

8:31 a.m.

Wednesday, October 19, 1994

[Chairman: Mrs. Abdurahman]

MADAM CHAIRMAN: I'd like to call us to order and extend a warm welcome to the fall session. We're short some numbers from the Official Opposition this morning, and one of the reasons is that one of the appointments didn't go through as yet, unfortunately. Another member has phoned in and may be here later.

I'd like to extend a warm welcome to the hon. Minister of Justice, Ken Rostad, and his staff and once again to Mr. Andrew Wingate, our Acting Auditor General, and Peggy Stevenson, who is the audit director for Justice. Thank you for being here this morning.

At this time I'd like to have approval of the agenda. Is there a motion, please? Gary. All in favour of the agenda? Carried unanimously.

I'd like at this time to also point out that we are working from the annual report of the Auditor General '92-93. That's correct, Mr. Wingate?

MR. WINGATE: Yes.

MADAM CHAIRMAN: I'm sure all of you have got the public accounts 1993-94, volumes 2, 3, and 4, particularly volume 2, that we will be working from this morning.

At this time I'd ask the Hon. Ken Rostad to not only say a few words of introduction but also, if you could, introduce your staff for us, please.

MR. ROSTAD: Thank you, Madam Chairman. It's a pleasure to be here for public accounts. I will introduce the staff. I'll start from my right, your left. Neil McCrank is the deputy minister. Dennis Medwid is head of our corporate service group. Ian Hope, the finance sector with Dennis. Hank O'Handley is ADM of corrections. On my left is Doug Rae, who is the assistant deputy minister of civil law. Rod Wacowich, ADM of court services. Bob Dunster is the ADM of our public security branch. Peter Teasdale, our regional director of Crown prosecutions, is standing in for the ADM of criminal law, who is unavailable. Bob Carson is head of our human relations services and works as part of Dennis's shop. It's rather heartening to have so many here that want to participate by answering questions or, if not, just to learn what the process is all about, but it's with some chagrin that we outnumber the people that are on the committee.

I actually have some remarks that I have written down. It's probably more focused if I use them. I would rather just speak generally, but I would probably miss some of the points I'd like to make. And I will certainly entertain all of your questions. I will answer what I can. I will definitely defer to my staff to answer those that I think would be answered more effectively by them even if I do know the answer. If there's something that comes up that we don't have at hand or in our minds immediately, we will certainly undertake to provide it to the committee in writing.

We have a mission statement, I guess, in our department that really says we're responsible to the people of Alberta to ensure there's equality and fairness in the administration of justice and then to ensure that the justice system is administered effectively. From that, our business plan was predicated on certain goals, and as we move down that – but because we're doing the year before, '93-94, when we merged this department together, probably a few words on each division of the department would be helpful in understanding the financial information contained in the public

accounts. The administration division, which is included in program 1 of the accounts, provides various support functions to the program areas of the department. Staff from the seven branches are responsible for providing nonlegal services such as management information, internal auditing, electronic data processing, public and media relations, and financial and administrative services. The division also administers maintenance enforcement, which is included in program 3, and crimes compensation, which is included in program 7, as well as the uninsured motor vehicle accident claims.

The human resource services division, which is included in program 1 as part of this section, provides specialized knowledge in human resource programs focused on the three-year business plan and objectives of the department. Its major responsibilities are recruitment and selection, position classification, staff development, organizational analysis and restructuring, human resource planning, staff relations, benefit administration, aboriginal employment initiatives, and staff reduction deployment assistance.

The court services division, which is program 2, provides administrative support to all of the courts within the province. It's divided into three components: policy and programs, central operations, and regional operations. The policy and programs component is responsible for strategic planning, reviewing various policy issues, and is also responsible for law libraries. Central operations is responsible for court computer systems, three-year business plan, strategic change committee, and management information systems. Regional operations is responsible for administration of local court operations in the various regions. It consists of three functional areas: court administration, sheriff's operations, and court reporting and recording services.

Legislative Counsel office, which is included in program 3, drafts all government Bills, regulations, and orders in council. In order to prepare and compose these documents, office staff consult with the ministers, deputies, board chairmen, and senior government officials as it pertains to various documents they're doing.

The civil law division included in program 3 is composed of three branches: civil law, constitutional law, and legal research and analysis. The civil law branch 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 law branch provides specialized advice to the government concerning constitutional law matters. The provision of legislative policy advice is the primary responsibility of the legal research and analysis branch.

The principal function of the criminal justice division, which is included in program 3, is the prosecution of offences under the Criminal Code, the Young Offenders Act, and the provincial statutes in the courts of the province of Alberta and the Supreme Court of Canada.

Support for legal aid, which is program 4, is delivered through an operating grant to the Legal Aid Society of Alberta. The society assists financially eligible individuals in obtaining legal representation in important criminal and civil matters.

The public trustee, which is program 5, acts as trustee of last resort to dependent adults, administers deceased persons' estates, and acts as official guardian by protecting the assets and financial interests of missing persons and children under 18 years of age who don't have someone else to look after their interests under the Dependent Adults Act or some other form of legislation.

The office of the Chief Medical Examiner of the province of Alberta is program 6. They are responsible by statute for investigation and certification of all unexpected or unexplained deaths and some unattended deaths, and their responsibility includes all deaths in custody.

The correctional services division, which is program 8, provides custody, supervision, and program services to adult and young offenders who are awaiting trial, are on probation or other forms of community disposition, or are sentenced to custodial dispositions.

8:41

Previously called the law enforcement division, the public security division under program 9 administers the Police Act, the Private Investigators and Security Guards Act, firearms control legislation, and the Victims' Programs Assistance Act. The division also provides security for Government Centre and for the courts in Edmonton, Calgary, Red Deer, Medicine Hat, and Lethbridge, as well as providing escort services for prisoners between correctional facilities and the courts.

During the course of the year, of course, as with any department, a great many challenges were faced by our department and numerous initiatives were taken, far too many to take the time to put them in remarks today, but I would like to highlight a few of them.

In the court services program there were many changes and initiatives. One was to increase court tariffs. The intention in doing this was not just to extract more money from people but to achieve a better, fairer, and more cost-effective way of doing things. The new tariff system helped to shift the burden of costs from the general taxpayer toward, but not completely, the basis of a user-pay system.

Important initiatives in the correction services program have been taken. Included in that is the closure of the Strathmore youth centre and the closing this past summer of the Belmont Correctional Centre. We've removed or eliminated the inmate incentive pay and fees paid for inmate services were capped.

In legal aid there were a number of developments. The most important was the implementation of a three-year pilot project by the Legal Aid Society in October of '93. The initiative was to use staff counsel – that's staff of the legal aid society, which is an arm's-length group, not staff of the Minister of Justice – to act as defense counsel for young offenders in Calgary and Edmonton rather than using the judicare system where you would just use a lawyer off the street. We're doing a three-year study to find out if this will in fact utilize less legal aid funding and still provide as effective a service in protecting the rights of the individual.

We've also facilitated discussions between our department, Family and Social Services, the Legal Aid Society, and the federal government to move toward the objective of qualifying civil legal aid to social assistance recipients and then having that cost shared by the federal government. We weren't successful in this in earlier times because the federal government then wanted to, in effect, set the policy on how we would do this. Since my previous involvement in this department, we have been successful and we now do have civil legal aid provided to social assistance recipients, and it is cost shared.

In the public security division, discussions with the RCMP have been ongoing respecting what they might be able to do to contain our provincial police costs – policing costs, I should say, not provincial police; I guess that's another issue. As well, a study was initiated on initiatives we could pursue to reduce our overall costs from the Alberta component of policing costs. I might say that has been quite effective, and I commend the RCMP for their initiatives.

A few comments on financial highlights of the '93-94 fiscal year. The department spent \$393.8 million during the fiscal year, and despite a budget cut of \$20 million from the '92-93 year, expenditures were kept within budget and, in fact, a \$2 million

overall surplus resulted. This was achieved even though over \$3.6 million in additional spending was required on provincial native and other policing requirements, as well as the pressures that come from voluntary separation payments that were utilized in our restraint initiatives. When you have a department that is roughly 80 percent manpower, we would have an inordinate number of voluntary separation payments as against somebody that has a small manpower component. This is a reflection of the significant efforts that were put forward by the department to contain costs, to streamline operations, and to identify innovative saving opportunities.

Although I have individually and as a group commended officials in their initiatives, I think it's good to be here in a forum such as this where I can publicly congratulate them. It doesn't mean we're finished, as the standing policy committee people that our department appears before have kept our feet to the fire in respect of redesigning the justice system.

Also, on the revenue side the department generates about \$110 million to general revenue, which was an increase of about \$15 million over the year, although about half of that, around \$7 million, related to a transfer of the motor vehicle accident claims fund to general revenue as against being part of our estimates. Subsequent to that claims will be paid out on a statutory appropriation method rather than being voted as a vote of our department.

With that I will wrap up my comments and invite comments and questions from the members. As I mentioned earlier, if there is something that I think will be answered more effectively, I'll defer to one of my officials, or if there's something we can't answer because we don't have the material, we'll ensure that it's in writing.

MADAM CHAIRMAN: Thank you, hon. minister.

Before we start the questioning, I'd just ask you to please identify the program number and the page number.

Ty.

MR. LUND: Thank you, Madam Chairman, and good morning, gentlemen. First of all, I want to congratulate the minister and his staff for the fine job you have done over the past year. Because of my involvement with the standing policy committee, I'm very aware of the pressures on the department and the things that have to be accomplished, and I believe you are doing an admirable job.

Turning to the public accounts, volume 2, 1993-94, page 111, dealing with Justice revenue, we see under transfers from the government of Canada there's a number that has decreased by some \$744,000 under other. I'm wondering what this other is?

MR. ROSTAD: Sorry; that's 111?

MR. LUND: On page 111 under transfers from the government of Canada.

MR. ROSTAD: Under which one?

MR. LUND: Under other there's a decrease of some \$744,000. I'm really curious as to what that other is all about.

MR. MEDWID: The major part of that change relates to the national parole program decrease in revenues of \$691,000.

MR. LUND: I'm curious about the other. I don't know what it is and I see it decreased by \$744,000.

MR. MEDWID: For 1993-94 the \$568,000 identified is made up of corrections special allowances and immigration,

federal/provincial firearm services revenue, and the maintenance enforcement systems development agreement that we entered into. The change relates to a decrease in funding on the victims of crime, a cost sharing from '92-93 to '93-94. That program is no longer cost shared but with the federal government.

8:51

MADAM CHAIRMAN: Supplementary.

MR. LUND: Thank you. Moving up to the national parole service, you did mention that briefly, the \$691,000 difference. What brought that on? Why that decrease?

MR. MEDWID: The revenue transfers from Canada into national parole programs are based on volume of inmates released on day release or to community residential centres. The province receives a daily rate per bed utilized by these inmates. The revenue reduction is directly related to the reduced volumes of inmates participating in these programs.

MADAM CHAIRMAN: Final supplementary, Ty.

MR. LUND: Thanks. That's a kind of surprise. Is that the same reason that the young offenders program saw a decrease of about \$108,000?

MR. MEDWID: The recoveries of costs spent under the young offender programs from Canada have been capped. The \$108,000 revenue variance is due to outstanding recoveries from previous fiscal years, which was recovered in '92-93. That would account for the difference.

MADAM CHAIRMAN: Thank you.
Mike Percy.

DR. PERCY: Thank you, Madam Chairman. Mr. Minister, my questions will be related to volume 2, program 1, departmental support services. My first question relates to work that has been done in the fiscal year '93-94 with regards to providing justice and particularly correctional services more efficiently. I would like to know where, in which program number, and the extent of expenditures related to studies of privatization and where the cost savings arise and the nature of those cost savings.

MADAM CHAIRMAN: Hon. minister, I think there are about four questions in that one.

MR. ROSTAD: Yeah. Well, I'll answer them in the general context. I can't give you a study on privatization because we haven't done a, quote, study on privatization. What we have done is an analysis of our entire system in a profile of the kind of offenders we have, the kind of institutions we have, the cost structures of all those, the per-unit cost on delivery services such as, for example, what a meal costs in a day. That can vary from one institution to another. That type of profile we have to give us a broader knowledge base from which to look at – I traveled to the United States to visit two companies. They aren't the only companies. They happen to be companies with probably a larger involvement – also in the United Kingdom and Australia – in initiatives under privatization. We looked at seven institutions there, a profile of their inmates, the delivery costs of particular services they have in their units. We talked with the governments that set up the privatization. We talked with the inmates. We talked with the corrections officers and obviously with the

companies. We did an analysis there of seven different institutions. From that we're coming back, working again with what we have to find out on the model we're building what we need for privatization or the minimum we would need in privatization to do the analysis and come to the conclusion: is there any use in us going out and even asking for a proposal for privatization? Would it be possible? If we do that, how will the request for proposal be structured?

So we aren't doing a study in the sense of having anybody do a written study. We can refer you to many articles, international and some Canadian as well, that look at different models of privatization. But we don't have a structured study, if you want to call it that, other than what I've just told you on the analysis we're doing.

I don't know if that answered all your . . .

DR. PERCY: I'll rephrase the question, Mr. Minister. In terms of expenditures by departmental support services, were studies undertaken that identified the benchmarks that would have to be achieved in order for privatization to be considered realistic? Have benchmarks been set out by which to assess the viability of privatization?

MR. ROSTAD: I think I answered it, but perhaps in a slightly different context. We will have benchmarks. That's why we haven't gone out and said, "Hey, we want a request for proposal," because the benchmark will in fact be what the request for proposal is.

We're building a model of saying: if you want to privatize an institution, this is what we need. We'll need a certain level of corrections officers per inmate or so many inmates to a corrections officer. We'll need this kind of dietary thing. We'll need this level of recreation. We'll need this kind of medical. Those are the benchmarks we'll need, and then once we're finished with all that – that's what I'm saying. We're looking at our profile of offender, because our offender profile – and that's how long are they in, what are they in for, that kind of thing – may be completely different than the experience the Americans have had, whether it's in England or Australia and whatever.

We'll build that model. We'll send a benchmark of saying we need to have 5 percent savings or 10 percent savings and we'll put out a request for proposal if we proceed to the privatization. Aside from media comments and probably comments fostered by the union, we have not said anything other than we might do a pilot project and we might not. Until we've done our complete analysis – and part of that was this trip to the States to see firsthand their experiences – and talked with governments that in fact have done privatization, we don't think we can do a complete model. Hopefully I've answered. There isn't a benchmark I can give you now, because we haven't established that yet in our study. But our study is not something where we are commissioning somebody else that we could say is published and give you a copy. It's an all-inclusive thing that we're doing internally.

DR. PERCY: In the absence, then, of exclusive benchmarks, what criteria did departmental support services use to assess which institutions should be closed and which operations should be downsized other than just financial exigency?

MR. ROSTAD: Well, if that's in the context of privatization, we haven't got there yet. If it's in the context of Strathmore and Belmont being closed, we've just done an analysis of our department and said that we frankly – certainly, it's predicated on financial restraint. If it wasn't financial restraint, you could willy-

nilly do what you want. In fact you could even build up a system, which we did during the '70s. But what we did was an analysis of the type of offender. I'll call it a cascading thing where you focus on the people who should be kept in and those that have a disposition for a minor, minor offence should perhaps be looked at through a community corrections facility rather than an institutional corrections facility. So through that we've determined that the beds at Strathmore and the beds at Belmont weren't needed.

I could certainly expand a lot on the Belmont issue if you want because Strathmore is relatively small and more easily accommodated. But the issue yesterday revolved around Belmont and the offshoots of that where we're as effectively if not more effectively taking care of the inmates that were in Belmont under a program that is much, much cheaper than the institution itself. I can certainly either go on this one or through another question give you more information on how we've done that in Belmont and what we're looking at in terms of savings.

To be fair, there is some philosophy involved in this, but a lot of it is driven and in fact pre-empting the release of our business plan for this coming year. Our focus will be more on ensuring that the violent or the serious offender is adequately incarcerated such that the public safety is in mind and they're paying the price for whatever they did wrong, and the less serious, the people that are not putting the public safety at risk at all, are perhaps still paying the price through a service to the community or something, but let's do it in a more effective and efficient manner, not being driven by restraint but looking at the system and saying, "Let's design a system so we can assure people that the serious offender is being cared for."

Part of that is this Belmont issue. In fact, I'll even hit it now instead of waiting for a supplementary.

9:01

MADAM CHAIRMAN: Thank you. Are you through now?

MR. ROSTAD: I could hit the Belmont thing or . . .

MADAM CHAIRMAN: Well, what I'd like to do is give you an opportunity to come back to that so I can get some other questions.

MR. ROSTAD: Well, as in question period, if there's one other question I'll put it in anyway, even if it's not relevant.

MADAM CHAIRMAN: Okay. Thank you very much.

MR. MAGNUS: Mr. Minister, on page 111 of volume 2, just under revenue is a \$698,000 decrease in law enforcement/policing revenue, down at the bottom there. I'm just kind of curious about that. That's pretty much the whole thing.

MR. ROSTAD: Revenue comes from municipalities which are responsible for policing costs, but as their populations increase or decrease and they're unable to contract directly with the RCMP there's a cutoff level. I think it's 2,500. We provide policing under the contract for some of these communities and recover some of the costs. During '92-93 two municipalities reached population levels that were sufficient to allow them to directly contract with the RCMP, and therefore we no longer incurred the direct policing costs or recoveries on their behalf. So that was the reason for the decrease in the revenue.

MADAM CHAIRMAN: Supplementary, Richard.

MR. MAGNUS: Thanks. In the same area there - this is a popular page, 111 - under other in the miscellaneous category . . .

MR. ROSTAD: Other and then miscellaneous, sort of in the same area you were in?

MR. MAGNUS: Yeah. There's a revenue increase of about 8 or 9 million dollars there.

MR. ROSTAD: Actually, most of that would relate to the motor vehicle accident claim fund that was transferred out to the registries department. They administer this. I think part of it was from the unclaimed balances of estates that were transferred from the public trustee's office.

MR. MAGNUS: All in one fell swoop?

MR. ROSTAD: So as I mentioned earlier in my opening comments, the \$8 million roughly of that revenue that went to general revenue was because we transferred the motor vehicle fund over to them.

MR. MAGNUS: Thank you.

MADAM CHAIRMAN: Final supplementary, Richard.

MR. MAGNUS: That's all I've got.

MADAM CHAIRMAN: Moe Amery.

MR. AMERY: Thank you, Madam Chairman. Mr. Minister, on page 108, I'm referring to 9.2.5, provincial policing, RCMP. I see an overexpenditure of \$2,529,000. I wonder if you could . . .

MR. ROSTAD: Let me attempt this. Our contract with the RCMP didn't change. We have a 20-year contract for providing provincial policing across the province. Our contract for this particular year was \$81 million in round figures. We went to the police and said we have a fiscal restraint mode we're under here and we have to have less money spent on our policing. We were able, with their ingenuity and initiative, to get that down to \$79 million and odd change, although the \$89 million stayed in the budget. We delivered the \$89 million, so there was a decrease of the roughly 2 and a half million dollars in terms of expenditure. So it shows a saving. That wouldn't have shown if we were able to change our budget figure to the \$79 million, but we were already into this. You recall this budget year, the budget going out even before the election and then coming back after and using the paring knife, so we couldn't change that. So that's what happened. There was a little element there in terms of what we had to spend on some native policing too, I think, that was perhaps wrapped into that factor, but the major factor was the difference of the \$79 million to the \$81 million.

MR. AMERY: Again, Mr. Minister, on the same page, 9.2.7, police phase-in subsidy, I see a deficit of \$257,000. I wonder if you can give us some idea as to what occurred.

MR. ROSTAD: When we changed the Police Act before and established this measure of 2,500 population before you had to contract with the RCMP direct, there were some communities that were close to that. As they went up over that level, we had a program that helped them phase in to this contract, because directly contracting is a lot more expensive to them than riding along on our provincial police contract. What we had done in the budget was eliminate this program, but after dialoguing with two or three communities that were just about ready to lose, they had

serious budget defects. So what we did again – the figure was in the budget. We still eliminated the program but found a little extra money to help them phase in. So it shows as a deficit in the budget but in fact was programmed.

MR. AMERY: Also on the same page, 9.2.8, there's \$757,000 in overexpenditure on native policing. I wonder if you could explain that.

MR. ROSTAD: This is actually part of our RCMP, the question I was answering before of going from \$79 million to \$81 million. There were some agreements that we had with native communities which were enabling them to take policing initiatives, some through the RCMP, some on their own. This was not just the wrong figures in the budget because we did something after the budget was out. We in fact had to live with this and spend that extra money because of our commitments. We found savings to compensate for that deficit from other parts of our department. But that's what it relates to. We had bought into these programs, and as we were trying to push the RCMP costs down, there were certain other costs in native policing that we had to deliver. So taking a little bit out of the department, the police finding ways to economize – the three issues you've brought up are actually all kind of tied together, and in the end we were able to deliver the service, in some places spending a little bit more money, in some places saving a lot more money.

9:11

MR. WINGATE: Madam Chairman, I just want to go back to page 108, program 9.2.5, provincial policing, RCMP. I just want to point out that that program was overexpended by some \$2,529,000. I think the impression could have been created that that was a saving. I just want to point out that that's in fact an overexpenditure.

MADAM CHAIRMAN: Debby Carlson.

MS CARLSON: Thank you, Madam Chairman. Good morning, everyone. I'd like to go to page 106 and talk about vote 3.5, maintenance enforcement. We had an overexpenditure in the year, and I would like to know if any of the overexpenditure amounts were due to a greater need for enforcement measures.

MR. MEDWID: The major reason for the overexpenditure in maintenance enforcement was that the voluntary separation plan wasn't in place, so it was a cost of the severance packages that we gave employees and not for any additional expenditures for enforcement activity.

MADAM CHAIRMAN: Thank you.
Supplementary, Debby.

MS CARLSON: Yes. Can you tell me if any of the dollars spent in this area do in fact go for training of your staff in terms of upgrading their skills in tracing dollars for noncompliant parents?

MR. MEDWID: We have an internal program that is ongoing and has been ongoing since inception of the program. That is, one of the very things we do address is all enforcement procedures in keeping the people up-to-date on what is new and what is happening, and that is an ongoing thing. It's done internally.

MS CARLSON: How many actual dollars in your budget are allocated to the actual enforcing of the program, not administration but the actual enforcement part of it?

MR. MEDWID: At least two-thirds of the budget would be enforcement related – at least. I could get that information for you.

MADAM CHAIRMAN: Thank you.
David Coutts.

MR. COUTTS: Thank you, Madam Chairman. Mr. Minister, I'd like to refer to page 107, reference number 8.2.1, and in my supplementary questions I'll be dealing with deficits at the Edmonton, Fort Saskatchewan, and Strathmore institutions.

I notice that in the Edmonton Remand Centre there is a \$567,000 operating deficit, and I was wondering why that deficit occurred.

MR. ROSTAD: I'll start this and probably defer to Hank O'Handley for a little bit more specificity. I know that a large part of this related to the VSAs, the voluntary separation agreements we had there for people who elected to take that. I also think we had a higher inmate population than we had projected to start with.

I don't know if that takes it all. Hank, is there another element?

MR. O'HANDLEY: The population at the Edmonton Remand Centre basically almost doubled during that period in comparison to the previous year. An additional expenditure was caused by the need to purchase correction officer uniforms that were in the Alberta Public Works warehouse. They closed down, so we had to purchase the uniforms.

MR. ROSTAD: Just to clarify, what it was is that Public Works used to purchase these uniforms and keep them and then we would use them as we had to. They eliminated that service, so we had to then purchase all of these and keep them ourselves in our inventory. That was part of the cost overspend.

MR. COUTTS: Thank you very much.

Then on 8.2.2 we're looking at very close to the same kind of operating deficit at the Correctional Centre in Fort Saskatchewan. Is that for the same reasons, or are we looking at a different situation there?

MR. ROSTAD: I don't know if it was all totaled, but certainly a large part was the VSAs again, the voluntary separation agreements.

Hank and Mike, is there any other particular reason?

MR. O'HANDLEY: None.

MR. COUTTS: Can we go down to 8.2.14, the Strathmore Youth Development Centre? That had very close to a similar operating deficit of \$518,000. That being the youth centre, I'm just wondering why that deficit also occurred.

MR. ROSTAD: That was a young offender facility, and as I mentioned, last year was quite a unique year in the sense that the budget was structured, put out, and then an election was called in the intervening time. Being eliminated, it was not in the budget, but we kept operating it until about October before we eventually got it closed. We phased the closeout. I guess if there had been, quote, a government in office, that would have happened sooner and we wouldn't have incurred this cost. Because of the intervening election it didn't happen, so we incurred the cost. It wasn't put into the budget, so it shows as a deficit.

MADAM CHAIRMAN: Thank you.
Peter Sekulic.

MR. SEKULIC: Thank you, Madam Chairman. A question to the minister on the overexpenditure on vote 9.2.5, the \$2.5 million which was clarified to be an overexpenditure. Could you provide a somewhat detailed breakdown of that overexpenditure?

MR. ROSTAD: Actually, Mr. Wingate clarified it a little bit more in my mind too. The \$79 million is where we eventually ended, but the escalation part of the contract I was talking about went up from \$79 million to \$83 million, and we eventually came down to the \$81.5 million or whatever that figure was. So as Mr. Wingate says, we in fact did expend; it wasn't a saving. We did cut them back down from the contract escalation of \$83 million to the \$81.5 million. So there is in fact from the \$79 million up to the \$81.5 million the additional expenditure. I'm sorry if I was misleading.

As I mentioned, we have this 20-year contract which all provinces signed which has escalation clauses and definite amounts that are going to be for each of these years. We have to review this contract on a five-year cycle, which we're almost to, and perhaps we can bring some reality to it, but I question how we can sign a contract for so long with built-in escalation clauses. I think the RCMP are also questioning that now, and we're working together. If you have a specific on the detail, I can get you that, but in this forum anyway we can only talk on the broad figure because this includes absolutely all the costs of providing policing outside of urban municipalities with a population of 2,500 or the urban municipalities that have their own police force such as Edmonton, Calgary, Lethbridge, Medicine Hat, Camrose.

There is also an RCMP contingent in Alberta that is federal oriented in the sense that they only take care of federal issues such as airports, security, drug enforcement, those sorts of things that don't relate to ours. We have nothing to do with that budget, nothing to do with the number of personnel they have, but we do in turn have a broad policy directive in terms of the provincial policing, and certainly, being that we're paying the bill, we have some control on what it should cost us in the broad context. We're driven by this contract that was signed recently by my predecessor. Dick Fowler is actually the person that inked the contract. We're now working with the RCMP to look at ways we can reduce this contract rather than just having built-in escalator clauses that elevate us.

I'm glad Mr. Wingate interjected there, because it brought to my mind that we had \$83 million in the contract and we needed to end up at \$79 million. We eventually got them down to \$81.5 million, which still gives us the \$2.5 million overspending which we had to find in other places in the department. Subsequent to this, we have now got them down to the \$79 million, but it's been a two-step process rather than just a one-step. So the saving I was talking about earlier was from the \$83 million to the \$81.5 million, not from the \$81.5 million to the \$79 million. That comes to this current year we're in rather than this year.

9:21

MR. SEKULIC: Thank you, Mr. Minister. I would appreciate a breakdown of that \$2.5 million overexpenditure if that's possible.

The second question I have is: has your department looked at any other options for delivering policing in Alberta?

MR. ROSTAD: Yes. There's a study under way right now that is trying to look at what we would require to have in effect an Alberta provincial police force in terms of what kind of manpower, what kind of deployment around the province, and then from that

what kind of equipment, et cetera, and from that determine the cost and equate that to the model we have now or a variation of the model we have now to find out whether there could be more efficiencies in delivery of the service. I have not yet received the report. It's being done by the former director of our law enforcement department who used to be a deputy chief with the city of Edmonton Police Service, Ed Hahn. I'm expecting it soon.

To be frank, if it doesn't come to fruition in the sense that the study doesn't show significant savings, I think there's going to be a huge benefit, because I think it's rung the bell of other police services around to say, "Hey, maybe if we want to remain the police service, the RCMP, we'd better belly up to the bar and look at more efficient ways of delivering our service." You see, we have a problem in our jurisdiction because the RCMP is a federal police force and is totally within the jurisdiction of the federal government, not within the province. We contract for a service and, as I mentioned, we can give broad operational policy directives, but we can't direct them on a day-to-day basis on how they should police, nor should we from a political thing, because they're capable of doing that. They have cost structures and everything else that are built in from a federal perspective and not from the provincial.

The new officer commanding here in Edmonton in K Division, Wayne Eaton, came with a different perspective – and this is certainly not a reflection on his predecessors because they were there – and this also came from the commissioner in Ottawa: that not only in Alberta but in other places they do the provincial policing they'd better start to look at more efficient and effective ways. They just went through a very significant initiative in the Lethbridge subdivision which brought community policing into the RCMP and has brought input and decision-making at the lower levels up rather than the traditional paramilitary one where you take your decisions and bring them down from the top. It has saved money, increased morale, and is a significant initiative that is now going to go Canada-wide. They now have a new commissioner who is also very, very much of the view that they have to shave their organization's operations and flatten. When you have an institution that after you serve in for 35 years – you're virtually working for nothing and you've worked your way up into rank, into commission. You're no longer a grunt out there on the road doing the work and you have an enormous cost to the system. As these guys continue to stay, continue to be shoved into administrative chairs whether it's in Edmonton or in Ottawa, we bear the brunt of that cost when we deliver provincial policing through the RCMP. They recognize that. They're flattening their service, getting rid of different ranks, because they know – and our study is in fact one of the incentives here. So even if we don't end up with an Alberta provincial police, we'll certainly have a more effective and efficient RCMP.

MADAM CHAIRMAN: Final supplemental.

MR. SEKULIC: Yeah. My final question would pertain to a time frame. From the time you receive the results of this study, what's the earliest we can see implementation if the option pursued is a provincial police force?

MR. ROSTAD: I would hope the report would address that, but I would expect if we got the report January 1, it would probably be a year to two years before we could implement it. One of the other reasons is that we have to give under the contract with the RCMP sufficient notice for them to go. There's also a tremendous amount of work to start up one. Not only getting officers and having them adequately trained – I'm sure you'd get some from

the various police forces, including the RCMP, but you would still have to have adequately trained forces – you'd have to get your equipment, you'd have to get your offices and all that in line. I would expect you'd be close to two years before you'd ever get into implementation if that was the initiative. I expect Mr. Hahn would have something like that in his report.

MADAM CHAIRMAN: Thank you.
Gary Friedel.

MR. FRIEDEL: I'd like to start out by wishing everybody a good morning. I know that everybody's just so happy to be back here. My couple of questions are from the annual report of the Auditor General, starting on page 150. Can you tell us what action is being taken on recommendation 45 dealing with the forecasting of revenues and expenditures on the motor vehicle accident claim fund?

MR. ROSTAD: I'll have to let Neil answer that. We'll give you the answer, but I think we've transferred the fund to Alberta registry, so it's effectively their problem, no longer ours. But we can address the concerns the Auditor General had.

MR. McCRANK: Hon. member, the fund was a statutory appropriation, and we have no control over it. The Auditor General did make a recommendation with respect to the forecasting of revenues and expenditures on this fund. As the minister has indicated, that has now been transferred in any event to the Municipal Affairs department with the registry division. During the year, the 1993-94 quarterly forecast of that fund – the fund and expenditures were prepared for consolidation with reports of other government funds and agencies. At that time the Acting Auditor General provided a summary of audits completed in the department for the '93-94 fiscal year, and we were pleased to note that there were no significant matters arising from that fund during that year.

MR. ROSTAD: I should just clarify my earlier comment. We didn't transfer the fund to Alberta registry. Alberta registry got motor vehicles and the establishment of what fee and that kind of stuff that goes with them. We still have the fund.

MADAM CHAIRMAN: Mr. Wingate would also like to comment, Gary.
Mr. Wingate.

MR. WINGATE: Yes. Our follow-up audit work indicates that forecasts are now being prepared to project these future annual expenditures, so I think progress is being made, which is the nub of your question. That's it.

MADAM CHAIRMAN: Supplementary, Gary?

9:31

MR. FRIEDEL: Yes. Going back to page 147 of the same report dealing with systems procedures used on the assessment of costs and benefits in computer resources, do you care to comment on what action has been taken regarding this recommendation?

MADAM CHAIRMAN: Mr. Wingate might want to comment first. It will give you a few minutes.

MR. ROSTAD: Yeah. I think this relates to my earlier comment when we put motor vehicle registries over to the registry thing. I

think the question you are asking kind of relates more to them in terms of the disposition, and Mr. Wingate might have some further information on that.

MR. WINGATE: In the period since the last annual report the motor licensing registry has been transferred to Alberta registries. Alberta registries is currently outsourcing its computer operations and intends to reduce its staff and purchase computer services.

I think the previous systems and procedures are not applicable to the changed operations and, as a result, I don't think our original recommendation continues to stand. Because of the transfer, I'm not sure it still applies, particularly as to the changed nature of the operations that are going to replace those original computer systems.

MADAM CHAIRMAN: Final supplementary.

MR. FRIEDEL: Just a clarification on that last, perhaps to the Acting Auditor General. The references, then, to the computer system and the identification of workloads and things like that: that is all dealing with the area that has been transferred with the motor vehicles branch to Municipal Affairs then?

MR. WINGATE: That's my understanding, yes.

MADAM CHAIRMAN: Final supplementary?

MR. FRIEDEL: No, I'll pass on that.

MADAM CHAIRMAN: Mike.

DR. PERCY: Thank you, Madam Chairman. Mr. Minister, my question relates to the Department of Justice commitment to both the treatment of young offenders and the prevention of crime by youths. When one looks at the public accounts, again volume 2, and the justice expenditure – and I'll just give you the specific headings as I go through this. If you go to 2.3.5, family and youth, an underexpenditure of \$295,000 for the Edmonton region. If you go to 8.2.10, the Grand Prairie Young Offender Centre, an underexpenditure by \$101,000. When you go to 8.2.12, the Edmonton Young Offender Centre, an underexpenditure by \$95,000. When you go to 8.2.15, the Calgary Young Offender Centre, there is a modest overexpenditure of \$6,000. When you go to 8.2.17, the Lethbridge Young Offender Centre, an underexpenditure by \$39,000. When you go to 8.3.3, young offender services under the community correctional services program, \$47,000. In light of the concerns that have been expressed about crime by young offenders, is it not surprising that there is such an underexpenditure in each of these programs?

MR. ROSTAD: I guess you can cast your interpretation however you wish, and whether you want to be an alarmist or whatever, it isn't that at all. In fact, the incarceration of the young offender – I'll call it the stopping line, and yes, there's some treatment with some of them. Some of them are there for such a short time that effective treatment is not possible. In terms of the dollars, Mr. O'Handley may not be able to add anything to the issue today, but in some instances it's a volume change. It doesn't relate to the fact that, hey, enough money wasn't spent on treatment specifically. There are a lot of elements within each one of these particular institutions where the money saving may come from, but I would suggest that the largest one is volume at one time being down or up, whatever. Maybe I look at this from a completely different perspective than you do, but anytime we can underexpend

in a budget rather than overexpend – that's what the whole issue is all about right now: trying to operate on budget or as close to budget as possible.

In the overall budget of the young offender centres these are significant but rather niggling amounts. I don't know if Hank can add anything to those specifics. I'll undertake to find out in each one of those instances where the money was underexpended, but when you take an operation that is in excess of a million and you have a \$50,000 underexpenditure, to me that's not that significant – and I'm not trying to make light of your concern. I frankly think that in our young offender programs or centres if we did more for children before they got to prison rather than as much in the prison, we'd have a lot fewer in prison. We'll wait for our report that's coming from both parties' MLA panels as to your findings, because I think that's the thrust Mr. Cardinal as Minister of Family and Social Services, as he's working up his child welfare initiative or his look at child services, has to address: what happens to the person that has no one or nothing out in the community that ends up in our institutions because there is no other place to put them? Frankly, I have judges telling me that they're having a disposition of putting somebody in a young offender centre because in putting them back out on the street, there isn't anybody to care for them. Now whether that's totally a government responsibility – I don't by any means want to point the finger at just Mike or Mike's department, but we have to address that kind of issue and we'll keep a lot more of them out of our system.

Coming back to my previous comment of what our thrust is, the serious offender should be in our system and should be taken care of in our system through treatment or whatever because they're going to be there long enough to get treatment but also pay their penalty for whatever they're doing. But we've got in not only our young offender but even in the adult one so many people in our system that frankly shouldn't be there. They're costing the taxpayer an awful lot and they could just as effectively be taken care of out in the community as in the institution. Our focus is to make sure the ones that should be there are paying their penalty, and we have to work with Family and Social Services in this particular issue to ensure that there is some sort of net to take care of those kids that are in that shouldn't be there.

DR. PERCY: With the regard to the issue being alarmist, I recall sitting in the Legislature and listening to members of the government side day after day bringing forward motions with regard to young offenders with a focus at the federal level, and that's why I'm looking at what in fact the province can do in its role in dealing with young offenders.

The Financial Administration Act, Mr. Minister, now permits the department to reallocate funds across programs. In light of your statement that prevention is the key, have any funds that were saved on the correctional side been reallocated to enhanced treatment of young offenders, or was the money just banked?

MR. ROSTAD: We have a treatment program that has not been decreased at all in the young offender centre. I don't think – and I'm certainly not an expert in treatment of offenders – the savings in the young offender centre or the savings in correction generally were savings that were going to the bottom line of the government, not just our department. I mean, as I went through the estimates, we're challenged to also contribute to the balancing of the budget in Justice. If you recall the estimates, I likened it to a link of sausages: when you have the police, you have the courts, you have corrections, and then you have what I'll call the social issues whether it's maintenance, enforcement, legal aid, or whatever else,

these four sausages, as you try to decrease your expenditure you have to be sensitive first of all to public safety in all these capacities. You can take a little bit from the police, but if you took restraint from the police only, you're going to cause excesses of pressure in these other links of the sausage and you have to be relatively consistent.

9:41

So our corrections, as I mentioned before, was the focus of trying to make sure that people who should be in are in and are making their contribution to society whether it's through work crews or whatever and that they're getting the treatment they need. Some treatment is within our facilities; some treatment is without our facilities. I would not say we're perfect in any matter, but our first initiative that we took here was related to restraint and not related to necessarily enhancing another program. I'll be frank about that, and Hank may be able to address now or at another time that there are certain treatments.

Taking the young offenders area, as I've said to Mr. Lazanik, the chap that's been hired by Family and Social Services to look at the child welfare system, if they were to take our young offender and this whole bunch and wrap it into child services, don't look at it or even at one element of it as getting money. Don't look at my budget and say you're going to be able to take part of my young offender money over there, because my young offender budget is really predicated on taking care of so many of, I'll call it, the serious offenders. We have an excess of people in our young offender centre because – and this is not a swipe at the judiciary; I think it's a swipe at the system – the judiciary are in fact putting people in that really for the crime they committed shouldn't be incarcerated and should be back on the street, but because there's nothing to take care of them out there, they're not. And that is the revolving door. The serious offender is not the revolving door in our young offenders thing. It's these people that are doing the minor crimes. So if they were ever to take part of the young offenders, they couldn't take any money because we need our budget to in fact deliver our treatment and deliver effective services.

So I hear where you're coming from, but to put it bluntly the first initiatives we've taken here have been driven by restraint. We're hoping that once we've got our budget saving that we need from our department, we can get on with building a better system within that envelope of restraint. But it comes again that it isn't just us. It has to be a marrying of Health, Family and Social Services, Justice; Education you could put in there as well. In fact, there's an initiative, one of which is happening in my constituency in Wetaskiwin, where those four particular departments are working together and putting one person – and they happen to be working theirs through the schools – in each school that will be a contact and a conduit to deliver the services needed for the child from all those four departments. To me that's what we have to do and then we can – because that's where part of the treatment goes. Our budget for treatment for young offenders is relatively small in comparison to the treatment Health has to give or the treatment Family and Social Services has to deliver through the child welfare system.

So I actually welcome your comment. I didn't mean it in the alarmist – probably the wrong kind of word, because I think rather than ringing the bell saying we're going to hell in a handcart in our justice system or our incarceration system, we've got some wonderful initiatives going where those who are not of public safety concern should be back in the community being treated and working there, contributing to the community, and allow our money to be spent to make sure the serious and violent offender

is incarcerated, making their due to society and the big element of public safety. I wasn't alleging that you – but I allege that even with the media. There are positive stories to tell here rather than negative stories.

DR. PERCY: Thank you, Mr. Minister. You'll have to permit me a hint of skepticism. Again, when I look at the numbers and see possibly an underexpenditure on the correctional side in programs related to youth of approximately \$650,000 and I do not see any – my question is: under which program would I see an increase in expenditures on the treatment of youths? Because again, you've said the volumes are down or fewer young offenders are being incarcerated. I would hope, then, that if fewer are being incarcerated, there would be an increase in volume requiring treatment and counseling. I would like to know where specifically in the budget lines we see the increase in expenditures or any mechanisms to deal with the treatment of those individuals that formerly would have been incarcerated?

MR. ROSTAD: If I said it, I should make the correction. I'm not saying now that there are fewer young offenders being incarcerated. I said these little blips of underexpenditure of some could relate to – you budget for, say, 100 and for a little while you've only got 75 and another time you might have 105, but in the end you've saved a little bit of money. In the context of the overall budget, that's not a great deal. Also in Strathmore, as an example, although we didn't have anything in the budget, we did spend \$518,000 that had to come from another section of our department to be spent on youth.

Treatment – and Hank may have a ratio – is not a large part of the institutional budget. Hank, can you expand on kinds of treatment or what proportion it might be of our overall budget, or is that difficult to do right off the top of your . . .

MR. O'HANDLEY: It would be difficult, Mr. Minister, to identify specifically what the breakdown would be.

MR. ROSTAD: I will take the *Hansard* and do our very best to give you that kind of analysis. I'm not trying to be evasive here. As I mentioned, the young offender also gets treatment if they're a ward of child welfare. That's where a lot of their treatment goes. There are some that fall through the crack that frankly don't get the treatment, and that's why I say we have to address this issue not only with Justice but with Family and Social Services so there's a continuum and the court can say – or we can even divert before they get into the court system through alternative measures – go over here but get some treatment.

Right now child welfare says they don't have that jurisdiction or responsibility. Well, it isn't ours. It isn't ours, and over to you, Alphonse, and they fall through the cracks. We have to solve that problem.

MADAM CHAIRMAN: Barry McFarland.

MR. McFARLAND: Thank you. Good morning. I promise I'm on my best behaviour. I just want to observe that there's almost the same number turning out here this morning as we had in Grand Prairie for a political leadership campaign. Maybe my first question should be: in the name of justice, is this the right way to spend money on Public Accounts, with this kind of turnout?

On the other hand, I'll do my part in asking questions, and maybe I'll ask a tough question on behalf of my absent members.

In regard to the minister's office on page 105, Mr. Minister, I see that under departmental support services there's been an

overexpenditure of \$21,000 within your own office. Would you care to account or make an explanation for that particular overexpenditure?

MR. ROSTAD: Gladly actually, because frankly I had nothing to do with this. This definitely is in the minister's office, but I became the minister in June and this was done prior to that. In fact, what it was was voluntary separation of an executive assistant of the previous minister. Much to my chagrin, I knew nothing about this until it surfaced, and it's here.

MR. McFARLAND: Thank you. Can you indicate for my own benefit how many voluntary separation allowance packages there were for Alberta Justice in 1993-94?

9:51

MR. ROSTAD: I think we abolished roughly 135 to 137 positions – I stand to be corrected – in this particular year.

MADAM CHAIRMAN: Final supplementary?

MR. McFARLAND: A final if I could, and I think it might help particularly in line of the different department functions you have. Have you got a breakdown available of the voluntary separation allowances so that we know if they've been in administration or in program services or whatever?

MR. ROSTAD: Yes. Maybe I can give Dennis that.

MR. MEDWID: Under program 1, departmental support services, we had 12 costing \$562,000; program 2, court services, 58 costing \$2,019,000; program 3, legal services, 32 costing \$1.2 million; program 5, public trustee, 10 costing \$393,000; correctional services, 18 costing \$850,000; law enforcement, 7 for \$315,000.

MR. McFARLAND: Thank you very much.

MADAM CHAIRMAN: Thank you. Barry, you might be interested to know that for the previous budget year we spent \$600, and we've spent under \$50 so far this year.

MR. McFARLAND: Six hundred.

MADAM CHAIRMAN: Six hundred dollars for Public Accounts.

MR. McFARLAND: And this year?

MADAM CHAIRMAN: Under \$50.

MR. McFARLAND: We've just started. Keep showing up with fewer numbers; we'll spend less.

MADAM CHAIRMAN: I don't think that this has anything to do with that kind of numbers. It's called efficiency.
Debby.

MS CARLSON: Thank you. I'd like to go back to page 106 and maintenance enforcement again for a moment if we can. You undertook to provide us with some information there. I would like to ask you to include in the information you're going to provide us the number of dollars in man-hours you actually spent tracing the nondisclosure of assets and income for people in arrears.

MR. MEDWID: That's going to be very, very difficult, because that is but one enforcement activity the enforcement officer is

engaged in. To break down his or her time into that kind of detail would be almost impossible.

MR. ROSTAD: One thing we might be able to do, Debby, is get the director to canvass his staff to find out approximately, on a sampling even, what kind of time they spent. But we don't do a time – we'd have to do a time analysis study from today to keep track of all that. When they take a file, there are many aspects they work on on a particular file, not just that. We could certainly do our best – it wouldn't be a very scientific study – and try and get it for you.

MS CARLSON: That would certainly be adequate from my perspective.

Can you tell me what kind of interprovincial agreements you've got in terms of facilitating collections for people who live out of province who are in arrears?

MR. ROSTAD: I think we have agreements with every province in Canada and a huge majority of the States as well as some other countries. We could give you a list of those again, unless Dennis happens to have them off the top of his mind: all of Canada, the majority of the States – when I say the majority, 37 or 38 sticks in my mind; it would be no less than that, it would be higher – and then some other countries. We can give you a list of who we have the agreements with.

If I might just tack on to that, one of the problems that we do have with the REMO is that some other jurisdictions, even in Canada, are not quite as aggressive as we are. We're noted, frankly – and this isn't to toot horns; it's a commendation that should go to our maintenance enforcement people. We take a REMO application as serious and with as much lustre as we take our local ones, and we're noted for doing that. The other jurisdictions are quite happy to send ours. We aren't always as happy to send it to some other jurisdictions, because it goes to the bottom of the pile or they don't do it as effectively. They just aren't as successful on those as we are for other people on their behalf. That's a credit to our people at maintenance enforcement, not to us.

MADAM CHAIRMAN: Thank you, hon. minister.

Because of the time, we'll call an end to questions.

I would like to request, hon. minister, if the replies could go through Corrine, and then all members would be able to get copies.

I'd like to express on behalf of the staff our appreciation for your appearance with your staff this morning, and also once again to Mr. Wingate and Peggy Stevenson, thank you.

The next meeting is October 26 at 8:30. We will have the Auditor General's annual report '93-94.

If there's no further business, we stand adjourned.

[The committee adjourned at 9:58 a.m.]