal services, the civil law division shows an underexpenditure of \$1.651 million. Could you explain what caused the underexpenditure and, on that same line, Mr. Minister, same page, why the civil law division required a supplementary funding of \$564,000?

Also, I wanted to make a comment with respect to students at law, if they could play a role in the expanded scope of small claims for both people in dispute. I notice that in our constituency offices we have a lot of pamphlets, and I try to promote students at law, but I was wondering in what scope or what role they could play in regard to something of a smaller nature.

Thank you.

9:50

The Chair: Thank you very much.

Mr. Hancock, if you could, through the clerk to the committee, we would be grateful.

Mr. Goudreau, briefly.

Mr. Goudreau: Thank you very much. Very, very quickly, my question is more to Mr. Dunn, following Dr. Taft's comments on MLA expense accounts and various ministries' expense accounts. My question is: what is the relationship between your office, Mr. Dunn, and the Ethics Commissioner's office, and what reporting system do you have between the two of you?

Mr. Dunn: I'll reply in writing.

The Chair: Okay. Thank you very much.
Briefly, Dr. Taft.

Dr. Taft: Thank you. I'll be as brief as I can. On page 104 there's a line item for communications. I'm wondering if the minister could provide in writing information on the number of staff covered for by his department who are working on communications and the number of staff covered for by the Public Affairs Bureau working as assigned to his department in communications, with the budgets for both.

Mr. Hancock: Happy to respond in writing.

The Chair: Thank you very much. Again, to the committee through the clerk.

Mr. Cenaiko has one more question.

Mr. Cenaiko: Thank you very much. Mr. Minister, one question on page 104. Element 1.0.4, strategic services, shows a \$715,000 overexpenditure. Can you provide the reason for the overexpenditure? Again on page 104, element 1.0.6, management information services, shows a \$685,000 underexpenditure. If you could just maybe provide the reason for the underexpenditure, I'd appreciate that.

Thank you.

The Chair: Thank you.

Mr. Masyk also has another question.

Mr. Masyk: Thank you, Mr. Chair. In the 2002 recommendations, on page 217 of the report, the Public Trustee determination and planning of the level of funding required to meet the legislative purpose of the special reserve fund, what are the department's plans for this reserve fund?

The Chair: That would be the Auditor General's report; correct?

Mr. Masyk: That's right.

Mr. Hancock: Again, we'll be prepared to respond to that in writing, but I should just indicate that the Auditor General has indicated what's happening in the area. Certainly, I agree with him in terms of what he said earlier in the meeting and would advise that one of the major impetuses we have is the new Public Trustee Act, which I trust will be introduced to the House next week, that will modernize the act, which hasn't been modernized, I think, since it was brought into place in 1949. So that is the major step forward. We've done a complete review of the Public Trustee Act, and we'll be bringing a new act to the Legislature next week.

The Chair: Thank you.

Now, there was one additional member, and this is the final opportunity to get questions on the record because we have a couple of matters yet to deal with. Very briefly, please, Mr. Cao.

Mr. Cao: I'll make it very quick. Minister, on page 106 of your annual report, with reference to item 3.0.5 regarding the maintenance enforcement program, there is an operating budget overspend of \$645,000. I would like to know the reason.

Thank you.

The Chair: Thank you very much. Now, those of course will come through the clerk to the committee.

At this time on behalf of all members of the committee we would

like to thank you, Mr. Hancock, and your staff and Mr. Dunn for your time and your attention this morning. You can feel free to leave if you would like. We have a couple of matters to discuss, organizational matters and Mr. Mason's motion. So if you want to remain, you're welcome. If you'd like to leave, please feel free to do so.

Okay. We have two items left to deal with on the agenda today. The first is the notice that I was given yesterday afternoon by the Member for Edmonton-Highlands, Mr. Mason, in regard to his intentions this morning in the Public Accounts Committee. A motion has been circulated to all members of the committee by the clerk, and I guess we can deal with this motion first.

There has been a speaking list. Mr. Hutton and Mr. Goudreau have indicated that they would like to speak to this motion, but first we'd better allow Mr. Mason to formally present this motion to the committee.

Mr. Mason: Thank you very much, Mr. Chairman. I appreciate this. I move the following motion.

Be it resolved that the Standing Committee on Public Accounts urge the Executive Council to ask the Auditor General to conduct a special duty investigation, pursuant to Section 17(2) of the Auditor General Act, into the effectiveness of the more than \$400 million in provincial expenditures under Bovine Spongiform Encephalopathy (BSE) compensation and recovery programs during the 2003-04 fiscal year.

If I may speak to that very briefly, Mr. Chairman.

The Chair: Yes. Please go ahead, Mr. Mason.

Mr. Mason: I have provided members of the committee with the Consolidated Beef Industry Action Plan, which was adopted at a Red Deer conference of the beef industry about two and a half weeks ago. I would draw members' attention to a section in this report on page 9, which should be marked with a little yellow strip. It talks about the margins of meat packers. It says that

packer margins are 200% higher than one year ago and 107% higher than what is currently the case in the US.

The industry witnessed further price distortions created by the loss of a functioning market when the government implemented cash support programs to the industry in 2003. The packers simply discounted the price they were prepared to pay for the cattle by the amount of the government support payment. A common criticism of the programs from producers was that the money never reached the producers, it went to the packers.

I want to just indicate for the committee's information who the Beef Industry Council is. It comprises most if not all of the major beef organizations in this province, and they had a summit meeting to deal with this problem, as I mentioned, in Red Deer. I'm just trying to find the list of the organizations that belong to it. It includes the cattlemen's association. It includes organizations that represent both the cow-calf operations and the feedlots and the marketing organizations in the beef industry.

Clearly, members of the committee, there is a serious problem with this expenditure of \$400 million to support the beef industry. The beef industry is telling us that the smaller operations – that is, the producers for whom this program was intended – are still not benefiting substantially, and many of them are either going bankrupt or are on the verge of bankruptcy. So that crisis has not abated. The packer margins have tripled, and the price of beef in the grocery store has not come down.

So, clearly, this is a program that needs to be looked into. I felt that it would be useful to have Mr. Dunn and his staff have a look at this program as we approach the end of the fiscal year. It might be timely to have a look at it once the books are closed for the year.

The motion asks the Executive Council to consider this, so it would not be a decision of this committee but rather a recommendation to Executive Council for their consideration because they have the authority under the Auditor General Act to order a special duty investigation.

Just to conclude, Mr. Chairman, we've seen effective oversight of the federal government's financial dealings by their Standing Committee on Public Accounts and by the federal Auditor General. By working together, they have looked into a number of matters relative to problems in the spending of taxpayers' money in Ottawa, and I think the people of Canada have been very appreciative of their work.

10:00

I guess that in terms of accountability there are different dimensions to it. There's the dimension of the opposition holding the government accountable, but there's also a different dimension, which that committee in Ottawa has shown, which is the dimension of the legislative branch holding the executive branch accountable.

Thank you, Mr. Chairman.

The Chair: Okay. Thank you, Mr. Mason.

It's past the time set in the agenda. May I have a motion to continue, please? Ms Blakeman. Thank you.

Mr. Hutton, please, in regard to Mr. Mason's motion.

Mr. Hutton: Thank you, Mr. Chairman. I've always had the utmost respect for the hon. Member for Edmonton-Highlands in the past, but this morning I'm a little disappointed that he has chosen to (a) invite the media and (b) for obvious reasons to grandstand a little bit on this issue. He is assuming there is a problem and, therefore, wants to bring this to the Auditor General's attention.

But this committee is charged with the review of ministries with the assistance of the Auditor General, to look at public accounts in the previous year, which would be 2002-2003. There are appropriate venues to ask the Auditor General and the Deputy Premier, the minister responsible for agriculture and rural development. This is not the place, and I just would ask the members here to reject this motion outright and get on with our day.

Thank you, Mr. Chairman.

The Chair: Thank you.

Mr. Goudreau.

Mr. Goudreau: Thank you very much, Mr. Chairman. Interestingly, I want to acknowledge the presence of the press here this morning as well. I've been here for just about three years now, and it's the first time that I've seen press in this room, so certainly I want to welcome them.

Yesterday during question period I think the hon. minister of agriculture indicated that she has asked her staff to look at the situation, and personally I feel very comfortable with that particular decision. She's indicated to us that hopefully by maybe as early as tomorrow or even by Friday we would have at least an indication of what she has found through her staff.

I need to indicate that the Alberta Agriculture staff – and I've been involved with them both personally and in business for 27 years – is extremely professional in their nature, and to indicate yesterday that maybe they would be investigating themselves is, to me, quite hurtful and a discredit to them. Certainly, I can say that the Alberta Agriculture staff do a very, very good job. They're very dedicated to the public. They have shown that over the last many, many years. They've administered many programs directed at farms and farm

families, and they've shown that they've done a good job with it in the past.

I'm sure that if you go back in the Auditor General's program and reports, you would find that, you know, the monies were directed where they were supposed to be directed. This year we also have indications that our producers, the cow-calf producers – at least, I'm getting that from my constituency – received as much if not more for their calves than they had received the previous year. It indicates that something did go reasonably well.

The last couple of comments that I want to say are that, you know, Mr. Mason identified the fact that in the States the margins were 107 per cent higher. He doesn't show what they were previous years, whether that margin is a consistent margin or whether it's only a margin for this particular year. The other comment that I need to say, as well, is that we've just received this revised draft only a few minutes ago. We've never had a chance to study it. It is a draft; it's certainly not a final report. I would suggest that we wait until after the minister has filed her report before making a decision at this table, and I would agree with my colleague Mr. Hutton that we delay a decision on this motion.

The Chair: Thank you.

Mr. Cao, followed by Ms Blakeman.

Mr. Cao: Thank you very much. Mr. Chair, to me this subject matter is very important to Albertans. In fact, it's a disaster, an emergency situation, so when the society is in a disaster situation, an emergency, all of us should need to pull together and deliver first and foremost the service, the help.

I want to elaborate a bit here. When I see a child struggle in water, I jump in and help. When I see a person caught in a fire, I try to run in and pull that person out. So I can never imagine reviewing or questioning either my motive or my method while I'm still running in there to help. I will never imagine politicizing such assistance.

What I'd like to say here is that there are people in my constituency that work for the industry, either producers, marketers, or processors. The money that we spend is to sustain the industry as a whole, so you have to look at an integration aspect. To me that is important, and my constituents are very, very grateful that they still have jobs during this critical time.

But talking in relation to the motion here, we are looking at the Auditor General's work for 2002-03, and his normal work would be looking at auditing 2003-04, and I don't see any emergency in looking at things here. The emergency is to help people right now.

Thank you.

The Chair: Thank you.

All members assembled have expressed an interest in speaking to this motion, so we're going to hear from Ms Blakeman briefly and then Mary Anne Jablonski, please.

Ms Blakeman: Thank you. I want to note that in the motion that has been moved, there is no disparagement of any individual or department that is contemplated in the wording of the motion. Neither did I hear any disparagement of any individual or any department when the member moved the motion.

I need to direct my question to the member who moved it, that being the Member for Edmonton-Highlands. Is there urgency in bringing forward this motion now? This committee is assembled to examine public accounts as tabled, which currently are from the time period the 1st of April, 2002, to March 31, 2003. You are asking for an extraordinary action to be taken. Is there urgency to be taking

that extraordinary action? Otherwise, this would be contemplated under the following year's Auditor General's work. So that's my question. He's mentioning that we're inside of the fiscal year and that he wants the investigation done, but I'm wondering if he feels that there is urgency and that's part of his argument.

Thank you.

The Chair: Mr. Mason, briefly, please.

Mr. Mason: I do believe there's urgency on a number of fronts. First of all, the window in which this committee meets is fairly short. It only coincides with the sitting of the Legislature, so if it's going to be dealt with, it needs to be dealt with during that period at the very least. Secondly, this goes as a recommendation only to Executive Council, who would make the final decision. So there are some time lags involved there.

Finally, according to news reports I've seen, it looks like the federal government is looking at another program, and I would remind members that the design of this program – it was a joint federal and provincial program, but a lot of the responsibility for the design of this program lies with the federal government. Now, the federal government may as part of its election rollout strategy have a second plan. Certainly, if there are deficiencies in the effectiveness of this plan, it's important to highlight that before the federal government commits to expend even more money. So those are my reasons, Mr. Chairman.

10:10

The Chair: Thank you.

Mary Anne Jablonski, followed by Mr. Gary Masyk.

Mrs. Jablonski: Thank you, Mr. Chairman. As Mr. Goudreau has already pointed out, the minister of agriculture, the Hon. Shirley McClellan, has already agreed to address these concerns, and I feel that it's only right and it's important for her to be given the time to do what she says that she's going to do. So I would not support this motion.

The Chair: Thank you.

Mr. Masyk.

Mr. Masyk: Thank you, Mr. Chairman. I also won't be supporting it. The simple fact is that the industry already has enough fear in it, and I wouldn't want to promote any more in that regard. Also, at the same time we have to restore confidence in this industry. We have a consumer and we have a supplier, and when the consumer has more need than the supplier, then the price is going to go through the roof, and then you're going to have a family of 10 wanting one roast and only one supply of it. We can't go in that area at all.

This BSE absolutely blindsided the industry, and the government is doing what they can when they can and trying to get some mileage out of it financially and, at the same time, to stabilize the industry. So this is way too premature. Plus, there's nobody here in the department to defend such a motion, and it may not be necessary. But there's definitely a lot of work to do with respect to BSE, and it's bigger than this.

Thank you.

The Chair: Dr. Taft, briefly, followed by Mr. Cenaiko.

Dr. Taft: Thanks, Mr. Chairman. I don't think that anybody is questioning that the government should have stepped in and helped the industry. I think it's a question of how that was done. Four

hundred million dollars is a staggering amount of money. It's enough to have built that hospital in south Calgary. It's enough, probably, to have paid out the unfunded aspect of the teachers' arbitration. It's a tremendous amount of money. The government found that outside of budget in a few months, and it's come and gone. So it is an awful lot of money.

I find myself wondering about some form of a value-for-money audit. Was this \$400 million valuably spent? What did we get for that? If we can't as a Public Accounts Committee make this kind of request, then it just reinforces, in fact, earlier debate. It feels like there's just a closed circle here in which there's no way for the public to penetrate to hold government and cabinet to account. Question period doesn't work. Public Accounts Committee doesn't work. FOIP limps along. We should be setting an example here, people, of accountability. This is \$400 million – this is a hospital in a major urban centre – and where has it gone? What did we get for that? Why can't we ask that question?

So that's my speech. I do notice that we're actually urging "the Executive Council to ask the Auditor General." My question to the Member for Edmonton-Highlands: why not ask the Auditor General directly?

Mr. Mason: Because, Dr. Taft, we don't have that authority under the act.

Dr. Taft: So we're hamstrung again.
Thank you.

The Chair: Thank you.

Mr. Cenaiko and then Mr. Dunn, of course.

Mr. Cenaiko: Thank you, Mr. Chairman. This is an extremely critical and extremely important issue. This government supports its agriculture producers, who put the food on our tables every day. I think that the program that came out was extremely important to the livelihood of, I believe, it's nearly 57,000 ranchers, farmers, producers in our province. I think it's been stated in the Assembly already that the Deputy Premier is going to be conducting a review regarding the program, regarding any issues that may be out there. As well, you know, the Auditor General will begin his work for the year 2003-2004 in three short weeks from now. So I don't think we need a new motion to have the Auditor General do the job he's supposed to be doing, which will be in some three or so weeks.

I don't think we need a special motion. I would have a problem and a concern regarding the fact that if we start bringing motions to this table to cause investigations, we're going to cause investigations for anything under the sun. I think there's a process in place. We have a responsibility as the Public Accounts Committee to review and question the prior year's audited financial statements from each ministry, and that's our role. Our role isn't to start investigations here or there.

Thank you.

The Chair: Thank you.

Mr. Dunn, have you anything to add at this time?

Mr. Dunn: For those of you who have the last year's Auditor General's report with you, turn to page 327. In there you'll see where I have quoted certain extracts from my act. Section 17(1) talks about: "the Auditor General shall perform such . . . duties as may be specified by the Assembly." So that's under special duties. Section 17(2) talks about: ". . . shall perform such special duties as may be specified by the Executive Council," and that is why, Dr. Taft, the motion was made the way it was.

The three special requests that have ever been made of my office, to the best of my knowledge and belief, were the ones on NovAtel, West Edmonton Mall, CKUA. Ronda, are you aware of any others? Those three special duties were requested of my office, and a report has been made.

I've listened very carefully to what has been said here today, and I appreciate all the comments that have been made. Following up on the last comment made by Mr. Cenaiko, he is absolutely right; we have not yet commenced the March 31, '04, year-end audit. When we do that, of course the primary emphasis that will be put into this type of issue and program is: were you supplied correct information; was the information that has been supplied to the House accurate and complete? So we'll be looking into that. We want to make sure that, in other words, no other monies that went into this program were described as something else or that any other monies that went into other programs were described as BSE. So we'll be looking into that area.

We do have on our program this year food safety. In that regard, we are going to be looking at any new programs that would impact food safety. So we've already had our entry meeting with the ministry of agriculture and made them aware that we're going to be looking into food safety. In that regard, we were also commenting that we'll be looking into this program regarding the dollars that have been spent and ensuring that the dollars that have been spent are properly described to you the MLAs through their ministry annual report.

So I've heard what you've said here today. We had not planned on doing a special investigation, but in the normal course of our work, we would be ensuring that the information that was supplied through the ministry's annual report and through our annual report was accurate and complete and then brought to your attention when we do our next annual report.

The Chair: Thank you.

Mr. Mason to close discussion on this. There is another item on the agenda.

Mr. Mason: I wonder if I could put a question to the Auditor General before I close, Mr. Chairman?

The Chair: Go ahead, but please be brief.

Mr. Mason: The question is whether or not your work plan for next year includes a value-for-money audit on this program?

Mr. Dunn: We were not going to do a special effort around this program but rather ensure that all the information that was being supplied by the department was complete, accurate, and comprehensive as supplied through their annual report and whatever was supplied into the House.

Mr. Mason: Thank you very much.

Mr. Chairman, based on that answer, I believe that this motion is in fact necessary. That says that there's going to be routine examination of the accounts of the government and that there's not going to be a special effort to examine whether or not this program actually did what it was supposed to do or ended up in the pockets of the people that were supposed to get it. So this motion is absolutely necessary.

Now, I spoke earlier about the committee's work in Ottawa, and I think that committee and the Auditor General there have become, you know, very heroic figures in many senses to the Canadian public for the work that they have done by working together. What has

been necessary for that to work has been for the government members on the committee to co-operate in getting to the bottom of things, and in fact that has happened in Ottawa.

Liberal Members of Parliament have co-operated with their opposition colleagues on that committee to get to the bottom of some of these issues, and that is why I am so disappointed to hear all of the government members here today say that they're not going to co-operate. I've heard lots of reasons, some stronger than others.

If people feel it's premature, well, we have a few more meetings. We meet once a week. I'd be happy to have a government member move a motion that we postpone this motion until after we hear from the Minister of Agriculture, Food and Rural Development, and then we can come back to it once we've heard what she has to say.

10:20

An Hon. Member: Question.

The Chair: The question has been called. Now, those who support the motion that has been presented to the Public Account committee this morning by Mr. Mason, please raise one hand. Those opposed. The motion is defeated.

Thank you, that concludes . . .

Dr. Taft: Mr. Chairman, is that vote recorded?

The Chair: Sure.

Mrs. Dacyshyn: Yes, it is.

Mr. Mason: Yes. We'd like it recorded, please.

The Chair: Okay. That vote will be recorded.

[For the motion: Ms Blakeman, Mr. Mason, Dr. Taft]

[Against the motion: Mr. Cao, Mr. Cenaiko, Mr. Goudreau, Mr. Hutton, Mrs. Jablonski, Mr. Masyk]

The Chair: Now, we also have another matter to deal with this morning, and that's arranging the schedule for, hopefully, the visit of the Premier representing Executive Council. An update to all members. The vice-chair has approached the Premier's office. There is certainly a date open.

It has been a tradition that there is flexibility with the hon. Minister of Finance. The budget is obviously in the spring of the year, and her schedule for obvious reasons can be quite tight. So the hon. minister has to reschedule her appearance before the committee on March 31.

I will report to you hopefully next week as to whether the Premier can make that date or not. The vice-chair has approached the Premier's office, as I said, and we will keep you updated on that. The schedule is going to continue up to and including the 31st of May, as has been organized, but hopefully we will find time to accommodate the Premier and his busy schedule as well.

Ms Blakeman: I'm sorry. Is the date that is under consideration, then, March 31?

The Chair: Yes.

Ms Blakeman: Wednesday, March 31. Thank you.

The Chair: Okay.

Now, are there any other questions in regards to that?

Mr. Goudreau: It has not been confirmed as of now?

The Chair: That's correct. It has not been confirmed. Hopefully, we will have confirmation by next meeting, next Wednesday.

We had one more item to discuss, and that was the suggested dates for the informal meeting with the Auditor General that we discussed last week. It looks like Tuesday evening, April 27, is the best date for the majority of members. Can you either see me informally in the Assembly, or let me know by next week whether that is . . .

Mr. Goudreau: Mr. Chairman, lunchtime. . .

The Chair: Lunchtime is better for you?

Mr. Goudreau: Yeah, lunchtime would be much preferred generally. We've got standing policy committees meetings on Monday nights and Tuesday nights.

The Chair: Okay. Lunchtime Tuesday, April 27 is certainly an option. If members could just let me know or let the clerk know. Is that fair enough?

Mr. Goudreau: Mr. Chairman, I've got one more comment.

The Chair: Yes. Mr. Goudreau, you have the floor.

Mr. Goudreau: Mr. Chairman, thank you very much. I noticed last time that we did surpass our time by about 20 minutes, and now we've surpassed it again by 25 minutes. I recognize the importance of the Public Accounts Committee, but all of us have busy schedules. I'm already missing an appointment by being here this morning. We need to be very, very conscientious about our time. Our time is very important, and we need to respect that.

I suppose we could entertain a motion some ways in the future to extend these meetings so we can organize our calendars, but for the time being, our meetings are scheduled from 8:30 to 10, and we should respect that.

The Chair: Okay. Thank you very much, Mr. Goudreau.

Before we go, next meeting, next Wednesday, the Hon. Stan Woloshyn, Minister of Seniors will be here.

Can I have a motion for adjournment?

Mr. Cenaiko: You have it.

The Chair: Thank you.

[The committee adjourned at 10:24 a.m.]