

Standing Committee on Legislative Offices

12:32 p.m.

[Chairman: Mr. Hierath]

THE CHAIRMAN: I think maybe I'll call the meeting to order. I would like to add an agenda item, if I could, between items 4 and 5. Diane has distributed a letter from the Yukon, from the office of the government leader, and I would like to have you insert that item, the Yukon office of the government leader, so we can put that on the agenda if you all agree.

MR. BRASSARD: I'd so move, Mr. Chairman.

THE CHAIRMAN: Okay. Thanks, Roy. All those in favour? Opposed? Carried.

I think you have a copy of the committee meeting minutes of November 28. I'm sure you've all read them over. If I could have a motion to approve the minutes of November 28? Gary Friedel. All those in favour? Opposed? Carried.

I would like to now welcome Derm Whelan to our meeting this afternoon, and if you would turn to tab 4 in our booklet, I think maybe I'll turn over the discussion to Derm. Welcome, Derm.

MR. WHELAN: Thank you, Mr. Chairman. If I don't get the opportunity before I leave, I want to wish everybody a very Merry Christmas, both you and your families, and also the best for the New Year. I hope it will be prosperous.

THE CHAIRMAN: The same to you.

MR. WHELAN: Well, Mr. Chairman, I regret that I did not write you earlier, as you requested. I did not have an opportunity. But in the letter that is available to the members of the committee, there is an outline of what I would like to talk to you about today. I think we need to talk about enumerations, first of all because during 1996 the Election Act will require that an enumeration be completed between September 15 and September 30. There are a couple of issues that touch on that. There's a commission under way reviewing electoral boundaries, as you know. In the Election Act during any year a boundaries commission is established and the year following the establishment of a boundaries commission, I have the unfettered discretion to defer the enumeration for a period of one year. At the present I would not be prepared to do that because I think it's getting too close to the time of the possible next election.

The second issue is that over the last three or four years, as I understand it, the miscellaneous statutes Act has been used to defer enumerations, so it gives rise to two questions then. The first I'll put simply: will you concur that an enumeration should be conducted in 1996 in September as suggested by the legislation, or do you feel – and perhaps you may not know – that it is possible that the miscellaneous statutes Act might again defer the enumeration to 1997? That's the first issue. Ordinarily during the coming year with another election within sight, let me say, one would be preparing for a proper enumeration of the province. It's complicated by the possible changes in boundaries if the Legislature decides to change the boundaries.

THE CHAIRMAN: I have a couple of questions. Do you want to deal with a discussion on that issue?

MR. WHELAN: I could finish with the whole thing very quickly, if you like.

THE CHAIRMAN: Sure.

MR. WHELAN: Numbers 4 and 5 in the paper actually relate to the topic that we last discussed I think in November, perhaps earlier, about the proposed amendments to the Election Act. I have a clear opportunity to shave \$2 million off the cost of elections in the sense that the enumeration component will be reduced by that amount. One million dollars will be effectively saved if we change, as is recommended in the amendment, from a process that requires two enumerators to work in each division to a process that requires one. Obviously if security or other reasons dictate that there should be two, there would be two. So in-house we can save a million dollars with respect to enumerations.

Further, we have an agreement in principle – that is to say, the people at Elections Canada and Elections Alberta – to share the use and the funding of the next enumeration. I anticipate that we will save a minimum of \$1 million.

So clearly \$2 million can be saved. It may be more. It depends on the dynamics of the situation and how difficult it is to get this started. Therefore we have this question: is it possible, even though our budget is approved for the old-fashioned, let us say, style of enumeration, to reasonably still consider the possibility of effecting these savings as a result of amendments to the Election Act?

The final question I want to put before you – it's getting near the time when we do need to have returning officers appointed for this purpose so that we can begin to prepare them, the maps, and the descriptions, all the different paraphernalia associated with an enumeration.

Finally, there is a faxed letter from Jean-Pierre Kingsley, the Chief Electoral Officer, attached. He's just confirming that further to our meetings here in early November this year and further to our conversation after he finished his meeting with the parliamentary Standing Committee on Procedure and House Affairs in Ottawa a few days ago, he called me to say that Alberta was certainly among the front-runners with respect to this joint venture. Now, he has said clearly that our agreement in principle will turn on whether or not Ottawa and Alberta are prepared to endorse by the necessary legislation the concept of a joint register of electors for Canada and for Alberta.

So that's the issue. We have already been through the draft amendments clause by clause, and they have been approved in this committee. I don't want to give the impression that I'm impatient, but I want to point out that the window is slowly closing because the time is going by with respect to this. If it's not done now, then I ask: when? If it isn't completed, it won't be an issue until there is another election four or five or six years from now.

Those are the questions, Mr. Chairman.

THE CHAIRMAN: I have Gary Friedel, then Roy Brassard.

MR. FRIEDEL: I understand from previous discussions we've had here that the enumeration is likely going to have to be done in 1996 based on what I would suggest are ordinary expectations that we as the members of this committee would have to work on. You know, we're not privy to any inside information as to how

and when elections are called, so I think we have to be working on the basis of being ready for reasonable expectations.

Sitting as a member of the subcommittee looking at the enumeration process, I know that we have debated some of the practical benefits of an assortment of improvements, and particularly, I guess, even some that we are going to recommend to the larger committee, but I'm a bit concerned about the process of us drafting legislation for debate rather than what we normally do. We talk about policy changes and then go back to translating that into legislation. I thought we were going to be taking this to our respective caucuses and discussing this as a policy issue. Certainly it could be debated on the basis of some suggested legislative wording. What happened to that idea?

I don't know whether Ron could answer that or whether this is a general debate issue.

THE CHAIRMAN: Well, yes, Gary, I can answer it. What I've done is some legwork with some of the cabinet ministers involved, particularly the Minister of Justice. We haven't taken it forth to our caucus. I don't know whether the other members have taken it to the Liberal caucus or not. You know, we needed to get some preliminary discussions with some of the cabinet ministers that were firsthandly involved in drafting legislation for government Bills and those things. We haven't taken it, as you know, to our caucus, and we hope to do that in the near future.

12:42

MR. WHELAN: Mr. Chairman, I think we will probably need to remember that early on we identified the process of effecting change with respect to electoral legislation, and it was agreed at that time that rather than submit matters through the Department of Justice, as had been done before the issue was discussed, it should come forward for the approval of this committee. So when we began to develop the concept or the policy with respect to enumerations, at the same time we brought forward the draft, which the whole committee reviewed clause by clause. It is nothing more than a draft. It may certainly be changed by whomever the ultimate drafters of the legislation are.

That was the process as I understood it. In other words, it wasn't going through Justice anymore. It was going to come to this committee. If I wanted any legislative change, I'd bring it to this committee, which I've done over and over again really. I don't know how many times we've talked about this. I know it's difficult because it's a new process. As Gary says, ordinarily the legislation is coming out of a government department. Now, this seems to be approaching this in another direction.

At any rate, this was a direction that we had identified more than a year ago, and I think Mr. Brassard's committee was very much involved in it. So that's why it came forward this way. I also remember that it was to go to the respective caucuses in due course for their comment and so on.

I guess the bottom line here is that we're talking really about fairly straightforward amendments to the Election Act that really don't touch the substance of the electoral process. On the other hand, there is an opportunity to effect considerable savings with respect to enumerations, and I think that's the bottom line.

THE CHAIRMAN: Are you finished, Gary?

MR. FRIEDEL: Maybe I'll let Roy make his points. I still have a question or two.

THE CHAIRMAN: Go ahead, Roy.

MR. BRASSARD: Well, thank you, Mr. Chairman. I guess my concern with this process – your first question was whether or not we should have an enumeration – hinges around this electoral boundaries review that is going on right now. I attended the meetings in our area, but I didn't have access to any of the others, and I wonder if you could give me some sense of direction, if you see a major shift. Do you see an overhaul of the electoral boundaries that is going to affect an enumeration process? Where are we at with that electoral boundaries review?

MR. WHELAN: Well, the commission will of course report to the Speaker at the end of January, the first month of 1996. I'm unable to say what their final determinations will be.

MR. BRASSARD: Well, not so much their final – how will that review, though, impact on the enumeration process?

MR. WHELAN: The best way to answer this is to say that we can do an enumeration based on the present boundaries, and by moving polling divisions about on our computers, we just reconfigure the electoral population of any new or proposed electoral division. It can be done, but people get missed. You know, there are peripheral areas. They're not in one boundary. They're partly in one, partly in another. It tends to clutter and cobble the list. So it's not a good thing to do, but it can be done and, of course, would have to be done if there were an election in the fall of '96 or early in 1997. Indeed it can be done.

As a matter of fact, it is always done when the federal boundaries change, because they need to configure the districts and determine the number of eligible electors in them for the purposes of determining the public funds that will be awarded to each party. So there is a methodology to do that, but it is not the best way. The best way, the better way, given the new boundaries being in place, is to enumerate on that basis. I think that's why the discretion is in the Act for the Chief Electoral Officer to defer the enumeration, but the danger – and this relates to Gary's point. You know, I think you have a clear duty to be prudent and to exercise diligence and some care. I mean, obviously next year one ordinarily would be thinking about a proper enumeration for the next election.

THE CHAIRMAN: Are you finished? I have a question from Don.

DR. MASSEY: It's on the enumeration. I wondered, Derm: is moving to one enumerator going to result in far fewer women taking part as enumerators? It seems to me that in the past it's been a job that many women have taken on. With the security kinds of concerns, is that going to rule out women?

MR. WHELAN: Well, Don, I can only answer you based upon my experience generally with people that approach my door: people from the Red Cross, the kidney association, the Lung Association, and so on. Most of the people that come to your door – and I think I should invite you to examine your own household. Are they not mostly women? I suggest that they are. They're coming alone, but they're in their own neighbourhood, and they feel secure.

I don't know if the number of women participating will increase or decrease, but I can assure you that every Albertan will be given the opportunity to work in the enumeration if they want it, and wherever there is any danger or reasons of security with respect to females, certainly we would make sure there were two people and not one.

DR. MASSEY: I think there's a difference. When I canvass for the Cancer Society and for the Stroke Foundation, the area is much smaller, and it's usually within a block of the house, at least in an urban area. I don't know how that works in rural Alberta. I'm just wondering here whether this isn't going to systematically rule out some women from even applying.

MR. WHELAN: I shouldn't think so. As a matter of fact I had never even entertained the thought that that might happen. In other jurisdictions where I have worked, that's not the case. The single enumerators, both male and female, travel about in electoral districts without problems.

THE CHAIRMAN: Gary Severtson, you have a question for Derm?

MR. SEVERTSON: Yes. Thanks, Mr. Chairman. To Derm: when you were talking about combining with the federal Chief Electoral Officer, what are the time lines for that? In the letter there isn't any time line that I can see.

MR. WHELAN: Well, I talked to him again this morning on the telephone as I was concerned about this also. He wants his amendments through the House of Commons by the end of June, before the people get off for their summer break, which is usually the end of June. It seldom goes into July. He has the opinion that if the legislation isn't there then, the opportunity to start this will evaporate, because he will be getting ready for the election and have to just do it the old way because there won't be time to introduce a new method.

MR. SEVERTSON: Well, that's for the federal. What about our time lines?

MR. WHELAN: Well, ours is much the same. We wouldn't be thinking about doing the enumeration before September. So we would think in the spring session of the House possibly.

MR. SEVERTSON: I guess I do have a little bit of a problem. We have the boundaries review commission going around the province and producing a report. Its final report has to be in, I think, June 30. You said in your comments earlier that it can be done but that it would be added time and expense to readjust the polls if there are any changes made. I was wondering if it would not be better to wait until after June 30, when the final report's in. Then, of course, the Legislature has to approve the report, but at least it would give you a pretty good indication if there are new boundaries, assuming that there are some changes. So the savings we have and the confusion that would be caused if we did an enumeration based on the old boundaries September 15 to the 30th and then we come in the fall, in November, and change the boundaries – I don't see the practicality of doing something like that, if we have a recommendation at the end of June.

MR. WHELAN: Well, Gary, there are two different scenarios possible here. The first is the one that you're talking about. That's using the traditional method of enumerating, where almost everything is done by hand and by sight and things are moved around in that way. If that methodology were used, changing electoral divisions would present problems. On the other hand, if a computerized methodology were used, using census tracks for populations according to census or enumerated population areas, it's very easy to take a street or half the street or the left-hand side

of a street and move it into another division because the computer is doing all the searching and selecting and merging.

12:52

So the answer to your question is yes and no. It's very difficult if we use the old method of enumerating, and it's preferred not to if there are obviously going to be changes to the boundaries. On the other hand, if we were in partnership with Elections Canada and using fine-tuned computer technology, it would be easier and as a matter of fact probably not all that difficult to change the configuration of districts around.

I have to candidly say that you're right. It's better to have the defined districts in place. You know where you're going and how to configure your polls, who is going to work there, et cetera. There's no doubt about that.

I'm a great fan of *Peanuts* from the comics. One day Charlie Brown was juggling eggs, and someone asked him what he was doing. He said: "Well, juggling eggs is a simile for life. Everything is important, but you have to keep everything in balance." We just can't sit back and wait for this to pass us. We have two or three conflicting things going on this coming year: possible boundary changes, getting ready for the next election, and an enumeration required by statute in September. So how do you juggle? What do you do? Well, the bottom line is the prudent course. What is the best way to do this? Which is the most economical way? Which can get the support if amendments are required of the members of the Legislature?

So, you know, it's not easy to answer you in a straightforward way. It's a matter of balancing all these different concerns that one has. I would hate to think that we'll miss the opportunity, there being no policy reasons for opposing a change, to save money on the enumeration and to look into the future with the prospect of saving a large amount of money over the course of a decade. The practical issue is that we have a boundaries commission scheduled to report at the end of June and that commission's findings won't be considered until the fall, and we have an elections office bound by the Election Act to conduct an enumeration in September. There's a conflict. Now, how will we work this out? This is why the issue is on the table today.

THE CHAIRMAN: I have Roy Brassard and then Gary Friedel.

MR. BRASSARD: Thank you, Mr. Chairman. In going through the recommendations, I think that number 4, where it is presented that we can reduce our costs in-house for the enumeration – I believe that providing that security, which Mr. Massey identified, women enumerators on their own, could be addressed, then I have no difficulty with the changes in that area. I actually am encouraged by a possible partnership with Elections Canada in sharing this perpetual enumeration because I believe that equally the security within the system can be addressed so that we can assure confidentiality and so on and so forth. I think it's an exciting time, and I think it's an exciting prospect.

My concern still goes back to what I see as the perceived direction that the hearings on electoral boundaries have taken. As I said, I only have the hearings in our area to go by. My understanding was that the mandate of this boundary review was more to take a look at what I consider to be the editorial comment of the judge who had ruled that our boundaries at present do not contravene the constitutional requirements but that it was recommended that we come closer to a reduction in that variance or more proportional representation prior to another election. In the hearings that I addressed, the focus seemed to be on changing

boundaries, how an area of my constituency could be given to another and so on and so forth.

I guess my concern really is where we're going with the electoral boundaries, because I think a lot of what we're talking about here, a joint partnership with Elections Canada and reducing our own costs and so on, is going to be impacted significantly by the outcome of this review. I'm extremely concerned with the direction of the review. In my understanding at least, the direction this review is taking is not what I had understood their mandate to be. I guess I have a lot of difficulty trying to rationalize the review that's going on, on one hand, while at the same time we're trying to alter the enumeration process that is going to impact on every one of those constituencies that we are supposedly possibly changing in the very near future. I have that concern. I guess I'm in limbo right at this point with this recommendation.

MR. WHELAN: Mr. Chairman, I'd just like to make a comment. The way that the amendments are drafted gives the office of the Chief Electoral Officer the power to do this jointly with the Chief Electoral Officer of Canada. It doesn't remove the power to do it on my own. It's an empowering type of mechanism. It doesn't lock anyone into a procedure with Canada, but it makes possible that procedure. I don't know if that will help, but I would like to make that comment.

I want to say also that with respect to the boundaries the legislation came from the Assembly, and whatever these commissioners decide, it will go back to the Assembly for a decision. I know that given the fact that boundaries here have been bread and butter and salt and pepper for four or five years, people are tired of this and threatened by it and alarmed and angry, and all of it is understandable. But these commissioners still have their mandate from the legislation that was passed in December, and I can assure you that they're most concerned that they fulfill that mandate. I have no idea what the final upshot will be, but I do know that the final determination will be made by the Assembly, and it's the Legislative Assembly of Alberta that will ultimately decide whether or not electoral boundaries will change.

One might even wonder out loud, you know, why this decision that has caused this problem, if I might put it that way in these comments, was not appealed to the Supreme Court of Canada. Why was the legislation passed? People get put in a box to carry out a mandate, and then everybody gets ambivalent about the whole process. People on the commission say: "Why did I ever get into this? I wish I'd never taken this job." So it's a conundrum, and I can't add anything, Roy, to relieve your concern. There may well be changes approved by the Legislature. Who knows?

THE CHAIRMAN: Gary Friedel, you had a question?

MR. FRIEDEL: Well, I can certainly appreciate the frustration that you've got to be running into, Derm. You've had a series of requests here and probably an equal series of deferrals as we went along. But I have to go back to my original comments. We do have on the table several issues that are similar in impact at least, even if they're not exactly the same issues. We have these couple of requests that you have here for legislative change. We have this other review where we're looking at the possibility of a perpetual enumeration in conjunction with the federal government. I'm not sure how directly the Electoral Boundaries Commission thing impacts it, but certainly in people's minds it's a very related issue.

You just made the comment about the Legislature eventually having to deal with it. No matter how these things come up, they are going to be lumped together as a common thread of an issue anyway. I personally would feel a lot more comfortable if we could compile all the relevant data and the options that are going to come out of this and make the changes in some kind of an orderly way rather than what might appear to be almost a piecemeal approach. I'm not saying that I disagree. As a matter of fact, the issues that you've raised here – I mean, saving money appeals to me tremendously. I'm also very intrigued with the idea of the perpetual enumeration, as we've discussed before, but I do think that if we make these changes one at a time, it's going to be perceived as a piecemeal approach.

1:02

THE CHAIRMAN: Do you have any comment on that, Derm?

MR. WHELAN: Well, I don't disagree. I mean, I personally feel that it's – I don't know – 30 years since there have been any major reviews of the Election Act. I can't disagree with that; I mean, it will be piecemeal. It's letting people drink then vote and buy liquor at polling stations on polling day. Then it jumps to: political parties can have one copy of the list. Sure, it's piecemeal; there's no doubt. It's not an ordinary approach, but in the time window we have available, in the circumstances, the ebb and flow of the tides, it's difficult to know what to do. At any rate, as the Irishman says, "I tells ya, and then it's up to you." You have to do something . . .

THE CHAIRMAN: Well, I'm not sure we have to do something.

MR. WHELAN: . . . if it means a decision not to do anything.

THE CHAIRMAN: Right, but you have to make a decision.

MR. WHELAN: Yeah.

THE CHAIRMAN: Well, if that's the only question, maybe I can just kind of summarize, Derm, what I think we heard here this afternoon with regards to the enumeration aspect, particularly the enumeration aspect of the legislation, the Election Act. I guess there will be some comfort with our respective caucuses that in fact the federal government, Elections Canada, is going to go forward with some amendments this spring, and that really will drive the machine in our respective caucuses to either do something or make a decision to do nothing. I guess we need to do this with our caucuses, and truthfully, the sooner the better. We have to make sure that we have all the information available to present to our respective caucuses, and now the federal government having something tangible will help. I guess maybe that's where we should go from here. Is that your sense? Derm, is that your sense?

MR. WHELAN: Well, I think that the amendments that have been proposed will put us in a position to adapt to whatever the scenario is. However, you know, your timing and the preferences of the caucus will always be respected. I mean, I'm not trying to advance my opinion, but I am saying that in my view if these went forward, it would not change the status quo. It would save a million dollars. It would make it possible to work with Ottawa. The timing of the enumeration would still require the same changes, so the timing of the enumeration can be deferred. You'd have this in place. Then you're ready to make the jump as soon as there's an indication that we should go forward again. So that's

my view, but I understand that there's a mix of different ideas within the caucus.

THE CHAIRMAN: Okay. Well, if there are no further questions, let's leave it at that for now. We will commit to carrying this thing forward to our caucuses at the next available opportunity.

MR. WHELAN: Well, Mr. Chairman, if it would help you, I'll do a critical plan so that you can see in a chart, if you implement this, what happens?

THE CHAIRMAN: Yeah, that would help.

MR. WHELAN: It's not a problem to do one.

THE CHAIRMAN: Okay. Thanks, Derm.

MR. WHELAN: Well, thank you.

MR. BRASSARD: And compliments of the season to you and your family.

MR. WHELAN: To you too.

THE CHAIRMAN: We'll adjourn for a couple of minutes. Our next one is Harley Johnson. He's going to be in at 1:30, so we've got about 10 or 15 minutes.

[The committee adjourned from 1:07 p.m. to 1:20 p.m.]

THE CHAIRMAN: I think we'll maybe get started. I would like to welcome Harley Johnson to the meeting. Welcome, Harley.

MR. JOHNSON: Good afternoon.

THE CHAIRMAN: For those latecomers to our meeting, we had a change in the agenda in that between items 4 and 5 we inserted a letter from the government of the Yukon to the Premier. Have you guys got a copy of that, you latecomers?

MR. BRUSEKER: I think I've seen it, yeah.

THE CHAIRMAN: So we'll deal with that item on the agenda: the Yukon. If you would, Harley, please, maybe brief the committee members on the background to that letter.

MR. JOHNSON: The Yukon territory passed an Ombudsman Act and feel that they are incapable of putting together an office such as the Ombudsman only for the Ombudsman Act, so they've incorporated access to information and also protection of privacy. As well, their Ombudsman will sit as one of three on the ethics panel. There won't be statements made, as there are in Alberta. There the MLAs will in fact be sending their statements to the Clerk. It's an advisory body, an advisory panel. The population of the Yukon is 30,000, 27,000 of whom are in Whitehorse itself.

I was first approached on a number of issues, mostly questions relating to the operation of the Ombudsman's office. As a result of that, they asked me to come up and brief cabinet and brief the opposition. I did so and met with all the deputy ministers and a number of other senior people within the Yukon government and made a number of recommendations, which they have now accepted and put into their Ombudsman Act, including some considerations for budget.

They're looking for somebody part-time. One of the comments I made was that the selection of this person was paramount to the success of the office, especially the first person walking through the door to establish procedures. As a result of that, I was asked during cabinet meeting in the Yukon whether I would consider taking it on. I took it more in a joking fashion at that particular session, taking it as if they were asking me to leave my current position to go to the Yukon to establish their process.

However, in subsequent discussions with the cabinet secretariat, they are now requesting that somebody do it on a contract basis, somebody who has the process and procedures in place, a familiarity with administrative law and all of the issues that Ombudsmen deal with, a familiarity with the protection of privacy and access to information as well as the ethical considerations. So they've gone back to myself and to the Ombudsman of British Columbia, asking if we would administratively see this as a potential. I've said yes but that it had to go back through the appropriate channels.

Subsequent to that, this letter was written to the Premier, CC'd to this committee, and the Premier has subsequently sent it on to the Speaker – I don't know where the discussions are at that particular level – again, to take it out of the political realm itself and put it into the full Legislative Assembly realm. So this letter is now in front of you. It's a conceptual question: would we the province of Alberta consider this? It still doesn't mean that it's going to happen. It's only a consideration. If in fact I go back and/or the Legislative Assembly goes back and says, "Yes, we accept it on a conceptual basis," it still would require an awful lot of negotiation.

It's foreseen that it's going to be a part-time position with one full-time staff member in the Yukon. That part-time position would be based on the complaint load. I foresee, if in fact it does get accepted and finally negotiated, that it would require some changes to the process within my office, but I don't see any negative in terms of the service to the province. It will take me out of the equation on more occasions on the more minor administrative details if in fact it fully goes through. However, on the policy issues and reports to a minister, public reports, or those nitty-gritty negotiations and discussions that go on behind the scenes, I don't see it taking me out of the equation at all.

THE CHAIRMAN: We have three people on the list here: Roy Brassard, Gary Friedel, and Gary Dickson.

MR. BRASSARD: Thank you, Mr. Chairman. Harley, you addressed one of my questions, which was whether or not you could add the workload without impacting the performance of your position to Albertans. Do you feel that other than the areas you mentioned, the development of criteria and so on, you could handle both jobs without difficulty or without impacting negatively?

MR. JOHNSON: Without any major impacts. There is going to have to be a shift, if it's accepted, of the workloads inside the office – opening and closing correspondence, those cases that are basically straightforward complaint issues – but the systemic reviews would still be in the hands of the Ombudsman, so I wouldn't see that as a giving up. I've looked at a number of different models that I could implement in terms of how to administer it within my own office. I haven't made any decisions yet on which would be the most effective.

MR. BRASSARD: Yeah. With communication and technology in place today I'm sure you could overcome a lot of the difficulties surrounding that.

MR. JOHNSON: I see it being run very similarly to the Calgary office right now once the procedures are up and running. It will take some time to get those processes up and running.

MR. BRASSARD: Okay. Do you see such a contract having a positive or a negative impact on your budget?

MR. JOHNSON: It would have no impact on the Alberta budget.

MR. BRASSARD: More specifically, do you feel that in contracting such services there could be some form of remuneration to your portfolio here that would compensate for your expenses?

MR. JOHNSON: I think it would offset other expenses. For instance, if I do choose to go a deputy route, it would offset those expenses. My time would be paid on a cost recovery basis, and those moneys could then be used to offset expenses here.

MR. BRASSARD: So it would be revenue neutral as far as that goes?

MR. JOHNSON: That's how I see it. I mean, anything is up for negotiations if in fact it's accepted.

MR. BRASSARD: So other than on a strictly co-operative basis, what do you feel would be the positives for your taking this on?

MR. JOHNSON: I think that from the Alberta perspective it's somebody that's identifying that Alberta has something to offer within Canada itself. They're saying that they need somebody who has got a process already up and running that could come in, establish it, and then get out after one year. They have an appointment procedure for five years as well, and I've said that they don't really don't need somebody for that time frame. They need somebody to get it up, established: opening correspondence, closing correspondence, the negotiations as to process and the protocols that are required between the different departments, and the meshing of the legislations. I think it's almost a neutral position from every other perspective, except that it's a good name for Alberta, even to be asked. I think it's good for our office to be asked this type of question.

MR. BRASSARD: So it's a co-operative gesture.

MR. JOHNSON: It's a co-operative gesture.

MR. BRASSARD: Thank you.

THE CHAIRMAN: Gary Friedel.

MR. FRIEDEL: Yeah. I've got actually three questions. First of all, I just can't resist, for Gary Dickson's benefit, you know, saying that the government of the Yukon is having consideration for such an efficient use of services that might not necessarily overlap but use people to their best ability.

Roy asked my first question: how does it affect your present position here? Would this be part-time for 18 months, a back and forth situation, or full-time up there – I don't want to use the word “abandoning” – leaving your duties here?

MR. JOHNSON: I foresee it as part-time, back and forth. In the initial instance I see two weeks leading up to the April 1 initiation time period which they're aiming for and, subsequent to that, possibly one week per month away from the office here.

MR. FRIEDEL: Okay. Second to that then: is there any provision for where the priorities would lie if there were an urgent need in both places? How would one deal with priority, the requirement of time?

MR. JOHNSON: I think that on that basis it would have to be based on the specific issue. In Alberta I don't get into the nitty-gritty of an investigation. For the most part, that is done by an investigative arm and submitted to me. I then direct the investigation or direct the questions that are required and direct the report. No report would come out. It's not like a policing agency or an emergency response type of agency; it's still an administrative review. The one major investigation, of course, that I did this year was the ministerial request from the Premier dealing with construction contracts. That was labour intensive, six weeks, and I was involved completely in that one, as opposed to directing the investigation. Those types of issues will still just have to be worked around. They can be worked around.

1:30

MR. FRIEDEL: Okay. Then this leads me to the zinger. If it could work in this fashion on a temporary basis – and neither of the two governments is so huge that there couldn't be some benefits to a co-operative venture – is there any possibility that something like this could be looked at for a longer term arrangement? You know, you mentioned filling in with a senior deputy or something like that, but having the advantage of a larger scope, has feeling out the possibility of a permanent arrangement been considered at all?

MR. JOHNSON: It's been considered but probably only by me. I see it as a get them up and running co-operative venture, and then they take over and hire somebody internal to the Yukon. Politically I think that if they have the skills within their own jurisdiction, it's best to have somebody that's local in the long run. That doesn't mean it's impossible to do it. It's just that that's probably the better way to do it. I think that answers your question.

THE CHAIRMAN: Gary Dickson, you have a question?

MR. DICKSON: Well, actually a couple of comments, Mr. Chairman, and just to respond to my friend from Peace River. What's attractive about this proposal is it's apples and apples. We're talking about an Ombudsman in Alberta providing assistance to an Ombudsman in another jurisdiction.

MR. FRIEDEL: You mean sort of like a peach.

MR. DICKSON: Sort of like a peach, yeah.

It occurs to me that we might look usefully at a model that's employed by the courts of appeal. The Alberta Court of Appeal also serves as a court of appeal for the Northwest Territories. The British Columbia Court of Appeal serves as a court of appeal for the Yukon. I don't know exactly how they work out cost sharing and so on, but if this could be done – and I expect it probably can – in a way that there's no net cost to Alberta taxpayers, I think this is a way of furthering the kind of leadership that this province has historically played since 1970 with the office of the Ombudsman.

I think it enhances the stature of the Alberta Ombudsman office, and I think it's positive.

My concern is how do we ensure that Alberta still gets the full benefit of the Ombudsman office and that there's no diminution in the kind of service provided here. It's fine to go in to it with the best of intentions saying that that won't happen, but unless there's some systematic means of time allocation and that sort of thing, I think it's easy to slip in to it, partly because when you're starting something new, that tends to take precedence over just simply continuing to manage something that's already up and running.

MR. JOHNSON: Could I respond to that, or do you want to wait until you've finished?

MR. DICKSON: No. Go ahead.

MR. JOHNSON: I don't see that it's going to be that difficult in that I have three managers currently within the Edmonton office and one in Calgary. All have been trained to take over my role on an emergency basis. For instance, if I get run down by a car, they're all trained to take over, and there's a letter to the chair sitting in my safe to be transmitted should that happen. So there are three people in Edmonton and one in Calgary trained to take over now.

Secondly, their functions have already been looked at. If in fact something happens down the line, I've got contingency plans in place that can be filled in immediately. For instance, my analyst right now is a fully trained investigator. Having spent two full years doing investigations, she's going back to the analyst work. She could move in on a moment's notice. So if somebody takes over my role on the administrative side, for those issues that are day-to-day issues, somebody's already trained to take over behind them. On the front-end line, in my opinion, all I would require is one receptionist. So I think it can be covered off very quickly, because we've done an awful lot of cross training in the past.

MR. DICKSON: Thanks very much.

Mr. Chairman, I'd just conclude, then, by making a motion to frame the discussion. My motion would be
that the Ombudsman be authorized to explore contracting Ombudsman services to the Yukon government and to then subsequently make a recommendation on the Yukon request to this committee.

THE CHAIRMAN: Okay.

I have Yvonne on the speakers' list.

MRS. FRITZ: Thank you, Mr. Chairman. Does this mean that the Yukon is going to have hired an Ombudsman and then you're going to be assisting that person in their role, Harley?

MR. JOHNSON: No. This particular letter is more the contracting of the service to the actual Ombudsman here for the time frame to get it up and running.

MRS. FRITZ: So it's saying, then, that you're going to be the Ombudsman for the Yukon for 18 months.

MR. JOHNSON: Twelve months or 18, whatever is decided, yes.

MRS. FRITZ: After that time, then, the Yukon would be – it's not going to be a longer service that you anticipate, like what Gary Friedel was mentioning?

MR. JOHNSON: I'm recommending against that at this time, but we don't know what's going to happen in 12 months. They may come back and say that it's working very well. This committee may see that it's working very well and may decide to go to an extension. My recommendation at the current time is no. They should hire somebody locally as best as possible.

MRS. FRITZ: Well, Harley, what other duties do you have as the Ombudsman? I know you have duties on a national basis and on an international basis, and you're actively involved as the Ombudsman giving leadership to other Ombudsmen across Canada, et cetera. What other duties do you have?

MR. JOHNSON: The only other duty is the screener role under the internal trade agreement. There was a question of this committee: how much work would that incorporate? I think I've already brought back to the chair that in fact we have not had one complaint under the screener role yet. That doesn't mean it won't happen, because it's still getting up and running. But I've only had one complaint that could even be considered within that realm. So there's no work at this time in that field.

MRS. FRITZ: In that area?

MR. JOHNSON: That's right.

MRS. FRITZ: Well, Mr. Chairman, I'm going to speak against the motion. I don't support our Ombudsman being contracted to the Yukon for 18 months. I feel it's a dilution of services for Alberta. Also, I know our Ombudsman has taken on other duties besides the international and national basis that we've had at our table here in the past year. He's also brought forward that he's interested in, I think, the Human Rights Commission being under the arm of the Ombudsman as well as children's services. So there may be potential there within the next 18 months to actually have the service of the Ombudsman being operational in a broader sense than it is now in the province of Alberta. I won't be supporting the motion.

Thank you.

THE CHAIRMAN: Roy, do you want to speak to the motion?

MR. BRASSARD: Yeah. I'd like to speak in support of the motion, Mr. Chairman. The Ombudsman himself has stated that he could handle this role, that it would not have a negative impact on either his workload or his budget. I think it's an opportunity to gain experience. Any expertise that is developed through this involvement would automatically benefit the people of Alberta. Like his role in other capacities, national/international basis, I think we Albertans would benefit from that involvement. Provided that there aren't offsetting negatives, I think it's kind of a win/win situation. So I'd like to support the motion.

THE CHAIRMAN: If there's no further discussion, I'll have Diane read the motion and then we'll vote.

MRS. SHUMYLA: Okay. I missed a couple of words. Moved by Mr. Dickson
that the Ombudsman be authorized . . .

MR. DICKSON:

. . . to explore contracting Ombudsman services to the Yukon government and to subsequently make a recommendation on the Yukon request to this committee.

THE CHAIRMAN: All those in favour of Gary's . . .

MR. FRIEDEL: A question on that. Were we going to have time to bring this back again and deal with a report? What was the timing of the request that this letter is extending?

MR. JOHNSON: They would like to be up and running by April 1 of next year, hopefully having a procedure in place to start sometime in February so that I could spend some time there and if in fact an office manager is hired, also to bring them to this office so they can see the process here. I guess it comes down to the time frame the committee has when I could present. Right now it's strictly conceptual anyway. B.C. may come back and say, "Yes, we will." Then they will make a choice of where they feel they could get the best service.

THE CHAIRMAN: Then further, Harley, when would you think that you would be ready to come back to the committee? Maybe never, you're saying, if B.C. enters it.

MR. JOHNSON: Maybe never. They're going to have to make some decisions before I could even give you a guess on that. I know they're trying to get something up and running by April 1. That's when the Ombudsman Act takes effect.

1:40

THE CHAIRMAN: Gary, you had another point.

MR. FRIEDEL: Yeah. I'm in favour of what the spirit of your motion is saying, Gary, but I'm wondering if the timing logistics are going to make it difficult. I would sooner see us endorse the concept in principle and follow it up if it was feasible to actually do it. If, as Harley suggests, this could be a February 1 timing, we may not have the opportunity to get together for a meeting to consider it and then go through the necessary process of following that.

MR. DICKSON: Well, in effect a vote for this is a vote in principle for allowing this thing to go to a point where we have a concrete plan. I'd like to see this committee maintain the lever, if you will, of having a last look at it. We've had representation from the Ombudsman, and I accept in good faith that this isn't going to prejudice Albertans, but I think I have a responsibility. I want to see a more detailed plan, to have the last say as part of this committee, if you will. If I'm then uncomfortable that this is in some way going to compromise the work of his office in this province, I'd be duty bound to vote against it. I'm intrigued by the idea. I just want to leave the door open.

It seems to me that Mr. Johnson, in any event, has to flesh out a whole lot of detail before we go anywhere with it. If there's a timing problem, that could be distributed to members by fax readily. We could have a conference call, if that was required, if it looks like, you know, there's going to be an opportunity for a formal deal to be struck with British Columbia.

In response to Mr. Friedel I'm thinking that this in effect says that we want to go to the next stage, we want to see in more detail what this would look like and what the impact will be on Alberta, but ultimately this committee still retains the right to say yea or nay.

MR. FRIEDEL: Okay, and I could go along with that on the understanding that it would not necessarily require a formal meeting, if it could be through a conference call or something

similar. I would hate to see the idea shot down just by virtue of enclosing it in a time-logistic restraint.

THE CHAIRMAN: So that being said, if there are no other speakers, I'll ask for a vote on Gary Dickson's motion. All those in favour? Opposed?

MRS. FRITZ: Me. I'm over here.

THE CHAIRMAN: Carried. One opposed.

MR. JOHNSON: Okay. Your instruction, Mr. Chairman, is to now go back to the Yukon and say that, yes, it's there conceptually; let's see what the details are.

THE CHAIRMAN: Yes.

MR. JOHNSON: It shall be done.

THE CHAIRMAN: Okay.

Harley, I guess the next item is Challenge to Jurisdiction. If members would turn to tab 5. Maybe you're already there. If you want to make just a few comments on that agenda item, please.

MR. JOHNSON: If I might. First, Mr. Chairman, the last paragraph at the bottom of page 2 should in fact be included under the first paragraph of page 3. It's disjointed slightly there. That is what happens when you have a word processor and whole paragraphs can be moved very easily. It just got put in the wrong place.

In terms of the challenge to jurisdiction I'm unhappy to report to this committee that in fact I have now a formal challenge to jurisdiction. I've submitted it to this committee in full. Do you want me to go in to what I've put into the letter, Mr. Chairman, or am I assuming that the letter has been fairly self-explanatory?

THE CHAIRMAN: Your letter of December 15 has been circulated.

MR. JOHNSON: Up to this point I've been very successful in negotiating resolve when somebody brings up an issue of jurisdictional challenge. I have been singularly unsuccessful – and this is the first time in five and a half years that I have been so unsuccessful in trying to resolve issues. I'm disappointed that I have to come to the committee and even raise this in a more formal sense, but it does point out that I think there's a need for change to the Ombudsman Act to specifically incorporate the term "administrative tribunal" within the Act itself.

A number of tribunals came back to me and indicated: "I'm sorry. Our clauses are final and binding, and we cannot change." As I say, I've been very successful in negotiating resolve to those issues up to this point, but it seems to be a growing phenomenon. In fact, as of this morning there was one more suggestion that there's another challenge on the way, that even if I find error, allowing me in, and make a recommendation, they're saying: "We can't change it. The law says it's final and binding, and therefore it's final and binding on ourselves."

So there are two specific recommendations under this, one which basically allows the department to implement my recommendation, notwithstanding the final and binding clause, and that I would have jurisdiction over the decisions of administrative tribunals to clarify what the Act states. Up to this point I have not had any problem.

MR. DICKSON: Perhaps you can clarify something for me. You have as Ombudsman absolutely no power to require a minister or a department or a tribunal, for that matter, to do anything.

MR. JOHNSON: That is correct.

MR. DICKSON: You only have the power to make recommendations to the Legislative Assembly either by special report or through your annual report.

MR. JOHNSON: No. If we could go back half a step, I have the authority to go back to the department. Failing resolve with the department, then I can go to the minister. Failing resolve with the minister, I can go to the Lieutenant Governor in Council and then to the Legislative Assembly in a public report. But you are correct that it is still a recommendation power only.

MR. DICKSON: I didn't mention the other steps; I appreciate that. I'm saying that ultimately you have no coercive power to require any arm of government to do anything other than moral suasion and the legitimacy of your own recommendations.

I have a real concern, Mr. Chairman. What we've seen in a number of jurisdictions – British Columbia I think of in particular, where the information commissioner has had to spend tens of thousands of dollars fighting government departments when trying to pursue what he's authorized to do under the information Act. To me it's harder to see what the Ombudsman does in Alberta as intrusive because there's no coercive power.

I think it's essential that we be true to the original spirit of the office when it was first set up, you know, more than 20 years ago, and that was that when any arm of government is involved in making decisions that affect Albertans, once they've exhausted all the statutory remedies, those Albertans still have an opportunity to go to the Ombudsman and not seek redress but at least seek some focus on their problem. I think I could understand these challenges if the Ombudsman represented a threat, because he could order them to do something. Because he can't do that and can only shed light on administrative bungling and oversights and insensitivity and arbitrariness, I think we should find a way to be able to equip the Ombudsman so he doesn't have to spend his budget dollars fighting legal challenges from other arms of government. I think as a committee we should be providing this kind of support to the Ombudsman. If it takes a statutory amendment to the Ombudsman Act, then we should be doing that.

MR. JOHNSON: If I could respond, I think the jurisdiction is already there. It's just that it's not as clear as it might be, and therefore some administrative tribunals, in this particular case especially, are picking on single words to try and exclude jurisdiction.

THE CHAIRMAN: Gary Severtson.

MR. SEVERTSON: Thank you, Mr. Chairman. Harley, when I read this, I came to agenda item 4. I often wonder why we don't talk about item 4. Items 1, 2, and 3 are proposed amendments, various amendments, and then at the end you want to review the whole legislation and your role, and I often wonder: should that not be done first? Then at that time we can look into the other three items that you've mentioned.

1:50

MR. JOHNSON: Your question is very valid. The only problem is that the first three items are much more of a priority issue. The

last one is more an overview in terms of the whole Act. I've got some real problems starting to face up in the administrative tribunals. If you accept recommendation 4, by the time that's done, if it's done properly, it's considerable. So while I'm still recommending there be an independent review on the role, there are three items that I think need more immediate address.

MR. SEVERTSON: We're assuming the review would accept your three recommendations prior, but the review might not accept that, so we go ahead and make amendments that the review committee says shouldn't be done.

MR. JOHNSON: Your point is valid to a degree.

MR. SEVERTSON: Going on that assumption, you'd assume either way, but if you do an independent review and you're making amendments as you go through that, it just seems you've got the cart before the horse.

MR. JOHNSON: Except for the timing issue your point is well taken.

MR. SEVERTSON: That's all for now.

MR. DICKSON: Just in response to Gary Severtson. You do raise a valid point, but I think this: clearly the intention of the Act and what was intended by the government of the day was that the Ombudsman would be able to do this. It may be that this independent review says that the office should have different purposes and different goals and a different mandate, but until they do that, it seems to me that the default regime or procedure should be to allow the Ombudsman to do what he's done in the past, what the Act was set up to do, and what has always been the intention of the Legislature in supporting the Ombudsman over the last 28 years.

THE CHAIRMAN: Roy Brassard and then Gary Friedel.

MR. BRASSARD: Thank you, Mr. Chairman. I concur with the direction that the Ombudsman is requesting in this instance, because not to do so would place this particular Land Compensation Board above any kind of a review process that enables individuals to gain some access to a tribunal to be certain that their concerns are being at least heard, if not always settled, to their satisfaction. The whole role of the Ombudsman is one of investigation of reported complaints, and to segregate out the Land Compensation Board from that process I think deprives people of their legitimate review process. So I support the direction that is being requested here.

THE CHAIRMAN: Gary Friedel and then Yvonne.

MR. FRIEDEL: Yeah. I'd like to move towards the direction that Gary Severtson has indicated, looking at the whole office. I recognize, Harley, what you said about the priority of these things as issues, but even if we were looking at amending legislation, you have to assume that it's going to be several months before that could be accomplished, and if there is already litigation involved here, we're not pre-empting that. I would suggest that items 2 and 3 are not of the same priority nature and that an overall review of just what is intended for the office as such would make sense. I would just go back and emphasize that the way spring sessions run, it could be until late May or early June, if then, before we

would be in a position to amend legislation. I would sooner see the other process.

I couldn't help noticing – and this is totally aside – that December 15 seems to be a priority date for letters. I was trying to relate the second letter, but it happens to be from the chairman of a different committee. Does this come up on a calendar?

AN HON. MEMBER: It's on the calendar.

MR. FRIEDEL: I just threw that latter part in so I could completely confuse you and you'd forget the issues I really raised.

MR. JOHNSON: If I could respond to that. The independent review I would see taking at least a year, if not two years, to do in total by the time you have full public input, discussions, debate, and I suspect that would take a fuller debate in the Legislative Assembly itself if in fact there were any recommendations with major changes to the function and the role. So while your concerns with timing I think are valid in terms of issues 1, 2, and 3, at least they're potential within a year, specifically item 1, which is of course the priority. The others would take quite a bit longer, I suspect.

THE CHAIRMAN: Yvonne, you have a comment, and then Frank.

MRS. FRITZ: Thank you, Mr. Chairman. Was there any response back from the Minister of Justice after it was requested, Harley?

MR. JOHNSON: Only a phone call yesterday indicating they hadn't made up their mind yet.

MRS. FRITZ: So the Minister of Justice hasn't commented?

MR. JOHNSON: No. He's supposed to comment tomorrow. He wasn't available prior to the meeting.

MRS. FRITZ: Okay. Thank you.

Was there a letter from the Deputy Attorney General, Neil McCrank?

MR. JOHNSON: No. It was the Deputy Attorney General that phoned me yesterday.

MRS. FRITZ: So we haven't heard back from either in regards to their position on the public policy that this involves and the changes that are necessary.

MR. JOHNSON: No.

MRS. FRITZ: Then, Mr. Chairman, I agree with Gary Severtson's previous comment that perhaps these should wait and be dealt with as a whole.

Thank you.

THE CHAIRMAN: Frank, you have a comment, questions?

MR. BRUSEKER: Just on the whole issue of the challenge to jurisdiction. Harley, my understanding of the role of the Ombudsman is to review government services as a whole where requested to by members of the public. I guess my question is: are there sections of government that have been ruled as being outside of your domain for review?

MR. JOHNSON: Only those that are specific within the legislation. For instance, the mental health advocate portion of the Mental Health Act is the only area where it's specific that I'm outside.

In fact, this particular issue is close to an issue that was taken before the Alberta courts in 1970 which ruled in favour of the Ombudsman having access. I think the terms being: bring the lamp of scrutiny to otherwise dark places, even over those who would draw the blinds. That was how Chief Justice Milvain put it, and I think it's very valid and still valid today.

However, people change and legal opinions change over time. Now there is a legal opinion internal to the Land Compensation Board that indicates that that particular decision was in relation to the Planning Act, not the Land Compensation Act; therefore it's not appropriate to the Land Compensation Board. I find that not valid at all from my perspective, of course.

There are no other areas that are precluded. What is happening throughout, though, is that there is a narrower definition coming out of Alberta Justice on legal opinions to different departments as to what is administrative action and whether or not the final and binding clause is also binding on the appeal panel itself. So even if I find error, they're saying: "We cannot change it. We cannot change our opinion. We cannot rehear it," even though the Ombudsman Act says that I can.

The challenge to jurisdiction in my opinion flies in the face of the Supreme Court of Canada decision. In *B.C. v. Friedmann* and two Ontario cases it was specifically stated that only the courts and the Legislative Assembly are not subject to the Ombudsman's review because, as Gary Dickson pointed out, the Ombudsman only has recommendation power, not decision-making capabilities.

So, no, I haven't been precluded, except this new, narrower definition of administration seems to be coming out of Alberta Justice and supported by other legal advisers to other tribunals.

MR. BRUSEKER: In previous cases – I know, for example, you did some work on behalf of a constituent of mine with the Workers' Compensation Board – when you have made a finding and a recommendation that goes contrary to the quasi-judicial body, if we can call it that, can you characterize what kinds of responses you typically get? Do you usually get agreement with your recommendations? Is it 50-50? How does it usually go when you have completed your subsequent investigation?

MR. JOHNSON: In the end or in the initial response from the tribunal?

MR. BRUSEKER: At the end, when all is said and done and you've completed your review of an earlier decision, I guess.

MR. JOHNSON: I almost have 100 percent agreement with my recommendations in the end. The initial responses have not been so. Specifically, you raised the Workers' Compensation Board. There was a time when every recommendation I made came under close scrutiny and initial rejection of that recommendation. That has completely changed around so that if I go back to the appeal panel or to the Workers' Compensation Board itself through the Claims Services Review Committee, I'm having almost 100 percent acceptance in the end.

2:00

MR. BRUSEKER: And then implementation of your recommendations by that body.

MR. JOHNSON: Implementation of the recommendation or some other process that they have convinced me will do the same job. I may come up with a specific recommendation, and they say, "We can get to the same objectives but by doing it differently." If I agree with that, then it's implemented.

MR. BRUSEKER: That's fair enough. Okay. Thank you.

DR. MASSEY: Mr. Chairman, we seem to be operating on the assumption that agenda item 4 is going to be passed and that there is going to be an independent review. Should we maybe clarify that before we finish with looking at the challenge to jurisdiction?

THE CHAIRMAN: We are making that assumption, are you saying?

DR. MASSEY: The independent review of the role and jurisdiction of the Ombudsman be undertaken: it seems to me that that's a rather major project.

THE CHAIRMAN: We're not making an assumption that we're going to have it; are we?

DR. MASSEY: Well, I thought the conversation around the table was such that we couldn't do anything about one . . .

THE CHAIRMAN: Nothing's assumed until we have a vote or a motion, Don.

DR. MASSEY: Okay. I'd like us to go to item 4, then, and make a decision, because if that's not going to be done, then we have to act, I would think.

THE CHAIRMAN: Well, the order of these items was made by Harley, not me, Don. So, sure, let's go to item 4 and let's talk about the independent review. I still have Gary Dickson on the speaking list for the other topic. If that's okay with you, Gary, we'll move to item 4 then.

MR. DICKSON: Absolutely. Sure.

THE CHAIRMAN: Maybe Harley would like to just give us a brief outline again of what he would perceive this review to entail.

MR. JOHNSON: One of the things in looking at the Ombudsman Act, of course, is that it has never been properly reviewed, in my opinion, and I think that's an absolute necessity. I don't believe legislation should be put in and then expected to run ad infinitum without some form of review. I see a review encompassing the whole objective of the Ombudsman's office. Is it accomplishing what we intended to do with the original legislation? Are the processes in place or the resources in place to accomplish that and whether or not in fact that's what we still want accomplished by the role of the Ombudsman.

So it's a look-see at what Ombudsmen are doing from around the world. That's easy enough to supply to a committee. There are publications on the different areas, what should be within the Ombudsman's jurisdiction, what should not be within the Ombudsman's jurisdiction. Should it be this all-encompassing role, or do we want it more specific?

So I see an independent committee looking at that and making the best recommendations possible to ensure that we are

providing the best service possible and whether or not in the end we still want the Ombudsman's office. I would argue that, yes, we do, but then there may be a good argument why we shouldn't. There's been no full review on that particular issue ever accomplished, and I think it should be.

THE CHAIRMAN: Okay. I'm going to carry on with Gary Dickson, then Roy, then Frank.

I just wanted to ask one question to you first, Harley. If there was a review, of course the first thing is money. You're talking about a couple of years and traveling around the province?

MR. JOHNSON: I'm thinking a couple of years in the total process, because it would include recommendations that would require debate, et cetera. I suspect a study such as this could take up to three months to do.

THE CHAIRMAN: Would your budget handle that?

MR. JOHNSON: My budget could not handle that, Mr. Chairman.

THE CHAIRMAN: Okay.

Gary Dickson, Roy, and then Frank.

MR. DICKSON: Mr. Chairman, I don't want to forfeit my right to come back and speak to the first point.

In terms of item 4, I guess one of my thoughts is this. We've seen a lot of initiatives in this province in the last short time in terms of reorganizing agencies that deliver service throughout government, different government departments and so on, in a big focus of what Gary Friedel's regulatory task force is looking at in terms of changing the way we manage government. It seems to me that there have been some really good initiatives. I'm thinking of the Canadian Mental Health Association, Alberta division, report called Fractured Voices that talks about taking the Ombudsman office, amalgamating that with the Farmers' Advocate, the child – well, there were four or five agencies. Now, I didn't agree with the one to roll the Human Rights Commission in with it, but certainly there were a number of different complaint-driven offices that arguably could be better served by being part of the Ombudsman office.

As I say, although I didn't agree with everything in that report from Canadian Mental Health, I thought some of the ideas were very meritorious and quite persuasive. It seems to me that whether we do as full blown a review as the Ombudsman is asking for or something more modest this would give us a vehicle to take those kinds of ideas that come from either within government or from outside groups and sort of look at a 28-year-old office and see if there should be some other complaint agencies rolled in with it. Largely for that reason I think it's appropriate that we do this kind of independent review, and I think it's pretty important that it be done independent of government, that it be led by somebody who would be perceived to be distanced from any existing arm of government.

So for those reasons I think there's considerable merit in the proposal. Also, in the short time I've sat on this committee, I've heard most members of this committee observe at different times about the mandate of the office that there may be some things they'd like to see addressed in a more comprehensive way. This would afford that kind of an opportunity.

Thank you.

MR. BRASSARD: I've a question and then a comment. What do you anticipate the cost of such a review would be? Have you any idea?

MR. JOHNSON: I think it depends upon the numbers of people that of course would be assigned to it. I have not costed it out in a better fashion than that.

MR. BRASSARD: Do you have a ballpark figure?

MR. JOHNSON: I would have to go do some work on that before I'd make comment. I haven't done it, to be quite honest.

MR. BRASSARD: Well, just in relation to the cost, we all know the kind of fiscal restraint that we operate under right now, Mr. Chairman. I would have some concerns with even considering review of this office without an opportunity to establish a cost and then to work that cost into the budget. I guess I'm not prepared to vote on something without knowing those parameters.

Having said that, my comment deals with, I think, the need for a review. I had the privilege of attending the national Ombudsmen conference recently, and time and again it came up: the need to take a look at how the office of the Ombudsman is functioning in today's changing society, demands brought on by technology and a whole host of things. I'll cover those in my report. I do believe the timing is extremely appropriate, that we review this office that's been in place for 28 years, but I once again express my concern with even embarking on such a consideration without knowing the costs and how we're going to fit that into the budget.

THE CHAIRMAN: Frank, you had comments?

MR. BRUSEKER: Yeah, a couple of questions I guess. I started writing right away: who do you anticipate, or have you a selection process in mind, or even how many individuals do you think should be on this review panel?

MR. JOHNSON: I think it could be done with three people. I think whoever was selected as the chair should be somebody very credible. I've suggested to this committee in the past that there is the dean of the Faculty of Law at the University of Calgary, the dean of the Faculty of Law here at the University of Alberta. There are people of that calibre that could in fact spearhead this type of review who are totally independent, and I think that's an absolute necessity.

I think public input is an absolute necessity, and I think input of this committee and the incumbents and a review of Ombudsman processes from around the world should be looked at. That type of process, though, can be easily accomplished from an informational perspective because the International Ombudsman Institute is situated here in Alberta, so we have ready access to that information.

2:10

MR. BRUSEKER: As I was listening to you talk about the review process of this 28-year-old baby we've had called the Ombudsman's office, I was almost hearing – maybe I was misinterpreting – a hesitancy in your voice about even questioning I guess the mandate, if you will, of the office right now. I'm wondering: is there some hesitancy in your mind about, shall we say, the legitimacy of the Ombudsman's office because of the splitting roles that I think Gary has talked about. We've

created a variety of other Ombudsmanlike positions. We've got the Human Rights Commission. We've got the freedom of information panel. We've got the Ethics Commissioner and a number of others that Gary has mentioned. I'm wondering: have you seen the creation of those in a sense as a weakening of the role of the Ombudsman?

MR. JOHNSON: No, not at all. In fact, when you raise the Human Rights Commission, they're still within jurisdiction to review completely. They are an adjunct to a government department. Therefore, it's within jurisdiction, and they've accepted jurisdiction.

I don't see it as a weakening. I guess it's always a question. It's like going to court. There's always a question. You don't know what's going to come out the other end. If there's a hesitancy in my voice, that's probably where it's coming from, because the other end may say, "Listen; this office really shouldn't be in existence for these particular reasons." So that hesitancy possibly crept into my voice, but certainly there's no hesitancy in what I see as the need to review this 28-year-old baby, as you referred to it. I think there's an absolute need to look at it. Is it really accomplishing what was intended in the first place, and what can we look toward this type of office or this office for future?

MR. BRUSEKER: Have you considered at all doing any kind of an internal review within your own department itself, the people that you have as investigative officers, the support personnel you've got, and so on?

MR. JOHNSON: I'm hesitant in one sense. The review that was done by the mental health group, Fractured Voices, and the review that was done by the Alberta Human Rights Commission are internal reviews and are perceived politically and publicly as potentially biased and certainly self-serving. Whether they are or not is a totally different question, but the perception is definitely there. I would not want it perceived that I was recommending an absolute massive inclusion of power or whatever. I think that undermines it. There's a possibility this office is the right office to do those types of things, but it should be reviewed and should come from an independent look-see, not somebody who could be perceived to be building an empire.

MR. BRUSEKER: I guess the reason I raise the issue is that I'm wondering about the possibility of perhaps doing an internal review and using that internal review as, if you will, a focus for this panel, presuming your department does a review, does an internal review and produces some kind of a document. Then have that document in fact reviewed by the panel to see whether or not they agree with the conclusions that your own staff has come up with, using it just as a point of focus, I guess, more than anything else.

MR. JOHNSON: Yeah, that is a possible way to do it. I would suspect it would be better, from a perceptual standpoint, that a committee be established and then office members also be called as witnesses in front of that committee, rather than put together a proposal and say, "Here, committee, please accept it."

MR. BRUSEKER: Okay.
Thank you, Mr. Chairman.

THE CHAIRMAN: I have Roy and then Gary Friedel.

MR. BRASSARD: I'd like to make a motion

that we explore the costs and time frame of conducting such a review of the Ombudsman's office and its function in today's environment.

THE CHAIRMAN: Gary, would you like to speak on the motion?

MR. FRIEDEL: I guess I will now.

MR. BRASSARD: I'm sorry about that, Gary.

MR. FRIEDEL: That's fair enough. It eliminated a few of the things that I would have to say because it was referring to your original comment anyway, Roy.

Harley, you had made reference to the possibility or the potential of who might, as an independent agency or as an independent body, be involved in such a review, and you mentioned the Faculty of Law at two respected universities. That would suggest that we would be looking at this thing totally from a legal and purely academic point of view, and I think there's more to your question than just that. It has to ask questions like: is it a role that is highly adjudicated; is there a possibility that there's an advocacy role built into this sort of thing? There are questions other than purely legal. I believe it should reflect more the needs of society at the time, and that would in itself suggest that a 28-year-old law definitely is up for review. I think it may need to include public concerns every bit as much, if not more so, as purely legal concerns and, heaven forbid, maybe even that ugly term "political concerns," which we have to reflect.

So I would be very careful as to what we would suggest should be the independent review. I would say that independent should mean independent of the office and as purely unbiased as we can get, but I'm a little concerned assuming that purely academics could judge that role.

MR. JOHNSON: If I could respond to that. I was responding to who could lead this, who the potential leaders are, and I suggested to Frank three people potentially led by somebody. Certainly I was not precluding any other input or any other person, but I think there has to be a legal component. The original study was by a lawyer, submitted to the Legislative Assembly when the office got started in the first place. There are a number of legal considerations that would have to be dealt with. So I was looking more at the chair in response to that question not the total committee.

MR. FRIEDEL: Then, having said all of that, that was what I was thinking before Roy made the motion. I agree with the motion. I think we'd want to look at what the costs are, even more to the point: where would that budget come from, being that you're suggesting it might not be available from your own budget?

MR. JOHNSON: "Might" is the operative word.

THE CHAIRMAN: If there are no further comments on the motion, I'll call for the question. Do you want to hear Roy's motion back? Go ahead, Diane.

MRS. SHUMYLA: Moved by Mr. Brassard
that the Standing Committee on Legislative Offices
explore the costs and time frame of conducting such a
review of the Ombudsman's office and its function in
today's environment.

MR. BRUSEKER: Just a question then. Would it be that Mr. Johnson would be conducting that review? Is that the intention of

the motion? Or would it be the membership of this committee? Who would do the review?

MR. BRASSARD: I think the Ombudsman's office would bring back to this committee an overview of the parameters of a review, and we would determine what kind of review and who would participate and how in-depth we'd like to go. That's what I see it as.

MR. BRUSEKER: Should that be incorporated as part of the motion then, that the Ombudsman prepare an initial game plan, I guess, to be reviewed by the committee? [interjection] Yeah, the budget and time frame I guess were really the two.

MR. BRASSARD: I have no trouble with making that part of the motion. I just assumed that the Ombudsman would bring back to us some parameters of what would be involved in the review.

MR. BRUSEKER: Okay. I think we should just make that explicit within the motion, as opposed to implicit, and then that would be a little clearer.

MR. BRASSARD: Okay. Sure.

THE CHAIRMAN: Okay. Do you want to hear the motion again or should we just vote?

DR. MASSEY: Let's vote.

THE CHAIRMAN: Okay.

All those in favour of Roy's motion? Opposed? Carried.

MR. JOHNSON: On that particular issue, Mr. Chairman, specifically back to item 1 now, the challenge to jurisdiction, this longer term review is going to be longer term. I've got some immediacy issues or priority issues.

2:20

THE CHAIRMAN: Okay. We are going to cut off this debate at 2:30, when the Auditor comes in.

I have Roy and Gary Dickson and Yvonne.

MR. BRASSARD: Well, thank you, Mr. Chairman. Acknowledging the need for a review and the motion reflecting that, I still feel that we cannot tie the hands of the Ombudsman's office by allowing individual boards or departments to take exception to his office. So I would strongly recommend that we honour the request of the Ombudsman in clarifying his position, in particular with the Land Compensation Board, and that we afford the average Albertan the recourse of a review as outlined in the mandate of his office.

MR. DICKSON: I appreciate Roy Brassard continuing to remind us that the purpose of the office is to serve Albertans, Albertans who don't have the same access MLAs do to be able to get information and help in resolving problems. It seems to me that this issue is particularly important because what we've historically done in this province, I think, is something of a trade-off. A number of statutes have what's called a privative clause, which basically means that when a tribunal makes a decision, there's no appeal to the courts. But when that's been done, we've always had a sense of confidence that at least you could go to the Ombudsman. There was always that avenue available to

somebody who was dissatisfied or who felt they'd been treated unfairly going through the system.

I hope that somebody with the Land Compensation Board reviews our minutes because it seems to me that if you start trying to shut the door to prevent the Ombudsman from looking at what you're doing, you may be creating a situation where MLAs are going to be under pressure from their constituents to start opening up to judicial appeal. I mean, that's the alternative. If people can't be satisfied that there's some kind of an escape valve or some way of trying to scrutinize arbitrary decisions or unfair decisions, people then are going to start insisting on recourse to the courts. I think there are some good reasons why we want to reduce recourse to the courts, but I think that just makes this safety valve all the more important. So I think that for the sake of Albertans, who want to have a sense of confidence of being fairly treated, this kind of action that's sought by the Ombudsman should be supported and for the same reasons that Roy Brassard has outlined I think really well.

THE CHAIRMAN: Yvonne.

MRS. FRITZ: Thank you, Mr. Chairman. I also agree with Mr. Brassard that this item has more of a sense of immediacy to it than waiting two years for the review, which I also believe is necessary. Quite frankly I don't have a background in law. I see throughout the submission that was given to us that the Minister of Justice is expected to comment fairly soon, I think within the next day or so, according to the Ombudsman, and also that the Deputy Attorney General will be commenting. Also I see that the former Minister of Justice, the Hon. Ken Rostad, has commented in the past, but we don't have that information before us. So I'm going to move that this item be tabled to be dealt with after we receive that information.

THE CHAIRMAN: Okay. I guess there is no discussion on a tabled – well, there's no motion to table, so really you're not. You'll have to help me out here.

MRS. FRITZ: I was just tabling the item, Mr. Chairman, until the next meeting, until we could see the response from the Minister of Justice and the response from the former Minister of Justice and the Deputy Attorney General's response, which the Ombudsman has clearly asked for. I'd feel far more comfortable having the information in front of me before I made a decision on actually going ahead. I believe with good intent what's being said by people at this table and what the Ombudsman has said in regards to the jurisdiction to investigate decisions of administrative tribunals, but as I said, I don't have all the information.

THE CHAIRMAN: This discussion is going to come to an end anyway after Gary Severtson because we're running out of time. So unless there's a motion, it will be tabled after Gary Severtson.

MRS. FRITZ: Okay. Thank you, Mr. Chairman.

THE CHAIRMAN: Gary, go ahead.

MR. SEVERTSON: Okay. Just to follow up on Yvonne's comments. That's what I read when I look – one of your recommendations is to make an amendment to clarify the jurisdiction. I'm not saying that what Roy or Gary Dickson said is wrong, but I don't have a sense from the Minister of Justice and other lawyers. We've got two lawyers that disagree, and I think

it's unfair to come to a conclusion before we have all that put before us.

THE CHAIRMAN: Okay. I think we're going to leave it at that for now. Unless there's a motion, I think we'll just carry on.

MR. DICKSON: Well, with respect, if there's no motion on the floor – and I understand there's a sense to want to defer it – I would in fact move

that this committee request of the Minister of Justice that the Ombudsman Act be amended to address this particular concern and to clarify the jurisdiction of the Ombudsman.

So that actually addresses the concern that Yvonne Fritz has in the sense that the minister is still going to be solicited and involved in the process, but it sort of skips the step.

MRS. FRITZ: It skips a big step, Mr. Chairman, and I think it's premature to make that motion asking the Minister of Justice to actually go ahead and make recommendations on changes to the Ombudsman Act in regards to what's before us with this investigation of administrative tribunals. Quite frankly I don't think that waiting until after Christmas until our next meeting – I think the Ombudsman has heard the concern at the table to bring back more information in that regard, so I won't be supporting this motion.

THE CHAIRMAN: Any further discussion on Gary's motion? All those in favour? Opposed? Defeated.

Okay, Harley. I think we'll call it quits at that and look forward to meeting you the next time with regards to the independent review. You'll give us some more information at our next meeting.

MR. JOHNSON: Good. Thank you, Mr. Chairman, and I want to thank the committee. Your input is valuable to receive direction and to assist me in taking the next steps. Obviously we've got some concerns, obviously they have to be addressed, and I appreciate the time that you take to try and address them.

THE CHAIRMAN: Thank you.

So we'll shut it down for a few minutes, committee, and have a little stretch of the legs. I'm sure Peter Valentine is waiting.

[The committee adjourned from 2:27 p.m. to 2:32 p.m.]

THE CHAIRMAN: I would like to welcome Peter Valentine, Andrew Wingate, and Don Neufeld to our meeting this afternoon. I guess the members should know that we're on items 9 and 10. So maybe I'll turn it over to you, Peter, to pick up where we left off or someplace on the budget debate.

MR. VALENTINE: Thank you, Mr. Chairman. We're delighted to be back here this afternoon. I trust that everybody was provided with information from the office, that you received it all right. Because we were working to ensure the integrity of it, we were working late through last week to get it done.

Today I've asked Andrew if he'd make a few opening remarks before we get into the detailed questions and the follow-up to last month's questions that you might have with respect to our budget. Andrew brings a number of years of history of dealing with the budget to the conversation this afternoon. I'd ask him to go ahead.

MR. WINGATE: Thank you, Peter. As Peter said, we've provided the committee with some material, which I hope you've all had an opportunity to review. The most significant change we've made to our budget is that we've spread the proposed furniture acquisitions over a three-year period. By postponing a portion of the purchases, we also reduced the amortization of capital assets by about \$51,000 next year and about half that amount in the following year.

At our last meeting we were asked why we had included accommodation costs in last year's financial statements and in our three-year budget projections when it was paid for by PWSS. This is, to me, an important point and one of the things I'd like to provide you with a bit of history on. In the past our audited financial statements did not include all of our operating costs. Therefore, our statements were not prepared in accordance with generally accepted accounting principles. I decided that we needed to follow our own advice, or the advice that we were giving to our clients, and that what we needed was a full set of financial statements prepared in accordance with generally accepted accounting principles. What we needed was a balance sheet, a statement of operations, and a statement of changes in financial position.

Now, in order for our auditors to say that our statements presented fairly the results of our operations, we had to include all material costs; \$600,000 worth of accommodation costs is material and therefore had to be included. Ask yourself whether an annual reduction of \$390,000 in our accommodation cost, starting 10 months before the lease renewal date, would have been achieved if we had not viewed these costs as being our own. As you're aware, in the current and future years PWSS will in fact be charging us for our accommodation. The \$390,000 saving that I mentioned represents about 13 percent of our cost reductions to date.

The other changes from previous years are that we now include the cost of processing our payments and payroll and telephone rental and line charges as well as amortization expenses. The point is – and this is an important point, to my mind at any rate – that the committee now approves all our costs and that you can now compare our operations with others, including private-sector CA firms.

What I'd like to do now is take a few moments to elaborate on some of the material we provided to the committee in preparation for this meeting. First of all, I'd like to look at the big picture because I think it's important to get sight of the big picture first, and that's what this overhead is all about. Can everyone see that?

MRS. FRITZ: Uh-huh.

THE CHAIRMAN: Yeah.

MR. WINGATE: Okay. This overhead is based on the information that we provided you in appendix 4. The first line picks up the total expenditure of the office since '92-93. It shows that our forecast expenditures for '95-96 are nearly 25 percent less than the actual for '92-93. The government guideline, by the way, is 15 percent, so at 25 percent we're considerably ahead of the government guideline. In the next three-year period we're projecting that our total expenditure will increase, thereby reducing our savings to 17.6 percent. That's down from the 24.7 percent.

However, a major reason for the increase is agents' fees for the attest audits of the new RHAs. The RHAs negotiated these agents' fees and will reimburse our office for these costs. In other words, although our gross expenditure will increase, our net

expenditure will not. We could ask the RHAs to pay our agents directly, thereby avoiding any increased cost. However, from a management and control standpoint, that, I think, would be undesirable.

If our total expenditure is adjusted by the RHA audit fees, our expenditure in three years' time is projected to be some 22 percent less than the base year. In other words, by taking out these costs associated with the RHAs, which are refundable by the RHAs, we restore the saving at the end of the period to 21.99.

Some people will argue that the government's expenditure guideline applies to total cash payments rather than total operating expenditures. For this reason, the next two lines, capital investment and amortization – what we've done there is introduced our capital investment and deducted our amortization. So the gross expenditure on the bottom line there shows the gross cash payments, both operating and capital, after adjusting for the RHAs.

This shows that currently we're some 26 percent below the base year, and in three years' time we'll be nearly 22 percent below the base year. That, I think, is the big picture.

What I'd like to do now is turn to the reasons for the increase between this year's forecast and next year's budget. Now, this overhead is based on appendix 2. It shows an increase at the bottom there of approximately \$585,000. That's the increase in the budget over the forecast expenditure. As explained at our last meeting, we're facing a critical staffing situation. We're having difficulty in staffing the upcoming opinion audits, which must be completed in order for the consolidated financial statements to be released next June. We really can't afford to lose more staff. The ability to pay our front-line audit managers on the basis of their performance is essential and is the basis for the first recommendation which appears in appendix 6.

Our estimate of the overall salary adjustment required, as we said last time, is \$250,000. This is the major portion of the projected increase of \$292,000 at the top there in salaries and wages. This \$250,000 together with the related employee contributions for pension, UIC, and all the rest of it, form a major part of the increase of \$358,000 in manpower costs.

Going down to the next increase, as I've already explained, we're projecting a \$330,000 increase in agents' fees for RHA opinion audits. This increase will be recovered from the RHAs, as I stated earlier. However, the \$260,000, which is the next line, is the increase due to the recommendation audit work done at the RHAs. That represents a true increased cost to our office.

Other agents' costs, the next line, is a reduction of \$464,000. This is attributable to discontinued audits, obviously mostly hospitals but also other organizations such as Access, improvement district trusts, and Syncrude.

Now, as to the other increases and decreases, they're, in comparison, relatively minor, and I think in our last meeting we covered most of them. So I don't propose at this juncture to discuss any of them individually, but if you've got any questions, we'd be happy to return to discussing them.

At the last meeting, we were also asked to provide information about the length of time our accounting graduates stay with us. If you remember, that was an important point we were trying to make. Appendix 9 provides this information, but I'd like to give you some additional background material. It's on this overhead here. What we've done is we've shown in brackets behind each individual the number of months between the date the student passed the final examination and the date they left the office. Now, at the bottom of the chart you'll see that we've got the average number of months prior to leaving for a graduating year.

So taking the first one in 1990: Chung stayed with us 52 months; Jankovic, two months; Newberry, 12 months; and Poon, 12. An average of 19.5 months.

Now, if you look at the averages across the page, you'll begin to see an alarming trend. We're now into negative numbers. Students are now leaving prior to passing their exams because they know that after graduating, there'll be no further salary increases. That's principally the reason for that going negative. They're actually leaving prior to qualifying.

In conclusion, we need your support. We will not be able to maintain our professional standards unless something is done about rewarding the performance of our qualified staff.

That's the formal presentation. Thank you.

2:42

THE CHAIRMAN: Thank you, Andrew. I have two people on the speaking list: Gary Friedel and Frank.

MR. FRIEDEL: I've got a couple of questions, Andrew. You've added the full cost expenditures to the budget. Incidentally, I would suggest, as I have before, that this is a principle to which I certainly agree. In actual practice do you pay these costs to another department or agency? How is that handled?

MR. WINGATE: What's happening with telephone is that we're actually being charged for it or will be charged for it. With the accommodation costs, PWSS paid it directly to, in fact, the Canadian Pacific pension plan. PWSS paid it directly to them. In future years what they're going to do is they're going to charge it to us. We pay PWSS, who in turn pay the pension fund. Now, what we did in last year's financial statements is we said that since we're already dealing with one big set of consolidated financial statements – i.e., the province's consolidated financial statements – you can allocate charges within those consolidated financial statements to the place where it makes the most sense. Our view was that allocating the cost to us made the most sense. That's why we did it. Our auditors had no trouble with doing that. They said: "That seems quite logical. You're the consumer of that resource, so therefore the costs should be reflected in your financial statements."

MR. FRIEDEL: Does it then reflect to the counterpart department, public works, in their consolidated statement?

MR. WINGATE: Yes. What would happen is that in the consolidation process our accommodation costs would be countered against their accommodation costs. I think it would be the net that would go into the consolidated financial statements. So it's a consolidation adjustment.

MR. VALENTINE: I think I understand where you're coming from, Mr. Friedel. The important thing is that it doesn't get budgeted twice. The converse of that: the important thing is that it gets budgeted once, because none times would be inappropriate or cause some problem.

The second important thing from our professional point of view is to get financial statements that are prepared in accordance with generally accepted accounting principles. If you don't have all of your costs on your income statement, it's hardly within generally accepted accounting principles. So when you look at our income statement last year and you compare it to a private-sector firm or make any accountability determination at all, we've got all our costs on that statement. Those that were paid for by others – that

is, where the cheque was written by someone else – we have made the recording, of the rent in this case, by way of a journal entry.

MR. FRIEDEL: Okay. Do all the departments amortize their capital investments? Is that a principle that's carried across in the consolidated statements then as well, or is it unique to this office?

MR. WINGATE: Okay. All provincial agencies tend to capitalize their capital assets and amortize them. In central government traditionally assets are being expensed when acquired, but the government has been moving over the last several years to capitalizing capital assets and amortizing them. So what we did in our financial statements I think is consistent with the long-term objectives of central government.

MR. FRIEDEL: Those questions were kind of central to the comments – I wasn't at the last meeting so I'm a little bit reluctant to comment on the discussion as I read it in the *Hansard* notes. I guess, first of all, I'm not 100 percent sure why we as a committee go through these budgets line by line. I would be more concerned with: does it meet the criteria of the reduction requirements? I mean, is the bottom line consistent with what was approved in the three-year business plan? Does it reflect that plan, or are there significant changes from what was approved prior? I know some of the discussion circled around capital equipment and such and how it might be handled. I'm not sure if capital was part of the requirements of the three-year business plan, but certainly what we were looking at was a reduced budget, meeting a particular reduction target, and if it can be demonstrated that that happened, how the particular offices most efficiently administer within that I think should take more priority than whether or not we want to pick on a line.

MR. VALENTINE: Well, this is our table. I understand there are some other numbers that have been distributed, which I haven't seen, so I have difficulty commenting on them, but in here the top line is the total expenditure line as indicated by our financial statements. Is that right, Andrew?

MR. WINGATE: Yes.

MR. VALENTINE: From the '92-93 year through to the estimate for '98-99. You'll see that we've developed the percentage of change for the '95-96 forecast and again for the '96-97 estimate, which is the budget that we're talking about today, and then a further year follow-up.

Now, if you want to bring that to the gross expenditure level, which, as I understand it – I'm still in the learning stage on this budget process – is the government's budget process, then the bottom line does that. So there are three adjustments: the first one, to look after this new work that we're doing in conjunction with agents for the regional health authorities; the second one, the straight cash capital investment; and then if you're going to account for the capital investments, you need to take the amortization out. So on that line we reflect that the percentage change for our '95-96 forecast from the base year is 26.2 percent, where Don's showing that now. If you move on through the next two years, we're at 21.4 and 21.5 percent. Really no change. That's where we think we should be with the office.

Again, I'm happy to go into any amount of detail, but those are two bottom-line numbers, depending on whether you do it on the full accrual accounting basis or whether you do it on the cash expenditure basis.

THE CHAIRMAN: Are you done, Gary?

MR. FRIEDEL: I have a few more things that I'm interested in, but I don't want to hog the time here, so maybe I'll let other people in and, if there's time, get back.

THE CHAIRMAN: Okay. Well, maybe I'll have Frank then.

MR. BRUSEKER: Actually, Mr. Chairman, my questions have been answered through the course of Mr. Friedel's pursuit, so I have no further questions at this time.

THE CHAIRMAN: Well, I'll go back to Gary then.

MR. BRUSEKER: Sure, unless you'd like a motion at this time to accept the budget as presented by the Auditor General. Would it be appropriate to make that motion at this point?

THE CHAIRMAN: Sure, you can.

MR. BRUSEKER: Okay. I'll make a motion, then, that the committee approve the operations budget of \$9,834,280 for operations plus \$608,581 for capital investment.

2:52

THE CHAIRMAN: Okay. We have that motion on the books now, so I'll maybe go to Don Massey and then back to Gary Friedel.

DR. MASSEY: Well, I appreciate what Gary says about approving the budget and if they've met the reduction guidelines that we shouldn't maybe be concerned with the line-by-line examination, but I appreciate the offices that have brought us the amount of detail that they have. One of the items that was raised at the last meeting was the whole issue of furniture, and I think it would have been remiss if they hadn't made us aware of that item. It's a big item. It's three-quarters of a million dollars worth of furniture, new furniture, at a time when people are losing their jobs. I think that was the point that was made at the last meeting, and whether we like it or not – and I made the point then and I think others did too – the public perception of that is not good. I guess I would like to pursue that, if I could, with a question, Mr. Chairman, on the whole question of surplus furniture. Is there surplus furniture because of the downsizing, what's done with it, and how is it accessed by other departments, or is it accessed by other departments?

MR. BRUSEKER: The department of public works I think deals with it.

DR. MASSEY: So how is it accessed by other departments?

THE CHAIRMAN: Well, you know, maybe I can answer that generally, Don. Surplus furniture is offered to government departments or legislative officers for their needs. There's quite a bit of it, as you can imagine, and I guess after a certain length of time the government puts it up for public auction or public bid. So that's my understanding of the way it happens.

Don.

MR. NEUFELD: Yeah. Surplus furniture is available to us at no cost if it meets our needs. I mentioned at our last meeting that our secretarial staff were having significant problems with their wrists because of not having correct typing positions. We went to see

what was available, and we ended up with the grand total of three old, rickety desks. We brought them in, and we're using two of them, but that's all there was. Now, we've got about a hundred people that are using computers, and none of the furniture that's surplus is suitable for computer use. It's all the old case-style steel desks, normal working height. It's also not functional in terms of making efficient use of open area space. It's designed for the old closed office system.

DR. MASSEY: That was going to be my further question: had they had a chance to see what was available there?

MR. VALENTINE: Well, Mr. Chairman, let me say that when I arrived, I sat in a chair that didn't need to be sat in anymore, and I got rid of that. I do have a chair from public works. I don't think it cost us anything, and it's very nice, thanks very much. But we haven't been able to find much else there.

MR. WINGATE: I'm the same way. My office has got surplus furniture in it, acquired over many years actually, so we do use that route. But I think Don's making an important point here, and that is that with the advent of computers and computer networks particularly, much of the old furniture isn't particularly suitable for this new environment because the wiring isn't built into the furniture. Each station will be connected to the network, and the most convenient answer for that, without having wires draped all over the place, is to actually build it into the furniture, and that's what we were proposing to acquire.

DR. MASSEY: I guess just the last question I have then: are other government departments buying new furniture because of changes in computer equipment? Are they being re-equipped with furniture? Does anyone know the answer?

MR. VALENTINE: Well, I do know that the Treasury Department is looking at a substantial amount of similar furniture, the same kind as we're looking at, and I believe that they have issued the purchase instructions. I know that we're going to get the same price that they're getting for a much smaller quantity.

THE CHAIRMAN: Okay. Are you done, Don?

DR. MASSEY: Yes.

MR. FRIEDEL: Well, I wasn't even sure I wanted to get into this furniture debate, but knowing how the system works – and I'm saying that from the outside – being a longtime avid follower of auction sales and things like that in a previous life and seeing the stuff that ends up on the auction block, it's there generally for a reason. I've pursued it a bit, and I've found out that when a department is dealing with surplus fairly good quality furniture, it usually gets picked through in some sort of a pecking order before it becomes part of surplus. I would suspect that it would be very difficult to get 50 or 100 of anything that's in any kind of a state of repair that I think we could use let alone being reasonably up to date.

Having said that, after I promised I wouldn't, again I find it difficult that we would sit here and decide whether or not this is the best way of making the office efficient. Considering the amount of scrutiny – and certainly I'm not suggesting that the level of detail shouldn't be there, but I'm not so sure that it's there to pick through line by line. In any of the offices, this one or any other one, if they're meeting certain efficiency requirements, if making the existing people work to their best capacity – and I

know there's been considerable downsizing in the department. If this was selected as a way of making that office productive, I'm fairly inclined to accept that. I still hang on this bottom line thing: does it meet the requirements for 1996-97 for the three-year business plan?

I don't know if we actually approve, Mr. Chairman, the next two years. By having the next two years' estimates in there, does that meet the ongoing requirements, or are we careful about endorsing that as a long-term budget? Having made my first statement, it also means we do have to be looking at the next two years and having some implicit endorsement of that. If it doesn't, then we would want to question that now as well, because it would follow through with my earlier suggestion about the long-range budget.

THE CHAIRMAN: Yes. This is just a point of clarification: we only each year approve the budget of the next year, which we are doing by the motion that Frank has made. If it passes for 1996-97, we are looking at the other two years in advance and taking that for information purposes in our three-year business plans that we are trying to develop. So it's there as a guideline for what we may expect in the future, but it doesn't encumber us by the decision we're making on '96-97, the way I see it.

So if you're done, Gary, I'll . . .

MR. FRIEDEL: Well, I'm wondering if there might be an answer to that second part. Again, I have to take your information on it, because I'm not sure, with the amortization, with the full-cost expenditures, what changes are built in in 1997-98 and subsequently.

MR. VALENTINE: Right. The numbers don't materially move in the next two years. In the revised numbers we gave you, the furniture issue is spread over a three-year period. The net of the office on the basis of audit fee revenue is recovered from outside of the consolidated group. On that basis, the net operating number of the office will remain fairly flat over the next three years, within \$100,000 to \$200,000. Is that not correct, Don?

MR. NEUFELD: Yeah. The percentage guideline reduction that we're supposed to meet by 1996-97 is 20 percent, and we'll meet that any which way you want to calculate it.

MR. WINGATE: Yes, that's the point I was going to make. I think your point, Mr. Friedel, is: what's going to happen in this capital investment area? Are we going to count total expenditure, or are we going to do gross cash payments? The answer to that is that it really doesn't matter, because on this basis I think we meet the guidelines and on this basis I think we meet the guidelines.

Perhaps the only point of contention is whether we should be permitted to take out these agencies, the RHA agencies, and I don't think there's any question because our revenue goes up by an equivalent amount. As I said during my presentation, you could short-circuit that and get the RHA to pay the agent directly, and then we wouldn't have the increased expenditure.

So I feel very confident that it doesn't matter which way you try and assess the government guidelines; we're going to meet it either on this basis or on that basis. Does that help at all?

3:02

MR. FRIEDEL: Yes, that answers it very well.

MR. VALENTINE: I think it's significant that that line of revenue, RHA attest audit agencies, is entirely driven by the

relationship of the RHA and the agent. I'm not involved in that except to make sure that it's fair. That's all flowed through from the proposal process, in which I have been involved only to keep a level playing field.

THE CHAIRMAN: Okay. I've got Gary Severtson and then Yvonne.

MR. SEVERTSON: Thank you, Mr. Chairman. Just a question of clarification on the guidelines. I thought the guideline three years ago was to come to 20 percent over a three-year period. Was there not another from Treasury Board to reduce all our budgets again this year, over and above what was originally done three years ago?

MR. VALENTINE: My understanding of that is to reduce administrative expenses by 20 percent. That was the instruction that came from the Treasurer, and while that administrative calculation was a calculation within those numbers, we do that also.

MR. SEVERTSON: Actually this year is a 4.8 percent increase from last year. Just taking last year but not going back to '92-93, you are the 21.4 percent. I agree with, roughly, your numbers, the numbers we've got here.

MR. VALENTINE: Right. Then again, you know, which line do you want to go on? I don't think it matters. But as we move forward into '96-97 and '97-98, implicit in the request that the Treasurer made of the operating departments for further reduction with respect to their administrative costs, we meet that within those numbers.

MR. WINGATE: Yes. An important point though: it isn't a 20 percent reduction in total costs; it's a 20 percent reduction in admin costs. What Peter's saying is that within those figures we fully intend to achieve that 20 percent reduction.

MR. SEVERTSON: I just wanted clarification on it. That's fine.

MR. VALENTINE: That's a fair question.

MR. SEVERTSON: I guess I'll make just one more comment. When I read in your letter, Peter, I take it I think wrongly, on the last page, top paragraph, the last sentence,

Had we simply followed the guidelines, our cumulative cost reductions would only have been \$3 million, and it refers to a comment earlier on the second page about \$4 million beyond your requirement. If you're only at a \$3 million saving, you wouldn't be at the 20 percent today.

MR. WINGATE: No. The requirement isn't 20 percent today. The requirement is . . .

MR. SEVERTSON: No. But from the start, if you only had a – and this is nothing to do with your budget, just a comment on your letter. I thought – at least my interpretation is – that it's not quite right to say that you'd only be at \$3 million, and then you'd accumulate over three years and you'd only be at about 9 percent or 8 percent reduction if you only had accumulated \$3 million over this period of time. It has nothing to do with the budget.

MR. VALENTINE: Well, I think the point we're trying to make is that the size of the office has gone from roughly 150 to roughly

100. We've given up 25 percent of our space here in Edmonton. We've renegotiated our lease with a third party, not from PWSS but from a third party, and we've come in at a net, net, net rent of negative \$1.50 per square foot. That place doesn't even look like it used to.

MR. SEVERTSON: No, I don't mean that. I'd like to compliment you. You did a good job. I just meant the way the letter read.

MR. VALENTINE: Okay. It's harsh.

MR. SEVERTSON: It sounded like you were way over, but you've accomplished it earlier than you expected.

MR. WINGATE: Yes, that's the predominant point I think we're trying to make.

THE CHAIRMAN: Yvonne, you had a question.

MRS. FRITZ: Thank you. Actually, Gary asked pretty well what I was going to. Thanks, Gary.

Just to clarify it a little further though. Your budget, from my understanding, does meet the direction of the Provincial Treasurer in August for a further 20 percent reduction in the administrative area.

MR. VALENTINE: Correct. Yes.

MRS. FRITZ: Thank you.

Also, Mr. Chairman, I am going to support the motion that's on the floor in regards to the budget. I do think the office of the Auditor General has come back and been sensitive to comments that were made by committee members at the previous meeting in regards to the furniture, for example, that's been amortized over a three-year period. And although we are improving now, this year we're still 6 percent over the 20 percent reduction, and I believe that to be prudent. What I would ask, in that sensitivity, to the Auditor is that certainly with some of those funds that are set aside for furniture, the majority of those funds go toward the staff workstations in open work areas that he's put on appendix 11.

Thank you, Mr. Chairman.

MR. VALENTINE: I'd just comment that that's where we have to gain our efficiency, so it won't be hard to direct it in that direction.

MR. DICKSON: I'm supporting the motion, but I just want to make one observation in listening to some of the questions and comments. I just think it's important to state that in my view this committee isn't bound by direction from the Provincial Treasurer. I expect we want to provide leadership and ensure that all of the legislative offices are being fiscally responsible, but in terms of how that's achieved, this isn't a government department. None of the other legislative offices are government departments. The Provincial Treasurer does not manage them. He's not accountable for them. Although this is simply a principle, I want to express my concern that while we want this office and the other legislative offices we manage to be as fiscally responsible as possible, I don't feel bound and I urge members of the committee not to feel bound by necessarily all of the formulae and particular interim criteria that are binding for government departments.

MR. VALENTINE: Could I just comment, Mr. Chairman, that we knew what we were doing with our admin costs prior to hearing about Mr. Dinning's pronouncement.

THE CHAIRMAN: Roy, you had a comment.

MR. BRASSARD: Just a brief comment, just a question. Do you see an increased ability to enhance your private-sector fee structure at all? You're already doing this with the RHAs. Do you see any ability to expand that in future so that perhaps you could offset things such as – well, office furniture has been discussed, or something similar. Do you see an expanding role?

MR. VALENTINE: I'd rather not answer that at this point. I want to review the entire agent issue in the New Year, and rather than handicap the extent of my review by having answered your question in whatever way I would answer it, I'd rather remain open on that score. There are some very, very good agents, and it's very beneficial for us to use that methodology to reduce our peak workloads. There are a whole lot of reasons for it. I'd be happy to discuss it with you at another time.

MR. BRASSARD: Okay; I respect that. Thank you.

THE CHAIRMAN: If there are no further questions, Frank's motion is to accept the expenditure estimates put forth by the Auditor General. I will ask the question. All those in favour? Opposed?

Which way are you going?

DR. MASSEY: Opposed.

THE CHAIRMAN: Okay. Fine. One opposed. Carried.

MR. VALENTINE: Could I introduce a subject which we said we wouldn't introduce and just make a handout, a brief remark?

THE CHAIRMAN: It's not about the AG orders 1 and 2?

3:12

MR. VALENTINE: Oh, no. You can do that first. Sorry.

THE CHAIRMAN: Okay. Item 10 on our agenda, committee members, is something we were trying to get at in the last meeting, which we didn't accomplish. One of them is in regards to the RHA, and the other one has to do with the Western irrigation district. I think I'll turn it over to Peter or Andrew or whomever to explain each one of these to committee members.

MR. VALENTINE: I'm going to have Don do that. Don, as you know, is in charge of all of our administrative functions, and he maintains the files on these things.

MR. NEUFELD: Okay. Order AG 1 is very similar to an order that the committee approved in February. It basically authorizes us to begin to recover the full cost of doing our opinion audit work. However, in February the order indicated that we would begin this full recovery for fiscal years ending after March 31, 1996. At an earlier meeting with this committee we discussed some of the apprehension that our clients expressed about this proposal, and we are suggesting that we defer that for at least one year.

So this order modifies the original order by indicating that this new policy would take effect for audits of fiscal years ending

after March 31, 1997. The other difference is that it establishes a method whereby we can recover the costs of the regional health authority audits that we do on the opinion side. We would still bear the cost of the recommendation work. So those are the two essential changes that order AG 1 makes over what's presently on the books.

MR. BRUSEKER: Is the reason for the hesitancy from some of the RHAs due to the fact that they haven't built the cost into their . . .

MR. NEUFELD: No, there's no problem with the RHAs. They're perfectly willing to pay. It's with some of the other people that we haven't previously billed.

MR. BRUSEKER: Okay. Well, is the problem that they haven't built that into their budgets?

MR. NEUFELD: Correct. That's right.

MR. VALENTINE: That's part of the problem. Another problem is the reallocation of the budget you approve for my office and the mechanics of getting these things all moved around within the departments and then from departments into the corporations and agencies that they're responsible for.

MR. BRUSEKER: So it's more of a process.

MR. VALENTINE: Frankly, the mechanism isn't there yet, and I can tell you that in certain corners, there's a substantial amount of resistance to it.

MR. BRUSEKER: So it's mostly a process concern as opposed to a conceptual concern.

MR. VALENTINE: I hope it's a process concern.

MR. BRUSEKER: Thanks.

THE CHAIRMAN: Any further discussion on order AG 1? Gary.

MR. DICKSON: Yeah. The comment made by Mr. Valentine begs a question. If there's resistance to it, can you expand on that in terms of why we're in a position, aside from internal logistical issues, of having to revise this because there are organizations to be audited that are loath to conform.

MR. VALENTINE: Well, Mr. Dickson, I can't give you all of the answers. I can just tell you that I've run up against some very serious concerns on the part of the receiving entities. They're concerned, in the case of postsecondary educational institutions, that there's money being taken from their educational budget and out of the classrooms. That wasn't to be the case. It was to be an allocation of the budget given to this office and reallocating it in such a way so that the financial statements of each of those entities would reflect all of their costs of operations. That's not clearly understood out in the trenches for whatever reasons.

Now, I'm not one to try to look over my shoulder and point fingers at what went wrong in the past. What I'm trying to do is get the whole process solved for the future. So in that respect we have a series of meetings set up for early January to get at the basis of the problem. I want to move on just as fast as we can move. I really think it's a very important initiative, but I can only go as fast as the momentum that the whole ship's going.

MR. WINGATE: To be quite honest, you know, we attempted to move too fast on this. My own view was that the logic of this would be evident to everyone, and that's far from being the case. As Peter says, there is reluctance by certain people to enter into these sorts of arrangements.

Now, I think it's a question of time. We need to talk more about what the intention here is and that we're not trying to download our costs onto them. The fact of the matter is that if they pay us, those funds go into the general revenue fund and are able to be reallocated back to them in order that they can pay us. So it's not a question of trying to download costs, but that takes some talking through, and we need an opportunity, I think, of meeting with people to achieve just that. That's what Peter is referring to. In the New Year we'll have to get busy to convince people that there's no odious intent here. We're not trying to download or off-load our costs. We're just really trying to be accountable.

MR. DICKSON: Okay. It's sort of a matter of negotiating with the agency. Sometimes to go in and suggest that you have not a great deal of flexibility is a faster way of catching people's attention and forcing the issue rather than simply deferring. I think we have little choice but to accept your advice on this. Obviously, you've considered it and determined that the extension is a more appropriate way to go.

MR. VALENTINE: Well, I don't mind telling you that it's the single sore point that I deal with regularly. Had I had any advance warning that it would be as big as it is, I might have ducked earlier.

MR. WINGATE: That goes for the whole office.

MR. VALENTINE: Now, having said that in a humorous way, I can also tell you that there have been some very unhumorous times.

MR. BRUSEKER: Mr. Chairman, should I make a motion, then, that the committee approve order AG 1 as presented today?

THE CHAIRMAN: Okay.

MR. BRUSEKER: We need a motion to do that, don't we?

THE CHAIRMAN: Yes.

MR. FRIEDEL: Do we need to rescind the original one?

MR. BRUSEKER: That's part of it. That's point 3 in here.

MR. SEVERTSON: Number 3 at the bottom says it rescinds.

THE CHAIRMAN: All those in favour? Opposed? Carried.

We have another one, Don, if you want to just touch on it lightly.

MR. NEUFELD: Yeah. The other one is minor in comparison. We in the past were the auditor of all the irrigation districts. Legislation has now changed and they're appointing their own auditors. However, one district, which is undergoing some significant change, has come along and asked if we would participate in their audit by working with the agent that they have selected. They will pay the bill and they will pay for our time, but in order for us to act in that capacity, we need approval under

section 12(b) of the Auditor General Act, and that's what this represents.

THE CHAIRMAN: Any discussion? Someone has to make a motion if there is no discussion.

DR. MASSEY: Mr. Chairman, I'd move to approve.

THE CHAIRMAN: Approval?

DR. MASSEY: Yes.

THE CHAIRMAN: All those in favour? Carried.

Under appendix 6 we have three recommendations that Peter would like to present to us this afternoon.

MR. VALENTINE: Those recommendations are summarized in appendix 6 of the material supplied to you. The first recommendation is to "reduce the number of management levels from eight to four, and pay people appropriately within each level based on contribution made." The second recommendation is to "eliminate any overlap in salary ranges for the four new management levels." The third recommendation is to "create the position of Deputy Auditor General, to be classified as a Senior Official outside the normal classification system, with a range of \$90,000 to \$105,000."

I draw your attention to appendix 7, which was chart 4 in the presentation made to you on the previous occasion, where the current is in dark bar lines and the proposed is in the gray bar lines, which would allow us to properly manage a management structure that is flatter than the one we have today. That concept of management parallels what's happening in the profession. The profession is an awful lot flatter than it was. That change has come on over the last perhaps five years. I think eliminating the overlap of the salary ranges does away with a lot of the human resource problems we end up with as a consequence of having the salaries overlap one another. You can end up with and we do have situations where the person who is being reported to is making less money than the person reporting to them. It's not very appropriate. Salaries are a very popular subject amongst the staff.

The last recommendation has two parts to it. One is to bring into use a title which is commonly accepted in the senior audit offices across the country. The second one is to identify a pay scale for that position. I think I'm right in saying that the pay at the moment is in that range.

3:22

MR. WINGATE: Yeah, \$90,000.

THE CHAIRMAN: So that's not going to change in the foreseeable future. Is that what you're saying?

MR. VALENTINE: I think we're establishing a range here for that position, Mr. Chairman, but the range is inclusive of the present level of salary for the individual involved.

I'd be happy to answer any other questions, or Andrew or Don for that matter. I might tell you that these have flown out of a process, which we're in the middle of doing in the office, of examining our strategic goals for the future. I'm anxious to implement those things that are necessary to put the office where I think it should be in the year 2001 and have it in a proper status at that time.

THE CHAIRMAN: Thank you, Peter.

I have Yvonne on my list and Don and then Gary.

MRS. FRITZ: Thank you, Mr. Chairman. Peter, could you just help me? You said that some are overlapping. Where does that occur? I can't see that. I've got the chart, but I don't know how that happens.

MR. VALENTINE: Well, for example, in the area of \$50,000 to \$60,000 we've got three levels of staff category. We've got audit manager, director, and senior manager. The suggestion is that we ought not to have these overlapping levels.

MRS. FRITZ: At all. So that's why it's stepping this way.

MR. VALENTINE: The gray ones you'll see when the audit manager finishes at the top level of that, at the \$50,000 and a little bit. The position of audit principal picks up from there and goes on to the high 70s.

MRS. FRITZ: So this is based on years, though, the way it is currently? So the overlap occurs if you have, for example, an audit manager who's been here longer than a director?

MR. VALENTINE: It's not entirely based on years.

MRS. FRITZ: Is it incremental based on years?

MR. VALENTINE: No, no. It's based on capabilities.

MRS. FRITZ: Oh, it is.

MR. VALENTINE: The titles are based on capabilities.

MRS. FRITZ: So there's not an automatic increment in the grid as you move along. I see.

MR. NEUFELD: No. There's nothing automatic.

MR. VALENTINE: It's not like the teacher concept.

MRS. FRITZ: It's not like that.

MR. VALENTINE: No.

MRS. FRITZ: Okay. Thank you for that explanation.

Mr. Chairman, I'm going to move recommendations 1, 2, and 3. Just based on the earlier discussion with the Auditor, I think it's a prudent move on behalf of the department, and there won't be that duplication and overlap as we've seen.

THE CHAIRMAN: Okay.

I have Don.

DR. MASSEY: Yeah. I was going to ask: will the audit managers' maximum now be considerably reduced? Am I reading that correctly?

MR. VALENTINE: That is correct. That salary category is reduced.

DR. MASSEY: Is that . . .

MR. VALENTINE: Is that going to cause any current salaries to drop?

DR. MASSEY: Yeah.

MR. VALENTINE: There's a minor adjustment involved.

DR. MASSEY: Okay. Thanks, Mr. Chairman. I think it makes sense to get rid of the overlap.

MR. VALENTINE: It's a very difficult thing to manage, I can tell you.

THE CHAIRMAN: Gary Severtson.

MR. SEVERTSON: Yeah. I was going to ask the same question as Don. The other question I want to ask, due to other earlier discussions with Mr. Dickson: do people that work in your office come under the personnel office of Mr. Dixon too?

MR. VALENTINE: No.

MR. SEVERTSON: Okay. That's all I wanted to ask, and I don't have to ask the next question: if you'd checked with him on this.

THE CHAIRMAN: Okay.

If there are no further questions, I'll ask for the question on Yvonne's vote. All those in favour? Opposed? Carried.

Are we finished with business, Peter?

MR. VALENTINE: One small thing. I have a letter to present to you, Mr. Chairman. I'll officially pass the original down. I will distribute copies. At the last meeting I mentioned that we'd be preparing a proposal under the productivity plus program. This has now been completed in accordance with the guidelines, and it's in the appropriate format, all of which have been supplied to us by the PAO. I'd like to leave it with you today for your review and approval. I believe it's the intention that deputy ministers will appear before the productivity plus committee to defend their proposals and answer questions. If you wish, in the New Year I'd be pleased to meet with you on our proposal, after you've had a chance to examine it in detail, and respond to any questions that you might have. So I leave it here today for information, not for discussion.

THE CHAIRMAN: Okay. Thanks, Peter.

We have about three more items that won't take too long, I don't think. So I hope I don't lose any committee members on this two-minute break.

[The committee adjourned from 3:30 p.m. to 3:31 p.m.]

THE CHAIRMAN: We'll just keep plodding along here, so I think I'll call the meeting back to order. Item 11 is a report on the national Ombudsman's conference.

Roy, if you'd like to enlighten us a little.

MR. BRASSARD: Thank you, Mr. Chairman. I've given a report to everyone, a copy of the report of the overview of the conference. I'd like to start out by just complimenting our administrative assistant, who handled all of the arrangements so very well. Diane, it was much appreciated, I know, by myself and everyone there. Thank you very much for all your help.

MRS. SHUMYLA: Thank you.

MR. BRASSARD: I won't go into a lot of detail, because I've written it out here, except to say that some of the presentations reflected a need for change, I felt, by the Ombudsmen group themselves.

The conference was attended by all of the provinces except Prince Edward Island and Newfoundland. The federal government was represented, as were the Northwest Territories, who have to deal with eight official languages and three dialects. So their translation in the Legislature is horrendous. They deal with all of the cultural difficulties as well, so their challenges are different. Everyone, almost to a presenter, recommended that in light of the many changes being initiated by governments and businesses, issues such as right to work, social risk – that is, changes to our health care, welfare programs, and so on – education and service access, the Ombudsman's office was going to have to become far more proactive in the future and that they were going to have to extend not only their area of influence but also their outreach into areas to meet people where they were.

The first presenter, Mr. Daniel Jacoby from Quebec, pretty well set the tone for that presentation. He basically said that there was no question that the role was going to change over the coming years. This was reinforced by other presenters.

One of the areas I had concern with and I raised was that they felt that their proactivity was going to extend into the formulation of Bills and regulations. I felt that this was exceeding their mandate. In fact, even their aggressive manner of projecting their office into the community was exactly that, I thought: very aggressive. As I've said, I've written this all out. I won't go into it all.

Three of the presenters talked about the changes required in the operation. Our Ombudsman made a presentation, together with the Ombudsman for Nova Scotia, and talked about much of what he was doing here. Dr. Eugene LeBlanc talked about how the Ombudsmen were able to handle people with various antisocial behavioral disorders – I apologize; I see some typo errors in this – and Mr. Richard Evans from criminal investigations of the RCMP outlined criminal investigative techniques and procedures and the legal implications and limitations of their office. A final session was held by Mr. Arthur Doyle, who is an author and journalist and a media consultant, who talked about how to deal with the ever aggressive and issue-oriented press.

It was a good conference. It was very enlightening, and I think our Ombudsman presented himself very well. I thank you all for sending me to the conference. It was enjoyable. It certainly gave me more insight into what's going on in this area.

THE CHAIRMAN: Thank you, Roy.

Are there any questions of Roy?

MRS. FRITZ: Well, Mr. Chairman, just to say thank you for the excellent report. It does sound like it was a good conference. I appreciate it being typed and being explained as well. I'll move that we receive this report for information.

THE CHAIRMAN: All in favour? Carried.

The next item is number 12, which is a letter of engagement for the auditor auditing the Auditor General. The fee is the same as it has been, \$11,500. It's exactly the same contract or letter of engagement that we've had before with these people. If someone would like to move that . . .

MR. BRASSARD: I move acceptance of this offer.

THE CHAIRMAN: Okay.

Yvonne, you have a question?

MRS. FRITZ: Just a question, Mr. Chairman. Is it possible – and I'm seeking some clarification here – to ask: when this audit is being completed, do they look into what the Auditor had previously mentioned he'd put in the budget in regard to the RHA fees, that the Auditor said he didn't know could be questioned as being included in the overall total? Is that something that can be highlighted to be looked at?

THE CHAIRMAN: I don't think that is part of the auditor's job.

MRS. FRITZ: Is it?

MR. SEVERTSON: Wouldn't that just be part of having the same balance sheet with the Provincial Treasurer?

THE CHAIRMAN: Just verifying the figures is what the audit's doing.

MRS. FRITZ: So they don't look at the category and then verify the figures, knowing whether or not by principle the RHA fees can be included in the total in the way that they were here. I only ask that based on what the Auditor had said. I can't remember whether it's the Auditor or Andrew who said that was questionable, doing that that way.

THE CHAIRMAN: What was questionable, wasn't it, was whether or not the recovery cost . . . Wasn't that more . . .

MRS. FRITZ: Yes, that's right.

THE CHAIRMAN: Then that just wouldn't be the job of Kingston Ross Pasnak.

MRS. FRITZ: Okay. Thank you for that clarification. Thank you.

THE CHAIRMAN: All those in favour of the motion? Carried.

The last one is our little budget, and that's under tab 13. As you can see, there's about a \$300 change in what we're doing, and I guess the \$300 is all coming from a proposal on page 3 for attending conferences. We've been allocated the right to attend two conferences. As you can see there, there's an international conference that takes place once every four years that we put down for attendance. I guess I could ask if there are any questions.

MR. FRIEDEL: Where is that conference?

DR. MASSEY: Buenos Aires.

THE CHAIRMAN: Down in Argentina, yes. Have you got that tab?

MR. FRIEDEL: I'm on the tab, but what page?

THE CHAIRMAN: On page 3.

MR. FRIEDEL: We wouldn't seriously be considering sending somebody to Argentina, would we?

THE CHAIRMAN: Well, you know, the thing is that we send staff. These guys – the chairman, our officers – do travel. You know, I find it a bit disheartening that the bosses travel and the staff don't travel. Maybe this is a good time to address the staff traveling.

MR. FRIEDEL: Can I expand my question?

THE CHAIRMAN: Sure.

MR. FRIEDEL: Would we seriously be considering sending anyone to Argentina? I mean with the budget reductions and everything, I have great difficulty in believing that this should be a government priority. I can see working with our other provinces and maybe to some extent the continental United States if it's, you know, a reasonable expense, but this strikes me as being just slightly out of line with the message we're trying to convey. I don't know if there's any way we can convey that message a little bit more forcefully through this committee, both members and staff. I just see that as being ridiculous, to be spending that kind of money for that type of conference.

THE CHAIRMAN: Yvonne. Then I'll ask Diane to make a comment.

MRS. FRITZ: Thanks, Mr. Chairman. I agree with Mr. Friedel. I think that this conference, the Canadian Council of Public Accounts Committees – is that the one?

THE CHAIRMAN: No, it's the International Ombudsman Institute.

3:41

MRS. FRITZ: What's the name? It's the international . . . I had the page here, Mr. Chairman.

THE CHAIRMAN: It's actually your second page, Yvonne.

MRS. FRITZ: Well, why does it have at the top, then, Canadian Council . . .

THE CHAIRMAN: The second one down is the international conference.

MRS. FRITZ: Oh, okay. Thank you, Mr. Chairman. So the International Ombudsman Institute, Buenos Aires, Argentina. Whatever, I don't think that other staff or committee members should be attending this conference anyhow. I think a lot has changed in that climate for, you know, the base of knowledge, of learning, over the past four years. As you said, Mr. Chairman, this comes up once every four years. Perhaps we should restrict our gathering of knowledge to Canadian conferences and, as Mr. Friedel said, perhaps the United States as well, but not Argentina.

THE CHAIRMAN: I'll ask Diane to make a comment. Then I have Gary Severtson and Roy.

MRS. SHUMYLA: Just to add a little bit of information on the budgets and the conferences. This budget of Legislative Offices, like other committee budgets, is approved by Members' Services Committee and will go to Members' Services Committee in early January for approval.

At one of the Members' Services Committee meetings a couple of years ago, there was discussion on committees and committee

budgets. At that time, Legislative Offices Committee members attended four different conferences, and a number of members would attend each conference. It has now been cut down to two conferences: one, the Canadian Council of Public Accounts Committees, which, as far as I know, the Auditor General always does attend; and the Ombudsman conference, which the Ombudsman always will attend. As the chairman mentioned, every four years it is an international conference.

THE CHAIRMAN: Gary Severtson, then Roy.

MR. SEVERTSON: Well, I would speak a little bit in favour of this at this time, without knowing a whole bunch of details about it. We just had a report from Roy Brassard on a conference held in eastern Canada and what we have to gain. Earlier today we were discussing a review of our legislation of 28 years. I think you can be a little shortsighted sometimes without looking at what's going on in other areas. You know, this is temporary approval, if we do give it. Then we have to look at what's on the agenda when further details come out, and then we can make a decision whether we do send somebody or not. I say there are some advantages to going to see what is going on outside our own little sphere.

Thank you, Mr. Chairman.

THE CHAIRMAN: Roy.

MR. BRASSARD: Very quickly, I'd like to support Mr. Severtson's comments, because having come away from this conference in Fredericton, I realized that we're in changing times. There are a lot of things going on nationally and internationally that we need to be aware of. I think it's imperative that not only our Ombudsman, in this case, attend these kinds of conferences so that he's in tune with what's happening but also that we have representation to this committee so we're fully cognizant of the needs for change in this area.

So although Buenos Aires, Argentina, seems a fairly way-out conference, I think the cost is in line at \$2,600, and I would recommend that we consider this.

THE CHAIRMAN: If I might make a comment. I don't think there should be a conference that the officers can attend and someone from this committee can't attend.

MRS. FRITZ: Agreed.

MR. BRASSARD: I agree with that.

THE CHAIRMAN: That's the issue that I see: if we are to be kept abreast of what the officers that we are supervising are doing and what issues are outside of the province of Alberta, we need to be informed. Now, that being said, personally I don't know exactly what's terribly relevant about an international conference, but I'm really opposed to these officers traveling to places that we cannot travel to. Maybe there's somewhere in the middle on this thing, but I do think that the officers should have approval from this committee before they travel.

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN: But our budget has this in it, and if someone makes a motion to accept this budget the way it is, I think that that will stay in there.

MR. BRASSARD: I so move that the budget remain as . . .

DR. MASSEY: Be approved as printed.

THE CHAIRMAN: Any further discussion on Roy's motion? All those in favour? Opposed? One opposed. Carried.

Okay. Let's see. Do we have any other business? If not, we have down here the date for the next meeting, which I know that we probably aren't going to reach. So we'll do that on a need basis. I'll entertain a motion to adjourn.

MRS. FRITZ: So moved, Mr. Chairman.

THE CHAIRMAN: All those in favour?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Carried. Thank you.

[The committee adjourned at 3:48 p.m.]