



Legislative Assembly of Alberta

The 27th Legislature
First Session

Standing Committee
on
Public Accounts

Solicitor General and
Public Security

Wednesday, May 21, 2008
8:30 a.m.

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**Legislative Assembly of Alberta
The 27th Legislature
First Session**

Standing Committee on Public Accounts

MacDonald, Hugh, Edmonton-Gold Bar (L), Chair
Lund, Ty, Rocky Mountain House (PC), Deputy Chair

Benito, Carl, Edmonton-Mill Woods (PC)
Bhardwaj, Naresh, Edmonton-Ellerslie (PC)
Chase, Harry B., Calgary-Varsity (L)
Dallas, Cal, Red Deer-South (PC)
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Johnson, Jeff, Athabasca-Redwater (PC)
Kang, Darshan S., Calgary-McCall (L)
Mason, Brian, Edmonton-Highlands-Norwood (NDP)
Quest, Dave, Strathcona (PC)
Vandermeer, Tony, Edmonton-Beverly-Clareview (PC)
Woo-Paw, Teresa, Calgary-Mackay (PC)

Also in Attendance

Hehr, Kent, Calgary-Buffalo (L)

Solicitor General and Department of Public Security Participants

Brad Pickering	Deputy Solicitor General and Deputy Minister of Public Security
Bruce Anderson	Assistant Deputy Minister, Correctional Services Division
Jim Bauer	Assistant Deputy Minister, Corporate Services Division
Ann Hammond	Executive Director, Corporate Services, Alberta Gaming and Liquor Commission
Gill Hermanns	Executive Director, Regulatory, Alberta Gaming and Liquor Commission
Brian Skeet	Assistant Deputy Minister, Public Security Division
Kent Verlik	Director, Social Responsibility, Alberta Gaming and Liquor Commission

Auditor General's Office Participants

Fred Dunn	Auditor General
Doug Wylie	Assistant Auditor General

Support Staff

W.J. David McNeil	Clerk
Louise J. Kamuchik	Clerk Assistant/Director of House Services
Micheline S. Gravel	Clerk of <i>Journals</i> /Table Research
Robert H. Reynolds, QC	Senior Parliamentary Counsel
Shannon Dean	Senior Parliamentary Counsel
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Philip Massolin	Committee Research Co-ordinator
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

8:30 a.m.

Wednesday, May 21, 2008

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to call the Standing Committee on Public Accounts to order, please. On behalf of the committee I would like to welcome everyone in attendance. At this time I would advise everyone that they do not need to touch microphones. That is taken care of by the *Hansard* staff.

Perhaps we could quickly go around the table, starting with the hon. Member for Rocky Mountain House, and introduce ourselves.

Mr. Lund: Good morning. Ty Lund, Rocky Mountain House.

Dr. Massolin: Good morning. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

Mr. Bhardwaj: Naresh Bhardwaj, Edmonton-Ellerslie.

Mr. Jacobs: Bryce Jacobs, Cardston-Taber-Warner.

Mr. Dallas: Cal Dallas, Red Deer-South.

Mr. Quest: Good morning. Dave Quest, Strathcona.

Mr. Denis: Jonathan Denis, Calgary-Egmont.

Mr. Benito: Carl Benito, Edmonton-Mill Woods.

Mr. Skeet: Good morning. Brian Skeet, assistant deputy minister, public security division.

Mr. Pickering: Brad Pickering, Deputy Minister, Solicitor General and Public Security.

Mr. Bauer: Good morning. Jim Bauer, assistant deputy minister, corporate services division.

Mr. Anderson: Bruce Anderson, ADM, correctional services division.

Ms Hammond: Ann Hammond, AGLC.

Mr. Hermanns: Gill Hermanns, AGLC.

Mr. Wylie: Good morning. Doug Wylie, Assistant Auditor General.

Mr. Dunn: Fred Dunn, Auditor General.

Mr. Mason: Brian Mason, MLA, Edmonton-Highlands-Norwood.

Mr. Drysdale: Wayne Drysdale, Grande Prairie-Wapiti.

Mr. Johnson: Jeff Johnson, Athabasca-Redwater.

Mr. Kang: Good morning, everyone. Darshan Kang, Calgary-McCall.

Mr. Hehr: Kent Hehr, Calgary-Buffalo.

Mrs. Dacyshyn: Corinne Dacyshyn, committee clerk.

The Chair: Hugh MacDonald, Edmonton-Gold Bar.

I would note that there is an MLA from Calgary-Buffalo in attendance who is not a member of this committee. Any member of the Legislative Assembly is welcome to attend and participate, but they cannot vote in any of our proceedings.

The Chair would like to recognize Mr. Fawcett – good morning, sir – and also Mr. Vandermeer. Good morning.

An Hon. Member: And Doug Griffiths.

The Chair: And Doug Griffiths. Yes, he's out and about.

Item 2 on our agenda. May I please have approval of the agenda that was circulated?

Mr. Dallas: I move approval of the agenda.

The Chair: Thank you. Moved by Mr. Dallas that the agenda for the May 21, 2008, meeting be approved as distributed. All those in favour? Seeing none opposed, thank you.

Item 3 on our agenda, approval of the minutes as circulated. Any questions, or may I have approval of those minutes, please? Mr. Lund, thank you. Moved by Mr. Lund that the minutes for the May 14, 2008, meeting be approved as distributed. All those in favour? Opposed? Seeing none, thank you.

Item 4 is our meeting today, of course, with the Solicitor General and Ministry of Public Security and the Alberta Gaming and Liquor Commission. I would remind members that the reports we're dealing with here include the Solicitor General and Public Security annual report 2006-07, Alberta Gaming and Liquor Commission report 2006-07, the annual report of the Auditor General 2006-07, both volumes, and also the annual report of the government of Alberta 2006-07, volumes 1 and 2. I would remind everyone of the research material provided through the LAO research co-ordinator and that this material is available to the public from the committee clerk.

Now, if the officials from the department would like to give a very brief overview to the members of the department's activities in 2006-07, we would be very grateful. If Mr. Dunn has anything to add following that, he's quite welcome to. Then we will proceed with questions.

Mr. Pickering: Well, good morning, Mr. Chairman, and members of the Public Accounts Committee. Before I give an overview of our achievements for '06-07, including the Gaming and Liquor Commission, I want to touch briefly on the dissolution of the ministry of gaming, which occurred during that year. With this dissolution the department of gaming's programs were moved three different ways. Gaming's grant programs were transferred to tourism, parks, recreation, and culture; gaming's research funding was transferred to the Solicitor General and Department of Public Security; and strategic services were included in the Alberta Gaming and Liquor Commission. Regulation of liquor and gaming industries remained with the Gaming and Liquor Commission. The Solicitor General and Public Security annual report, therefore, includes liquor, gaming, and lottery funding information, which previously would have been reported in the ministry of gaming annual report. Both the Gaming and Liquor Act as well as the Government Accountability Act require the AGLC to produce its own annual report.

Now, let me turn to the accomplishments of the department during '06-07, which delivered its mandate through four core businesses, that being policing, crime prevention, and response to organized crime; custody, supervision, and rehabilitative opportunities for offenders; security services; and victims programs and services.

In our first core business, policing, crime prevention, and response

to organized crime, the ministry oversees policing and police governance throughout the province through a contract with the RCMP. We provide a provincial police service in rural and small urban municipalities with a population under 5,000. For municipalities with a population over 5,000 we help their policing costs through municipal policing grants. We also develop, support, and operate programs that target organized and serious crime. Our priorities related to this core business included ensuring adequate resources to deal with existing and emerging crime and public safety challenges, investing in technology to improve co-ordination among law enforcement partners, and developing innovative ways to address community crime prevention.

Accomplishments during the year included sponsoring a province-wide gun amnesty in October 2006 that resulted in more than 2,500 guns, 243 other weapons, and 44,000 rounds of ammunition being turned over to police. We implemented the Alberta law enforcement response team, ALERT, to co-ordinate an integrated response to serious and organized crime. ALERT was created in March of 2006. We launched the sheriff traffic operation, which included a new unit of 39 traffic sheriffs to patrol Alberta's highways and help reduce the number of collisions and fatalities. We inaugurated the Pillar of Strength, a new, permanent monument at the provincial Legislature, to commemorate Alberta's fallen police and peace officers.

Accomplishments during the year with respect to Public Security. We selected Fort Macleod as the preferred site for the Alberta police and peace officer training centre. We secured resources for the implementation of a strategic information and technology initiative to enhance the safety and security of Albertans. The strategic information and technology initiative will help the province combat organized and serious crime by providing a province-wide comprehensive information system for police, sheriffs, corrections, and law enforcement partners. We initiated the development of a province-wide radio system for all enforcement agencies and first responders. The first responder radio communication system will improve the exchange of voice and data information among emergency services and enforcement agencies. We received royal assent for the Peace Officer Act, which provides a more effective use of alternative forms of law enforcement, such as provincial sheriffs working in partnership with police. During the year we also supported aboriginal youth development, including cultural and leadership programs, and provided direct support to communities through the aboriginal youth suicide prevention strategy.

In our core business 2, custody, supervision, and rehabilitative opportunities for offenders, the ministry provides trained staff and appropriate custody and community facilities to ensure that offenders are securely held in custody, safely transported, and appropriately supervised in the community. We also ensure that offenders have access to rehabilitative services and supports to promote positive and productive behaviour.

Priorities for corrections programs included responding to the changing environment in corrections, addressing strains on remand capacity, and enhancing integrated mental health programming for young offenders. Accomplishments included that we received approval to build a new, larger remand centre in Edmonton as a long-term solution to overcrowding at the current Edmonton Remand Centre; added a drug unit to promote zero tolerance for illicit drugs in correctional centres; expanded video conferencing facilities from 29 to 66 in our courtrooms, remand centres, and correctional facilities, which further reduced the need to transport offenders between correctional facilities and courtrooms; enhanced mental health and addictions programming for our young offenders; and shipped the 2,000,000th pair of eyeglasses repaired by offenders to people in need in developing countries.

In our core business 3, security services, the ministry worked with law enforcement agencies and public and private stakeholders to develop and implement a world-class security and emergency preparedness framework for Alberta. This included collecting and analyzing counterterrorism intelligence and crisis management planning as well as the protection of government personnel in facilities and courthouse security. Accomplishments included transferring the critical infrastructure protection and crisis management from emergency management Alberta to the Solicitor General and Public Security. As a result, a new unit was created, the Alberta Security and Strategic Intelligence Support Team, ASSIST, to provide dedicated resources to prevent and mitigate acts of terrorism. We enhanced court security by installing scanners and X-ray machines at 18 locations. This was the second stage of our comprehensive court security plan.

8:40

In our core business 4, victims programs and services, the ministry ensured that eligible victims of crime received prompt financial benefits and provided grants to eligible programs supported by communities to meet the needs of victims of crime. Key accomplishments included: provided more than \$11.5 million in financial benefits to eligible victims of crime, awarded \$5.5 million in grants to support victims services organizations, launched a multimedia, multi-air campaign to increase public awareness about programs for victims of crime, completed the victims of crime protocol in partnership with victims, nongovernmental organizations, and Alberta Justice. The protocol was the first of its kind in Canada and outlines what victims can expect during the criminal justice process.

I'll now turn to the accomplishments during '06-07 of the Gaming and Liquor Commission, or AGLC. AGLC has three core businesses: license and regulate liquor activities, license and regulate charitable gaming activities, and conduct and manage provincial gaming activities. In reporting on its core businesses, the AGLC's goals reflect two overriding principles: integrity and social responsibility.

In their first core business, license and regulate liquor activities across the province, Alberta's privatized liquor model contributed \$658 million to general revenues, up from \$597 million in the previous year. During '06-07 Alberta's liquor supply chain experienced delivery problems that affected retailers across the province. AGLC addressed these concerns by hiring a third-party consultant to conduct a comprehensive liquor supply chain review with stakeholders. The resulting report was released in March of '07, and short-term recommendations were implemented last year.

To ensure that liquor activities are conducted with integrity and in a socially responsible manner, the AGLC conducted more than 26,000 inspections in licensed premises across Alberta. They found that 95.5 per cent of licensees were in compliance with legislation, regulation, and policies related to liquor and sales and service.

It was also the fifth year of the under-25 program, which monitors licence compliance in checking proof of age to keep liquor out of the hands of minors. Compliance was 87 per cent, up 4 per cent from the previous year, and up over 60 per cent from the first audit conducted in '02-03. The key liquor issue of violence in and around licensed premises was the subject of a stakeholder round-table hosted by the ministries of gaming and Solicitor General. The resulting report was used to create an action plan, and activities from the plan continue to be developed and implemented by the AGLC.

The second and third core business are license and regulate charitable gaming activities, and conduct and manage provincial gaming activities. The first First Nations casino in Alberta, the River Cree Resort and Casino, opened in November '06 on the

Enoch Cree Nation near Edmonton. In preparation for the opening of this casino and other First Nations casinos the AGLC in consultation with First Nations developed charitable gaming policies for First Nations charities. These policies are largely the same as traditional charities, but they recognize the unique needs of First Nations communities and allow charitable gaming funds to be used to address priority issues such as housing, infrastructure, and addictions treatment.

Revenue from charitable gaming activities, including casinos, bingos, raffles, and pull tickets, benefited more than 6,400 licensed charities. These organizations shared more than \$270 million in '06-07. Overall Alberta communities benefited from \$1.5 billion in gaming revenue through the Alberta lottery fund. The lottery fund is the government's share of revenue from provincial gaming activities: VLTs, slot machines, and ticket lotteries. The distribution of these revenues is voted on in the Legislature to ensure transparency. These funds were allocated to programs, projects, and foundations administered by 12 government ministries in '06-07. Details on how these funds were spent are outlined in the annual reports of these ministries.

Key accomplishments related to Alberta's gaming industry include launching a web-based reporting system for licensees of raffles earning less than \$10,000. This new system gives the licensees the option of mailing in their financial reports or filing them online. There was the introduction of the Responsible Gambling Information Centres in Alberta casinos. The staff at these information centres provide players with information on responsible gambling practices, house advantage, and how to access counselling help. The goal is to have an information centre in each Alberta casino and racing entertainment centre by the end of 2010.

Before I conclude, I want to touch briefly on the '06-07 report of the Auditor General, which contains two specific recommendations directed to our department. The first recommendation was that the ministry improve its change management process to include changes to information technology environment made by service providers. The second is that the ministry develop procedures to implement its business continuity plan to ensure it can recover its information technology operations within required time frames in a disaster.

We are addressing the first recommendation by adopting the information technology infrastructure library as a framework for standardized change management processes. This is an ongoing process and will include managing and monitoring changes at the infrastructure level that are provided through Service Alberta. We also clarified our expectations with Service Alberta that they should provide advance notice for all infrastructure changes that could affect our applications.

We're addressing the second recommendation by expanding our IT business continuity plan to include a list of applications and infrastructure for each business unit. We're also incorporating existing backup recovery procedures into the plan, negotiating specific recovery procedures, and scheduling periodic tests.

That concludes my remarks. I do invite questions you may have for myself and my team members. Thank you.

Mr. Dunn: I'll be very brief because the deputy has covered most of my comments. For members, the comments that the deputy was referring to start on page 153 of the second volume of our October 2007 report. The deputy has clearly summarized the two recommendations that we made. I thank him for the update as to what actions have been taken to address those recommendations.

Any questions that the committee may want to address to us, I and my staff will answer them. Thank you, Mr. Chairman.

The Chair: Thank you.

We will quickly proceed to questions. Mr. Kang, please, followed by Mr. Denis.

Mr. Kang: On page 43 of the annual report of the Alberta Gaming and Liquor Commission it states that "the AGLC also found that having a trained AADAC counsellor on site was not required" for Responsible Gambling Information Centres. What evidence was provided to show that an AADAC counsellor was not a necessity to inform individuals about the risks of gambling?

Mr. Pickering: I'll maybe ask Ann Hammond or one of her staff to answer that question.

Ms Hammond: Perhaps Kent Verlik, our executive director of social responsibility, could respond to that question.

Mr. Verlik: During the pilot phase of the RGIC test it was determined that, generally speaking, when people are accessing someone at the casino, they're looking for information. To be effective in counselling, that kind of discussion needs to happen in a different forum, for example in a counselling office. It was determined through our study, that included surveys dealing with the people at the casino directly and talking with the casino staff, that this position would be better as a gateway to treatment as opposed to actual front-line delivery of treatment.

Mr. Kang: Thank you.

My supplementary question. The next page highlights the training that is provided to the AGLC employees who staff the RGICs. What is involved in this training, and is the training conducted by AADAC counsellors or by the AGLC itself? If the AGLC trains its own staff, what assurance is there that a conflict of interest does not impact the addiction training that is provided?

Mr. Verlik: We're referring to the Deal Us In training. This is training that is delivered to casino staff. Where we have RGICs, what we've had is AADAC training the RGIC worker to deliver that training. In the casinos where there aren't any RGICs, we still have AADAC delivering that Deal Us In training.

8:50

Mr. Kang: Thank you.

The Chair: Thank you.

Mr. Denis, please, followed by Mr. Hehr.

Mr. Denis: Thank you, Mr. Chair. Just referring to page 149 of the annual report, in '06-07 the surplus in the victims of crime fund was just over \$4 million, which I notice was just about \$1 million over what's been budgeted. To the deputy minister. I'd first like to know: why was there a \$3 million surplus budgeted in this fund?

Mr. Pickering: The revenue source for the victims of crime fund comes from a surcharge on traffic tickets, so it gets into how many tickets were issued in that year. I'll maybe ask Jim to supplement.

Mr. Bauer: Okay. Essentially I think why the surplus was higher than initially budgeted, the contributing factor, was really the result of higher tickets that were issued and greater surcharge revenues that were collected. That was the primary factor that contributed to the surplus that was greater than budgeted.

Mr. Denis: My supplemental. Why is there even a \$3 million surplus budgeted if the department doesn't have an actual plan to use that money?

Mr. Bauer: Initially when we were undertaking revenue forecasting, there was, I guess, an approach that was taken that was quite conservative with the revenue amounts. What we have since done is that we have more recently gone back and looked at the assumptions upon how the revenues are calculated, so as we go forward into future years, we have developed, I guess, a less conservative revenue forecasting model where the budgeted surplus is considerably less.

Mr. Hehr: On page 15 of the Alberta Gaming and Liquor Commission's 2006-2007 annual report the AGLC "weighs social responsibility against Albertans' right to personal choice and against the economic benefits generated by liquor and gaming." Does the AGLC collect data on the negative impacts of gambling and alcohol addictions on the economy and society? If so, what are the results? If you don't do it, why not?

Ms Hammond: Obtaining a balanced view of gaming and liquor activity in Alberta is one of the areas that the AGLC has been interested in for some time. We have been working with the Alberta Gaming Research Institute to promote research in the area, getting a balanced view of that. Recently AGR, the Alberta Gaming Research Institute, was issued an RFP for a study on the socioeconomic benefits and costs of gaming in Alberta, and that RFP has recently been awarded. We understand that the research on that project will begin shortly. We also understand that it's the researchers' target to have the research completed by 2010, so we're looking forward to having those results and informing the AGLC on their policy development and the approaches to at least gaming in the province.

Liquor has been around in the province for considerably longer than gaming. There are some studies, I believe, that have looked at the social and economic costs and benefits of it. I don't at this moment have recall of exactly what they are or the outcome of those, but we could certainly look into that if the member was interested.

Mr. Hehr: Well, thank you very much.

Currently what percentage of revenue generated from gambling and liquor sales is redirected towards research and addiction programs?

Ms Hammond: Well, on the gaming side \$1.6 million of the lottery fund revenue goes to gaming research, so \$1.5 million of that to the Alberta Gaming Research Institute. There are also some funds within the AGLC that are directed to research activities.

Mr. Hehr: Thank you.

The Chair: Thank you.

Mr. Quest, please, followed by Mr. Mason.

Mr. Quest: Thank you. My question I think would be for Mr. Hermanns. On page 65 of the annual report for Solicitor General and Public Security we're talking about: "Alberta's liquor industry operates in a socially responsible manner." The Alberta server intervention training program: how many have completed that and at what cost?

Mr. Hermanns: We'll ask Kent Verlik, the director of social responsibility. His area operates that program.

Mr. Verlik: As of the end of the 2006-07 fiscal year I believe there were about 25,000 individuals in Alberta who had completed the Alberta server intervention training program. That, of course, is revenue neutral. The revenue generated covers the cost, so there's no cost to government.

Mr. Quest: All right. Just a supplemental: what's the total cost of the program?

Mr. Verlik: What are the operational expenses of the program?

Mr. Quest: Yeah.

Mr. Verlik: It's approximately \$300,000 and generates slightly over \$300,000 in revenue.

Mr. Quest: So the whole thing is revenue neutral?

Mr. Verlik: Correct.

Mr. Quest: Very good. Thank you.

The Chair: Mr. Mason, please, followed by Mr. Lund.

Mr. Mason: Thank you very much, Mr. Chairman. I'm interested in the growth and development of the sheriffs in Alberta, and I wonder if you could talk about the expansion of that service with particular regard to the number of officers and other staff and the intelligence unit and the various other units that have been added up to this point.

Mr. Pickering: Sure. I'll ask Brian to supplement on this. I think, as you are aware, we've got the traffic unit. Originally in this particular year there were 39; we're up to 105. There has also been growth in our court security areas and in some of our specific intelligence units. The intent of the sheriffs is really to supplement resources to our existing law enforcement partners, including the RCMP, not to replace the RCMP.

Brian, maybe you can supplement.

Mr. Skeet: Thank you. The underpinning philosophy on the expansion of the sheriffs program is based, as the deputy indicated, on supplementing police. We've looked and focused on specific functions that we believe individuals can be specifically trained on to accomplish the goal of supplementing the police. In terms of expansion: in addition to the traffic sheriffs in '06-07 we implemented two surveillance teams that support police investigations on everything from housebreakings to organized crime and homicides. We also later in the year implemented warrant apprehension teams, who focus on the significant number of outstanding criminal code warrants that are currently on the system in Alberta.

Mr. Mason: Thank you. A supplementary: have you conducted a cost-effectiveness evaluation of continuing to expand the Alberta sheriffs versus continuing with a contract for the RCMP in the province? Do you know which is more cost-effective?

Mr. Pickering: I'll ask Brian to supplement. I'm not aware of a specific study. As mentioned, I mean, the sheriffs are to supplement the resources of the RCMP. Their designation comes under the Peace Officer Act versus the police officer. I think the sheriffs provide an opportunity not only for the RCMP but also for our law enforcement partners both in Edmonton and Calgary, I think, to

provide a continuum of sort of policing activities across that spectrum.

Mr. Skeet: In terms of the specifics of cost we haven't done any formal evaluation. We have a general understanding of what it costs to put a sheriff on the street, and we have a very good idea of what it costs to put an RCMP member on the street. But I think we need to be clear that this isn't about one or the other; this is about, as the deputy has said, a continuum of providing policing to Albertans. The one thing that we are doing, though – and we're in the process of this right now – is a very thorough evaluation of the expansion programs within the sheriffs.

9:00

The Chair: Thank you.

Mr. Lund, please, followed by Mr. Kang.

Mr. Lund: Well, thank you, Mr. Chairman. I'm looking at the AGLC report, and on page 28, goal 5, we see that the goal was that "the availability and delivery of gaming products and activities are balanced with consumer demand, social responsibility, and economic benefit to Albertans." Under there in the report we see that the percentage of Albertans satisfied with the availability of gaming products and activities is at only 73 per cent. I would probably consider that to be a pretty low number, but I guess I'm really curious: who do you talk to to find out if they're satisfied? What kind of a survey is it that produced this outcome?

Ms Hammond: The survey results are conducted for us by an external consulting group. They survey 1,000 Albertans every year. The Albertans surveyed are all over the age of 18 and are considered to be representative of Albertans in general. We ask the blanket question. As you note, it's been around 70 per cent, and it's been around 70 per cent for some period of time. The comments when they're asking why they have a negative response to that question seem to indicate that the dissatisfaction stems from a basic attitude that gambling is wrong, so their view is more that there should be no gaming in Alberta rather than the way it's provided. We think, you know, that 30 per cent are probably never going to accept gambling no matter how it's provided in the province.

Mr. Lund: Well, thank you. That actually sort of answered my second question. I have a situation in the constituency that's been kind of a nagging situation to me. The situation is that there's a group that operates group homes and this sort of thing. Now, they get government funding. They also provide a lot of other services, not just housing but recreation types of activities that are not covered through the government grant. They cannot get a licence to even hold a raffle. The fact is that much of the activity that they provide outside of the government grant is crucial to those folks; for example, operating a handicap bus. But they have to get donations; they can't get out and raise. Now, if they formed a foundation, then they get around it. But, to me, when we throw up a barrier like that, like, "Well, okay, if you form a foundation, you're okay," I have real difficulty with that. Why don't we, say, simply allow them to go ahead and get a permit to hold a raffle or whatever it is that they want to do and let them do it providing the money is not going for core services?

Mr. Hermanns: Under the Criminal Code there are precise rules for charitable and religious groups that we interpret down into our act and our policies. One of them is that groups that receive government funding aren't eligible for charitable licences. If I recall right, I

think this group is related to other subgroups who, they themselves not getting government funding, could apply for licensing or the raffles, as you state. They could also make requests under the Alberta lottery fund for grants under the Alberta lottery fund programs for some of their program delivery as well.

The Chair: Thank you.

Mr. Kang, please, followed by Mr. Bhardwaj.

Mr. Kang: Thank you, Mr. Chair. On page 24 of the Solicitor General and Public Security 2006-2007 report, coming back to the core business goal of addressing policing and crime prevention, savings of \$2.9 million because of lower utilization of RCMP positions: can the minister explain why there was a low utilization of RCMP positions for 2006-07?

Mr. Pickering: I'll ask Brian to answer that.

Mr. Skeet: The low utilization is simply based on the RCMP's ability to staff vacant positions. We're reliant on them to be able to recruit and train people to put into the positions that we've established.

Mr. Kang: Okay. A supplemental question, sir: how did the lower use of RCMP positions impact the ministry's goal of addressing policing and crime prevention?

Mr. Skeet: Well, we work with the RCMP in terms of identifying the provincial priorities for policing in Alberta, and based on those priorities, they assign whatever staff they have available to them to work on those priorities. So there might be some impact, but certainly they're focusing what available resources they have on the provincial priorities.

Mr. Kang: Thank you, sir.

The Chair: Thank you.

Mr. Bhardwaj, please.

Mr. Bhardwaj: Thank you, Mr. Chairman. On page 71 of the 2006-07 Solicitor General and Public Security annual report it indicates that the Alberta Gaming and Liquor Commission carried out an Alberta lottery fund advertising campaign. Can you indicate the purpose of the campaign, its cost, and whether it was successful?

Ms Hammond: The purpose of the campaign is to just inform Albertans about what happens with gaming dollars. As part of the gaming summit a number of years ago Albertans thought that it was important to know how much money government raised from gaming as well as how the government used that. The mechanism that the government uses to inform Albertans is the lottery fund. Because the AGLC is the administrator of the lottery fund, we thought it was important to have a campaign that helped inform Albertans. The campaign included a number of things like advertising on rink boards in arenas, banners along the sides of buses, those kinds of things, as well as brochures and that kind of thing. Overall I believe the campaign cost around \$400,000.

Mr. Bhardwaj: Thank you very much. My supplemental would be, then: are Albertans satisfied that the Alberta lottery fund is used to support volunteer-, public-, and community-based initiatives?

Ms Hammond: I think that once Albertans are informed about what

the lottery fund is, there is general satisfaction. In fact, one of our performance measures looks at that, and I believe it's around 70 per cent satisfaction as well.

Mr. Bhardwaj: Thank you very much.

The Chair: Thank you.

Mr. Hehr: This is more of a question following up on Mr. Denis's question earlier. My understanding is that the victims of crime surplus is somewhere around \$38 million right now, and with organizations clamouring for dollars in that area, what plans do you have to distribute this money, if any, or are there plans to put it into the heritage trust fund, or is this money just going to sit there? What are the plans for this money that's allocated in surplus?

Mr. Pickering: I'll maybe start off and then have Jim and maybe Brian supplement. The fund in our financial statements is administered separate from the ministry financial statements. So the fund, while it may form part of the overall fiscal position of the province, is separately accounted for. I think this past year there have been significant increases in the victims of crime area. I think we're up over last year by about 7 and a half million dollars. As Jim, I think, mentioned earlier, we've got a little better at our forecasting of fine revenue and the ability to access those funds for victims of crime.

I think that on a go-forward basis, you know, there are a number of demands on that fund, and it is subject to fine revenues. So having some money in the fund is important. I think that as we move forward, we need to look at additional programming out of that area.

Jim or Brian?

9:10

Mr. Bauer: Well, I don't have too much further to add than what the deputy minister has already stated, but, maybe just to reiterate a couple of points, there are certainly two programs. One is the financial benefits program. This is the one that provides funding to individuals that have been victimized in some way, shape, or form, and certainly that's very dependent upon the demand of people that are applying for those. We have undertaken a number of initiatives to increase the awareness of that program, and that way more individuals are able to participate in that program. That's one initiative that we are doing to basically further provide funding to victims that have been inflicted upon by a crime.

In the second program, the victims' program, what we do is provide funding to victims' services units. Just in the past several weeks the minister announced, actually, a change in the funding formula where the amounts that are being provided to these units have increased. Those are a couple of initiatives that we have undertaken to increase the amount of spending in the fund to address the needs of victims.

The Chair: Thank you.

Mr. Hehr: Well, thank you very much. Just sort of jumping around a bit, if we go to the Solicitor General and Public Security annual report, there are no performance measures in there as to the number of Albertans that are impacted by problem gambling and alcohol abuse. Doesn't the ministry think that this is a more effective way to develop objective performance measures rather than relying on public opinion to analyze what gambling and other social problems are created possibly by our gaming organizations?

Ms Hammond: Well, they're certainly measures that we follow on a periodic basis, whether that's information that should be in the annual report or not. I guess there would be a suggestion that there is a linkage between the availability of gambling and liquor and the incidence of problem gambling. Research perhaps isn't quite as clear that there's a causal linkage there. There seems to be some suggestion with problem gambling that rates are levelling or even decreasing over periods of time even though the availability of gambling may even increase over that period of time.

Again, I'm not sure that that would necessarily be AGLC's role, to provide that information. It may be more appropriate for AADAC as the organization with the prevention, education, and treatment programs for those addictions to provide that information, but that's certainly something that we could look at and make sure that that information is available if the members thought that that was important.

The Chair: Thank you.

Mr. Johnson, please, followed by Mr. Mason.

Mr. Johnson: Thank you, Mr. Chair. My questions relate to gambling on First Nations. That's touched on in the AGLC annual report, pages 46-47, and page 67 of the Solicitor General and Public Security annual report. As I glean out of this, we've got four First Nation casinos today and six more in the pipe in terms of applications. Can you folks validate that? Let me know where we have casinos, how many are in the pipe, and how much money these First Nations communities are getting from these casinos. You've profiled the new Enoch one. Maybe you could give us a sense of how much these folks are getting.

Mr. Hermanns: As to the number of First Nation casinos currently there is the River Cree, which is operating at Enoch. There is the one at Tsuu T'ina by Calgary; Alexis, which is just outside of Whitecourt; and Cold Lake. There are two still in the process of opening. One will be at Stoney First Nation, which will be on Kananaskis highway, which is tentatively opening June, next month, and then Samson, which is still not under construction. They are still in the investigative stage. As to the revenues?

Ms Hammond: The revenues for First Nations casinos are broken, really, into two parts. The operator, like any other casino operator, gets 15 per cent of the net proceeds. A further 40 per cent from the Alberta lottery fund is provided to the First Nations development fund program. That program is currently administered by Aboriginal Relations. That 40 per cent is available in two pools: one pool goes to the host First Nation; another portion of it, too, is available for all First Nations in Alberta, all nonhost First Nations. They can make application to the program and receive funding from it if the application is approved.

Mr. Johnson: Do you have a sense of what the value on that is, though, on the percentages? Can you give us a real number?

Ms Hammond: Yeah. In '07-08 the program was budgeted at \$40 million, and there was actually \$56 million at the forecast as being available for distribution. In '08-09 the budget estimate is \$78 million.

Mr. Johnson: Seventy-eight?

Ms Hammond: Yes.

Mr. Johnson: Is that the total, or is that the portion that goes to Aboriginal Relations?

Ms Hammond: That's the portion that goes to Aboriginal Relations.

Mr. Johnson: Okay. Thank you very much.

My second question may be in two parts, and you've kind of answered part of it. Possibly it's Aboriginal Relations. You know, we talk about the goals of this gambling on First Nations on page 45 of the AGLC. We've got to "help improve economic and social conditions." And on page 67 of the of the SG and Public Security we've got "to build stronger and healthier communities." I'm just wondering, first of all: what kind of benchmarking or performance measures do we have in place to see if this stuff is actually taking place? Secondly, when we talk regarding the use of the proceeds, what kind of oversights, accountability is in place in terms of making sure that these First Nation communities are spending this money on what we say they need to be spending it on? Maybe, that's Aboriginal Relations.

Mr. Hermanns: Okay. I can deal with the oversight part. Under the regulatory division we audit both the charity side and the FNDF side. We have an MOU, which was with tourism and parks, and we'll enter into a new one with Aboriginal Relations eventually. We do random audits on the F and DF monies that are allocated out to ensure that they're being spent pursuant to the grant application.

On the charity side we have a very proactive audit where we audit live. We have online access to the charities' bank accounts as well as remote access to their general ledgers. We watch their transactions to ensure that the monies are going towards the programs they've applied for and have been approved to spend it on.

Mr. Johnson: Thanks.

The Chair: Thank you.

We will proceed to Mr. Mason, please, followed by Mr. Benito.

Mr. Mason: Thanks very much, Mr. Chairman. There was not a complete answer to my last question. Maybe the officials can provide it to me in writing: the increase in the numbers of staff sworn and otherwise in the Alberta sheriffs as well as the number of people in the sheriffs as well as the costs of putting a sheriff on the street versus an RCMP, which Mr. Skeet indicated he had, but he didn't give me the numbers.

My question has to do with gambling. There was a piece in the news recently about the use of casinos for money laundering. I'm curious to know what measures are in place to monitor, deter, and apprehend individuals who use casinos in the province of Alberta for the purposes of laundering money.

Mr. Hermanns: I think initially we have to understand the differences between the casinos in Ontario, B.C., and Alberta. In Ontario and B.C. they operate totally differently. As in Las Vegas they can set up accounts where they can put money on deposit, have cheques issued. In the case of the CBC report and what was in the *Globe and Mail* with the drug trafficking, they were going in, putting money into a slot machine, getting a ticket paid out, then asking for a casino cheque, copying the cheque, and then depositing the cheque in their account to make it look like the source of funds was from gambling winnings.

9:20

In Alberta the only time a player can get a cheque from a casino

is if they win a progressive game, a progressive jackpot, whether it's Caribbean poker or one of the slot machines, so it is an actual win. If they put money into a slot machine, our machines are set so there is a limited amount of money they can put in. They can't put in more than a thousand dollars at a time. They get paid back a ticket, and when they cash the ticket out, they only get cash back. So they can't launder the money in the sense that they can change the nature of it from money to a gambling winning, saying that there is a source of income other than drugs or whatever the purpose of the money they earned illegally was for.

We monitor the FINTRAC program very aggressively. Our investigators are always checking to make sure that the FINTRAC forms are being filled out correctly and submitted pursuant to the FINTRAC law. So we're in there checking with the casinos all the time to ensure that they're following the FINTRAC rules. It's their responsibility, but we take the onus of ensuring that they're following it because we license them.

Mr. Mason: Thank you. I don't need a supplemental.

The Chair: Yes, Mr. Pickering, if you could be brief.

Mr. Skeet, if you could provide in writing the information requested by Mr. Mason to all members of the committee through the clerk, we would be grateful.

Mr. Pickering: We actually have the FTE count. For 2006 we had 20 sheriffs in our surveillance unit, an increase; 42 in our traffic enforcement, which would include our front-line and management; and 23 in our court security. So that's 85 for 2006.

Just a point of clarification on the costs because that would vary depending on whether a sheriff is in a courthouse arrangement or a traffic arrangement. The average cost is about \$95,000. That would include if they're in traffic that we've obviously got vehicles and other things that are associated with that versus on the courthouse side. I'm not sure if that gives you the specifics you want. RCMP total cost is \$160,000. We're eligible for 30 per cent funding from the federal government, assuming that they provide that funding, so it's around \$116,000 that is Alberta's cost.

The Chair: Thank you.

Mr. Benito, please, followed by Mr. Kang.

Mr. Benito: Thank you very much, Mr. Chairman. I'm interested in the long-term plans regarding the remand pressures. What long-term plans will be implemented to address pressures at the Edmonton Remand Centre?

Mr. Pickering: Mr. Chairman, dating back to '05-06 we did put together a business case regarding the replacement of that facility. We are seeing tremendous increases in our remand population over the last few years. We did a feasibility study and selected a site in northwest Edmonton, which is adjacent to our young offenders centre, and construction did commence on that facility in the fall of last year. We're anticipating an opening in 2011.

Mr. Benito: My supplementary question is: until the new Edmonton remand centre is complete, what are the interim measures to deal with the remand pressures?

Mr. Pickering: We have three sort of main strategies to deal with the pressure. We obviously don't have the ability to control the number of inmates that come into our system. The first is that we have an arrangement with the federal government to access their

facility in the Grande Cache area if we need it, about 60 beds there. We did do some renovations to the Fort Saskatchewan Correctional Centre, converting about five units there, which gives us a capacity of about 280. As well, we look at the capacity in our facilities around the province, and if required, depending on length of stay in the facility, they are transported to other facilities. So that's our interim strategy until we get the new centre open.

The Chair: Thank you.

Mr. Kang: What evidence is there to show that the initiatives to have posters and brochures at the gaming sites help to support individuals to be responsible with their gambling and offer support for problem gambling? Should I restate my question? This is to the minister.

Mr. Verlik: If I understood the question, you're asking: what evidence is there to support social marketing efforts, posters and brochures, in the casinos?

Mr. Kang: Yes.

Mr. Verlik: Okay. We're into a philosophical realm here, but social marketing has proven to be effective in terms of providing people information that they need in order to make good decisions for themselves. It's been around probably now for approximately 30 years. It's been widely researched. Certainly, we're using that as a best practice to make sure that people in casinos have information about the cost of play, odds, where to go to get help, et cetera.

Mr. Kang: I think you answered part of my supplemental question. Does the minister feel that this method is the most effective means of addressing gambling addictions?

Mr. Verlik: There's no one magic bullet to addressing that issue. I think it requires that you have to have support in terms of information to people. You have to have support in terms of counselling. There are many different avenues there. One of the first stages for people who have problems is to realize that they made themselves have a problem and, therefore, go seek help. Providing them information about what the risks of problem gambling are is one way that people can assess for themselves whether they might be facing a problem.

Mr. Kang: Thanks.

The Chair: Thank you.

Mr. Jacobs, please, followed by Mr. Hehr.

Mr. Jacobs: Thank you, Mr. Chairman. Some of my colleagues have already alluded to my question, which has to do with victims of crime. I've always felt that, you know, one of the deficient areas we have in a society is the way we deal with people who have been victimized by crime. I'm not quite clear yet from your responses how a person who has been a victim of crime accesses the help. What is the protocol for people who are victims of crime to access any programs which may be available, whether they be financial or otherwise? The money that we use to help these people: does any of that money come from the perpetrators of the crime?

Mr. Pickering: I'll maybe answer the last question first and then defer the first one to Brian. With respect to perpetrators of crime the funding, basically, for victims of crime programs and compensation

programs comes from surcharges on fines. So while not violent crime or other crime there is a component that comes from those that infringe and break our laws. There's a 15 per cent surcharge both on provincial offences as well as some federal offences.

With respect to how people become aware, as I mentioned in my opening remarks, we do have the protocol document that we put together in 2006. We worked with specific victims of crime as well as some of our nongovernmental organizations and Alberta Justice, who shepherd people through the system. I think we've issued about 40,000 of those documents. Our victim services units, which are attached to a number of the police services, have that information as well as information as to how our programming works. There was an advertising campaign that started in 2006 that's run over a number of years to deal with making people aware of the victims of crime program and compensation funds.

I'll ask Brian to supplement.

Mr. Skeet: Well, there's really not much to add to that other than to indicate that there are over a hundred police- or community-based victims of crime assistance units out in the province that we provide funding assistance through grants to. They're the ones who actually are at the front line providing the service to the victims that you're alluding to.

Mr. Jacobs: So is the program working? Are people actually using the program? What evidence do you have to suggest to me that the program is being well received or well used by Albertans?

Mr. Skeet: I think there would be two measurements. The first would be somewhat anecdotal in terms of the feedback we get from the actual victims of crime units in the communities, where they're saying that they're being stretched on their dollar because of the workload that they're facing. The second measure we would use is the people who apply for the victims of crime benefits program. In '06-07 we saw a significant spike in requests for that program, that caused us to overspend by about 2 and a half million dollars.

9:30

The Chair: Thank you.

Mr. Hehr, please, followed by Mr. Lund.

Mr. Hehr: Thank you very much. Your key accomplishments for correctional services included mental health and addictions programs for young offenders through the Bridges program in Edmonton and the ExCel Discovery program in Calgary. How much funding was dedicated to each of these programs?

Mr. Pickering: I'll maybe ask Bruce or Jim to answer that one.

Mr. Anderson: I can give you some exact numbers here for '06-07. The Calgary program that you referred to was \$576,000, and the Edmonton program was \$408,000.

Mr. Hehr: Although I'm not the sharpest tool in the shed, I understand that this program has tried to aim at reducing these young offenders from offending again. For people who complete these programs, what do the numbers indicate? Are they reoffending less than generally the other youths who don't participate in this program? What are the actual results stemming from this program?

Mr. Anderson: I don't have any specific statistics with respect to success for these particular programs in terms of long-term recidivism. In fact, from a corrections perspective I think recidivism has

been somewhat elusive. People define recidivism in a number of different ways. In fact, we're working with the Canadian Centre for Justice Statistics nationally – all the jurisdictions are – to create some standard measures of recidivism so that we can actually compare apples to apples across jurisdictions. The type of individuals who are being referred to these programs are individuals that are in need of significant support and treatment, so they would be individuals that without that support and treatment would be very likely to be reoffending.

Mr. Hehr: But there are no actual numbers.

Mr. Anderson: I don't have anything with me. I could certainly go back and see what research we've done on those programs and provide you with that.

Mr. Hehr: Thank you.

The Chair: Thank you. If you could do that through the clerk to all committee members, Mr. Anderson, we'd be very grateful.

We'll proceed now to Mr. Lund, followed by Mr. Mason.

Mr. Lund: Thanks. I want to pursue my first question a little further, Mr. Hermanns. I was not totally satisfied with the answer. I think that you gave me an answer that I already knew. In fact, it was a case of excuses why we won't or can't give a permit. I would like to think that we would be working to figure out how we can do it as opposed to how we can't do it. I probably didn't phrase my question well enough, but I'll try again.

The board that I'm talking about is a volunteer board. They provide services for handicapped people, primarily mental, and they currently raise funds through donations only. If they were to form a foundation or the friends of, then they would be eligible. However, there's a fairly long waiting period from the time they apply until they would be approved. I, for the life of me, don't understand why we set up a harassment technique to stop them from getting a permit or a licence to run a simple thing like a raffle.

Mr. Hermanns: They would be eligible for a smaller raffle. There are under the Criminal Code smaller raffles that they could qualify for, but for a larger raffle there are the rules and eligibility guidelines set out. For a raffle there isn't as long a waiting list as there is for a casino. So if they set up a foundation, we would look at what the foundation is supporting and the program that it has been delivering. They wouldn't have to wait that 12-month to 24-month period of program delivery for the foundation because the program has already been delivered in the past. So there wouldn't be a long delay. There would just be the time to set up the foundation and the application and the time for us to process it.

Mr. Lund: Well, thank you. That's helpful because that's not what they were told just a matter of months ago. Thank you very much. I'm very pleased with that answer.

Mr. Hermanns: Maybe have the group contact me directly.

Mr. Lund: I think more than once that has happened.

The Chair: Thank you.

We'll move on. Mr. Mason, followed by Mr. Dallas, please.

Mr. Mason: Thanks very much. I want to ask a question about the sale of liquor in the province. My recollection of the process for

privatizing liquor sales in the province was to end the government monopoly and to provide better choice and so on. It was not to bring the prices down because certainly as the wholesaler the ALCB at the time did not drop its prices, so actually prices went up.

Now, subsequently there's been the development of concentration of ownership in the retailing of liquor in the province to the point where one company or group of companies now controls 80 per cent approximately of liquor retail in the province. So it's moving quickly towards a monopoly situation under private control. I'm wondering if the department has any policy with respect to this matter, whether or not concern has been raised, and whether or not it's the intention of the department or even within its mandate to take some action to ensure that there is, in fact, competition in the liquor retail market in Alberta.

Ms Hammond: At this point in time there is no policy on maximum ownership by any one group in the liquor industry. That's something that the AGLC continues to monitor and to look at and is aware that there is a group that owns – I'm not quite sure where the 80 per cent figure came from. Our understanding is that it's about 10 per cent of the stores in the province. But it is something that we look at, and if there was significant concern, then the need for a policy would be reconsidered.

Mr. Mason: Okay. Just a supplemental, then, Mr. Chairman. I'm given to understand that your response is that one group controls only 10 per cent?

Ms Hammond: Ten per cent of the stores.

Mr. Mason: Of the stores. How much of the actual sales?

Ms Hammond: I don't have that with me at the moment.

Mr. Mason: Well, given that you're monitoring it and are aware of the concern, I wonder if you can explain at what point this would have the potential for restricting choice in the market and/or increasing prices beyond what would be achieved through a competitive marketplace.

Ms Hammond: I'm not sure that there is a particular, you know, point in the continuum that has been decided on that would create a problem. The whole liquor supply chain has been under review and continues to be under review as well as the policies over the liquor industry. I mean, that's something that is an ongoing process within the AGLC. At exactly what point we would say that there's a problem, I don't think that point has been determined at this point in time, but there are a number of factors that would contribute to looking at the overall structure of the industry and how it's operating.

The Chair: Mr. Dallas, please, followed by Mr. Kang.

Mr. Dallas: Thank you, Mr. Chairman. My original question has been asked several times. Ad libbing a little bit, I would like to just learn a little bit more about the racing entertainment centres referred to on page 3 of the AGLC report. I presume that this is the number of current operations. Can you share with us a little bit of information regarding the number of pending applications and, secondly, the revenue streams, which don't appear to be broken out, that those would generate?

9:40

Ms Hammond: Okay. On page 3 it refers to three racing entertain-

ment centres: one in Edmonton, one in Lethbridge, and one in Grande Prairie. There is a horse racetrack that is being developed around Balzac by Horse Racing Alberta. Well, they would be the licensor of the racetrack. Once that racetrack has received a licence from Horse Racing Alberta, the operator is free to apply to the AGLC for a REC licence, and I believe that application has been received and is going through the process. Any racetrack that operates in Alberta under a licence from Horse Racing Alberta can apply for a racing entertainment centre, a licence that allows them to have slot machines in a specific area within the grandstand.

Mr. Dallas: And that's the sole source of the revenue that they would generate, that you would monitor?

Ms Hammond: The racetrack itself?

Mr. Dallas: Yeah.

Ms Hammond: The racetrack itself can generate revenue from various sources. You know, they can have concessions or charge a fee for entry or for parking or for whatever else is available. We're concerned only with the racing entertainment centre, the area where there's gaming.

Mr. Dallas: Where there are slot machines?

Ms Hammond: Right.

Mr. Dallas: My supplement then is: in the course of discovery regarding these applications do you monitor and measure the impacts that additional licensing will have on the charities that are working with existing casinos in the marketplace before providing additional licences for slot machines?

Ms Hammond: Yeah. It's just like, you know, a casino or any other facility that has gaming in it. We look not only at that one facility but also the impact on the areas around it. So one of the primary concerns is the effect on the charities that are in the area and whether their revenues would be impacted by it.

The Chair: Thank you.

Mr. Kang, please, followed by Mr. Fawcett.

Mr. Kang: Thank you, Mr. Chair. My question is to the deputy minister again on the remand population pressures. I know Mr. Benito asked the question already, and I think he was specifically talking about Edmonton. There were some interim solutions implemented to address the remand population pressures, which included transferring provincially sentenced inmates to federal institutions. What is the timeline expected for these interim solutions to be in place across the province?

[Mr. Lund in the chair]

Mr. Pickering: Well, the new remand centre's anticipated opening is 2011, so the interim solutions would have to carry us forward till the time frame when we get the new centre in Edmonton constructed.

Mr. Kang: Is there anything going on in Calgary?

Mr. Pickering: I'll ask Bruce to supplement. Calgary doesn't have the significant pressure that we have in Edmonton, but we are

evaluating the correctional facility in Calgary and, in conjunction with that, looking at a remand facility as well.

Mr. Anderson: Just to supplement. We originally signed an agreement with Correctional Service of Canada to house up to 56 provincially sentenced inmates at the Grande Cache centre. We've now renegotiated that to house up to 60 provincially sentenced inmates in any federal institution in Alberta, so it's going to give us a little more flexibility in terms of placements. The deputy is correct that the remand pressures are much more severe in the Edmonton area than in Calgary, so what we are doing is moving inmates to the best of our ability between centres where space is available.

Mr. Kang: Okay. My supplementary question is: how many additional spaces are needed in provincial institutions to properly and humanely accommodate the current and future inmates in Alberta? Was there any assessment done on that?

Mr. Pickering: I'll ask Bruce to supplement, but our new facility in Edmonton will have 2,000 beds. Our current facility in Edmonton, the Remand Centre within the city here, has a population of around 770. We are currently utilizing about 280 beds in Fort Saskatchewan. We've got a current remand population of about a thousand, so we're actually doubling our capacity, anticipating that there will be growth in that population to the point of occupancy.

Mr. Anderson: Again, just to supplement, indications are that population pressures will increase. Our provincial custody population has grown by about 44 per cent since 2000-2001, and projections are that it's going to increase by another 40 per cent or thereabouts by 2011. The pressures are real, but the new centre should provide significant relief in addressing those pressures.

Mr. Kang: Are we talking about Edmonton only for those pressures, or are we talking right across the province at 44 per cent?

Mr. Anderson: No. We're talking across the province.

Mr. Kang: Thanks.

The Deputy Chair: Mr. Fawcett, followed by Mr. Hehr.

Mr. Fawcett: Thank you. First of all, I'd like to thank you all for being here today and thank you for the tremendous work that you and your colleagues in your department do to help keep our communities safe. However, when I was out campaigning, I got several comments, particularly in urban Calgary. A lot of citizens feel like violent and other crimes are increasing. My biggest concern is that that might not be accurate and that it might just be the perception. We've gone through a tremendous amount of growth in this province. I'm just wondering whether, from your performance measures and some of the data that you guys are tracking, you think that we're seeing an increase in violent crime, and how do we put that in perspective with the other demographic trends that we've seen in this province over the past five years?

Mr. Skeet: I think that, overall, reports are suggesting that crime is decreasing, but violent crime, in fact, is either holding steady or increasing, depending on where you are in the province. The other component of that is the population's fear of crime, which goes beyond perception. The fear is a reality, and we need to deal with that. We are certainly taking steps, working with our policing partners to address serious and violent crime through a number of

different initiatives. We're also trying to get a better understanding of the level of victimization because we're concerned that there is a significant underreporting of crime, and we need to I think have a better understanding of what's truly going on in our communities so that we can best address it.

[Mr. MacDonald in the chair]

Mr. Fawcett: Okay. My supplemental is this. Obviously, my biggest concern when I heard this within the communities was: is there a difference between perception and reality? I truly believe that one of the challenges of creating safe communities is that the federal government, the provincial government, and the municipal government all have roles, and it's hard for just one government to say, "We're going to make our communities safer" because I believe it takes a co-ordinated and comprehensive plan. What resources have you designated to ensure that some of the strategies to ensure that our communities are safe are co-ordinated and integrated with the federal government's programs and with the municipal government's programs to make sure that we're getting the most efficient use of our resources?

Mr. Pickering: I'll take a stab at this and then have Brian supplement. I think there are two sort of main initiatives that we have as a department to deal with the co-ordination aspects, some more internal to government than between levels of government, but it also does apply to levels of government. Our safe communities initiative, which Justice has the lead on and the Solicitor General is a significant partner in, is dealing with co-ordination and looking at some of the root causes of this. The issue of perception versus reality is always difficult to answer, particularly when it comes to safety because what people feel is their reality.

The second is to look at it from a delivery and a governance perspective. The department is starting some work on a policing framework to look at governance funding and service delivery mechanisms, to look at that spectrum. We do have the benefit from a federal perspective of having the RCMP as our provincial police force. With that, as I mentioned earlier, it brings a 30 per cent component of federal policing into the province, their contribution into some of the members that we secure. With that and, as well, the ALERT group that we set up, their governance board basically is made up of the chiefs of police of the province, so we've got a co-ordinated way of looking at some of our serious and significant crimes within the province.

9:50

The Chair: We have to move on in light of the time. We still have five members who are interested in directing questions to you and your staff, Mr. Pickering, and in light of the time and the other items on the agenda I'm now going to ask the members to read their questions into the record. If you could reply in writing straight away through the clerk to all members, we would be very grateful.

Mr. Hehr: Obviously, gambling is a growing business in Alberta. Have there been any studies to sort of look at how many casinos are necessary? I know that in Calgary I can go to, you know, five or six different casinos. That would be my first question.

The supplementary question. One of the goals of the Alberta Gaming and Liquor Commission is to keep Alberta gaming dollars in Alberta. You know, from my being in casinos, the next time many of our participants at casinos go to Las Vegas, it'll be the first time. I was wondering if there have been actual studies as to these travel patterns, whether this is, in fact, a goal that has been achieved,

whether you're impacting the travel patterns of the individuals who are using our casinos or whether we're just flying it up there.

The Chair: Thank you.

Mr. Bhardwaj, please, followed by Mr. Mason.

Mr. Bhardwaj: Thank you, Mr. Chair. I'm looking at the AGLC annual report, page 26. It looks at the year in review. Goal 2 talks about the percentage of liquor licences and registrations completed within an established time frame, and it looks very, very good, 100 per cent. However, in looking at the percentage of liquor industry clients who are satisfied with the level of service provided by the AGLC, it is down quite a bit, to 83 per cent. Is there a reason for that?

I have no supplementary question.

The Chair: Thank you.

Mr. Mason, please, followed by Mr. Johnson.

Mr. Mason: Thank you very much, Mr. Chairman. I'd like to have a breakdown of the concentration of ownership in the liquor retail industry in the province of Alberta both by number of stores and by financial volume, and I'd also like that broken down for the major centres in the province.

The Chair: Thank you.

Mr. Johnson, please, followed by Mr. Benito.

Mr. Johnson: Just to piggyback on Mr. Mason's comments, if we can get that kind of information, it would be nice to see market share. I think market share might be one of the most telling stats that maybe we should be keeping an eye on.

A question on page 24 of the Sol Gen and Public Security annual report. You talk about investing in technology to improve co-ordination among law enforcement partners. I'm just really curious: what is that technology that you're talking about and the investments we've made? How much were they effective? How are we benchmarking that? I guess, just general information around that.

Then out of curiosity. On page 40 of the same report we talk about our cost per diem for housing adult offenders in correctional facilities. I see that ours is very low, which is excellent, but I'm wondering why that is. Why are we half of Nova Scotia's? Is this the fully burdened cost? Maybe it doesn't include capital. I'm not sure why we're so low.

Then in relation to that, as we invest in new facilities like a remand centre, are those costs going to go up? Are they low because we're jamming people in, that we're overcrowded, and are we going to see these costs per diem go up because of investments we're making?

Thank you for being here today.

The Chair: Thank you, Mr. Johnson.

Mr. Benito, followed by Mr. Denis, please.

Mr. Benito: Yeah. This is a follow-up to my first questions. How come remand pressure is more in Edmonton than in Calgary? What is or what are the reasons for this?

The second question: I would like to know what the percentage of aboriginals is in our remand centres in Edmonton.

Thank you, Mr. Chairman.

The Chair: Thank you.

Mr. Denis: Having spent a couple of, well, more than a few years in private law practice, I know the amount of time that is spent by lawyers, clients, et cetera, travelling through different judicial forums. I'm interested to know how far your department has gone in the implementation of video conferencing for correctional centres as well as for courthouses.

The Chair: Thank you.

Mr. Hehr: The budgeting process for the new Edmonton Remand Centre was initially at \$308 million. I was wondering if you guys could give any indication as to whether you felt at the time that that was correct, whether you have done any studies to analyze the budgeting process for that facility, and whether you guys know where the mistakes were made in that process, if there were any, or if it's just the cost of doing business that the production now has doubled in two years.

The Chair: Okay. Thank you.

Any other questions? Seeing none, on behalf of the committee, Mr. Pickering, I would like to express our gratitude to you and your staff for your answers here this morning and wish you the very best. You're free to just pack up your things and leave because we have other items to deal with. Thank you.

Item 5, Other Business. I would like to bring your attention to our out-of-session meetings, our committee schedule. We had a brief discussion on this last week, and the committee decided to make a decision today. Last year the committee held four days of out-of-session meetings: two days in September with four regional health authorities and two days in October with four advanced education institutions. Last week the committee clerk was asked to prepare a history of ministries, agencies, boards, and commissions that have met with our committee in the past. She has provided a chart for 2005 through 2008 for your information.

How would the committee like to proceed?

Mr. Lund: Well, Mr. Chairman, I think the first decision that we have to make is: does the committee wish to have out-of-session hearings?

Mr. Jacobs: Mr. Chairman, I think we should only have out-of-session hearings if there's a need to hold them, if something develops that we need to hold an out-of-session hearing. But to hold a meeting just to hold a meeting: I've never been an advocate of that. Also, when we're talking about health boards, we now only have one health board in Alberta, so we don't need to meet with all the regional boards.

The Chair: No one has suggested that we need to meet with any more of the regional health authorities in their current form, but there has been a list of agencies, boards, and commissions. It's the will of the committee what they wish to do.

Mr. Denis, please.

Mr. Denis: Thank you, Mr. Chair. If we do have meetings, my suggestion is as follows: that we stack the meetings with the different departments on a given day and/or hold consecutive dates on which we all can be up here. There are some people, like myself, who obviously would have to travel, and it's much more efficient for the taxpayer if we could have these meetings held two days at a time even.

The Chair: Okay.

Mr. Bhardwaj: Just a quick comment. Like Broyce said, if there's a real need to have a meeting, let's have meetings. You know, no need to have meetings just for the heck of having meetings. If there's absolute need, if something develops and we need to have a meeting, let's have them. Otherwise, I don't see a real reason to have a meeting.

The Chair: Okay.

Mr. Mason: Mr. Chairman, I think we're putting the cart before the horse. I think it would be useful to have a discussion in the committee on: what agencies do we want to talk to? Then how we schedule it comes as a second thing.

I recognize, particularly for members who live outside the Edmonton region, that it creates additional difficulty, so I don't mind at all if we try to stack them together a little bit. But I'm certainly interested in talking to some organizations. I guess the health boards were one, and it's kind of gone now, but school boards is another one that I'd be interested in taking a look at, maybe a sample of some. I know Edmonton public is one I'm interested in, and the Calgary boards, and there may be some others. Those would be my suggestions of a place that I'd be very interested in having an opportunity to ask some questions of boards and their administrations. Obviously not all, but maybe two or three would be helpful. They spend an awful lot of public money and provide an absolutely critical service. So that would be my suggestion.

10:00

The Chair: Okay. Thank you. For the record, in the past when we scheduled these meetings outside of session, they were arranged to coincide with the government caucus meetings which occurred here in Edmonton, so there were some efficiencies scheduled into the meetings. First off, we have to decide if it's the will of the committee to have any meetings outside session with any agencies, boards, and commissions.

Are you prepared to make a motion, Mr. Lund? Then the chair will get direction from the committee.

Mr. Lund: Well, I would move that we do have meetings outside of session, but of course they would have to be scheduled. Like I said in my comments two weeks ago, if we do, then we need to make absolutely sure that these are boards, agencies, or commissions that we have a very special interest in. I think Mr. Mason described probably enough for two days out of session.

There's another issue, of course. It appears that the House will be coming back much earlier than the original November plan. I don't know that for sure, but it sure sounds like that's what's going to happen. That would mean that we would be meeting every Wednesday once again.

But in order to get it on the table, I will move that we have out of session hearings.

The Chair: All those in favour of Mr. Lund's motion? Opposed? The motion is carried.

Now, it takes a lot of time to get these set up. It's only fair that we give the agencies, boards, and commissions that may be appearing before the committee time to get organized and prepare, and we'd also need to get organized and prepared ourselves.

Mr. Fawcett: One of the questions that I have, again being new, is: when was the last time that the Alberta Treasury Branches were before this committee?

The Chair: The Alberta Treasury Branches have never been formally before this committee. There has been representation with the department of finance whenever the department of finance has been here. But a direct meeting focused on the activities of the Treasury Branches: to the chair's knowledge that has never happened.

Mr. Fawcett: And is it within the purview of this committee to bring them before?

The Chair: Yes. Certainly. Is that an interest of yours, Mr. Fawcett?

Mr. Fawcett: Well, I just think that it is something that might be of interest to this committee to look at since they have never been before this committee, and it is an interesting organization within this province.

Mr. Dunn: Maybe I can help. Actually, Mr. Mason was saying: should I ask you a question?

What I'm trying to gauge is the committee's interest as to what are the themes that you would like to discuss in here. Looking down the material that the clerk has provided as to what type of entities are available, there has been some discussion around research: where the research in Alberta is, and the commercialization of research, and the extension of research and its opportunities. You do have a number of organizations that deal with that: the Alberta Research Council. You're probably unaware, because you don't have all the entities on your list, that there's one out of the University of Calgary called UTI. There are other ones out of the University of Alberta: TEC Edmonton, that sort of thing. If you're interested in research in Alberta and its impact, how much is being spent on the research area, the ability to commercialize and develop enterprises, dealing with that, you could have a theme around research, and there are a number of entities there.

We had reported last year and then recently the province of British Columbia and the federal Auditor General reported on aboriginal indigenous children at risk. We reported quite extensively on what Alberta is doing with the number of aboriginal children that have been placed in care. If you've read our portion, more than 50 per cent of the children in care are aboriginal. There is very much of a concern around the federal funding on that. If you have an interest in that, you could invite a couple of the service providers, which are the CFSAs, from either Edmonton, Calgary, or somewhere else.

There are other ones getting back into the investment management area. There will be a new corporation, which you're probably all aware of, and it's called AIMCO, Alberta Investment Management Corporation, which handles \$75 billion to \$80 billion of public-sector dollars, recently set up as a corporation, but it always was part of the department of finance. That's a very large amount of public-sector dollars. How's it being invested, controlled, and operated?

There's also around the other financial institutions. Alberta Treasury Branches itself will be releasing its annual report tomorrow at its AGM, and it's a \$23 billion bank. It has recently been in the paper because of what's known as asset-backed commercial paper and has had some interesting aspects around that. You may be interested as to what they report, as to the provisions in that area. That might be something which would be very interesting for you to discuss. However, that's not just the only ones we have that's known as ABCP. The University of Alberta, University of Calgary also have some significant investments there for which there will be some large provision. So if you look at the finance side, you can look at AIMCO, you can look at the ATB, you can look at the other

financial organizations, which include AFSC, the Agriculture Financial Services Corporation.

Mr. Dallas: What about AVAC?

Mr. Dunn: Are you talking about on the commercialization of agricultural products? Yes, if you're looking at the research area.

There are so many different entities and operations. What you need to do is put your thoughts together as to what the theme is that you want to discuss. What are the areas you'd like to look at? Investment management and the security around investment management and the provision of financial services in Alberta: is that what you're looking at? You could identify a number of organizations. Are you concerned about children at risk and the impact on their communities? You can invite those. Are you looking at other areas around the conduct of advanced education? You've had the ministry, but you could actually have the service providers themselves. And, in all due respect, I know that there's one superboard around health, but they still will be operating those units, whether they be out of capital, out of Calgary. You could still ask about the conduct of the provision of health services within those catchment areas, and you could have those entities still appear before you, the boards.

Mr. Chairman, through you to the rest of the committee, I think what you want to do is garner the interest of what it is that we would like to really discuss in a concentrated manner, what sort of a theme you'd like to pursue, and then you drive down through the Auditor General's reports around that theme, and you then drive through the annual reports of the entities that are involved in that theme.

The Chair: Thank you.

Mr. Dunn: Does that help or confuse?

The Chair: That certainly does.

The chair, before we take Mr. Quest's question, would like to suggest that he approach the government whip, Mr. Oberle, and see if there are any meetings scheduled and when they are in September and October with the government caucus here in Edmonton and see if we can facilitate meetings around those dates. Is that fair enough? Okay.

Mr. Lund: Well, I already know.

The Chair: Mr. Lund already knows the answer to that question.

Mr. Lund: Not all of them.

The Chair: Not all of them.

Mr. Lund: But I can tell you that in September every week there's something.

The Chair: Okay. In the city?

Mr. Lund: In the city here.

The Chair: In the city here. Okay. Thank you very much for that.

Mr. Quest: I'm just going to suggest, Mr. Chair – I mean, there are so many different topics. For those of us that are new – and thanks for the briefing – I was wondering if maybe we could poll by e-mail what the options are. If we all respond what our priorities are, it

wouldn't take very long before we had a list of what the priorities of the committee are, and we can go from there.

10:10

The Chair: We could do that. In the past there was a long list of agencies, boards, and commissions, and then the committee itself selected the ones that we were dealing with, the eight, and it was by choice of the committee. If in the next week the members could review the list that has been provided by the committee clerk, at the next meeting we will bring whatever entities that are suggested by the committee, and we can get it organized at an appropriate time. Mr. Mason has suggested a couple of school boards. Mr. Fawcett has suggested Alberta Treasury Branches.

Mr. Quest: Did the list come with the initial package?

The Chair: Yes. The list came last week, but we'll get you another copy.

Mr. Quest: Please. I'm not sure that I received it. I haven't seen it.

Mrs. Dacyshyn: It's on the website, but I can help you find it.

Mr. Quest: Great. Thank you.

Mr. Vandermeer: I'd hate to have a meeting just for the sake of being interested in a certain topic or a certain area. I wonder if Mr. Dunn would be able to help us out here with areas where they're not making their objectives or certain entities that you would red flag and say: these people should actually come here. You're the one that sees the nitty-gritty, right? I mean, today there wasn't that much major here. A lot of it was policy, you know. I hate to be filling our days with meetings and everything is running fine, right?

Mr. Dunn: Certainly, I will discuss with the chair and the vice-chair and whoever is going to be the selection group as to ones that are not meeting the objectives, as you've just described. But major organizations such as ATB have never been before this Public Accounts. I believe when you will read the newspapers on Friday after release of their annual report, there will be matters that you would like to discuss with them.

Mr. Vandermeer: Okay. That's what we need to know, I think.

Mr. Dallas: I'm fine with this. I just go back to the point that I believe I made last week, and that is, you know, that I'd like to plan to work and then work to plan here. As opposed to just the flavour of the month in, you know, requesting a visit, I'd like to explore this on some type of a theme basis. I know if we had a poll or a sit-down or something, my suggestion would be that we explore entities that are using public funds to enable technology commercialization that ultimately results in some type of transitioning economy. I think that would be the type of area where we could explore how efficient the use of those public funds is. Are there other opportunities that perhaps have not been uncovered, again with the guidance of the Auditor General?

I guess I'm just back to: I can see how this is playing out. Yes, we would have a very interesting meeting with the folks from ATB or the school boards. I have no problem with that. If we wanted to, for example, lay 12 months out in front of us and leave some holes for emerging issues or entities that merit exploration, that's fine, but I really think we should establish a theme to this. Even if it's only 50 per cent of the meetings that we hold, I think we should follow some

theme. It doesn't have to be the one I've suggested but something that's strategic that we would follow for a period of time.

The Chair: Okay. Last fall we certainly had a theme with health authorities and also with educational institutions.

We've got to get some direction here from the committee.

Mr. Quest: Not to disagree with my neighbour here, but I'm just wondering. I'm not an accountant but have worked with many. If we're talking about audits and questions and taking a closer look, I would have thought that random might be the better way to go. Just a comment.

The Chair: Mr. Mason.

Mr. Mason: Well, thanks, Mr. Chairman. I think the earlier suggestion that we provide suggestions to the chair and that at the next meeting we sort through our priorities and deal with it that way, I think in the process then we can see if there's a pattern or a theme that emerges or if there are two or three areas that members strongly feel that they'd like to look at.

The Chair: Okay. Ms Woo-Paw has already sent a list to us of organizations she would be interested in seeing appear before the committee. If we could do that. If you could e-mail Corinne or phone Corinne in the next week, and if you have any questions, please let us know. By next Wednesday we will have a list, and you can decide if and when you want to have these people answer questions regarding their financial statements. Is that fair enough? So next week.

Corinne has something to say here.

Mrs. Dacyshyn: A very small point. My contact information is on the website, and all of your assistants know me. I'll try and chart out your information so that you can sort of see where the common areas are if I can.

The Chair: We'll now deal with item 5(b) on the agenda, and the chair appreciates your patience. The only person who has put forward his name as the alternate attendee in the event that any of the approved delegates are unable to attend the CCPAC conference in September in the Yukon is Mr. Vandermeer. Unless anyone else would like to be considered, I will advise on behalf of the committee to the Speaker that Mr. Vandermeer is our alternate attendee. Agreed? Okay. Everyone agrees. Thank you very much.

Are there any other items to raise at this point? Seeing none, again thank you for your patience.

I would remind you, please, of next Wednesday, May 28, 8:30 here with Mr. Hancock, Minister of Education, and/or his officials.

If I could have a motion to adjourn.

Mr. Johnson: So moved.

The Chair: Moved by Mr. Johnson that the meeting be adjourned. All in favour?

Hon. Members: Agreed.

The Chair: Opposed? Seeing none, thank you very much

[The committee adjourned at 10:17 a.m.]

