

10:40 a.m.

[Mr. Langevin in the chair]

THE CHAIRMAN: Good morning. We'll open the meeting. We'll start with the agenda. You all have a copy of the agenda. If it's okay, I'd like to ask if there are any additions to the agenda. If not, I'd like to have a motion to approve the agenda as circulated.

MR. DICKSON: Well, in fact I had a query, and then I'm happy to move it. I had just wanted to be clear. Is it the expectation that we would be voting each of the legislative officer's budgets today?

THE CHAIRMAN: What I would like to suggest at this time is that we receive the presentations from all the officers today. We don't know what the outcome is going to be here, so we would have to have the discussion and all that, and maybe at the end of the day we could make a decision if we're going to vote on it today or if we're going to have a further meeting.

MR. DICKSON: I appreciate the clarification, Mr. Chairman. I don't know about other members, but I just received the booklet when I flew in from Calgary this morning. Other members may be more efficient than I am. Although we're starting off with one of the smaller budgets of the legislative officers, I just wanted to say that when it comes to the Auditor General's and some of those more comprehensive budgets, I wanted to signal a concern about being put in a position of having to vote today with, at least in my case, what I think is inadequate scrutiny and comparison with past years and so on.

THE CHAIRMAN: I understand your concern. That's why I brought up that we could possibly have a further meeting to do that.

MR. DICKSON: With that comment, I'd move that we adopt the agenda as distributed, Mr. Chairman.

THE CHAIRMAN: Okay. We have a motion by Gary. All those in favour of the motion? Opposed? The motion is carried.

MRS. O'NEILL: I'm wondering why we gave the Ombudsman just half an hour.

MRS. SHUMYLA: We had originally scheduled one hour, but we had to move the meeting time. Quite often the budgets just run into another, and I have a lot of space at lunch, so actually each officer will have more time.

THE CHAIRMAN: If it backs up a bit, we'll take it in the noon hour.

MRS. O'NEILL: Then, if I may, Mr. Chairman, I'd like to note that in respect to those who are coming at 11 o'clock, rather than having them hanging out there, is there a way, if we wanted to change it from 10:30 to 11:30 for the Ombudsman's office, to let the Auditor General know 11:30? I think we need to call them.

MRS. SHUMYLA: Sure.

MRS. O'NEILL: Please.

THE CHAIRMAN: Diane can make a phone call.

MRS. O'NEILL: Thank you.

THE CHAIRMAN: Okay; now we have the agenda.

I'd like to have a motion also to approve the minutes of the last meeting.

MRS. O'NEILL: So moved.

THE CHAIRMAN: You have that in your binder. It's moved by Mary that we approve the minutes as circulated. Any discussion on the motion? If not, all those in favour of the motion? The motion is carried. Thank you very much.

Now we're going to go to the presentation of the budgets for the officers. The first officer we have this morning is the Ombudsman, Mr. Scott Sutton. So, Scott, I'd like you to proceed with your presentation and comments that you have to make to the committee this morning.

MR. SUTTON: Thank you, Mr. Chairman, and good morning, committee members. You have before you budget proposals for the office of the Ombudsman that I would ask that you review and recommend to Treasury. I've included with those proposals a brief synopsis of what has transpired within my office during the past year. That synopsis and the current business plans that accompany the booklet that you have reaffirms my commitment to this committee that I believe in accountability.

As I've mentioned in my proposal, the uncertainty of expected future demands on the office of the Ombudsman leaves me in the difficult position of preparing for the unexpected. To this end, budget considerations are based on both factual historical data as well as carefully considered expectations. It's imperative that we establish a level of confidence and trust between this committee and myself. Simply put, my office in its budget proposals is recognizing expected as well as anticipated additional responsibilities. The level of impact these anticipated responsibilities will have and the exact implementation timing is unknown; nevertheless, funding must be in place so that we can achieve our mandate and move forward and achieve the expectations of Albertans.

This office in the past has controlled its funding well. Accountability and fiscal management are a commitment. Last year we dealt with a core budget, and in anticipation of expected legislation there was an expanded budget in addition to that. What I'm asking for this year is to have the two combined into a core budget, with additional funding for one full-time equivalent and associated costs.

Human resource employment as it pertains to investigative and administrative staff will only occur when a clearly established need surfaces. The workload is being monitored carefully, and as needs increase, I must be in a position to respond quickly. Because of statements and publications that are before the public today, there are expectations and requests already before my office on matters of expanded and proposed legislation.

I would be quite willing to go through the line objects and explain the differences to them, if you so wish.

I don't want to sound like a broken record, but we were here one year ago saying that we needed expanded funding for anticipated new and expanded responsibilities. Although that hasn't happened, the indicators are still strong. As I look into Achieving Accountability in Alberta's Health System, as has been set out, I read that "the role of the Provincial Ombudsman will be expanded to permit the review of concerns raised by individual Albertans." I do know that expanded responsibilities are coming.

We also have had discussions with the three accountant societies and are looking at other professional bodies.

That in a nutshell, committee members, is where I'm coming from with our budget. Again, I think it's imperative that I achieve some level of confidence and trust with this committee in dealing with those public moneys and expend them wisely and be accountable for

them.

THE CHAIRMAN: Thank you, Mr. Sutton.

Now, Gary, you have a question or a comment?

MR. DICKSON: Well, I have a comment and a couple of questions. Firstly, Mr. Sutton, welcome, and I look forward, as I think all the committee members do, to a relationship with you.

The last time we talked about the budget for the Ombudsman's office, there had been an expectation of an expanded mandate, and we've seen the end of the fall session and no legislative change. It appears now that the earliest possible date for legislative change would be sometime in the spring session, and there's a question in terms of when that legislation will become effective. What are you currently projecting as the date on which your office will be responsible for receiving complaints relative to RHA activities and health professions activities?

MR. SUTTON: The irony of the situation is that because of the publicity and the concern the population of this province has about health concerns, we're already receiving some complaints. We don't have the legislated authority to deal with them, but the public is already at our door, and I fully expect in the spring sitting this legislation is going to go through. All indicators that have been given to me indicate that, and I expect that very quickly thereafter, things will start to happen.

MR. DICKSON: Once it passes, it still has to be proclaimed, and typically what we see is delays, sometimes in months, sometimes in years, between a bill finishing all the stages of the Assembly and then being proclaimed. Do I take it from your last response that you expect proclamation within a matter of days after it leaves the Legislature?

10:50

MR. SUTTON: I'm not sure, Mr. Dickson, exactly when it's going to be proclaimed. I'm just saying that I have to be in a position to be able to respond very quickly to it. I can't be in a position where I have to come back to this committee and we have to sit and discuss it again once that bill goes through, because the people are lining up at the door already.

MS OLSEN: Mr. Sutton, welcome. I'm the newest member here, so bear with me. We understand that you're looking forward to taking on the regional health authorities, and I am assuming from your letter attached to your package that you, then, are going to take on the regional authorities under Family and Social Services. Is that the intent as well? Are we looking for a broader legislative mandate then?

MR. SUTTON: There are some amendments I've requested before this committee now that are going to see our jurisdiction not expand but continue into areas that we have since changed, I guess. The easiest way to explain that is that some of the regional authorities we do not have legislation to go into, and in the past we had gone into those areas when they were controlled by the government. That's going to increase responsibilities. We're seeing far more complex issues coming before us right now.

THE CHAIRMAN: Mary, you had a question or a comment?

MRS. O'NEILL: Yes. Thank you. A couple of questions. First of all, when we last met, the issue was around the computers, and I see in your reporting here that you have selected vendor 1. Is it all up and running, and is it working for you? I guess that's my first

question.

MR. SUTTON: It's up and running as we speak. It's working, and it's going to work well. There's still some training to do and the odd small bug to get out of it. The short answer to your questions is, yes, it is.

MRS. O'NEILL: I'm glad that worked.

MR. SUTTON: It worked out well actually.

THE CHAIRMAN: For the computer, are you happy with the cost that you had to expend? Were you able to get what you needed?

MR. SUTTON: We had initially considered \$151,000, and I believe our final bill was \$131,000. I would have liked it to have been lower than that, but unfortunately that's where we ended up.

MRS. O'NEILL: I have one more question, Mr. Chairman, if I may, and that is with regard to the projected increase of workload, if you will, with the RHAs and the children's services. My understanding would be that it's personnel whom you need to deal with that. Am I correct in that assumption?

MR. SUTTON: That is correct. And the related operating costs that go with them.

MRS. O'NEILL: Right. Therefore, what I would look at would be what you have on your two pages of the operating and the manpower section. Could you either identify it for me, if it is here, or tell me where you would like it to be if the request is such that we're able to accommodate your need to have more personnel or person power in that?

MR. SUTTON: If I understand your question correctly, it would be four new staff now. Three of those we had agreed to last year in the expanded budget, and I'm asking for one additional to that. So we had agreed to an expanded budget last year of, I think, \$1.4 million, and there were some caveats to that expanded budget. I'm asking this year to have that same budget with the caveats removed and, in addition, consideration for I believe \$127,000 for another full-time equivalent with associated operational costs.

MRS. O'NEILL: So the \$125,000 that you're speaking of is in addition to the noncaveat budget that you're asking for?

MR. SUTTON: That's correct.

MRS. O'NEILL: I guess what I need is: is that identified in print here? Can you help me out here?

MR. SUTTON: They're included already.

MRS. O'NEILL: They are? On the 1998-99 budget page?

MR. SUTTON: Yes.

MRS. O'NEILL: And that's included in that?

MR. SUTTON: Yes.

MRS. O'NEILL: Okay. Thank you.

THE CHAIRMAN: Sue.

MS OLSEN: Thank you. I want to ask you a couple of questions on the computers as well, having not heard the previous discussions. If you're purchasing the B.C. tracking system, who has the proprietary rights? Does B.C.? Are you buying a canned program from B.C.? Maybe you could explain that to me.

MR. SUTTON: We purchased the program with the proviso that they would not. We also purchased the rights. The bottom line is that we customized it for our use and we can use it to our use. We don't have to be subjected to B.C.'s system. I think there's terminology you use, and I'm not quite sure of that terminology.

MS OLSEN: You're not tied into their contracts with any of their software developers?

MR. SUTTON: No.

MS OLSEN: It's simply a stand-alone system that we've adopted, paid them for their initial development, and this now belongs to us.

MR. SUTTON: That is correct.

MS OLSEN: Who was the developer of the original software?

MR. SUTTON: B.C. have their own informatics people that developed it within their own office. They have a much larger office than I do. We capitalized on them doing the work and the research, and we brought it in and customized it to meet Alberta's needs. That's where it's at.

MS OLSEN: Thank you.

MR. FRIEDEL: When I went through the pages here, in two different sections of the presentation it showed the '98-99 budget and then the '99-2000 request. Normally when at this stage a person is looking at a budget, you see numbers that are projected to year-end. In other words, how does the 1998-99 budget actually track to this point? You know, where do you anticipate it's going to end up at the end of March? It would reflect some of the concerns about expanding services. They wouldn't bridge from the estimates of a year ago; they'd probably bridge more from where you stand today. I don't know if it would be possible to get that information fairly quickly, but as Paul mentioned, if we're not going to actually make the decision on the approval of budgets today, it would sure be nice if we could have that to show how this is going to track.

MR. SUTTON: In your package, Mr. Friedel, there is a forecast. It shows you where we are expecting to end up. It's tab 2 of our little presentation. There should be a '98-99 forecast and the year-end position that we're expecting.

THE CHAIRMAN: So your final 1998-99 estimate is the last column of that page, on the right?

MR. SUTTON: Yes, it's with our projection.

THE CHAIRMAN: That \$1.46 million is where you project you're going to be at the end of this year. Is that correct?

MR. SUTTON: No. I think we're on the wrong page.

THE CHAIRMAN: Or am I on the wrong page? Oh, one page over.

MR. SUTTON: We don't have the pages numbered, which created some confusion. I apologize for that. That might be a new thing.

It's about the third from the last page under section 2. It shows the forecast. Just so you know which page you're on, it shows us forecasting at the end, when it's all totaled up, a shortfall of \$13,000.

THE CHAIRMAN: So the core budget was \$1.186 million, and you're projecting to end up with \$1.19 million.

MR. SUTTON: Well, the reason we went with the core budget is that we were given authority to use \$151,000 for the purchase of computer equipment. That was not added to our core budget. We have not included that \$276,000 in our core budget, so in effect we're still operating with that core budget.

MR. FRIEDEL: Okay. So that's the one that's projecting the \$13,000 deficit.

MR. SUTTON: Yes, that's correct. When you do projections, obviously there are adjustments that are made that are seasonal adjustments, things like that. You'll see that one of our largest shortfalls was in travel. It certainly is going to in the fourth quarter, for example, drop considerably from the third quarter and second quarter.

THE CHAIRMAN: Yes, you probably won't have much travel now.

MR. SUTTON: You know, we balance it out by quarter, so I'm not that overly alarmed at this time with it.

THE CHAIRMAN: So you're going to be pretty close to budget.

MR. SUTTON: I'm going to be pretty close. I think last year we turned back money, and the year before I think we turned back money. Last year you operated without an Ombudsman, for example, and the related costs. I am realizing that I am a rather expensive commodity in this office.

MRS. O'NEILL: That's all right; you're worth it.

MR. SUTTON: Thank you.

MR. FRIEDEL: I'll have to in my mind, then, put the two together.

MR. SUTTON: Did that answer your question?

11:00

MR. FRIEDEL: It answers the question that the information is there. I'll have to compare it to the previous numbers, because the budget number that you start out with actually aggregates several items. I was comparing it to the page before it. You're right; they're not numbered. That will give me a chance to go through it.

The other concern I have is that -- I'm not sure if it was last year or the year before -- we asked that all the legislative officers prepare three-year budgets. I noticed in the tab before -- I pulled it out, so I don't know which page it came from, but 1999-2000 budget is what it's titled. It shows the '98-99 and '99-2000 budget estimates and then has two columns, which would be 2000-2001 and subsequent. But all it has are zeros underneath it with a total on the bottom that shows no projected increase whatsoever for the three years. I'm just wondering if you're estimating that there would be no changes whatsoever in three years. Or is there something missing that just hasn't shown up here?

MR. SUTTON: I guess the difficulty, Mr. Friedel, is that based on what we know now, no, there wouldn't be projected increases. But if there were additional responsibilities, additional legislation that

comes down that we have no control over, then there would be. It depends on where the mandate of our office goes, and I'm trying to deal this year with where I project it going the following year. I know that might sound like somewhat of a lame answer, but I think we go with the core initiatives of what we know now, and we just have to wait and see what comes down. When we prepared this budget, we said: how can we anticipate something that we have absolutely nothing to anticipate over?

MR. FRIEDEL: I'm wondering probably a little bit narrower than that. Certainly the budget would have to be approved based on the authority you have now and the scope of the authority of the office, but if something came along within the next three years, those kinds of approvals would have to be reflected in the operating budget. I'm thinking of even things like salaries. I'm not so sure that staff, for example, would assume that they're going to stay with no salary increases for three years or anything like that. Or is there enough flexibility in the budget that you could operate that within the total? It sounds a little ambitious to me.

MR. SUTTON: It is ambitious, but I do think that if you approve what I am asking this year, I will have some flexibility in there to make some movement. We have gone through a restructuring and a reorganization, which is going to see some changes as time progresses and see some savings and whatnot. It may be ambitious, but, yes, I think I can manoeuvre within that.

MR. FRIEDEL: The last question I have probably I should have mentioned with the first one. Do you have breakdown figures that would show percentages? I mean, what is the percentage increase from the core budget to here? I did have the information early enough; I suppose if I'd spent half an hour with a calculator I could have been on it. Do you have some quick breakdowns and figures in front of you that show what these percentages might be?

MR. SUTTON: I can't give you the percentages, but I can certainly go through each one and explain the difference and whatnot.

THE CHAIRMAN: Gary, you're asking for percentage line by line or percentage for the year totals?

MR. FRIEDEL: Even in the year totals.

MR. SUTTON: It's 8.6 percent between year-end totals.

MR. FRIEDEL: If it's possible between now and the next meeting, maybe we could have some line breakdowns and percentages. I'm just a little nervous because of what we're hearing in terms of the economy in the province. You're probably aware that I sit on Treasury Board. We're going through some fairly difficult contortions rationalizing what our existing three-year projections are compared to what our oil prices have just told us might happen, percentages. Then it puts some of this into a little different perspective.

MR. SUTTON: I certainly appreciate that, but I think one must consider also that my budget is so small. If we were to hold, let's say, to 3 percent of my expanded budget, it would not even pay for one employee. I think that's the difficulty I'm into.

MR. FRIEDEL: I think that's the part that would help us, knowing specifically where there is an expanded service and then applying it to the costs of those. Like you say, if there's an expansion in the scope of the office, it takes an additional employee or it takes an additional piece of office equipment or whatever. Then you say:

okay, this is not related to inflationary costs or the normal costs of increase, but if we expect you to do that certain amount of work, this is what it's going to cost. Either we approve the budget for it or you can't do it. That would, I think, help.

MR. SUTTON: Well, I think the unfortunate part, too, is that we can get sidetracked on the expanded budget. I know that this committee made recommendations in relation to new legislation, but that expanded budget actually is necessary not only to meet anticipated new legislation; it's needed to run our business. We've had a lot of cost increase this year, whether it be from the 5 percent rollback reinstatement to other salary costs, different things like that.

I think what I'm coming to this committee to say is: all right; that amount of money was figured last year for particular legislation. Yes, I can include expected expansion with that, but also I need some of that money just to keep my business running. We have been faced with a lot of additional costs.

THE CHAIRMAN: Mary?

MRS. O'NEILL: No. The question was answered.

THE CHAIRMAN: Okay. Mr. Dickson..

MR. DICKSON: Yeah. A couple of questions. I apologize if I'm asking things that should be straightforward. It's just that I'm unfamiliar with the presentation here. I find it a bit confusing in terms of marrying what happened in the current year with what you're projecting for '99-2000.

As I understand it, if I look at the 1998-1999 forecast core budget, it shows a \$13,000 shortfall. That's independent of the additional money allotted for computer acquisition; right?

MR. SUTTON: That is correct.

MR. DICKSON: Okay. So then we go back to the '99-2000 budget and the comparison, which gets us the \$1,460,500. Is that net or inclusive of the computer appropriation?

MR. SUTTON: That's inclusive of all those moneys.

MR. DICKSON: Okay. It's clear that right through until the end of March of 1999, I think, there's going to be no expansion in your responsibilities. I mean, even though there may be people who think you can do these other things, presumably it will be common ground. There's going to be no legislative change in force before the end of the '98-99 fiscal year. Is that fair?

MR. SUTTON: That's fair.

MR. DICKSON: Okay.

MR. SUTTON: I don't want to lose track of the fact that the expanded budget that was approved by this committee last year strictly for anticipated new legislation -- I think it's overriding now where I've had to run my office short of people a little bit just to meet my current core budget. I can't do that anymore. We've gone through a review that has identified some efficiencies we have to do within our office to provide the service level that we have to do.

One thing I'm adamant about is that we have to keep current with the education of our investigators. We deal with over 80 boards, agencies, whatnot. We could deal with 29 health professions. There's a phenomenal amount of information that I have to educate these people about. My commitment to the service delivery is such that we have that human touch to it, that we don't end up, for

example, like B.C., which runs their investigations from an office where there is no human contact whatsoever. I don't think people in this province expect that. They want the investigator to talk to them. That costs money, and it's with travel. Within the budget proposals you'll see several instances where extra moneys are being requested in that area, but I can absorb that if I stay with that same voted expanded budget that was approved last year. I can absorb those fees. I think that's really what I'm after, to say: give me the same as what you did last year. Okay? I'm sorry?

11:10

MR. DICKSON: No, no. That's fine. That's helpful.

I guess you've been asked questions about volume and so on, and I wonder: are you able to do it on sort of a number of open files basis? Like, you have X number of open files now in the Edmonton and Calgary operations. I'm interested in what that number is and what you project the number of open files will be once you're responsible for complaints from RHAs and health professions. I'll tell you that I have a concern, frankly, that we're significantly underestimating the increase in workload.

Where's the FTE increase? It's on page 2 of your letter. I saw it a moment ago. One additional FTE. My reaction as an MLA and as an opposition Health critic that gets plenty of calls about this -- I think arguably you could easily have double the number of calls you're currently receiving from those government departments that are part of your existing mandate.

MR. SUTTON: You're absolutely correct. I think what I wanted to do was to come before this committee and say: all right; we've got a basis on some valued judgment. So I went to B.C., even though their mandate was a little bit different, and I said: when health professions came on line, what happened? I went to Manitoba. I came back and I said: "All right. I'm coming before this committee. The reality is that this isn't going to kick in till March" -- like you say -- "and then we have to go from there." I know what the file load is for my investigators now. I know what I expect them to handle at the top end. It is a gamble, but I don't want to be unrealistic, I don't want to be inflationary, and I don't want to have to come back to this committee next year, when you'll say: "Where are you coming from? This is ludicrous." I'd rather err on the side of caution. I could get caught. You're right. The phones could fall right off the wall. That being the case, then I'll be back.

MR. DICKSON: Are you able to quantify, then, how many files you're dealing with now and how many files you're projecting to deal with with the budget you're proposing for 1999-2000?

MR. SUTTON: They're projections and projections only. We're seeing an increase right now, and I expect to continue to see an increase because I want to sell the product that I'm obviously representing. As far as to give you an exact figure saying that we're handling 7,000 a year now and I anticipate that to go up to 14,000, I'm not prepared to do that because I just don't know.

MR. DICKSON: How many files do we have now in the Ombudsman's office?

MR. SUTTON: We're taking anywhere from 7,000 to 8,000 complaints a year. Investigators right now are handling anywhere from 25 to 32 active investigations at any given time.

THE CHAIRMAN: And you have how many officers?

MR. SUTTON: We have seven investigators.

THE CHAIRMAN: And 25 to 30 active . . .

MR. SUTTON: . . . files that they're working on at any given time.

THE CHAIRMAN: So there are a couple hundred files open.

MR. SUTTON: At any given time.

MRS. O'NEILL: Twenty-five to 30 each?

MR. SUTTON: Yes.

THE CHAIRMAN: So there'd be about 200-plus files open.

MR. SUTTON: I think, more importantly, we have to look at the complexity of some of those investigations. Some of them are becoming extremely complex. So there's a variance in numbers, and I hate to get into the numbers. I think it's the service delivery that you have to concentrate on, and go from there.

MR. DICKSON: Obviously, in calculating your budget for '99-2000, you've looked at what you're doing now. You've done some projections. I understand that we're going into uncharted territory. None of us know exactly how it's going to unfold, but presumably for preparing your budget, you've said that if we're receiving 7,000 or 8,000 complaints annually now, once this kicks in, that's going to increase. To what? Ten thousand, 15,000?

MR. SUTTON: Well, to give you an idea of numbers. If I have an investigator carrying 25 files, I might be able to push that person to 35 files, to 40 files, so that gives me flexibility with possibly eight in there. Plus if I have two more investigators, that gives me another 40, so we're up to another 160 active investigations. I'm saying: all right; that's a reasonable expectation if this legislation starts rolling in. So that's how I'm figuring out my numbers, if that makes sense to you. I don't know, but I'm saying let's be real. Let's go to B.C.; let's go to Manitoba. What kind of influx did they have? What is the consistency of it? B.C. saw a horrible influx. The biggest workload came from referrals, people misunderstanding exactly what the responsibility was. We have to provide that service more so than the investigations.

MR. DICKSON: You've mentioned a couple of times the B.C. experience. I'm not very familiar with how long your B.C. counterpart has had jurisdiction to be able to deal with health care kinds of concerns and complaints.

MR. SUTTON: I think it's three or four years now. You see, when you look at it, their mandate is different too, and it's really hard to draw really accurate comparisons. You have to do an awful lot of guessing.

MR. DICKSON: Would their mandate be broader or narrower, from what you understand?

MR. SUTTON: It's narrower.

MS BARRETT: Well, I'm still confused about the computer figures. Those were already purchased?

MR. SUTTON: Yes.

MS BARRETT: Okay. So at the end of this year the projection is that you'll be short by \$13,000?

MR. SUTTON: That's just on the core budget. Okay? That didn't include that extra amount that was voted on for the computer business.

MS BARRETT: Okay. Good. All right.

MR. SUTTON: We kept that separate. I came here and you said, "All right; you've identified the problem; here's an X amount of dollars," and we've kept that separate from our operating budget.

THE CHAIRMAN: Yes, Sue.

MS OLSEN: Thank you. I have some real concerns about the likelihood of underestimating the actual needs for your office. I know you've already received complaints that investigations are taking quite a lengthy time. I guess my first question is: have you figured out an average length of time for investigations, be it complex investigations or some more simplistic matters that can be resolved fairly quickly?

MR. SUTTON: When I went into the office, I looked and we did have a performance measure as to how long an investigation took. I removed that performance measure, and I said that what we have to have is accountability and consistency within the investigation. Some will take longer than others, but we have to have a quality assurance process that shows that it's being actively worked on, that the right things are being done. Some take up to a year, some take two months, and I think just putting a time limit on them is a wrong thing to do because you might not get the quality of the product.

In saying that and in answer to your question, again, the reality is that we know what this province is faced with. Yes, I'd love to come in here and say that I'm anticipating all kinds of things and I need five or six or seven more investigators. That wouldn't fly. You know that and I know that. Yeah, I might get caught. I don't know.

MS OLSEN: Well, I guess I have to reflect on whether or not the office of the Ombudsman then needs to be taxed with additional responsibilities under the RHAs or the regional social services authorities. Somebody is going to have to deal with those complaints. When you go into that form of governance, somebody has to deal with issues arriving out of that model. If that is in fact your office, then I think in order to give the office the ability to do that, we have to look at a budgeting formula that's going to reflect that. I'm concerned that we get into these situations -- I read more and more about this -- and people tend to lowball every budget they have simply because they're afraid of the deficit budget notion. So now we get into departments, and in scrutinizing your department, I'm concerned that there's going to be a gross underestimation here, and then the staff is not going to be able to handle the workload in the next year. We know that the problem just gets bigger and bigger and bigger. So those are just some of the concerns I have.

You're anticipating hiring two more investigators? Is that what you're asking?

11:20

MR. SUTTON: If those numbers start climbing significantly, yes. But I think this is where I was speaking of a level of trust and confidence. Let's not make rash decisions and say we're going to hire people. Let's see where the need comes in. And if I don't have to, at the end of the year those moneys are then turned back to those people, but I have to be in a position where I can react quickly.

I appreciate very much your comments. I really do. Yes, I am nervous, but I think we have to be realistic too. I do know that the governance of today is to an independent third-party review process, and I happen to be the best game in town, I think, and I'm going to

be involved in an awful lot of issues. I guess in developing the formula, I don't have hard-and-fast figures that I can draw from.

MS OLSEN: I would expect that the complexity of those investigations will increase as well . . .

MR. SUTTON: Absolutely.

MS OLSEN: . . . given the different pieces of legislation that govern each authority that exists.

MR. SUTTON: Well, just given the number of players. You know, when you have your authorities with their own processes, you've got to be in tune with each authority, for example.

MS OLSEN: Okay. Another question I had is: how many contract employees do you have versus wage employees in your office? And why would you opt for a wage as opposed to a contract or vice versa? What do you see as a significant cost saving there?

MR. SUTTON: For example, if we advertise for a position and we get another employee with the government from another department as opposed to somebody that's already, let's say, retired from one vocation and has come into another one, that's going to determine whether that is contract or salary staff. It gets a little complex. I leave that to Ms Watson to figure out, and it's a matter of managing it the best way you can, the most reasonable way. But it's the employees that usually dictate that.

MS OLSEN: I'm just concerned about the notion of hiring wage staff when you get to certain numbers of hours. As the Justice critic, right now what I'm seeing is that as soon as a wage staff employee reaches a certain level, then they're thrown back into a pool and they are not receiving the hours that they did originally, before that.

The reason I think it's a caution here in your office is that you need the continuity in investigators and intake officers and people who know exactly what they're doing. I would be concerned that once these wage employees become \$28.50 an hour employees, because of the additional costs of that, they end up going back into a pool and somebody new comes along.

MR. SUTTON: No. I would certainly commit to you that, no, that's not it. We've only got 18 people in our office. The odd time you'll get a wage employee to come in, and once it's established that there is a need, then that person is given every opportunity. So that doesn't present a problem. We don't have a circle of wage employees put through our office.

MS OLSEN: Okay. Fair enough. Thank you.

THE CHAIRMAN: Mary.

MRS. O'NEILL: Yes. Mr. Chairman, with all due respect, in light of the discussion that just took place -- we're talking about the budget and the original mandate, if you will, or scope of dealings for the Ombudsman, that the decision has been made that the health authorities would come under your jurisdiction -- I would like to say that I think you have come before us with due diligence in ascertaining what will be the costs. So to engage in a speculation of what might happen -- I would rather put forth a comment to say that I think you've done it with the information that you've got, with good research. I feel I need to speak to that and say that I think you've done it with a consideration of the overall costs that are incumbent upon it as well and not speak to the speculation of what you have best figured out.

MR. SUTTON: I appreciate that.

THE CHAIRMAN: Thank you, Mary.

MR. FRIEDEL: You just mentioned in response to Sue's question something about movement towards a third-party review process. Is this essentially all within the expected confines of your scope of authority, or are you getting some requests on an ad hoc basis, you know, on a significant issue that may arise within the government or a department that just drops on your doorstep one morning and you're expected to look after an issue that you hadn't anticipated in any way?

MR. SUTTON: Not that I hadn't really anticipated. My authorities are strictly legislated, of course, and if there is a new and strange thing dropped on my lap that I am not legislated to look after, obviously I can't. But you are seeing more of a move to governance today right across Canada and Alberta and everywhere else to have that review process implemented. I'm a firm believer that it is going to continue to grow.

MR. FRIEDEL: The reason I asked that question -- I used the words "ad hoc," but it may not be absolutely appropriate. If there is the possibility of essentially something that hasn't been anticipated, maybe even slightly beyond the ordinary scope of your authority, where the expertise of the office could be used as an adjudicator or something along those lines, do you see the possibility -- and I don't know if we could do it within the existing legislation, but if the thing is appropriate, it can always be changed -- that the office of the Ombudsman could maybe contract out such services? If a particular department had a significant issue and they were looking for an adjudicator and you said, "Okay, I'll do this for you, but it's going to cost you \$30,000," the department then would be required to come up with that much budget because you wouldn't be expected to run it out of the confines of your existing budget.

MR. SUTTON: What you're talking about is supplying mediators, I suppose, to departments. That's something that could be looked at in the future, but right now I'm concerned with what my legislated mandate is, and it doesn't include contracting out mediators, for lack of better words. We do an awful lot of that sort of thing but not on a contract basis. We're hired by the taxpayers of Alberta to deal with the departments that we deal with. We're already involved but not in that kind of light.

MR. FRIEDEL: The reason I brought this up -- I mean, it certainly expands our discussion here. You were talking about unforeseen things that arise in the course of a year, especially if we're talking two- or three-year budgets. I was just wondering if that might be the kinds of pressures you're facing, totally unanticipated and, you know, stretching the original expectations. I guess the short answer is that that's not what is totally causing your problems, that they're more within the scope but there are just more requests.

MR. SUTTON: No. All of what you mentioned is a possibility, but I think that what I have to deal with is what is tangible to me right now. That's where I am.

MR. FRIEDEL: I want to go back to that expansion into the regional health authorities. Is the implementation now at the level that you had expected? At what point is this where it's affecting the actual workload in the office?

MR. SUTTON: Well, it's affecting us now. Because of the publicity that's surrounded this, we are receiving calls right now, obviously

not to the same impact it will once legislation is passed and whatnot. Yeah, there's an effect right now.

There's a multitude, again, of considerations as you go through this package. For example, on salaries and all that I'm a firm believer that there has to be a constant grid on a constant basis and they have to be aligned with other offices and with DAOs. There has to be consistency. Next year I intend to do a complete review of all the role descriptions of those people within my office and align them such that there's sense and sensibility. There are going to be adjustments in salaries and whatnot, and I have to be prepared for that.

MR. FRIEDEL: Okay. Now, with the amount of the workload that you're already getting simply because of inquiries and concerns, that would mean there's sort of an advance bulge of work coming. When the RHAs under amended legislation actually fully come under the scope of the office, there will probably be a similar bulge. Is there any way of measuring what that might be and when it might level off, or would that be more crystal ball gazing?

11:30

MR. SUTTON: In anticipation of that advance bulge, you have also before you a request for one FTE, which is an intake officer, a consistent intake officer. Once that person is in place, with the consistency and the measurability and the ability to gauge I will have a far better idea of just exactly what is going to transpire. Right now all of our intake is shared amongst the investigators. You talk about investigative workload. If I get my intake officer, then that frees up one investigator every day of the week, so I'm gaining that many more investigative hours. I'm trying to keep my investigators as investigators. Again, we've got such a small office that we've got people doing a multitude of jobs, and that's a necessity, but there are some areas we can be far more efficient on. To be able to gauge that bulge, which would be a good indicator, I hope to get an intake officer in here as quickly as I can and start measuring these things. That would give me a lot better indicator.

MR. FRIEDEL: Some measurement device, you know, a benchmark, which is obviously about the time that this is anticipated to full implementation, as a committee it would help if that were set up so that the overall budget could be assessed not only now but at the end of next year and the year subsequent, so that the impact of increasing the scope of the office could be handled separately from just other growths, so that there isn't maybe a concern or, you know, the ability to simply say: "Okay; we budgeted for this much. The impact hasn't been as great as it is, so we'll use it to expand the role of the office." I'm not suggesting that that's the way these things happen, but it would certainly be easier for the committee, I think, to say: well, okay; we've considered the expansion of the office. Here you've actually tracked the amount of work it's going to take, and then maybe in a year or two years you can prove, in addition to offering the budget, that this is the increased demand, actual provable demand, for simply this one expansion. Then it wouldn't be kind of smothered in: is this inflation, or is anything else read into it? It may mean a little bit of extra accounting, but I don't think it'd take too much.

MR. SUTTON: I think that's a reasonable request. On January 1 we start with our new case-tracking system, and I'm hopeful that at this time next year I'll be able to provide you with some of those figures through that new system that we're implementing. We can't get it from what we existently have.

MR. FRIEDEL: It's certainly too early; there's no experience either.

MR. SUTTON: We're starting to load now, but, you know, January 1, when it comes onstream full-time -- and I have high expectations. I hope it's going to deliver, but those are the things that I should be able to come to this committee with: this is what the anticipated impact was, this is what the real impact was, and this is where the resources were expended.

THE CHAIRMAN: Sue, I think you had one more comment.

MS OLSEN: Yes, just sort of on the educational component of your function. Did I hear you correctly when you said that in other jurisdictions, when they took on other tasks in relation to the regional health authorities, there was some confusion that created the increase to some of these cases?

MR. SUTTON: Well, I think what I was saying at that time is that to the general public there sometimes is a lot of confusion, which creates a lot of initial warts until it's established and whatnot, more so whenever you venture into something new. For example, elders in care. We've recently been tasked with doing investigations in that area, and although our investigation numbers with that particular piece of legislation are not abnormally high right now -- they are growing -- our inquiries are very high because people are confused as to where our role comes in and where our role goes out. With the health professions exactly that same thing, I anticipate, will happen.

MS OLSEN: Okay. Then I would ask: what strategies have you developed for the potential onslaught of inquiries under your public awareness campaign?

MR. SUTTON: I do an awful lot of public awareness situations at any opportunity I get to speak to any groups, to clarify or whatnot. Also, I have to keep my people very current on what is going on, and even with workshops; for example, these people that are directly involved in these areas coming in and explaining to them. The intake process, again, all falls into this. There's a multitude of things that dovetail into that.

MS OLSEN: I'm not quite sure I heard, then, that you had any strategies to kind of deflect any potential onslaught of complaints coming into your office that might appear to increase the calls in and any potential investigations, when in fact at some point they may level out once people become aware of what the function is. I'm just wondering: what sort of educational packages are you likely to put into gear that are going to inform the general public?

MR. SUTTON: Well, I'm not going to develop strategies that deflect complaints, to start with. I'm going to accept those complaints, and the ministries that are responsible for a lot of that legislation are going to be the people that are responsible for educating the populace as opposed to me.

THE CHAIRMAN: Yes, Gary.

MR. DICKSON: Yes. Actually I had a couple of questions just arising out of something that Mr. Sutton said a moment ago. Did I understand you to say that you've been tasked recently to do some work in the area of seniors in care? Who would have tasked you to do that? What's that about?

MR. SUTTON: Well, it falls within our mandate as a piece of legislation that has come in. We've become involved, and we have ongoing investigations with them now.

MR. DICKSON: Are you referring to the protection of persons in need of care?

MR. SUTTON: Yes.

MR. DICKSON: This is important, because there had been a suggestion when the bill was being debated that it would be the Ombudsman who should do the investigation, not the Department of Community Development. How is that playing out in the implementation of the act, that responsibility would go to you? That's clearly not the way the legislation was written.

MR. SUTTON: Well, we're involved in investigations, and it's within our mandate.

MR. DICKSON: Okay. I guess my question is: are people going to you in the first instance, or have people gone to Community Development and then . . .

MR. SUTTON: No. There's a process to go through that they have to follow first, as with any other piece of legislation. Our act determines that we cannot become involved until all levels of the field have been followed through.

MR. DICKSON: So these are the exhaustees, if you will, people who have exhausted the remedies available to them under the protection for persons in need of care?

MR. SUTTON: That's correct. They would have had to exhaust all remedies.

MR. DICKSON: Okay.

I was just going to say in response to Mrs. O'Neill's comment that some of you around the table may have seen draft legislation: I haven't yet. It hasn't been introduced in the House, and we're all making an assumption that it's going to be passed in the spring session. The government has the majority, but I just make the observation that we don't know exactly what's in there, and we have to recognize that at this stage it is simply an executive plan.

I'm interested in medical expertise. Your counterpart in the information and privacy office is going to have a new expanded role for dealing with health information. There's an expectation that there'll be hired a deputy director, if you will, with specific medical expertise. Have you factored in what additional wage costs you may be looking at in terms of bringing people into your office who have some medical background? I think it would be very difficult with the regular investigators to expect them to just acquire on the job, if you will, expertise in what's an amazingly complicated health care system.

11:40

MR. SUTTON: In answer to your question, I have factored in funding within that budget to hire expert people when required. A lot of that comes within the legal profession now. But my role will be different than that of the Privacy Commissioner inasmuch as I'm looking at process and was that process followed correctly and whatnot. So I don't anticipate, possibly, the same needs as he may have.

MR. DICKSON: Okay. The final question I was going to ask has to do with the process review that you talk about in your cover letter. I take it that the primary recommendation, then, was the consolidation of the intake function. Was that the primary recommendation from that process review?

MR. SUTTON: No. That was one of many recommendations. It was not the primary recommendation, but it was one of many. I think my predecessor two or three years ago through this committee had said that we should do a complete review of this office to ensure that it is achieving its mandate. More than that, the reason that I had that review done was to determine how we could do things more efficiently, more costwise, and still provide the service level that we want to provide.

MR. DICKSON: Were there any recommendations from the process review that your office has chosen not to accept or to implement?

MR. SUTTON: No. There were 28 recommendations, and they've all been implemented, some with different variance than others. There are none that have been cast out completely. We've looked at them all, and where it is workable, we've put them into play.

MR. DICKSON: It sounds, Mr. Chairman, like an excellent initiative, and I remember we as a committee had talked about it in the past.

I'm wondering if Mr. Sutton would be able to share with us at least some of the recommendations from that report.

MR. SUTTON: We did share a copy of that report with the chairman some time ago.

THE CHAIRMAN: Yes.

MR. DICKSON: I think the members haven't seen it, though, Mr. Sutton.

THE CHAIRMAN: I don't remember if we circulated that.

MR. SUTTON: I mean, if that's the wish of this committee, I have no problem with it, because it does give a good overview of what we were doing and where we could correct.

MR. DICKSON: We've always been very keen on these offices being as efficient as they can, and while we don't want to micromanage, I think on an initiative like this I'd like to make sure we also understand the lengths to which you and your office have gone to be more efficient. But this member hasn't seen that report, Mr. Chairman.

THE CHAIRMAN: We'll look after that, Gary.

MR. DICKSON: Thank you very much.

THE CHAIRMAN: Well, Scott and Dixie, I'd like to thank you both for coming this morning. We've had an interesting discussion. I think that concludes our discussion for this morning.

I opened the meeting in haste this morning, and I forgot to recognize a person. Because of the change of leadership in the Liberal Party and the reshuffling of responsibility, Howard Sapers is not on the committee anymore. Now we have Sue Olsen. So, Sue, on behalf of the committee I'd like to welcome you.

MS OLSEN: Thank you. I think I just pushed Howard out and said: hey, I want on this committee.

THE CHAIRMAN: Mary, thanks for advising us that we should add 30 minutes to this interview process. We used it all plus another five minutes.

So we're going to work the process through, and we're going to advise you as soon as we can, Scott, on the outcome.

MR. SUTTON: Thank you, Mr. Chairman.

THE CHAIRMAN: You're welcome.

MR. SUTTON: Thank you, members of the committee. It's unfortunate we don't have more time. I know that you have many more questions and whatnot, but we are restricted for time.

THE CHAIRMAN: We'll call a two-minute break.

[The committee adjourned from 11:44 a.m. to 11:53 a.m.]

THE CHAIRMAN: I'd like to welcome the Auditor General, Mr. Peter Valentine, and his staff to make a budget presentation to the committee today. We apologize for being a little late. We all understand that you have a commitment here later on today. So we'll start the discussion, and I'll ask you, Peter, to make your presentation. After that, we'll open it up for questions from the committee members or other comments that they may have.

MR. VALENTINE: Thank you, Mr. Chairman. I'm pleased to have with me on my left Merwan Saher, who I think you've met before. He's the Assistant Auditor General in the office responsible for professional standards. On my far right is Elizabeth Chen-Hu, who is the manager of accounting in our office and has joined us since we last met, I guess, on this subject. On my immediate right is Kelly Aldridge, who you've all met before and who is chief operating officer at the office.

Our budget discussion last year resulted in the deferral of certain expenditures to the 1999-2000 budget year, and at that time we concluded that while the budget would be tight, we could effect some deferrals. The actual experience to date in the current budget year indicates a projected surplus of about \$204,000 for the 1998-99 fiscal year, and that is after comparing it to the deferral, which is essentially comprised of two factors, if you remember.

First was the postponement to the 1999-2000 budget year of increasing our permanent staff complement by three people, which accounted for \$186,000. Second was the deferral to 1999-2000 of a portion of the implementation of the new management pay plan, a sum of \$276,000, including benefits. When those two numbers are taken together with the related recruitment and relocation costs, the deferral amounts to \$492,000, and the current budget reflects the inclusion of that deferral.

I think it's extremely important that you know and understand that we were successful in working with the personnel administration office to develop a suitable salary strategy for our professional staff, and in doing so, we have been able to stay within the guidelines established for the public service. I think that's a very important thing to recognize. The implementation of the deferred portion of the salary adjustments is also entirely within the PAO guidelines.

Staffing continues to be a problem. Our temporary staff services costs are too high for a variety of reasons, not the least of which is the professional exposure risk that we run in not having our own staff conduct the work. The second is that there are much higher costs to manage and supervise than there would be if they were full-time permanent staff. Nonetheless, we have to use that market because we're still having a certain difficulty in attracting full-time people.

Our 1999-2000 requested voted operating expense is \$519,000 greater than that of the prior year. The budget deferrals of \$492,000 account for 95 percent of that increase, and the remaining 5 percent is spread out over a variety of budget categories.

Those are my opening remarks, Mr. Chairman. My colleagues and I will be happy to give you whatever explanations we can in connection with the material that was provided to you. Now, I

understand you only received it on relatively short notice, but that was something that happened outside my control. Let me tell you that the package you have contains in the first six pages a letter that highlights the seven or eight major subject areas of the budget, and I'll come back to that in a moment.

That's followed by the traditional budget format, where on the immediate left of the verbiage is our forecast for the year, and on the immediate right of the verbiage is our estimated budget for next year. The second page of numbers is to show you what happened to 1999-2000 between the numbers we showed you last year -- that's in the left-hand column -- and, on the right, our current year's estimate of the budget. You will see that those numbers reflect the differences that I was just speaking of.

Going back to the letter, if you'd like, I could go over the highlights of the letter.

THE CHAIRMAN: Yes. I think you should.

MR. VALENTINE: It's worth while.

The first subject is the 1999-2000 budget. It's significant that the budget in and of itself is Y2K compliant. Most of the additions have been done by hand, checked by other people who have done them by hand, and we haven't relied on any technical equipment in order to present this today to ensure you that it is Y2K compliant.

But to go on to be serious for a moment, in our prior year, '97-98, the expenses were in excess of the voted funds. That resulted from the restoration of the rollback of salaries to public servants, which you're all aware of. At the end of the day, that had to be accrued in those accounts, albeit the decision to restore the rollback wasn't made until the following fiscal year. So that accounts for the \$73,000 in excess of quoted funds.

I spoke earlier about the fact that we think we're close to target, that we have the surplus of \$204,000. That is the way we are estimating through to the end of March 1999. The \$73,000 would have to come off that because, as you know, it's a carryover and has to come out of those funds.

I made a comment about our manpower costs, that they continue to be a challenge. They continue to be a challenge because it's very difficult to get the kind of people we'd like to have. We're spending money on temporary manpower that I would rather spend on permanent manpower, if we could have them in the store. To pay for temporary manpower is much more expensive than it is for full-time people. You'll appreciate that. I indicated to you there's a professional risk and a management cost that is attributable to it. If we were paying it out in regular salaries, it would be much less per hour than it is on the temporary basis.

There in the letter we've given you an outline of the kinds of activities we've entered into in trying to replenish our stock, if you like. I remain in contact with the managing partners of the major firms here in Edmonton on a regular basis, and I know that they're experiencing the same sort of thing that we're experiencing. So while I'm not comfortable about it, I'm happy to know that I've got company.

We decommissioned some audit retrieval software this year, and rather than continue to amortize it over another year, to the end of the fifth year of its life, we've written that right off because it's not of any use to us. That accounts for \$62,000 worth of amortization costs in the current year. The amortization budget for next year will be reduced by that amount. So we've just taken it up in the earlier year because the program is not being used.

Our professional services fees paid to agents is about \$328,000 below budget. Some of this is attributable to the fact that we didn't do some information systems audit work as quickly as we'd planned. Some of it relates to two health authorities where we thought we were going to have some systems work done in the current year.

That work will be done next year. The remaining \$150,000 relates to negotiated reductions in fees that were charged to us by agents, and for the most part those fee reductions have been passed on to the client.

Our audit fee revenue is below budget by some \$195,000. Again, this is the negotiated reduction in agents' fees. This is where we passed it on to the clients, so they have been rewarded by those reductions.

12:03

As I told you last year, we have abandoned the big computer. We've decommissioned the refrigerator room and the fire department that went along with it. We're now in a position to take up that space and use it as we envisioned when we gave up the half floor, 25 percent of our space, a couple of years ago. So there are some leasehold improvements to be done there. PWSS is responsible for it. They gave us an initial budget of \$50,000. That has turned into a budget of \$125,000. That, I hope, tells you something about the budgeting of PWSS. In any event, they tell us that they can still do it within their regular budget.

We prepared this budget addressing some new activities that we're involved in: the six new community boards just to provide services to persons with developmental disabilities, the child and family services regional authorities, which will start in 1999. As you may be aware, the Calgary one is up and running. That will need some attention in the March 31, 1999, year. The others will carry over to '99-2000. The four AVCs are now up and running as their own institutions. We have concluded the opening balance sheet audit work there in all four locations, and we're moving on to do the end of their first year of operations.

In the health sector we recently agreed to act as the auditor of Lakeland regional health authority, following some issues down there. There'll be a new agent appointed shortly. That will then mean that we are the auditor of 10 out of 17 regional health authorities. In every case the essential audit work of course is done by an agent, an agent of the choice of the regional health authority.

We've had some special work requests. The MD of Bonnyville issue was dealt with, as your chairman will know, and we have a continuing involvement with West Edmonton Mall and the ATB, which you're also familiar with.

Performance measures. Most of the performance measurement work that is contained in the 17 ministry annual reports has a form of assurance attached to it that's been rendered as a consequence of us doing the audit work on the performance measurement in addition to that which is done in the consolidated accounts. I'd say that clients are getting quite familiar with that, and we're able to do a lot more for the same invested hours.

You will be interested to know that our audit hours are up from 118,000 to 130,000 projected for the current year. It represents an increase of 10 percent in audit hours, and I'm happy to tell you that we've achieved that work by an increase of 4 percent of staff.

The table on page 5: from that you can deduce that our budget request is \$12,845,000. That's \$50,000 lower than we indicated to the committee last year at this time for this year. So it's staying in line with what we thought it would be in general, although some of the expense categories changed.

We're aware of the fact that the government intends to continue the achievement bonus program as part of the management reward strategy. The details of that program have not been announced, as you likely know, but we understand it will be funded as it was last year, with a supplemental estimate, so that item is not contained in this budget.

Mr. Chairman, I hope I've given you a thumbnail of this thing, and as I say, we can move on to the members' questions.

THE CHAIRMAN: Thank you for your opening comments and also for reviewing this letter and making comments on that.

I have a question that we discussed last year, to start with. When you do work, like you mentioned, for AVC, the regional health authorities, and Bonnyville and these people, how much of that actual cost does the office recover?

MR. VALENTINE: In the case of the municipal district of Bonnyville work, we recovered it all because it was work that was not covered by the regular mandate and it is not an organization that is dependent on the general revenue fund.

The other one was?

THE CHAIRMAN: The RHAs. Is that under your regular mandate?

MR. VALENTINE: For the RHAs, all paid the audit fee.

THE CHAIRMAN: And AVCs?

MR. VALENTINE: AVCs don't, because they're dependent upon the student grant from the general revenue fund. They're the same as colleges and institutes.

THE CHAIRMAN: If I remember right, these dollars you recover go back into general revenue. They don't go back to your account.

MR. VALENTINE: That's correct. It would be very nice if they could come to the account of 9925-109 Street, but they don't come there. The mailman doesn't stop at our place.

THE CHAIRMAN: What I'd like to know is: how much does the general revenue fund recover on behalf of the work that you do for some of that, for institutions where we can charge back some audit fees?

MR. VALENTINE: In the current year it'll be about \$1,750,000.

THE CHAIRMAN: Is that an increase over the previous year? Is there more work?

MR. VALENTINE: No, it's gone down for a couple of reasons. The primary one is that the same amount of work is being done for less fee, and we've passed that benefit back to the clients. The second reason would be that in the current year we didn't have a growth of those things, but it will come in the coming year.

THE CHAIRMAN: Thank you.
Yes, Mary.

MRS. O'NEILL: A couple of questions. The first one is on page 7. Down under the grouping supplies and services, on the right-hand side, for 2000-2001 the cost is \$250,000, and your projection into 2001-2002 is \$360,000. That's a huge increase. Can you tell me why?

MR. VALENTINE: It's the rent and it's our lease. Our lease has an escalation. In the arrangements we made when the lease was signed in the fall of 1994, we started off with about \$1.35 negative net, net, net rent -- triple net rent, negative -- but we did agree to participate in the increased operating costs as time went on. This lease will expire in -- Kelly, you might remember.

MR. ALDRIDGE: I think it's in the fall of 2000.

Peter, if I could just mention, the difference of \$6,000 between the current year and next year is the escalation you're talking about.

The jump to \$250,000 is because a small portion of that year will be after the expiry of our lease, so we don't know what that's going to be.

MRS. O'NEILL: So it's really an unknown because you haven't got that formula or at least those figures.

MR. ALDRIDGE: That's right, and the following year is a full year of new lease. We don't know what that's going to look like. Also, Calgary is included. Calgary's will expire, I believe, in part of that third year as well.

MRS. O'NEILL: As in 2000-2001?

MR. ALDRIDGE: In 2001-2002.

MRS. O'NEILL: So this is just a guesstimate of what it perhaps could be.

MR. VALENTINE: I would think we would look at starting discussions about that lease next spring. The reason I say that is that there's a major tenant in the building moving out in the next short while, and it may be the opportune time to talk to the landlord about our lease.

MRS. O'NEILL: I have one more question, Mr. Chairman, if I may. We can reference page 8. You mentioned your concern about having a larger number of temporary staff services, and your preference, of course, would be salaries and wages -- well, salaried, if you will.

MR. VALENTINE: Permanent staff.

MRS. O'NEILL: Permanent staff; pardon me. I've looked at the previous and then the current for the temporary staff services, and that is quite an increase.

MR. VALENTINE: Could I just take you back to page 7? Come to the second line down under manpower and compare the column immediately to the left of the verbiage to the column immediately to the right of the verbiage. You'll see that we're forecasting \$878,000 in the current year, and we hope to get that down to \$765,000 in the budget year we're discussing and then down to \$500,000 by the year 2000-2001.

The page that you're looking at is to tell you what we thought that 1999-2000 estimate would be when we were looking at it last year and now what we think it will be looking at it this year. So that is the maturity of the 1999-2000 budget by one year.

12:13

MRS. O'NEILL: Attributable to the fact that you had to engage more temporary staff services than anticipated?

MR. VALENTINE: Well, yes. Clearly our original estimate when we did the 1998-99 budget was \$345,000. We now think that's going to be \$878,000.

MR. ALDRIDGE: We had projected that \$345,000 to be continuous, I think, for all three years, and we were just wrong on that. We needed more temporary people.

MRS. O'NEILL: They were needed.

If I could just have my third question related to that. I know you have projected on the previous page that there would be a reduction in subsequent years. However, you also said that probably if those

were permanent staff, it would be less cost. Is that including benefits and all the other costs for a permanent staff arrangement?

MR. VALENTINE: Yes.

MRS. O'NEILL: Even considering the whole package, it would be . . .

MR. VALENTINE: Yeah. Because if they come to us through an agency, someone has a markup on it and somebody is paying the benefits somewhere in the chain. Whatever price we pay per hour to have that temporary person on board has that profit and benefit element in it. If you're in your own shop on an annual salary basis, you're not paying that profit off to somebody else and you get a staff member who is dedicated to your office, not here for three months and off somewhere else for the next three months.

MR. ALDRIDGE: These are pretty well all professional staff that we're talking about. We have negotiated to get some reduction in rates, but basically they start out with a charge-out rate for a professional accountant, and that rate, translated into salary, is much, much higher than what we pay for salary and benefits.

MRS. O'NEILL: Do you see a solution in the marketplace for resolving this in the future?

MR. VALENTINE: Well, I think I've told you that in the past I've seen three of these curves in the Alberta economy in my professional career, and they seem to last for about a three-year period because it takes that long to get the supply chain filled up again. I would have thought that perhaps the employment market would have been a little more friendly given that the oil price is in the ditch for as long as it's been there now. I think we'll see a lot of consolidation in the industry as we move into the new year, and that will free up financial people. That's what we're looking towards, opportunity to take people back on board our staff complement and provide them with a career opportunity. But at the moment that freeing up of a large number of young people with appropriate backgrounds hasn't occurred. Either those companies have a lot of natural gas they can produce, or we haven't seen a lot of it yet.

THE CHAIRMAN: Gary Dickson, you had some comments.

MR. DICKSON: Well, a comment and then a couple of questions. The comment is that I appreciate the detail you've given us at page 2 of your letter. It seems to me that this is an issue you've alerted the committee to, the professional manpower challenge, and I think we all recognize, when the economy is as hot as it has been in Alberta, what kind of difficulty that poses. You've thought of things that would never have occurred to me to try and recruit staff.

My questions, though, go to the management report that you've done. I'm interested in agent professional services. I was very interested and followed very closely your collaborative effort with the IPC office around the registry service information. I'm interested in some reflection from your office. Was there a sense that this is something that was a model that would be replicated on other issues in the future? I'm thinking of a huge role in terms of health information that we're going to see soon, which addresses in fact one of your long-standing recommendations for better information management at the RHA level and so on. I'm wondering: is this the sort of the thing we'd likely see more of, or have you found the model not so good and you're going to leave it to the IPC to make their own arrangements in the future?

MR. VALENTINE: Mr. Clark and I are already talking about another joint project. We have commissioned a person in my office and a person in his office to scope it out and see if it's doable. We view the joint project, the registry project with the Information and Privacy Commissioner, as being a huge success. It was some of his staff, some of my staff, and some staff of an agent who had a particular expertise in the computer security area. I believe it was a very good project. It was a good report, and I think some very good recommendations came out of it. So it's a formula that should be tried in the future whenever you need those kinds of resources that you don't have in-house. You can come together and jointly report on things.

MR. DICKSON: I was going to follow up, Mr. Chairman. In the next item you talk about the WIP question. I take it only some of these projects are continuing on; for example, the one we've just been speaking of. Basically, that was a project which is, at least from your office's perspective, largely resolved; is it not?

MR. VALENTINE: Well, we'll go back in and see what happens to our recommendations, which is a regular thing that we do, follow up to see what happens to the recommendations, and test it out. If they say, "Well, we cured it with this application of medicine," then we go back to see whether or not the cure worked. So there'll be a further visit to the registries after an appropriate length of time has passed. But I wouldn't think you'd go in and do that unless you had some reason to, some risk or something. You wouldn't go back in and do another full-blown deal for a period of time.

MR. DICKSON: Would you be able to quantify for me how much of the \$330,000 aggregate number would likely be attributable to the joint project with the IPC on registry information?

MR. VALENTINE: Speaking from memory, Mr. Dickson, I think it was \$50,000.

MR. DICKSON: The reason I ask is that my recollection at the time from talking to people in Municipal Affairs and so on -- there is a sense it was a very time-intensive project. Some of the people involved suggested it took more time than had initially perhaps been anticipated. I guess I'm curious, as a result of that experience, about your thoughts as to how it would be done differently if you were going to do a similar collaborative effort in another area.

MR. VALENTINE: I'm speaking of generality now. I think that for each one of these projects that you do, you acquire a little more experience in how to do it. This was the first time we worked together with a body of professional people that didn't have an accounting background, and it's probably the first time they worked with a body of professional people that had an accounting background. So to bring those resources together and most effectively use them took a little learning curve, which I don't think we'd have the second time working with the same people on another project.

MR. SAHER: Peter, could I just add something?

In that work, although it had a particular focus, there was also a benefit to us in our financial attest audit work in the longer term to the extent that we were able to look at the controls over the information systems and form a view as to their efficacy. That's work that, if you will, is a sum cost which has benefits in future audits. So I just wanted to make that point, that there was some time spent which isn't directly observable in the recommendations and the outputs but will be carried forward and be beneficial in future financial auditing.

THE CHAIRMAN: Gary Friedel, then Sue.

MR. FRIEDEL: First a general question, Paul. When we dealt with the Ombudsman's budget, we discussed the fact that we were only receiving these for information today and that we would deal with them at another time in light of the fact that we just got most of the information. I really didn't see it until this morning because I was away from my office all day yesterday. Is that what the plan is, that we would go through all of them today and then maybe early in January have another meeting to go through, having considered them?

THE CHAIRMAN: Yes. That was my observation. It seems to me that's what the members were mentioning as we opened the meeting. I agree with that. That's what we should do.

MR. FRIEDEL: Okay. Because I feel a little bit uncomfortable with the numbers in the sense that I haven't had a chance to really go through them.

Then following that up, I can see from the presentation on the page -- I'm talking about the six-column page with the description; that's page 7 in the middle. If a person is looking at these on fairly short notice, a percentage number would help to get some idea of what's happening in terms of reflection up or down. Without having to make us increase our reading glasses by one or two magnifications, is it possible that one could sneak in some percentage numbers? To me a lot of times it's not a matter -- and particularly if we try to avoid the micromanagement, looking at percentages alongside the real numbers, you have a reflection of what's happening, as opposed to deciding: well, is \$10,000 or \$50,000 a reasonable increase or decrease? I'm not sure how you're going to accomplish it. It's very nice to have that all on one page certainly.

MR. VALENTINE: Well, I think we'd have to take out some of it, although we could do a longer page too.

THE CHAIRMAN: Gary, would you like percentages for all three years or just for 1999-2000?

MR. FRIEDEL: Particularly for '99-2000, but it also shows a little bit of a pattern, you know: is it sort of a straight-line budget, or is there a bit of an increase?

MR. VALENTINE: Well, what I tried to do in my opening remarks was tell you that the voted operating expense -- that's the shadowed number, four numbers from the bottom . . .

MR. FRIEDEL: That's a little over 5 percent.

MR. VALENTINE: It's \$12,608,000 compared to \$12,089,000. That's the increase. That increase is \$519,000 on \$12 million, which in a quick way is 5 percent. Of that number, \$492,000 is the second tranche of the pay issue, the portion that we deferred last year. So 95 percent of the increase is attributable to the implementation of the rest of the pay plan, and 5 percent is some ups and downs through the rest of the budget. I appreciate that that is sort of a simplistic way of looking at it, but it's true too.

MR. FRIEDEL: No, I wasn't doubting it at all. As I say, I prefer personally that as a committee we don't get into micromanaging lines.

MR. VALENTINE: Right. That's why I wanted to give you the \$12.1 million compared to the \$12.6 million, the \$500,000. Then 95 percent of that \$500,000 is \$492,000, and the balance of it is, as I say, in a variety of ups and downs.

Now, the overall increase, the \$500,000 increase, year over year is 4.3 percent, which includes the \$492,000. That's in there.

MR. FRIEDEL: Okay.

That's it, Paul.

MR. VALENTINE: I have looked at it, and after my staff did the first generation and so on, I said: you know, that is responsible budgeting. We said last year that we'd defer the second part of the management pay plan, and we've done that. We've successfully come through the budget year. We think we're going to have a small surplus. We put the \$492,000 in the new budget, and after that's all done, the budget is flat except for essentially that salary piece, that management pay plan piece. So absent the management pay plan piece, we're flat over here.

MR. FRIEDEL: Having said that I was finished, I'm going to, with your permission, ask one more question. It relates to your opening comment/question, Paul. I asked Scott the same thing. Within the structure that we have of legislative officers, there are sometimes special calls for the service of that office that goes somewhat beyond what was expected in your budget, generally -- well, not generally; I'm assuming always -- within the scope of expertise of that office but expanding the scope of your normal duties because of that expertise. This sort of relates to this idea of what you can charge out and what the office might get back in terms of real credit rather than to the GRF.

Probably a really good example is the review that you're doing of ATB right now. That probably places a little more than the normal burden on the staff that's there. Is it possible or would it be advisable to look at some kind of a change where if either a department or the government in general asked for a specific service so that you wouldn't have to try and calculate that in your budget and say: well, we have to have a cushion for something that may or may not occur? There would be a natural ability to charge back a unique, identifiable project, saying: this was beyond anything that we were expected to plan for. You would be able to perhaps provide a quotation almost like the private sector and say: yes, we'll do that, but it's going to cost you \$100,000 or \$50,000. Is that something that in your opinion would be either advisable or workable or any other way that you might want to approach it?

MR. VALENTINE: I would like to leave discussion of the engagement that I'm presently involved in until I've completed that engagement, if you don't mind. I'm going to take you to another example and tell you that in fact we're doing that.

In the case of the municipal district of Bonnyville issue, in the end the ministry paid for a third, the county of Lakeland paid for a third, and the municipal district of Bonnyville paid for a third, and we recovered all our costs. So that was a clear instance where the ministry was prepared to spend their money to get the special work done.

Now, as to the second part of your question: could we operate better if we knew we could recover funds for this? That assumes that you can go out and immediately buy the resources. Sometimes you can; sometimes you can't. In certain instances you've got to reassign your existing staff to work on the special project, and the result of that is that what they should otherwise be doing perhaps gets deferred or changed or altered or something like that. So it's a

management problem that would take into account the particular circumstances of the job you are doing.

We always examine an issue and define the resources that we think would be best to handle that issue, and it may involve bringing expertise in from outside on an agent basis, a contract basis. By the same token, it's also appropriate to involve some of our staff so that we have a strong understanding of the assignment that is being done.

12:33

In the case of the MD of Bonnyville project, we have a young man that's quite knowledgeable in the area, and he went out and did that work and did a fine job on it. In another case involving a regional health authority, in the division of the territory, we used an agent. So it sort of depends. That's the resource side of it.

The charging-for-it side of it is a good point that you make, and I gave you the example which I think was quite effective. The chairman is familiar with the area up there and familiar with the project that was done.

MR. FRIEDEL: I realize you can charge for it, but part of the question is: does it turn out that your office ends up doing the work within your existing budget and the charge-out cost is a bonus to Treasury?

MR. VALENTINE: You're on my team.

Well, the funds flow back to the general revenue fund. There's no question about that.

MR. ALDRIDGE: We have to absorb it in our budget or else come back for a supplementary estimate if we don't have enough.

THE CHAIRMAN: You actually don't see a dollar of anything that's charged back. It always goes to general revenue.

MR. FRIEDEL: I actually knew the answer to that question, but I was probably looking at it more in terms of your office. As Auditor General you try and stay out of the politics of things in accounting, keeping it as pure as possible, from the sense of what you tell us all the time. It strikes me that by having this restriction, it makes it necessary for you to somehow or other pad your budget a little bit to cover for contingencies -- and I don't know if "padding" and that sort of thing are accounting words that you use out loud -- and in essence that's what you have to do because you likely aren't aware that these projects are coming ahead of time.

If there was some way of identifying unique ones, not just as a catchall for anything when you decide you come up short in your budget but some very unique ones, would this be, in your opinion, an appropriate way of handling your office, where, having it brought to your attention, you would make a proposal that this is what it's going to cost and where, even if it does have to go through Treasury, you would get credit for an increase in your budget by the same amount in the same fiscal year?

MR. VALENTINE: When we plan our workload for the year, we go through a very detailed process of prioritizing things we should do, and we do it on a ministry-by-ministry basis. It's a very effective way to ensure that the allocation of the resources is going in the proper place. I might tell you that it's sort of a forbidding exercise for whoever is in charge of the particular ministry to appear before the rest of the management group in the office and defend their case that they want to do certain work in a certain ministry. Having completed that project, then we know what our menu is, if you like, for the year within the resources that have been allocated to us and with the resources that we have in the office. So if a large special project comes along and we have to reallocate those resources, we will likely find ourselves in a position where there is some other work that won't get done or suffer.

Now, I think one of the professional responsibilities I have to you is to come back and tell you if that is having an impact on the scope of the work that I think is necessary to complete the annual report each year, and that's a charge I have in the legislation. So far you

haven't heard from me on that subject, and I'm hopeful that I won't have to come and say that, but I wouldn't be ashamed to do it either. Then I'm sure that you would want to know that somewhere someone is going to contribute to the cost of that activity. I think it would have to be fairly large. Would it be fair to say, Merwan, that the work on the NovAtel project was materially large?

MR. SAHER: I think so.

MR. VALENTINE: Yeah. That's one of the size that I think you and I are talking about. You would probably hear from me.

MR. FRIEDEL: Okay. Thanks.

THE CHAIRMAN: Yes, Sue Olsen.

MS OLSEN: Thank you, Mr. Chairman. I have a couple of questions following up on Gary's. You may or may not be going to answer these questions, so I'm going to fire away anyway.

First of all, on page 4 of your letter you talk about "special requests for additional work." What type of work would you have done for the municipal district of Bonnyville or other municipalities within your mandate? What function would your office serve?

MR. VALENTINE: We were asked to perform an audit and provide the basis for the start of the two new municipal authorities, which was dividing a piece of the municipal district of Bonnyville and passing a portion over to Lakeland county complete with the capital assets, the whole basket, including vehicles, sheds, gravel pits. The same thing, a similar project, was done for the WestView regional health authority. At least I think it's WestView.

THE CHAIRMAN: Crossroads.

MR. VALENTINE: The Crossroads regional health authority. Your chair chaired the committee that looked after the division of a portion of that region back into the Capital health region. We, again, did an audit to allow for the accounting of the assets transferred to the Capital health authority, with the remainder being kept at Crossroads. So there was a scorekeeping place for them to move from. In both of those instances we were requested by the applicable minister to go in and do that work.

MS OLSEN: Okay. That clarifies that for me.

Now, you talk within that same paragraph -- and I'm assuming that that's your Auditor General's report; is that correct? -- about your "investigation of matters at [ATB] relating to West Edmonton Mall." I just want to refer you to that and then go over to page 2 of your Management Discussion and Analysis, under agent professional services, where you talk about contracting out "reviews of loan loss provisions and various business practices at Alberta Treasury Branches." My question to you is: is this part of your bigger report, or are these two separate investigations that are being conducted by your department?

MR. VALENTINE: The one on page 4 is the current investigation.

The material on page 2 in the Management Discussion and Analysis: that discussion and analysis is attributed to the 1997-1998 fiscal year of the government and the work that we did in connection with that.

MS OLSEN: Okay. Now, that work would have been done, then, for Treasury. Is that correct?

MR. VALENTINE: The review of the loan loss provision is a matter that's done for me in order that I can opine on the financial statements.

MS OLSEN: All right. Fair enough.

I guess my next question relates somewhat to what Gary was talking about in terms of cost recovery. In terms of the Auditor General's report then, I'm just going to make an assumption -- and you can correct me -- that that report is being done on behalf of Treasury.

12:43

MR. VALENTINE: No. It's being done on behalf of the Legislative Assembly, to whom I report.

MS OLSEN: Okay. Is that cost, then, absorbed by your office as part of your special project?

MR. VALENTINE: It's part of the \$12 million there.

MS OLSEN: Okay. Fair enough.

My next questions, then, are in relation to the opinion projects. That would be on schedule 1.

MR. VALENTINE: Right.

MS OLSEN: The opinion projects done for each department are at their request.

MR. VALENTINE: No. That's the annual financial statements and the opinion rendered on them. That's a statutory requirement. They don't request that.

MS OLSEN: All right. Then the annual report recommendations come out of your substantive annual report, your AG's report?

MR. VALENTINE: Correct.

MS OLSEN: All right. We've talked about this in Public Accounts in relation to the compliance with some of those recommendations by departments. I'm wondering if you've seen a significant increase in compliance rates by departments. We've often talked about Treasury and the recommendations coming out of there. It seems some of those recommendations carry on year after year after year, and I'm wondering if that's evident in other departments.

MR. VALENTINE: Well, I prepared a score card. In fact, it's over the page. Primary recommendations are numbered recommendations, schedule 2, and secondary recommendations are unnumbered recommendations. You'll see that in the '96-97 report there were 28 and 41 respectively, for 69 recommendations. There were 70 in the year prior to that. We're into some old history here. We have a more recent report out now. I guess you could add those.

The next table takes you to: what are the new recommendations, and what are the repeat ones? You'll see that in the '96-97 year the new recommendations were 93 percent of them, that the repeat were 7 percent. That's getting in the right direction.

Then you see in the table below that that as of December 10, 1997, which is the date of the response from the government, we had a score card as to: accepted, accepted in principle, under review. That table could be done for the more recent report.

MS OLSEN: Actually that would be kind of helpful, just to have that addendum to that.

MR. VALENTINE: That's usually the discussion that occurs in Public Accounts though, because you're questioning me on my accounting.

MS OLSEN: Right. I guess what I'm reflecting on is: yeah, that new report is out, and we're dealing with the budget again for next year. If it's here, it would be nice just to see the comparison.

MR. VALENTINE: This is a straight lift out of my annual report.

MS OLSEN: I have a couple of questions in relation to professional services and the ability to retain professional staff. We've seen that not just at your level but certainly in other departments where retaining professional staff or skilled staff is becoming quite a challenge for personnel officers of the government. You brought your salaries to what you feel are acceptable. I'm wondering: how do they compare with the NGOs'? What are you looking at in terms of the lifetime now of new employees? At some point, you know, people wanted to stay in a job for 25 years, but that's not the way it is anymore. Are you looking at getting two years or three years out of professional staff? Do you feel, then, that that's a good track record, or are you trying to look further down the road? I'm sure that this just compounds the cost to you for training and professional costs.

MR. VALENTINE: First of all, we are a training office for both the Institute of Chartered Accountants of Alberta and the CMA society, and we're authorized to train students so that they can get their professional qualification. With new students this year, we have had a particularly good recruiting year, I think one of the best we've had in many, many years, a fact that's attributable to very good performance by the existing staff in the recruiting process. They're very successful at the University of Alberta and very successful at the University of Calgary. That's replenishing things at the bottom end, because those people will take three to four years of further training, write their qualifying examinations, and hopefully become qualified.

The next stage of retention, then, is to take that individual, the recent graduate, and increase his or her responsibilities through so that you can promote them to the rank of manager and then eventually to the rank of principal. We always expect a certain turnover, but we had been experiencing -- if you had been here last year, we would have shown you charts where our turnover was unacceptably high. In fact, last year the professional staff turnover rate was 32 percent. We've reduced that now to 22 percent, but it's still too high. I believe the balance of the implementation of the management pay plan has a strong potential for bringing that down.

What is our competition? Our competition is the professions. Our competition to hire young people and replenish the gray hair that exists in the office, some of which will retire over the next little while, is the profession in the private sector. To some degree our competition is also the greater public service, the public service and the greater public service, because there is a strong demand for financial people in public service.

You're aware that the financial control and responsibilities that used to vest in the Treasury Department have now been rolled out to all of the various ministries. Each ministry now has a senior business officer whose function it is to be the chief financial officer of the organization. In the time that I've been in this job, our office was a good source of talent for those people for a variety of reasons, not the least of which is that the young person they made a job offer to likely did the audit last year and they know him or her.

So that's where our competition is, and that's what I was referring to when I was referring to the downturn in the oil patch and the

potential for the release of some experienced people in that sector and our opportunity to hire some of them. We will always have turnover. An accounting/audit office is an educational activity, and it doesn't stop once you qualify. So people will be going on to seek other opportunities, and people will be coming back to us. We've had some excellent rehires this year in alumni. We have a program where we keep in touch with the alumni, because it is a good source of extremely talented people, and we hired one that particularly has skills in the health sector and who will be invaluable to us.

MR. ALDRIDGE: Peter, can I add to that, about the training and development?

MR. VALENTINE: Sure.

MR. ALDRIDGE: You mentioned, you know, that in the old days you would expect 25 years as an employee, but people are more mobile today. One of the other things that's changed is that they place a much higher emphasis on learning and training and development than they used to. So having a competitive salary is part of a solution to this problem, but part of it is to place greater emphasis on training and development. We hired a training and development co-ordinator last year, about this time a year ago, and we are investing heavily in training and development. You will see from our budget numbers that we have spent more in those areas. We think that's really critical to retention.

MS OLSEN: Yeah. I think that plays a key component, because especially with professions there are so many new areas that are opening up for people as well. I think it would be nice to have some longevity.

MR. VALENTINE: We do have. I'm a four-year rookie.

MS OLSEN: I was going to say: we've got you.

MR. VALENTINE: How long have you been in the office, Merwan?

12:53

MR. SAHER: Nineteen years.

MR. VALENTINE: Kelly?

MR. ALDRIDGE: Thirty-one.

MR. VALENTINE: There you go. I brought the long-lived talent with me today.

MS OLSEN: There you go.

THE CHAIRMAN: Any further questions, Mary or Gary?

I think our guests that we have at this time have other commitments, so we thank you very much for coming.

There was a request from Gary Friedel that you supply us with a percentage column on page 7.

MR. VALENTINE: Could I just get an explanation of that? Do you want the percentage of the total, or do you want the percentage of change over a year?

MR. FRIEDEL: Well, percentage of change.

MR. ALDRIDGE: And do you want budget to budget? Forecast to budget? What would you like us to compare it to?

MR. VALENTINE: Let's just look at that.

MR. SAHER: Gary really wants a long spreadsheet, column by column.

MR. FRIEDEL: It would be nice to have three columns of it on the right-hand side.

MR. SAHER: That we can do easily.

MR. FRIEDEL: Even if it was just a supplementary page. I don't know; for me, particularly at this time of year, we're looking at so many numbers, and you start to lose track of whether you're talking in millions or billions or hundreds of thousands. I just find that a percentage brings you back to the perspective of the sheet you're looking at.

MR. VALENTINE: What if we did the subtotals? I'm thinking that the first category is manpower; if you look at the estimate, the '98-99 estimate is \$7.5 million, and it's almost the same in our forecast as it was in the estimate. It looks like we're managing that pretty well, albeit there's a problem between temporary staff and full-time staff. I admit that. Then we go down to those subtotals, and we did a table which would give you the numbers and the percentage change.

MR. FRIEDEL: That might resist the temptation to get into micromanaging the questions. Okay.

THE CHAIRMAN: Sue has another question also.

MR. VALENTINE: Did you want an updated schedule on the recommendations?

MS OLSEN: Is that in the current report?

MR. VALENTINE: No.

MS OLSEN: Yeah. I would be interested in that as well then.

MR. VALENTINE: You have to wait a year to get the results of that, so it's always a year old.

MS OLSEN: Okay.

I just wanted to ask one more question actually. Do you foresee any greater involvement with your role in the ATB? The reason I'm asking that is you mention NovAtel and the cost recovery aspect of that. That essentially could be an expensive process for your office, and I'm wondering . . .

MR. VALENTINE: Well, with all due respect, I have not spoken publicly other than to say that I have the mandate that I think is appropriate, that it's contained in the legislation, and we're doing the job.

MS OLSEN: Very good.

MR. VALENTINE: I'd like to stay with that until I've finished the job.

THE CHAIRMAN: Well, thank you very much, Peter, and your staff for coming today and entertaining our discussions.

MR. VALENTINE: Thank you, Mr. Chairman.

[The committee adjourned from 12:57 p.m. to 1:09 p.m.]

THE CHAIRMAN: We welcome Mr. Brian Fjeldheim and Bill Sage. As you know, today we're here to hear your presentation on your budget for 1999-2000. If you'd like to start with some opening comments and your presentation, then we'll have some questions from the committee members.

MR. FJELDHEIM: Okay. Thank you, Mr. Chairman. First of all, there's been distributed what I call a budget preamble, which I would like to present at this time to give you an update of sort of what's going on in the office and some of the areas I think we may have to address.

First of all, I want to wish everyone the best of the season. Again I'd like to thank the members of this committee and Members of the Legislative Assembly for selecting me to be the Chief Electoral Officer for Alberta.

I believe most of you know Bill Sage, who's been with the office for a number of years. Bill recently went through a competition for the position of Deputy Chief Electoral Officer, and I am pleased to say that he was the successful candidate.

MS BARRETT: Right on.

MR. FJELDHEIM: Thank you. There was that pause there.

MS BARRETT: Well, I think it's quite public knowledge that you guys are very well respected in your positions.

THE CHAIRMAN: How long will it take you to switch your position, Bill?

MR. SAGE: I've got to clean up my old office first, so it could be a while.

MR. FJELDHEIM: Before addressing the budget, I would like to spend a few minutes talking about our office, in particular the status of the register of electors. Prior to the last enumeration major changes were made to the Election Act. One of these changes involved the establishment of a register of electors. The register is intended to be a permanent listing of elector data, from which a current list of electors could be extracted at any time. It contains the elector's name, address, telephone number, gender, and birth date, and, if the person has not resided in Alberta for six months, the date on which that person became a resident of Alberta. This was to accommodate Elections Canada, who have no length of residency requirement. The list of electors contains all these things except gender and birth. Of course, all this information is voluntary.

The act states that this register can be created or revised by, first of all, "conducting a door to door enumeration"; secondly, "using information provided by the Chief Electoral Officer for Canada" and used for conducting a federal election; and third, "using any other information obtained by or available to the Chief Electoral Officer" of Alberta.

At the time the register idea was promoted, it was suggested that it would be updated on an ongoing basis by a variety of data sources. Some of the data sources mentioned were Revenue Canada income tax return information, Citizenship and Immigration, Alberta registries, and driver's licence information. I regret to say that flaws appeared very early in their evolution of this register, and we are working to address them now.

I want it clearly understood that I'm certainly not against working with Elections Canada and, if the opportunity arises, would be most pleased to do so as long as it is to our mutual benefit. During

Alberta's last enumeration and election, Elections Canada was most accommodating in assisting our office.

Elections Canada was intended to be the main source for data. We have shared information previously in that we supplied them with elector information following the 1997 general election which they used for their election later that year. Our plan was to get updated information following their election to refresh our register.

Prior to the Edmonton-McClung by-election our office contacted Elections Canada to obtain this information. We were eventually informed that they could not send updated data back to us because during the election period that we have, our list is open to public scrutiny; we post it in the office of the returning officer. Because extracts may be taken from it following the revision period, these practices contravene their privacy legislation. I was told two weeks ago that they are reinterpreting their legislation in this regard, and there may be a possibility of being able to share this information with us in the new year.

Since last spring I've had the opportunity to review the data they have acquired to assess its suitability for Alberta. I have some major concerns which I would be remiss not to address with you today.

First, Elections Canada has an agreement with Revenue Canada to obtain information from tax returns. If you'll recall, on your tax return you were asked whether Revenue Canada could pass along information to Elections Canada. You ticked yes or no, and I'm told that there was about an 80 percent yes rate in Alberta. So most Albertans said: yeah, go ahead and do that.

This is a viable source of information but not without limitations. Statistics show that 20 percent of Albertans move every year. If you file April 15 and then you move May 1, you don't file for another year. I'm told it takes six months to get the information from Revenue Canada over to Elections Canada. Now that information is a year and a half old, and that doesn't account for the time it would take to get from Elections Canada to Alberta, assuming that Elections Canada could share that information.

Second, Elections Canada has an agreement with Alberta registries to obtain information regarding deceased Albertans. This information is obtained on a quarterly basis and would therefore be current as long as an electronic match could be made between the death records and the register of electors data. For example, in the register I'm Brian Fjeldheim. On a death certificate I would be Olaf Brian Nils Fjeldheim. It doesn't match. We'll be in a position to assess the match rate in the near future since we are presently negotiating our own agreement with Alberta registries to obtain death records and match them to the register information.

Elections Canada has no agreement to obtain driver's licence information from Alberta. This is a major problem, since to my knowledge no other means to obtain ongoing movement is presently available. No agreement has been reached due to the lack of informed consent. Without this, Alberta motorists' driver's licence information will be passed on to an agency without the licensee being informed of what the information will be used for.

There are also complications relating to obtaining this informed consent, which we would have to contribute to but have no say in the negotiations. Also, these updates only apply to people that are already in the register. New electors must be contacted by mail and asked the questions regarding elector eligibility.

Elections Canada has set up a complex system to gather and download data from across Canada using these methods I've mentioned. I'm sure there are others as well. They also have in place an administrative process to contact Canadians turning 18. For Alberta to duplicate this would be cost prohibitive, and I'm not sure the results would be satisfactory.

I've been told that Elections Canada's list is 93 percent accurate as to content and 80 percent accurate as to accuracy. Translated, that

means that of all electors, 93 percent are on the list but not necessarily in the right place. So you may be on the list in Calgary but living in Edmonton.

The second figure means that 80 percent are on the list at the right place. I have been told that the level of accuracy will be increased during the federal election period, which, incidentally, is a minimum of 36 days compared to Alberta's 28-day election period. I'd like to emphasize that the revision process is a significant task during the federal election period, one which we have neither legislation, resources, staff, nor the time to duplicate.

Electors who are not included on the list of course are able to swear in and vote on polling day. Historically there have been approximately between five and 10 swear-ins at each poll. Now, by legislation each subdivision contains no more than 450 electors, except of course in rural areas, where the convenience of the elector would preclude getting that number up to 450. If 20 percent are not on the list, that means that 90 electors are not on the list. Then people say: well, voter turnout is 60 percent. Well, that means that 54 people need to be sworn in. That means lineups. Also, a lot of people will be voting whom candidates have had no opportunity to contact because they were not on the list.

The federal legislation also requires that voter cards be sent out to each elector informing them of the electoral division and the location of the polling place. When a resident receives this and if the information is not correct, they are requested to call the returning officer and have the information corrected. There's no such procedure in the Alberta Election Act. Maps showing polling subdivisions and poll locations are published twice during the 28-day election period, according to Alberta's Election Act. Included in this information are the name and address of the returning officer where revisions may be made.

1:19

My main concern is having the most comprehensive and up-to-date list of electors available for not only the administration of the election but also for use by parties and candidates. Previously I'd mentioned the deletion of decedents from the list of electors. To remove an individual, a perfect name and address match is needed, as I've said before. This is difficult. In using a register system with electronic updates, there is no way that you can guarantee to get all the deceased off the list.

Also, I am acutely aware of the problems in contacting a home where a family member has passed away. It is difficult enough when the list is six months old, but when the person has passed away four years ago, it is more than just embarrassing. It's humiliating, and I believe it brings into question the integrity of the system. That is, however, one of the trade-offs made in going with a system that is electronically updated.

Section 11 of the Alberta Election Act says that the register may contain the telephone number of electors. Elections Canada does not collect this information. If we are able to share Elections Canada's database in future, we'll still have to collect the telephone numbers ourselves. Taking into account the need for informed consent, this alone would be costly and time consuming.

There is one last but important point. In a partnership arrangement Elections Alberta would have little or no control over the sources of data from Elections Canada and what they will use or the cost of obtaining this data. Elections Canada paid Alberta for 50 percent of the cost of gathering the information from the last enumeration, and discussions have proceeded on the assumption that Elections Alberta would assume 50 percent of the costs that Elections Canada would incur to gather information in Alberta. We have to be very cautious not to enter into an open-ended cost-sharing agreement that we simply can't afford. Elections Canada can spend

a great deal of money to acquire data, and as the group that reviews the budget for our office, you know that we cannot.

At this point you may be wondering what information your political parties will receive in three months' time. By legislation we are required to supply registered political parties with maps, boundary descriptions, and lists of electors for each electoral division in the province two years after a general election. We along with returning officers who participated in the last general election are presently reviewing the maps and making adjustments to boundary descriptions and the lists of electors to address concerns voiced by candidates, parties, and the people of Alberta.

I wish I could tell you that the lists will be completely updated through some electronic wizardry, but the truth is that they won't. We are working to remove the deceased from the list of electors, but as mentioned earlier, there is no way we can ensure that all the deceased can be matched and removed. The lists your parties will receive will fit the amended polling subdivision boundaries but will be comprised of elector data that's two years old. Statistics would indicate that the accuracy of the list, assuming it was 100 percent accurate when prepared following the last enumeration, may now be as low as 60 percent.

Investigation of the act reveals a further predicament. The act states that the list the parties receive can be used for campaigning for an election. Parliamentary Counsel has given me a legal opinion that says that this means the list can only be used when an election is called; that is, from the day the writ is issued to polling day. The act also says that our office is required to supply a list of electors, a map, and boundary descriptions as soon as possible after a writ of election is issued for a general election. Obviously, for our purposes and yours it is imperative to have the most recent information available. So the information provided in March 1999 will have very limited value for you, I'm afraid. The bottom line: I want Alberta to be in control of the register and the list of electors that will be used for the next general election in Alberta.

As mentioned earlier, to the best of my knowledge, agreements are not in place for Elections Canada to get all the data they need, and they are not in a position to share any data with us. Even if we can afford to share their information, if we agree to forego or independently undertake the collection of phone numbers, I'm not convinced that we can effectively transpose a federal system with different rules, budgets, and time frames to our circumstances in Alberta.

Albertans were told by our office that there would be no more door-to-door enumerations in Alberta. We must be in the driver's seat when it comes to the register. With so many of these unknowns, my intention at this time is that we will continue to monitor the situation, continue to explore options with Elections Canada and other data suppliers, but plan for a door-to-door confirmation of the register of electors before the next general election in Alberta.

Lists of electors in Alberta have always been accurate and cost-efficient, and I hesitate to sacrifice these attributes to a system that has not yet been proven. It is too important to all Albertans to leave something to the last minute in hopes that it will work. As you know, managing a general election requires a great deal of preparation. We have started that by reviewing the 6,000-plus polling subdivisions in the province and by preparing a list for the required distribution on March 11, 1999.

In conclusion, I'll keep you apprised of any new developments. Now I'd be pleased to answer any questions that you might have.

THE CHAIRMAN: Thank you. The first question goes to Sue.

MS OLSEN: Thanks, Paul. Three questions. The first one. I'm wanting to know if you have the anticipated costs of implementing

the new prisoner voting law. What's that going to mean to your office when it comes to the enumeration of offenders? That will have to be done. Given the short time span -- we're looking at inmates serving 10 days or under -- are those all going to be sworn declarations? If their ballots are going to be mailed in, then how do you do a sworn declaration? How is this process going to work?

MR. FJELDHEIM: The process for prisoners voting will be through a mail-in system, through what we call a special ballot. Prisoners with 10 days or less will be treated pretty much the same as individuals who are away on holidays or outside their electoral division at that time. If those individuals are not on the list, they will receive, as you mentioned, a declaration along with their application for a special ballot, which they will complete. Once they have completed that, they also complete the ballot at that time, because we don't have time to do: "Send it in; we'll mail something back to you." So the entire package goes out at once. If you are not on the list, you complete the statutory declaration and send in everything at once. It's then treated as a special ballot.

MS OLSEN: Does that mean that the election office is going to provide a person, a DRO, at some point, a returning officer or somebody who can swear out those declarations at the institution? How's that going to work?

MR. FJELDHEIM: Each individual who is incarcerated, unable to vote on polling day because of that, must vote in the electoral division in which they ordinarily reside. So the individual will be responsible for contacting the returning officer for that electoral division. When that returning officer is contacted by phone or fax, whatever, then they send that information out. All the details in terms of who takes that statutory declaration from the individual while they're incarcerated -- we may look at having an affirmation instead of a statutory declaration, which would require someone who is allowed to take that declaration. So we may have the individual just affirm that they are eligible to vote.

MS OLSEN: I can see that becoming a bit of a problem in terms of the process, certainly the ability to make those phone calls out, you know. Just so that we're not going to be challenged down the road of violating somebody's constitutional right to vote even in that 10-day process. So my concern is, one, the statutory declaration, that somebody is there to swear that; two, that they be allowed access from the institution for this specific purpose of contacting the returning officer to ensure that they get enumerated. Otherwise, this cost to the taxpayer and to the government could be compounded simply by a violation of that inmate's right to vote given that that's what the law says.

1:29

MR. FJELDHEIM: I just want to add to that. Certainly our office will ensure that there will be nothing that is an administrative impediment to anyone being able to exercise their franchise.

MS OLSEN: My next question. You made a comment that the lists of electors in Alberta have always been accurate and cost-efficient. I am going to challenge that by saying that there has got to be a variance when you say accurate. That list is not always a hundred percent accurate.

MR. FJELDHEIM: No.

MS OLSEN: My question to you is: what is the acceptable variance in terms of accuracy on those specific lists?

MR. FJELDHEIM: There is no magic number that says that if the list is 93 percent accurate, then it's good or that if it's 92 percent accurate, it isn't good. When I talk about a very good list of electors, the way I measure that is: one that is compiled very close to the electoral event. Historically in Alberta the time between the enumeration and the election has been very close. The longest time we had was in '85, and it was eight months. I can say that in '82 it was two months. In '88 it was six months. In '93 it was two months. In '96 it was three months and so on. When I talk in terms of accuracy, no, you will never get a hundred percent. The day after that thing is compiled, it is out of date. People are moving constantly. So accuracy I look at in terms of the most recent compilation of the list in terms of when the election is called.

MS OLSEN: I'm just reflecting back. I think we have somewhere in the area of 1,342 days between elections in this province, and that's somewhere about an average. Given that we know that, that's sort of a key time to focus in to ensure that we're looking forward to updating the enumeration list.

My other thought on how to do that. You talked about the federal government, Brian, having a little box on the income tax form saying: can we use this information? I'm also cognizant of the fact that Alberta registries does require us to register our motor vehicles every year either by mail or in person. Is it possible to provide a similar tick mark on that specific document that would allow an updating of the voters list with the permission of the person? Of course, given that that's not going to reach all Albertans. Neither is a driver's licence. A driver's licence is renewed every five years. An automobile is registered every year, and if the owner says, "Yeah, that's fine with me; give Elections Alberta the information on my newest address" or whatever it is, then that might be an option as well.

MR. FJELDHEIM: If I could use our household as an example. The motor vehicle is registered in my name. There are two other individuals who are electors, and of course they would not be picked up unless, I suppose, there was something in place that said, "Whoever registers this vehicle, do you have anyone else in your family or who is cohabiting," or whatever, "whom you would like to add?" Their main thrust in my understanding is with the driver's licence itself, because then you're getting the individuals who are actually getting their driver's licence renewed. I could be corrected; I think that's every five years.

MS OLSEN: It is every five years, and I think that's one of the problems, that you can go a whole election period -- because they're 1,340-day averages -- without renewing your driver's licence.

MS BARRETT: I was on the select special committee to recommend the hiring of our new Chief Electoral Officer, as was our current chair, and that interview was absolutely fascinating. I'm really just opening my mouth to offer a comment of praise, and that is, I had a notion that you might make this kind of presentation today considering what happened during that interview, where we ended up going.

I have been told by countless Americans and British Columbians and people at the federal level as well that bowing at the mantra of electronically maintained electors' lists is not always wise, and I commend you for challenging the world of computers and networks when it comes to voters lists because they're not all they are cracked up to be and they can be excluding.

I don't know if we mentioned this during that interview, Brian, but what American friends in particular have told me is that they have

been used in a way to keep people off the voters lists, and it tends to be the poorer people, the reason being that once it's established, people say: oh, I don't know how to get on it or I can't get on the list or it's too late or stuff like that. They don't understand that there still are mechanisms for getting on the voters lists, and that in turn promotes a lower voter turnout. I've heard all the arguments, and I just want to commend you for taking the position you have.

MR. FJELDHEIM: Well, if I could respond. Thank you. I want people to understand that myself and our office are not anti data. We're not anti technology or against using those resources, but again, you have to make sure they work, that the conversions work, and that they work right.

MS BARRETT: I would like to follow up on Sue's question, if I could then. She said: what about making a deal with the registries? I know your response is: well, there are three people driving your car. But would it not help? Would it not take one little increment off the weight on your shoulders?

MR. FJELDHEIM: Looking at it, yes. People talk about there being a number of these data sources. You can get some from here, some from Revenue Canada, some from the driver's licence, some from the vehicle registration, and so on. Every time you take one of those now, you're duplicating. I've got a driver's licence; I've ticked the box for Revenue Canada. To convert and put all these things together and ensure that the data is the most recent data -- if you move, you do your driver's licence, but you don't file your income tax for another eight months. Then you have to ensure what data supercedes what data. All this has to be very, very carefully reviewed and looked at.

Now, I talked about the 20 percent of Albertans moving. You can say: well, gee, I know lots of people; they never move. A lot of those 20 percent are people that move a lot. So you've got to be conscious of that as well.

MS BARRETT: So there really wouldn't be that much of a benefit.

MR. FJELDHEIM: You almost have to get the whole ball of wax there and away you go or not at all.

MS BARRETT: Okay. Thanks.

THE CHAIRMAN: Mary.

MRS. O'NEILL: Thank you, Mr. Chairman. I heard you advocating a preference for the enumeration process perhaps. At least you alluded to that. I would like to make a comment with a question interwoven. The comment is this. I feel we have come in our country and in our province to anticipate and know that enumeration precedes election time. People will, I find, frequently ask the question: have you been enumerated? Although the promise has been made publicly that they won't be enumerated again, I still think the enumeration is anticipated, and it's still alive, if you will, in our memory of practice.

1:39

As I understand the scenario that you explained on pages 1 and 2 here, we gathered the information, then the feds used it, and then they wouldn't give it back to us in usable form. If we are the ones who compile or enumerate, are the central data gatherers for voters, if you will, it seems to me that we are being frustrated by processes from the federal government. I'm assuming we're the ones who assist the municipalities with the process. But all these other factors

that have databases, whether they be registries or whether they be whatever -- I'm looking at the extent and the expenditure of energy and persons' time spent on this. I'm wondering if it wouldn't be more cost-efficient to return to -- and I don't mean return to the old, you know, manual part perhaps. Instead of trying to extract this information and constantly getting interventions coming that we can't use and all the rest of it, would it be more helpful if we streamlined it and got our own by virtue of the enumeration process again instead of trying to counter all of the others? I believe you have a degree of sophistication of how to count people and how to get it current.

Nothing really, quite frankly, is more offensive to the person who has had a member of their household die yet they see it on the voters list or to us as candidates who go and phone or whatever and for them to tell us that that person has been deceased. It breaks down all credibility in a system that I think is very good. I'm just wondering, not just because I like to hearken back to the old ways were the better ways but to the fact that maybe we can sharpen it up instead of fighting the roadblocks that we're meeting everywhere else.

MR. FJELDHEIM: At the present time, as I mentioned here, that's what we have to look at, what I call the confirmation of the register. I'm not trying to use smoke and mirrors or put anything over on anybody. Some people say: well, that's an enumeration. Yes, you could use that term, if you like, but you're going to have data with you from that polling subdivision you had last time. So you're going to confirm that Bill Sage and Mary Linn Sage are at this address. When I say "confirmation of the register," that's what I'm referring to. So it will not take as long perhaps, but in new areas -- and we experienced this in Edmonton-McClung because we did what we call target enumerations. We picked nine subdivisions, and in that case we enumerated them. I think it was three people that said: "How come you're enumerating? I didn't think you were going to enumerate anymore." Well, the returning officer in consultation with us -- and they're the experts out there; they know what's going on in their electoral division -- decided that there had been a great deal of growth in these nine areas and we'd be better off to enumerate. So that's what we did. I feel we have to look at that, because at the present time we cannot get information from Elections Canada. We cannot.

MRS. O'NEILL: My bottom line question was: what is the cost of enumeration or checking for accuracy of the current one or whatever modality it would be in vis-à-vis trying to work with these systems and the frustration level and meeting the privacy considerations and all the rest of it?

MR. FJELDHEIM: The cost for enumerations from 1982 to 1996 has varied between \$3 million and \$3.7 million approximately. The cost for getting the data, as you will see in our budget, we don't know, because Elections Canada -- and keep in mind right now they can't send us information. They have not made agreements yet with everybody. There's no agreement between Elections Canada and the drivers' licensing. So if they make an agreement for X amount of dollars based on what we experienced last time, the 50 percent thing again, we'd have to pay 50 percent of X. So I can't give you an answer, I'm afraid, on what it might cost.

MS BARRETT: Can I have a supplementary on Mary's?

THE CHAIRMAN: Okay. On that, because Gary is next.

MS BARRETT: Okay. Because, Brian, you're only fixing part of the list, like, a certain amount, 60 or 70 percent, will say, "Yes, I

confirm I'm me and I live here, and you've already got me on the list," presumably the confirmation process, then, would be cheaper than a regular start-from-scratch enumeration.

MR. FJELDHEIM: Well, we would have to look at the fees. You go to the door and you confirm that Bill and Mary Linn live at that address, but when you go to the next house and it's new people, then you have to take the old people off, and you again write down what I call the enumeration information because they have to be added. In effect, you're not starting from scratch. You're starting from, as you say, about 60 percent probably, depending on the electoral division.

THE CHAIRMAN: So it could be a little cheaper than the full enumeration timewise.

MR. FJELDHEIM: It could be, but I would hesitate to say for sure, because instead of getting, say, 50 cents per name, as the fee schedule is now, you will get 25 cents for a confirmation and 60 cents for an addition or something like that. Again, that's a fee schedule that has to be passed through you folks.

MS BARRETT: Thanks, Gary, for letting me in on that.

THE CHAIRMAN: Gary.

MR. DICKSON: Thanks, Mr. Chairman. Actually, four points. Firstly, I was going to ask: what's the difference between the door-to-door confirmation and the enumeration? You've discussed that.

I guess I may be the only member of the committee that was here when the proposal first came forward to move away from enumerations and move to a permanent voters list. There was a lot of work done in terms of looking at comparison and contrast of different models. It seems to me that if it's clear that the process of a permanent voters list isn't going to work, then that's fine. I'm prepared to go where the evidence takes us. I've only just now had the chance to read your letter here, and I wasn't part of the selection committee, so I didn't know any of that before, what I hear this afternoon. But it does seem to me that what's important is that division 3 is still in the Election Act. We haven't eliminated the provision for enumeration. That's still in the legislation.

So I think it's fairly urgent in political terms that within the next year we resolve whether we simply give up the ghost of the permanent voters list altogether or, if we're going to pursue this notion of a permanent voters list, resolve the problems that you've identified and you talk about in your report. I guess what I find most unsatisfactory is that we sort of limp into the next election, you know, not being clear what model we're following. I really take what I think is a thoughtful letter here as a bit of a message that we're going to have to make that decision whether this model can be rehabilitated or whether we scrap it and go back to enumerations.

I'd suggest, Mr. Chairman, that I don't know if we have time now to make that decision. I'd want to go back and look at the material that had been prepared over the last two and a half years or three years maybe, Diane, around this issue. But I'm anxious that we resolve this one way or the other well in advance of the next provincial general election.

Now, the other points. When you talked about your budget -- I take it, Mr. Chairman, we're dealing with the whole budget, not just the cover letter -- there's a provision I saw of \$10,000 for salaries reviewed and adopted by the committee in February. I take it what we're talking about there was the salary adjustment we made to different legislative officers last year. Was it not? I'm concerned that there had been discussions with the returning officers in the last

election. I think, frankly, those returning officers felt -- and I've talked to many of them -- that because of the move to a permanent voters list, there was a lot of stress and aggravation, far more time involved than many of those men and women expected. There had been discussions with your predecessor about some additional compensation to those people, and that decision had always been put off, put off, put off, and then we were going to have a change in our Chief Electoral Officer.

So I'm interested in an update. I don't think this \$10,000 addresses compensation to returning officers in the 1997 election, but I feel that it was either an expressed or implicit commitment to those people that this committee would look at that and make some adjustments. So I'm hopeful we can deal with that.

The third item. There had been a discussion before about the notion of how we appoint returning officers, and I'm wondering if that's a plan that is going to be brought back in. There had been discussion before about having standing returning officers, if you remember, which might have some impact on the budget. I don't know whether that's still a live proposal championed by yourself, or not.

The other point I wanted to make. I guess this is the last one. Just so we're clear. When you talk about an affirmation, I'm a bit confused. Strictly speaking, under the Alberta Evidence Act those people who don't wish to swear on the Bible affirm. That affirmation has the same force and effect for purposes of perjury and formal evidence as a sworn declaration. I take it that when you say affirmation, you don't mean an affirmation under the provisions of the Evidence Act. I think what you're talking about is just an unsworn declaration.

1:49

MR. FJELDHEIM: Yes. You're right, and you'll get out of my league really fast, Gary, in that terminology. But what I'm referring to is when a person signs their name, as they do on their income tax form: to the best of my knowledge. You'd know the terminology better than I, but yes, that's what I would be referring to, where an individual does not have to appear before someone to do this swearing or affirming.

If you'd like, I'll respond to some of those. I certainly agree with you and I hope I've made it clear that I'm not slamming the door on anything here in terms of a possible use of data to make a register of electors system work in Alberta. However, with the information that I have now and the fact that we cannot get this information from Elections Canada, it would just be completely cost-prohibitive for us to try to set up arrangements and make agreements with Revenue Canada and so on.

The staffing alone to send out letters to individuals who are not on the list -- about 25,000 Albertans move a month. Now, that varies, of course, depending on summer and so on. So for those that get driver's licence information, for example, if you say that these individuals are 18, that they are not on the list of electors, that they have a driver's licence and we have to send them something, I'm afraid I have no idea how many that would be. I don't know how many new 18 year olds there are each year in Alberta. To send a mail-out to that group or to new Canadians or to new Albertans who get drivers' licences, you'd have to have a staff to handle that mail-out. I don't know, but I understand that a response of about 10 to 30 percent is about average on that sort of thing and so on.

Certainly I don't want to leave the impression that I'm slamming the door on anything in terms of looking at that, but again, with the information we have now, we have to plan, I believe, for a door-to-door confirmation.

The compensation to returning officers. That is not in our budget; you are correct. The \$10,000 was for the salary adjustment last year, and there is nothing in our budget for compensation to returning

officers. Yes, the workload was different last time than before, and there were a variety of reasons, I believe, for that. Returning officers are paid in accordance with the fee schedule. You're aware of that. No, I do not intend to bring anything forward for increased compensation for returning officers.

You referred to the appointment of returning officers. Interestingly enough, this came up in my interview: how I felt about this. For two reasons I have no plans to bring forth any different system for the appointment of returning officers. First of all, in my experience at the election office it has not been a problem. In terms of returning officers being apolitical, it has worked very well, and again, in my experience it has not ever been a problem.

Secondly, it is more in terms of the administration and the logistics of doing that. With the 83 electoral divisions, if you put an ad in the paper, "Wanted: returning officers, someone who is interested in the political process, works well with people," those sorts of things that you put together, I'm only guessing that you'd maybe get 50 applicants in each electoral division. Well, now you've got 4,000 people who have applied for these jobs. If you get that down somehow and interview five from each, now you're interviewing 400 people. We don't have the resources to do that. Now, we could hire resources if there was a change in legislation. If this is what you're going to do, we would do it, but there would be problems in that aspect as well.

I hope that answers your questions.

MR. FRIEDEL: I just want to make a comment on this enumeration thing. The move has obviously had some problems. You know, some things arose that maybe weren't anticipated. But I'm not sure that I would agree with what I heard Mary say, that there's a comfort level and that people expect enumerations. We wouldn't just revert to that simply because that was sort of a traditional thing. We probably would not be very comfortable going back to the old hand-cranked telephones from what we're used to now. I'm not saying that facetiously or in any way to suggest that you were implying that, Mary. If the technology improves as we work on this, if there are ways of being more efficient -- and I think with a little bit of work on it, it still has the promise of being much more accurate -- I would hope we're not going to abandon completely the idea of looking towards that.

Whether we work with the feds or in spite of the feds or however it is, you know, some good combination of the old way and new technology could be balanced. I don't want to stir up the conversation or the debate on it. I think you've commented on it. Just those two bits' worth of opinion from me.

My questions actually are on the budget itself. I noticed several areas, Brian, where there's a significant fluctuation. In the election office budget, a good part of it is salaries, wages, and contract employees. I've just sort of grouped them together because I think sometimes they end up being a variation of the three, depending on what the circumstances are in a year. You budgeted \$528,000 and spent just under \$400,000 and then are moving up again to \$525,000.

If you look at the elections element and the register of electors element, the budget was a certain number. It reduced to actual forecast in both cases quite significantly, and then your budget for '99-2000 reflects more of the actual projected for this year than it did last year's budget. Can you tell us why the same thing doesn't apply to the office?

After that, I was going to get you to maybe touch on the significant fluctuations in budget to actual. On lines 712C and 712K in the elections element and then 712K in the register of electors element there were some very wild fluctuations, and you can maybe just tell us what those are.

MR. FJELDHEIM: Yeah. My intention was -- and obviously I'll certainly answer this, Gary -- that if we're finished with the

preamble now, I would like to give an overview of the budget, if I may do that.

MR. FRIEDEL: Oh, okay.

THE CHAIRMAN: Before you move to the budget, I'd like to make a comment on this electronic tracking for the voters list, just from my own experience, to show you how impossible it would be. On my birth certificate I'm registered as Joseph André Paul Langevin. On my driver's licence it's Paul André, two names but reversed from the other one. On my Alberta health care card it is Paul only. I file my income tax as Paul A., just the initial, and I have another legal document where it's P.A. Langevin. So there are five different variations. How do you track it electronically and match it? The computer will say: well, this is a different guy than this guy. It will never work.

You wanted to make a comment on the budget?

1:59

MR. FJELDHEIM: Yeah, if I may.

Gary, please, if I don't hit it, make sure I mention it.

So our budget. You will see we expect to turn back over \$600,000 at the end of this fiscal year. Those funds will be turned back mainly due to two things. First, we're doing the same thing this year; we budget for three by-elections, and one can debate: will you ever have three by-elections? We budget historically for three by-elections.

AN HON. MEMBER: It's happened.

MR. FJELDHEIM: Yes, thank you; it has happened.

MS OLSEN: We had a pretty good one this year.

THE CHAIRMAN: That's a matter of opinion.

MR. FJELDHEIM: This year we had only one, so the amounts budgeted for the other two are returned.

The major portion being returned is from the decision not to proceed with the purchase of a computer system for the register of electors. Approximately \$200,000 more would have been returned from our office, except we paid for the costs incurred by our office in the conduct of that Senate nominee election. Since the funds were available in our budget, it made no sense to apply for a supplementary estimate for additional funding.

Our budget format is set out. It shows three elements that we budget for: the election office, that's our general administration; elections; and register of electors. Our forecast is what we expect to spend by the end of this fiscal year, and of course our estimates are what we feel we will need for the next fiscal year. At the conclusion we will show you two-year projections.

Our office is presently looking at preparing a mission statement and putting together a business plan. It's just getting under way and is therefore not included as part of our presentation.

On page A you can see our election office. We can go through the details if you would go to your tab B. Again, under salaries, we budgeted \$330,000 last year. We expect in our forecast that we will spend \$237,900, but next year we are requesting \$338,740. The reason we are turning back quite a chunk there is because as Acting Chief Electoral Officer I didn't think it appropriate for me to fill positions that I felt the Chief Electoral Officer should have a say in. So the positions were not filled, and that's why you will see that we expect to spend less than we budgeted, but also you will see that in

wages because we had to hire some people on a wage basis to fill the positions. So that's why that is set up that way.

The \$8,000 increase is for merit increases and increases through the collective agreement. I think that's the main difference there. Does anyone have any questions on the top part of that?

I'll go to the bottom part. The travel, first of all, is less this year. The Chief Electoral Officer may have a vehicle. Of course, as Acting Chief Electoral Officer there was no vehicle involved, so that's why we're not spending as much this year but expect to spend about \$8,800 next year. I think that's about it. Does anyone have any questions on that page?

THE CHAIRMAN: Sue, do you have any questions?

MS OLSEN: Yes. Your budget and your forecasts, there's about \$135,000 difference. Just to be clear: you turned back about \$100,000?

MR. FJELDHEIM: Uh-huh. A little more, yeah.

MS OLSEN: From salaries, and that's because you didn't have any hires; is that correct? You didn't hire people?

MR. FJELDHEIM: That's correct. We have an acting director of operations right now, and the position of Deputy Chief Electoral Officer was vacant for some time, since October, so the deputy's position has been vacant. I was acting since March. Bill was the director of election finances. That position is now vacant. So that's where those dollars come from. Plus there's a clerical support at the front who is also on wages.

MS OLSEN: She's on wages?

MR. FJELDHEIM: Yes. Although we have allocated eight people in our office, we do not have that complement as of this time, but we will next year.

MS OLSEN: Why would the clerical staff be on wages as opposed to permanent staff?

MR. FJELDHEIM: Because the people that were there -- and I just can't remember exactly. The position has been vacant for some time, and again as Acting Chief Electoral Officer I didn't feel it proper for me to fill that position.

MS OLSEN: So are you anticipating filling that position with a permanent employee now?

MR. FJELDHEIM: That's right, yes.

MS OLSEN: Okay.

So the increase in the travel is the allotment of the CEO's vehicle?

MR. FJELDHEIM: That's correct.

MS OLSEN: So that would be the mileage claimed? Is that what you anticipate?

MR. FJELDHEIM: Yeah. The vehicle rental is \$4,900, and the operating expenses on that are \$3,000. Also, there is \$900 in there for CEO staff travel.

MS OLSEN: Okay.

My next question. I just find this kind of interesting. Line 712M: you have hosting at \$12,000 as your budget, your forecast at \$9,700, and your estimate for '99 at \$500. Just a brief explanation of that variance.

MR. FJELDHEIM: I'm sorry; I should have mentioned that myself. The Conference of Election Officials is a conference that's held in 12 jurisdictions across Canada, and this year it was Alberta's turn to host that conference. That's why the \$12,659 was budgeted for that. It ended up costing \$9,770 partly because it was Elections Canada -- wasn't it, Bill? -- that helped us out with the translation services and so on. Also, that \$9,770 does not include the registration fees that we charged, and approximately \$4,500 was turned into general revenue from that.

It's \$500; I appreciate it's not very much. You will see coming up there's \$500 in each of these elements for hosting. We had election officials from Kenya that visited our office here about a month ago, I guess it was, and we took them for lunch. We have a commissioner from Australia coming in January. I think it appropriate that we take them for lunch when they come, and that's what that's for.

MS OLSEN: Yeah. I'm not questioning those responsibilities. I think you have to do that.

My next question is this: if this conference is a yearly conference and it's an opportunity for networking and certainly increasing your knowledge and your staff's knowledge within the electoral office, where would we find that, then, for '99?

MR. FJELDHEIM: That will be in the election element. The travel in there is part of that. It's in Ottawa next fall, next September, I guess.

MS OLSEN: Okay. I see.

My last question is on schedule E. We have for all three offices obviously your projection for a 2000-2001 election year. My question is: what happens if you have an early election and you have then a variance of \$8.4 million somewhere along the line? How is that dealt with in the event of an early election?

MR. FJELDHEIM: In the event of an election in the next fiscal year?

MS OLSEN: Yeah. I'm just wondering if that means each MLA has to contribute.

MR. FJELDHEIM: It's been the practice -- I guess that might be the best way to put it. I'm looking at the history of elections. In 1986 there was an election two years and one month after the previous election. I look at that as being a very unusual occurrence. Other than that, the elections have been at least three and a half years apart. So our best guess, that's why we budget . . .

MS OLSEN: Thirteen hundred and forty-two days.

MR. FJELDHEIM: If it's wrong, I guess Bill will come back to the committee, because I might be sick that day, and ask for some more money.

MS OLSEN: Okay. So you're just taking, then, an average.

MR. FJELDHEIM: That is correct, yeah.

MS OLSEN: When Alberta elections are called, if it's called early, then you're going to be . . .

MR. FJELDHEIM: Back for a supplementary estimate.

MS OLSEN: Requiring that \$8.4 million pretty quick in relation to holding the elections. Okay.

MR. FJELDHEIM: That is correct.

2:09

THE CHAIRMAN: So we'll have a meeting on short notice.

MS OLSEN: We'll expect a donation to Brian.

MR. FJELDHEIM: If I can move on to the elections element; that's C. Some of the numbers in the forecasts: for example, you can see under the first two that we budgeted for \$5,250 and we spent \$15,000. Some of that in the forecast column is to cover off the expenses that I mentioned we incurred in the conduct of the Senate nominee election.

MS OLSEN: Can you just go back to that again and repeat that, Brian?

MR. FJELDHEIM: As you can see, we had some dollars budgeted for '98-99 for wages and employee contributions under C and E. That was for the cleanup of the election. As you can see, we spent quite a bit more. Most of those dollars were for the conduct of the Senate nominee election, and we're budgeting nothing for those in the '99-2000 fiscal year.

Under 712C, advertising, again, we budgeted for three by-elections. The cost in Edmonton-McClung was approximately \$17,000. During a general election it costs less to advertise because we do a supplement in the urban newspapers, and in rural areas generally it's less. The amount spent on advertising, the forecast, what we did spend, the \$128,000, again, was for the Senate nominee election.

If I could slip down to contract services, 712K. Again, contract services is broken out into the conduct for three by-elections, and we also have \$100,000 in there for consulting for the data processing and the list of electors. As I mentioned before, you also see this under the register element. They both work together. You can't have a list of electors; you've got to take into account the use of it during an election. So because of that, you've got to have \$100,000 on top of the budget for the three by-elections in there and also \$12,500 for legal fees.

We use Parliamentary Counsel whenever we can. However, when the session is on, they are not available. Also, at times there is the possibility of a conflict of interest.

Did I answer your question in that regard, Gary?

THE CHAIRMAN: Did you have anything else, Gary?

MR. FRIEDEL: You actually hit all the ones I was concerned about.

THE CHAIRMAN: Okay.
Gary Dickson is next.

MR. DICKSON: Mr. Chairman, I just want to come back to something, an earlier exchange with the Chief Electoral Officer. In terms of returning officers in the March 1997 campaign, I take your advice that you have no intention of providing any additional compensation to those people. I'm wondering, since it's something that we had discussed during at least two different meetings of the

committee, if it may be appropriate for the committee to deal with it by way of resolution and vote. My difficulty is that I don't remember what numbers were being talked about. Presumably there must be some records in the office that indicate what was discussed in terms of fair compensation.

The reason why I think there ought to be some formal resolution is that if in fact we don't go with permanent returning officers, then presumably you're going to want to use some of the expertise of people who have worked as returning officers in the past. There was a lot of difficulty in the last election, much of which is attributable to this move to a permanent voters list. It was just my understanding that there were a lot of problems. I guess it's easy to just sort of say that we're closing the door on that, but I want to be fair. If there's a decision made that there's to be no additional compensation to the people, notwithstanding the number of meetings that occurred in Red Deer and so on -- when the then Chief Electoral Officer met returning officers, there were acknowledgments and admissions that they were required to do far more than what had been originally represented to them. I guess I'd just like to see some disposition of this in a way that's more satisfactory than just sort of saying that we're not going to deal further with it.

THE CHAIRMAN: I'd like to make a comment on that. We were all here except Sue last year when we approved the budget. If I remember right, when Dermot Whelan came with his budget at the end of the year -- and I could be wrong, and somebody could confirm that if I am -- it seems to me he had a line item in his budget where he was proposing so many dollars to give compensation to these returning officers for the election of March 11, 1997. If I remember right, we as a committee decided to remove that from his budget.

MR. DICKSON: I'm sorry. The committee decided what, Mr. Chairman?

THE CHAIRMAN: To remove that line item from his budget. If I remember the discussion, he was somewhat displeased because I think he commented that he had committed verbally to these people that he would find some compensation.

Now, the committee here, when we voted the budget, reduced the budget by that one line item, and we didn't vote that in. So that was, in my opinion, the decision of the committee. Do you remember this?

MR. DICKSON: Mr. Chairman, if the decision has been made, that's fine. Your memory is probably much sharper than mine, but my recollection is that we discussed it, and my sense was that it had been deferred. I remember raising it at at least one subsequent meeting, and it seems to me the decision then was that, well, we're in the process of a change of command, so the issue was to be deferred. Now, I don't have those minutes in front of me so I may be out to lunch, but I'd like to see some closure on that issue.

THE CHAIRMAN: Okay. We could ask Diane to do some searching on this, and then we would bring it up in that January meeting. I could be out, but it seems to me that we had deleted that.

MR. FRIEDEL: I don't remember the precise circumstances of how we dealt with it, but there seemed not too much doubt in my mind that we had closed the door on it, that there wasn't much support, if I could put it that way, for the concept of permanent paid or some kind of an ongoing compensation.

MR. DICKSON: Mr. Chairman, with respect, I'm not talking now about permanent paid. There had been that issue, and I know there

had not been support for that. I'm just talking about some adjustment compensation for the returning officers who worked in the last election as a result of a number of problems that I understand they had identified and said they ought not to be held responsible for.

THE CHAIRMAN: We'll do some research on this, Gary.

MR. DICKSON: Thanks very much, Mr. Chairman.

MR. FJELDHEIM: If I may, Mr. Chairman, I guess I should comment. Of course, I have no authority. I'm not trying to pass the buck here to anybody, but I cannot go ahead and say: I don't think you get paid enough; I'll pay you some more. Those fees are set by regulation. That's what we have to go by. I'm not trying to pass the buck here, but again I can't recall the details either.

THE CHAIRMAN: We don't have the information here.

MR. DICKSON: Thank you very much, Mr. Chairman. I'm happy if we can deal with it after we've had a chance to do a little archival work. Thank you.

MR. FJELDHEIM: Are there any other questions on the election element?

MS OLSEN: Yes. I just have one question. Can you tell us what the total cost of the Senate election was to your office? That would include your elements from all three.

MR. FJELDHEIM: I understand it's just over \$200,000. A report will be coming out that our office produces, and that report contains information that we get from Municipal Affairs as well, their cost and so on. It will be similar in nature to the report that was put out after the 1989 Senate nominee election.

MS OLSEN: Thank you.

THE CHAIRMAN: Okay. Well, we have another officer here. Do you have one more question?

MRS. O'NEILL: Just to follow up on that. Was that because there was the Senate component to the election process of the municipal election? Or would that have been a cost that would have been incurred and perhaps the municipalities would have paid it otherwise?

MR. FJELDHEIM: We're required by the Senatorial Selection Act to publish certain things, as we are under the Election Act as well. That includes the publication of the proclamation, the notice of candidates and their official agents -- I have to look at Bill here for help -- and also, the same as the Election Act, under the Election Finances and Contributions Disclosures Act the finances that were spent by the candidates.

2:19

THE CHAIRMAN: Thank you very much, Brian and Bill, for coming today. We will have a further meeting, and we will discuss the budgets, the approved votes, in January sometime. We'll advise you at that time.

Thank you very much.

[The committee adjourned from 2:20 p.m. to 2:26 p.m.]

THE CHAIRMAN: As the chairman I would like to welcome you, Bob and Frank and Leanne, this afternoon to present your budget to the committee. You probably have some opening comments on that, and then we'd like you to do some explanation. Then we'll have some questions from the committee members. The intent is to review the committees today, and then we will meet in January to do the approvals. I'm sorry that your three buddies came before you. We're just about out of money, so I don't know you're going to make out.

MR. CLARK: Mr. Chairman, I think you cautioned me about that some time ago.

Mr. Chairman, thanks for the opportunity to appear before you. What I'd like to do is start with the IPC budget, if that's okay.

THE CHAIRMAN: Yes.

MR. CLARK: I'll just make some opening comments, and then I'll just go over it kind of page by page. I think there are about three pages that you'll likely be most interested in. That's where most of the activity is.

I want to say at the outset, Mr. Chairman, that last year we had a three-year business plan. This year we haven't included that three-year business plan because we've done two things. We put a lot more detail in our annual report this year, and we've also now engaged an outside consultant to help us with this three-year business plan. You know better than any that we have a number of issues up in the air that will certainly impact on what's to happen as far as our new business plan. But we are living with the one that was presented to you last year, and basically we're on course there.

The highlights in the year just finished. We added two new portfolio officers. That gives us six portfolio officers. They're the people that deal with the requests for review and also the privacy complaints which come in. In that mode the 1990 figure of 10 percent is holding. That is, 90 percent of the requests that come to FOIP offices are being dealt with at the offices at the public body level. The first very early indications are that that will likely hold as far as school boards and hospital authorities are concerned, although it's still a little early to tell. Ten percent of the issues get to our office. My portfolio officers through negotiations, through a lot of consultation and a bit of arm-bending, are able to resolve 90 percent of the issues which get to my office. So as commissioner I end up with the situation of hearing the last small portion. Right at this time we have 79 cases under review between the portfolio officers. I have 17 cases that are going to require inquiry and six inquiries which have been heard, the last of which was yesterday.

An important change from last year. We had a very long time lag last year from the time of an inquiry until we got orders out. That's been cut down now considerably, so we're looking at no more than three months and certainly in some cases much less than that, but no more than three months. One of the reasons we got behind was that we had three cases dealing with one institution here in Edmonton that were very long, complicated cases, and it just took us a great amount of time. We just finished an order where there were 1,700 pages of documents to go through, and that took a long period of time.

In addition to the inquiry side, we've produced two new brochures this year, one being on privacy in the marketplace, in which there's been a great deal of interest. Then the other one is really privacy for teenagers. We've done that in co-operation with Alberta Education. Also, staff are going out now to the schools on request. A group of two go out weekly now to high schools dealing with this question. The brochure is entitled Who Can You Count On To Protect Your

Privacy?, but it really deals with privacy as it's tied into the curriculum as it is in the school system.

You'll recall that last year when we were talking about the budget, we included a significant amount of money in our budget for the Alberta Health Information Protection Act. At that time it was my expectation that we'd have to go out and acquire some consultants to work with us in that area. What happened is that the minister decided he'd set up a committee, which Mr. Dickson was a member of. The minister asked me to sit on the committee. I felt that was inappropriate, but I did prevail upon Frank Work to sit on the committee with a very clear understanding that on those things that Frank agreed to, at some later date the commissioner might very well say: as commissioner I don't agree with this direction. I thought it was important for us to do that because it gave the office and Frank, who's our most experienced person in that area, an opportunity for input at a very important level. I consulted with some of my colleagues across the country, and quite honestly there was some concern about taking that approach, because would you be able to step back later and say, "Lookit; this isn't the direction we think they should go."? On balance, as commissioner I felt it appropriate to have someone from the office there, and it would still allow me, the commissioner, at a later time to take issue if in fact I felt that was the case.

The other area where we asked for a significant amount of money last year was the Wellnet initiative. We put, I believe, \$100,000 in the budget last year, and to be quite candid with you, ladies and gentlemen, as a result of the approach the minister took on the health information legislation, we didn't use very much of that \$100,000 at all, just a small portion of it. As a result of really not a lot happening in the Wellnet area, we didn't spend much money in that area either. The bottom line is that I'm not sure whether I should be embarrassed or proud, Mr. Chairman, but we'll be turning back at the end of this year about \$250,000. My interpretation of that is that we don't spend money unless we need to. I guess some will say: you budgeted for money that you didn't need, so you can turn it back. That's certainly not my intention, but that's the status of where we are.

We have been actively involved in consultation with the federal Advisory Council on Health Infrastructure. I've been to Ottawa on two occasions. We've met with Dr. Noseworthy and some of these people here in Edmonton. We've also been involved at the federal level with the other privacy commissioners on Bill C-54, which is the Personal Information Protection and Electronic Document Act.

The other area where we've been really involved a great deal is with the Department of Labour, attempting to try and be proactive as opposed to dealing with issues after they become issues. I think that's been one of the real successes we've had.

As far as the upcoming year is concerned, you're all aware that the universities and colleges are now coming under the legislation on the 1st of September. I was consulted on that and did agree that it was wiser to put the universities and colleges under the legislation at the 1st of their calendar year as opposed to coming in on the 4th of January. That isn't to say that everything is going to work as it is now for the universities, especially in a fund-raising year. It can't, because there are significant changes as far as personal information collection is concerned.

Then you are aware that next October municipalities also come in under the legislation. We have invested a great deal of time helping prepare for that. Our people are actively involved in sitting down with people in the postsecondary system, also in the municipal system. Several of us took part in the AUMA convention and the MDs and counties convention. I visited the hospital in Lethbridge. I spent two days last month out in the school situation trying to find out what really was going on.

Personally, I can tell you I took my little grandson to school the first day because I'd heard all those horrible rumours: how you can't have their name on the coat hook and their names couldn't be on the doors and so on. Well, that was malarkey. I mean, we got there, and it was the way it should be. This is not to change the way we educate young people as long as it's within the legitimate sphere of what's going on in the educational system. There had been some difficulties in those areas, and we're having some success there.

As far as the upcoming year is concerned, it's not my intention to add any portfolio officers at all. I think with the six portfolio officers we can handle what's on our plate now and what's coming down on our plate as far as universities, postsecondary institutions, and the municipalities.

2:36

But I am proposing to you in the course of the budget, Mr. Chairman, that we add two permanent employees. One person would really be a communications person. For example, we had to contract out our annual report. I'm finding now that some of our portfolio officers and other people are spending a considerable amount of their time doing communications work, writing press releases, doing those kinds of things and, with no disrespect to them, not always doing a very good job, because that area isn't what they're trained in.

As commissioner part of my priority for this next year is to get out across the province a great deal more. For example, I was in Lethbridge not long ago: at the hospital in the morning, I spoke to city council at noon, and I met with the school superintendents after lunch. We didn't take time to meet the media to talk about the issues which would help with the public education side. So there's the communications side of things.

Also, our fellow in charge of technology is just finding himself swamped because the whole landscape is changing so quickly, and Boris has really served. On one hand, he's been our communications kind of research person. On the other hand, he's been the person to be on top of technology. He now finds himself involved almost full-time plus on the technology issues. What are the emerging technologies? What systems will work? What have the best safety systems? On occasions he's involved in meetings with the chief information officer. Frank?

MR. WORK: That's correct.

MR. CLARK: When the province enters into an agreement with one of the other provinces or the federal government on information sharing and we're asked for advice on that, he's the person we rely on. So what I want to do is take part of his responsibilities in research and also the communications area and put those together and also someone who does some writing. For example, we're proposing two new brochures next year. We'd like to do those inwardly as opposed to doing a contract outside. We're including in the budget about \$55,000 -- that's a ballpark figure -- in that area.

The other area where we're asking for new staff is an administrative assistant. That would be someone who would spend a lot of time working with Mr. Work on the administrative work that he does and doing some of that war work for me. What that will do is allow the portfolio officers and also Frank more time to do what they're skilled to do as opposed to doing some of those jobs which are very important but aren't the first priority for those people.

Mr. Chairman, if I could ask you to turn to page 1 in the presentation I have for you, you'll see that on I think the fourth point down it talks about permanent employees to be hired: research/writer, the communications person -- I don't have it there, but that's what I was talking about -- and an administrative

assistant. The wage employees: we've got two summer students. We had those last year, and it's our plan to do that again.

MRS. O'NEILL: We need some directions please, Bob, if you could.

MR. CLARK: Page 2, the top right-hand corner.

MRS. O'NEILL: Oh, I see. Thank you.

MS BARRETT: I had a hard time finding it too.

MR. CLARK: I'm sorry. It's got salaries and earnings. As you can see, that's a big increase over our projection for this year. Remember that the intake officer we took on started, I believe, in July, which is part of the year. Two portfolio officers started on the 1st of November this year too.

If you could flip over to the next page, employee contributions, no significant change there.

Over to page 4, which is entitled allowances and benefits. I want to be quite straightforward with you here. One of the things I've included in there is a trip to Hong Kong for the commissioner, and it's going to cost \$5,000 approximately. The reason that's in there is because two years ago I attended the conference of international data protection people in Montreal. The meeting this year was in Spain. I didn't go. My colleague the commissioner from British Columbia went; so did the commissioner from Ontario. This is the group that really has led the efforts from Europe for the national legislation leading to Bill C-54. These people are gathering next year in Hong Kong. I find myself in the unique situation of being, other than my colleague in Quebec, I guess kind of the senior commissioner provincially. So my colleagues said: would you consider going? I said: yeah; I'll put it in my budget, and I'll put it to the committee.

I think, Mr. Chairman, I did indicate to you that I have taken a position on the COGEL organization as one of their directors, so you'll see a significant increase on page 4 when it comes to -- I'm sorry; it's page 5. My apologies. We were not on the same page here. On page 5 you can see the items that I was talking about there. The Halifax thing is a meeting of the privacy commissioners. I think I can stop talking because I've pretty well covered that one.

Can we move on, then, to page 6? This is advertising for the two new positions that we're talking about. Page 7 is the risk management. Page 8 is, as it says there, courier services and PWSS postage. Page 9, photocopier, and we share those costs with the ethics office. The new fax machine: this is rather mundane, but I have a fax machine at home that the office has supplied, and the rental is up. They say that we should get a new one, so that's what's happening. Page 10, long-distance telephone calls. Page 11, general repairs, office and computer equipment.

Page 12 deals with contract services. Two of the three lawyers that we have in the office are on contract to us. We have \$50,000 in here for the annual report and for brochures. Privacy impact assessment as it relates to Wellnet included \$100,000 in there. Audits: you'll recall we were involved in the audit with Alberta registries last year. We've included \$60,000 in the contract services area for an audit or audits. Under the legislation that's one of the responsibilities of the commissioner. The one we did with Alberta registries was done voluntarily at the request of the minister, which I think worked well. It may be that we'll be involved in one of those again this year in a different area.

The last area. I think it was the chairman or it was Mr. Dickson that I had talked with about a web site, and we've got that. Its first day -- it's up today. There's hardly anything on it, but it is up. Come early January, it will be up in place.

Another matter we have there is legal fees, \$50,000. That's outside counsel. We have been to a judicial review once. There's a very good possibility we'll be going to judicial review again. I think that's right, Frank; isn't it?

MR. WORK: We have two pending.

MR. CLARK: We use some inside counsel there but some outside counsel also. I've included \$30,000 for issues which come up. We would go out and try to acquire people at the university, or some people in the consulting community help us, especially on issues dealing with technology. On the audit I used the services of one of the large firms when it came to the whole question of the safety and systems for Alberta registries.

So if I can move on, Mr. Chairman, to page 13 in your information. One of the interesting things that happened this year is that as a result of us taking over our own human resources, administrative services, and the financial services side of the office from the Leg. Assembly Office, we had to get what is referred to as an ISDN line. If you want the information, hopefully Frank can tell you what that means, but we had to get that line installed. Had we had a line directly installed to our office, it would have been \$25,000. We worked out a deal with the Auditor General so that we're using the same line as they're using. We're just two floors below them, so it didn't seem to make a lot of sense, and we were satisfied that from the standpoint of the kind of information that would be on there, it was a reasonable thing to do. So we're going to be paying a little rent to the Auditor General.

The other matters in there. The Internet charge I think is going to be \$100 a month. There is QuickLaw, Queen's Printer. The Imagis financial system. Leanne, that's going to cost us how much? Approximately \$9,000?

2:46

MS LEVY: Approximately. That's a high figure. From what Alberta Treasury has told me, it'll be within that range but will probably come in a little bit lower.

MR. CLARK: Then on page 14 you'll see that hosting has stayed the same.

On page 15, we stocked up this year, with two new people in the office. Next year we will need to purchase two new computers for a research/writer and an administrative assistant, some furnishings, and that's basically it.

We go back to the first page of our submission. It's asking for an increase of 12.2 percent. That can be somewhat less, Mr. Chairman, depending on what happens with Wellnet, what happens with the health care information. My best judgment is that we've got a responsibility to put that money in the budget so that if those issues move along -- and I see this morning there has been a new deputy minister appointed to be involved in the area of Wellnet, so that's going to be moving along more quickly.

I'll stop my comments there.

THE CHAIRMAN: Thank you. I have a question. You said in your opening comments that you're returning about \$200,000-plus.

MR. CLARK: I believe \$250,000. That's accurate; isn't it, Leanne?

MS LEVY: Yes. It's in that range.

THE CHAIRMAN: I think you should be not ashamed but very proud of that, because we like our officers to be good stewards of our taxpayers' dollars. When we approve a budget, if you don't

need it and you don't spend it, I think it speaks very well of the office. There are other offices that were able to do that, so we're very pleased with that.

My question is: where does it come from? Does it come from the information side or the ethics side?

MR. CLARK: The information side. We have a small amount to turn back on the ethics side, too, but nothing like that.

Where does it come from? Primarily it would be in salaries and contracts, in salaries because we didn't start people until later on in the year than we expected to. The contracts here would deal with Wellnet and would deal with the health information thing.

THE CHAIRMAN: So the budget that you're requesting this year, the amount that you would like to have, would be less than the total budget you requested last year because of the amount that you're returning?

MR. CLARK: No, no. What I'm saying, Mr. Langevin, is that of the amount of \$1.582 million, we've already spent approximately \$1.3 million. But we're projecting this year \$1.7 million. Hopefully we'll have something to turn back to you.

THE CHAIRMAN: Thank you. That answers my question.

MR. DICKSON: I want to start off with a compliment. The commissioner may remember I had been critical of the annual report that had been produced by your office a year ago. I thought it didn't contain enough information to be as helpful as it could. I just want to give you some feedback. Having seen a matter of weeks ago the latest report from your office, I think it's actually an excellent product. It's probably what I'd describe as a model annual report. It gives not only legislators but Albertans the kind of information that allows us to assess the performance of government departments, at least from the limited range of the IPC office. I think it's actually an excellent tool in terms of better understanding the way the act is working from the perspective of your office. I was delighted to see it, and if you haven't got feedback, I wanted to make sure you got it this afternoon.

I did have a couple of questions though. One is on the joint effort you'd undertaken with the Auditor General in terms of registry services. What do you estimate the cost was to your office for your involvement to date on that project?

MR. CLARK: Ballparking it, \$50,000, \$60,000 in that we had one person who spent a great amount of time on it. We had a second person who spent half time.

MR. WORK: Half an FTE.

MR. CLARK: Then we had our technical person, who spent considerable time too. It's likely closer to between \$60,000 and \$70,000, and that's really why we've got \$60,000 in our budget for another audit. We used that as the ballpark figure. One thing we didn't include with the time, Mr. Dickson, is that we had to go out and get some outside consultants. Frank, what did those outside consultants deal with?

MR. WORK: Well, together with the Auditor General we used KPMG to do an analysis or a review of the main computer that registries use to store this information. Obviously something of that complexity is more than we have -- it takes a certain expertise to deal with that kind of equipment. So we used KPMG, and our office's share of that bill was \$35,000. That was just our share. The

Auditor General bore a nearly equal proportion as well, so you can see how expensive it becomes. I mean, the personal computer has done some wonders in terms of making things work better, but, at the same time, when you have to analyze or look at it, it gets very expensive. So our share of that just for the audit was \$35,000.

MR. DICKSON: Okay. Then if you look at page 12, if you assume you do only one more audit in the next year and not more than that, did I understand that you have something in the order of \$60,000 available for that and that that's exclusive of the privacy impact assessment for Wellnet? You've set aside in the order of \$100,000 to do that?

MR. CLARK: Yes. Then \$30,000 for other projects that may come down the pike. We engaged a consultant from out of the province to have an initial quick look at the health information legislation.

MR. DICKSON: On Wellnet, when is that going to commence? I'm not clear because of all of the delays that have been experienced around Bill 30 and then the subsequent studies and so on. Have you actually started the Wellnet privacy impact assessment?

MR. CLARK: No, we have not. Mr. Dickson, the basis we see it working on is that they will establish a project which is going to go ahead. We then have a model form that we've developed, and then we'll go to the department and say: lookit; you have to answer all these questions. The department will then come back to us for this particular project, and then we'll decide whether we have to go and get some outside consultants in there or not.

MR. DICKSON: My concern there, Mr. Clark, is that the tentative agreement that was entered into between Alberta Health and the IBM consortia in the spring of 1997 was finally reduced to a written contract in about December of 1997. You've got people who've been spending enormous amounts of work in progress and time in terms of developing the architecture for our health information system. We don't even have the legislation yet. I'm wondering if you'd identify what concerns you have that we haven't even started the privacy impact assessment on Wellnet. If your notion is that that's going to be linked to passage of legislation, which is what I take to be your message, what that suggests to me is that we're going to have almost a year and a half of architectural development in this health information system before anybody has debated and assessed the privacy impacts. I'd be interested if you'd share any concern around that prospect.

2:56

MR. CLARK: I'll respond to that, making three points clear. Then Frank may want to add something. First of all, it is a concern that this agreement has been entered into and the legislation isn't in place. Now, we have met with the Wellnet people. I think on two occasions they were over to see us, when they gave us an overview of what they have planned.

There's no question that we may very well have here two things running parallel. In a perfect world it would be nice to have the legislation in place before the Wellnet project is coming down the pike. However, it isn't a perfect world. We don't know right at this time -- in fact, we tried this week to find out -- what specific Wellnet projects might be coming down the pike this year. I think that's still in the whole budgetary issue with the Department of Health.

I have been advised that the health information legislation in all likelihood will go through this spring and that any impact for our office, if we're going to be affected by that and if they take the

recommendation from the committee that you sat on, would be something that would take place a year from now or perhaps later.

Frank, do you have any additional information?

MR. WORK: Of course, I was brought up rather sharply by an IBM person when I asked a similar question to what Mr. Dickson just asked. I was told in no uncertain terms that Wellnet is not a thing, that it's a whole bunch of things. It's a network. I guess, if it does go ahead, it would contain things as diverse as a pharmacy information network, like British Columbia currently has.

MR. CLARK: Telehealth.

MR. WORK: Telehealth. Sure. That's a good example but somewhat unrelated, except that they both have to do with health.

These things would not be developed in a big lump. They would come one by one by one, and they would be assessed and analyzed by the commissioner as they came or as they were proposed. Consequently, the initiative is with the government as to what order they see fit to bring these things on. Obviously, a lot of them would take co-operation with medical professions: the pharmacies or the doctors or the physicians and surgeons, whatever. So there will never be one thing called Wellnet that someone will drop on the table in front of the commissioner and say: what do you think of the privacy implications of this? There will be a series of things.

We originally had thought there might be up to 12 or 14 Wellnet components go ahead this year. I think the information the commissioner was able to get most recently reduced that significantly. Hence we're not looking for as much money to anticipate doing privacy impact assessments on these things.

The last point, with respect to whether the Wellnet should be developed before the legislation. At one time I would have thought so. I noticed with respect to the federal initiative on what they're now calling Healthway -- so Wellnet is Alberta and Healthway is federal -- they proceeded in the same way. The federal government appointed the advisory committee on the infrastructure under the co-chairmanship of Dr. Tom Noseworthy. They had their public hearings. They developed a plan for this federal health infrastructure, and they presented the final report last week for the federal system. Now, as probably Mr. Dickson knows better than anyone else, Bill C-54, the federal privacy act, is now in committee, I believe, in the federal government.

At one time I would have thought it a little unusual to proceed with the architecture before the legislation, but apparently with structures, networks of this nature it's becoming not uncommon to proceed with the architecture and have the legislation catch up.

Can I make one correction? I want to do this so that someone doesn't read *Hansard* later and see it and think that I'm out of my mind or that we are. The \$35,000 paid to KPMG on the audit with registries: that was paid in the '97-98 budget, not the '98-99 budget. It was right at the end of the '97-98 budget. In answer to the question "What did it cost?" the answer is still that our share will cost \$35,000.

MR. CLARK: Gary, could I just make one more comment before your next question? One of the reasons we met with Wellnet on more than one occasion was for us to outline to them what we're expecting them to do as far as privacy impact assessments on the projects which are coming along.

MR. DICKSON: I appreciate the answer, but I was just going to say, with respect, Mr. Clark, that it seems to me this is less a case of two parallel processes under way. It seems to me it's more like in one case one train has pulled out of the station and has already

disappeared over the horizon and the other one is still sitting at the station and hasn't even got moving yet.

The other thing I wanted to ask. We've been looking at about 20 orders a year. Just in ballpark numbers, what's the expectation for the next fiscal year in terms of number of orders and how many inquiries you anticipate?

MR. CLARK: I'm hopeful, Gary, that we'll end up with between 25 and 28, but there's no magic in that. We don't know; we may have several on the educational side. But my expectation is between 25 and 28. I think we're going to be sitting at 21 this year, which you'll recall is considerably more than I had indicated a couple of years ago.

MR. DICKSON: That's right. I'd just ask another thing, and then it's somebody else's turn. I was just going to say that in terms of the information council, you made some reference there. You'll remember that this is an issue I've raised with you, I think, in this context in past years. To what extent is your office involved on a regular basis, not on an episodic but on a regular basis, with the work of Mr. Samoil's information council?

MR. CLARK: Frank, you've attended these meetings from time to time. It's very clear that we are there on the basis of when we think it's appropriate to come. We are not a member of the council on a day-to-day basis but are there more as a resource. We have to pick and choose when we think it's appropriate to be there. I'm sensitive to note that you've raised that concern -- and one of the government members too -- about the inappropriateness of sitting on a panel like that on an ongoing basis.

MR. WORK: We receive all their minutes and receive all their agendas. I was the contact person on that. I was, as Mr. Clark said, picking and choosing the meetings I went to. We now have our systems analyst going to pretty well every meeting. Now, it should be noted that our systems analyst is not a decision-maker in the sense that he's not the commissioner or the director.

You know, government is doing so much stuff now with information technology that it just made sense to keep track of what they're doing, because sometimes they will do stuff that, I believe in all sincerity, they don't think has a privacy or an access implication. It happened actually with the Imagis system. If we know about it ahead of time, we can sometimes say: "Now, wait a minute. There may be a problem with this. Maybe you're putting too much information up for grabs. Can you modify the system to reduce access to certain people or to reduce the amount of information?" So it's just been really useful. As government departments automate more and more and more, it's been useful to kind of keep tabs on what they're doing.

My understanding of Mr. Samoil's council is that it's not really a decision-making body anyway. It's an advisory, consultative group.

3:06

MR. DICKSON: I guess the only problem with that characterization is that if you look at the membership of it, you've got arguably the most senior level civil servants in the province of Alberta. So you can appreciate that some of us don't view it as a consultative body but as a more action-focused body which doesn't necessarily have privacy at the top of the list. That's been replaced with marketing information for dough for the provincial treasury.

MR. WORK: It's hard to argue with what you're saying.

MR. CLARK: That's why, though, I think it's important for us to have access and be there when important issues that deal with privacy are there. If we don't do that, then you're caught in the situation: well, if you'd just told us about your privacy concerns six months earlier. It's frustrating.

MS OLSEN: Just a couple of questions. On page 2 of your report you discuss the need to hire a researcher/writer, and I'm wondering if this is the person who will do your communications. When I look back here to page 12, your communications plan, you only discuss that in terms of an annual report. I guess I'm wondering where public education fits into this, in particular as your mandate grows and with the need for the communities to get more involved and for understanding at the school level, those kinds of things. What types of information are you putting out to the public, if any, and if there's not, is that part of what this person will do?

MR. CLARK: Partially, yes. Can I give you just quickly an example? Three, four weeks ago we met with the Alberta Weekly Newspapers Association, the trustees, the teachers, and the ATA to deal with the FOIP issues as they affect education. In fact, Tom Thackery is heading up a group that hopefully sometime in January is going to be able to give some sense of what's doable and what isn't doable as far as the Weekly Newspapers Association is concerned in the province and what information should be available to schools and what shouldn't be. One of the things I'm doing in getting out across the province more is part of that public education thing. You'll recall that in my comments, too, I made reference to the fact that we're getting out and doing some high school projects. I think it's grade 11 and grade 12 students primarily.

The communication plan. That's really for printing costs. We don't want to do that kind of stuff in-house at all. For the design work, the concept, all that kind of thing, we've gone and got that in the past outside. It's really expensive to educate these firms as to really what we're all about. We think we can do that better by having someone in our own organization who's doing that on one side and research on the other side.

MS OLSEN: Yeah. It concerns me, especially with schools, because I'm sort of reflecting on what happened with the Supreme Court decision that stated that people can search in schools. The next thing you know, we've got 19 boys standing naked where somebody's looking for \$16. My thought then comes to freedom of information: are we getting the message out there in the right way? Are people not overreacting or not understanding what their role and responsibilities are? Those kinds of things. That, I think, is a big concern for me. You know, we see either lack of knowledge or taking something too far.

MR. WORK: If I can point out along that line of questioning, on page 5 you'll notice that there's a significant increase in the commissioner's travel budget, and that addresses the very point you're making. The commissioner said in November that he wants to be out speaking at least twice as much as he was this year, and I think that included some of the staff going out as well. You'll notice that the first item is: in-province travel, trips to Calgary and rural areas. The plan is to have the commissioner out to the four corners of the province this coming year, with the roll-in of all the public bodies being complete. That relates to the issue of a writer/researcher in that we want him to be able to say things that are pertinent -- not that he doesn't always anyway.

MR. CLARK: Well, thank you, Frank.

MR. WORK: You're welcome. You know, just in case there's any bonuses at the end.

We want him to be able to say things that are pertinent. Now that he's got a fairly large constituency, a fairly diverse constituency, everything from government departments to schools to hospitals to municipal governments and universities, we would like him to be able to tailor messages and tailor information to those diverse bodies, and the researcher/writer should be able to do that. The point is well taken that there is an education function there, and we're trying to meet the increase there largely through this travel expenditure.

MS OLSEN: Just a final question. In terms of the delegated administrative organizations, are there some that fall under the freedom of information act and some that don't, or do they all not? What sort of variations exist?

MR. CLARK: I'll give you my sense; okay? Then Frank can give you the legal talk. My sense is that they, by and large, fall under the legislation. That's the position that I take as commissioner. I did have an experience with I think it's the Tire Recycling Management Board, if I'm not mistaken. That came out from under FOIP as a result of change of name, change of function. I just think that's inappropriate. I made a recommendation to Mr. Friedel's committee. It's one of the reasons why I'm very reluctant about one of the recommendations they're bringing forward, where it doesn't say: change the legislation. It says: a legislative enactment. That would allow the regulations, in my view, to be used more than the Legislature intended. I think that people like the tire recycling board, who get their money as a result of a tax put on people, should be subject to transparency.

MS OLSEN: We may in fact see all of those DAOs take on a new role with the Eurig decision on taxes and things.

MR. CLARK: My sense is that most of them are under now. That's the way we've been interpreting the act.

THE CHAIRMAN: We'll take one more question from Gary. Then we'll go on to the ethics side.

MR. DICKSON: On page 4 I'm not sure I've got a clear or a satisfactory explanation for the 77 percent increase: membership fees, conference fees, training and development. If we say that it's the responsibility of the departments of Labour and Municipal Affairs and Advanced Education to do seminars and so on around implementation of FOIP -- I mean, I can understand some cost there in membership fees, conference fees. But, you know, this would be enough to send everybody in the office out for a law degree.

MR. CLARK: Well, I didn't know law degrees were that cheap. Sorry, Gary.

Mr. Dickson, primarily this is for training programs for our own staff. We've put \$2,500 in for each of our staff members for professional improvement courses this year, and that's where a lot of it comes from.

MR. WORK: That's consistent, by the way, with government policy. Personnel admin has suggested that all government departments have staff prepare or have prepared for them learning plans in order to keep the civil service both vital and up to date. I'll tell you, I was stunned. When we went over to the Imagis system to pay our bills, the cost of the courses for Leanne and Boris was staggering. I mean,

the tuition for an Imagis course is like a thousand dollars for a two-day course. So \$2,500 doesn't get you much, and they won't let you play with the Imagis system unless you've got the course.

3:16

MS BARRETT: They get you coming and going on that one.

MR. WORK: No kidding.

MR. DICKSON: Well, I'd just make an observation. I understand the accounting is sort of a separate issue, but you've got a brand-new office. It's not excessively narrow, but the mandate of your office is implementation with respect to an act, enforcement of an act. One would expect that your internal staff training requirement is considerably different than a line department. I'm all for training and education, but everybody in the office has only been there a couple of years, three years at most. People are presumably being hired on the basis of having some experience around the act and so on.

MR. CLARK: Gary, with all due respect, there's just nobody in Alberta who has experience around the act as far as postsecondary educational institutions or hospitals are concerned. I mean, with the two new people we just hired, hopefully some of their real strengths are in the mediation area. In fact, one of the persons formerly comes from what used to be the Board of Industrial Relations; people who have that kind of background. We do regularly try to get them involved in courses that improve their mediation skills and technology skills too, yes. They have to be able to kind of look to people in the department at a senior level and be able to communicate with them on a basis that allows them to be equals.

MS BARRETT: I'm sympathetic to that. We've just heard from the Auditor General how difficult it is for his department to get qualified people because there just aren't enough CAs out there right now, and the private sector is having the same problem. If you don't put some bucks into keeping these people maintained, believe me, they'll salivate to get out and go elsewhere. But that has absolutely nothing to do with the question I have. I just love doing editorial comment; that must be it.

The basic bottom line here is that you're looking for a little bit of extra money for two new people and to be paying the people that you hired midterm their full salary next year. That's the basic bottom line of the request; isn't it?

MR. CLARK: Yes. That's basically it.

MR. WORK: And there is a component in there anticipating having to do some work on some Wellnet components and probably health information.

MR. CLARK: And audits.

MR. WORK: We're anticipating that may require some expertise that we don't have, and we'll have to go out and use consultants.

MS BARRETT: I mean, I certainly can see the need for expansion of the office considering the expansion of the mandate again. That was bound to happen. But I'll just ask a question, and it's not a trick question. Is there any possibility that if all this was allocated, things would happen so that you ended up turning money back in next year as well? I mean, you're turning in a big chunk of change this year.

MR. CLARK: Pam, if Wellnet stalls . . .

MS BARRETT: Okay. Yeah.

MR. CLARK: On the other hand, Pam, if the health information legislation goes ahead and there are some new developments in that area that I have a lot of concern about, I'd have no qualms about going out and hiring the best consultants we can find who have experience in that area to give me the best advice I can get. Because at the end of the day, I've got the opportunity to go to the Legislature and say: look; you should not be proceeding with this legislation. If I take that step, which I've only ever seen taken once in Alberta's history previously, then I'd better have awfully good information and backup to do that.

MS BARRETT: Right. I agree with your answer, and thank you.

I have one technical question as well, and that is on the contract employees. Aside from you, Bob, which is kind of obvious, why aren't the director general counsel and the two legal counsels considered salaried permanent employees?

MR. WORK: Well, when I first started here, I was on contract, and I changed my status to permanent employee just so I could participate in the benefits; you know, the health plan, the pension.

MS BARRETT: Okay. So in other words, you and the other two legal counsel, Lisa and whoever else, are real employees if you want to be.

MR. WORK: Yes, that's right. We have one lawyer now who's still a true contract employee in the sense that she submits a bill for her hours, I look at it and sign it off, and they cut her a cheque. She's responsible for her own pension and so on. But the other three of us are employees, yeah, as you say.

MS BARRETT: Okay. I just want to make sure that they're not being forced out of being able to participate in the public service benefits program.

MR. WORK: No, not at all. We'd be delighted if they did, actually.

MS BARRETT: Because it's cheaper; right?

MR. WORK: Well, yeah. You know, there are trade-offs.

THE CHAIRMAN: Okay. Bob, we should get talking about your Ethics Commissioner budget.

MR. CLARK: On the Ethics Commissioner side you'll notice there's a 6 percent decrease. Last year we upgraded equipment considerably in the office. We have kept basically the same amounts in place. It's my best judgment that this will allow us to do the job that the new legislation asks us to do. Mr. Chairman, if there's a significant issue that arises and the commissioner has to go out and get a lot of outside counsel, I think I've got \$25,000, 28,000, or something close to that included in there for outside counsel. If I had to go much more than that, I'd be back to see you. But this covers Karen on a full-time basis; it covers me for I believe it's about a third of the time and the joint use of the office. As you know, Karen is the inquiries clerk at the IPC hearings. We do use Mr. Work's legal counsel on the ethics side because he's been involved in this since the office opened up. But basically it's very much a status quo budget.

Do you have any more to say?

THE CHAIRMAN: I have a question. You say it's a 6 percent decrease? I would hope that if it were 6 percent, it would be something like \$10,000 or \$12,000 less. Is there a decimal missing, or am I lost there?

MS BARRETT: Oh, you're right. You're absolutely right.

THE CHAIRMAN: I think it's .6 percent.

MR. CLARK: It's what?

THE CHAIRMAN: It's .6 percent.

MR. CLARK: It's .6 percent?

MS BARRETT: Yeah. That's more like it.

MR. CLARK: I stand corrected, Mr. Chairman. *Hansard*, will you please note that.

MR. DICKSON: Just one question. This had come up, actually, with respect to the select special committee on FOIP. The authority under which you deal with senior officials: that's still the Fowler memorandum; is it not? I just wanted to confirm my understanding of that. It has not been reduced to an enactment, that the requirement for those senior government officials to vet things with you is on really no higher basis than just a departmental policy. Is that it?

MR. CLARK: It's a condition of employment, I guess, of those senior officials, but there's no legislative mandate, Mr. Dickson, from my office to do that. It was something that in the early stages of the office I was approached by Executive Council and asked if I would do. I took on that responsibility at that time and continue to do it. It involved, Mr. Dickson, between 50 and 60 senior officials, including the deputy ministers and others, including the chairman and members of the EUB, the land compensation committee. I meet with all the deputies and the chairmen of those organizations. Once a year I meet with the board members and so on, on a one- or two-year basis depending on the situation.

MR. DICKSON: Okay. I appreciate the clarification, because when we dealt with this in the select special committee, I think there were many members who were of the view that in fact that information was collected pursuant to an enactment, which then triggers some different kinds of treatment under the FOIP Act than if it's independent of that.

MR. CLARK: Yes, it does.

3:26

MR. WORK: The government did change a couple of things, as the commissioner said. It's now regarded as a condition of employment. They made a regulation under the Public Service Act saying that employees of the government would adhere to the policies of the government respecting disclosure and so on, and then that was intended, I think, to dovetail into what you referred to as the Fowler memorandum. My perception, my opinion, is that they've tried to build a bridge from the Public Service Act to the Fowler memorandum, which is more than they had before, but legally neither the Conflicts of Interest Act nor the Public Service Act directly says: thou shalt report to the commissioner, and the commissioner shall be able to do this with you. So the bottom line, as the commissioner said, is that it's still a condition of employment. You do it because your employers tell you to.

THE CHAIRMAN: Yes.

MS OLSEN: Thank you. I just want to reflect back on Gary's comments. It includes senior officials, but it doesn't include the political staff; is that correct?

MR. CLARK: The political staff in the Premier's office, all but the deputy minister report. The Premier's executive assistant reports. There are other people in the Premier's office who report: Mr. Stoddard, who I believe is the executive assistant to Executive Council. He was formerly the EA to the Minister of Health. He's now in the Premier's office. The lady who looks after the appointments has reported to me in the past, but I don't believe she does this year. They're making a change there, so exactly what's happening, I don't know, but there are four or five people. Then the former secretary to the cabinet reports also, and they report on their assets and their liabilities. If I have a concern, as I would do with a member, I would discuss it with the member. If an issue cannot be resolved, then I would report that to the minister, and it's up to the minister to deal with it.

MS OLSEN: What I would like to see is what positions exactly do then report and what positions don't, because there are more political positions at the higher levels.

MR. CLARK: None of the staff people in the ministers' offices report.

MS OLSEN: So the executive assistant to a minister . . .

MR. CLARK: The executive assistants do not. No, they do not. Mr. Elzinga does. What's his title anyway? Mr. Love reported before him, Vance MacNichol did, and now Jack Davis, those people. I could get you that list.

MS OLSEN: I would appreciate that. As you know, my position is that I feel these people should fall under the act, so I would be interested in finding out who exactly does or does not fall under the public service policy, and who are the . . .

MR. CLARK: Kind of the flow out from the Fowler memo.

MS OLSEN: There you go. Yeah. So I would appreciate that.

MR. CLARK: I'll certainly do that.

MRS. O'NEILL: I just have a little query. Is that our role here as the committee to be asking for that kind of information?

THE CHAIRMAN: If it's public information that is usually public in the office, I guess anybody can ask for it. If it is confidential information, I don't think we should delve into it.

MR. CLARK: The reason I answered it, Mary, is because it's partly the area that I report on and the others . . .

MRS. O'NEILL: My point was as a committee here today, if we can ask for any kind of information that we wish and if it's available we can get it.

THE CHAIRMAN: I'd like to thank you, Bob, and your staff for coming.

MR. DICKSON: I had another question, Mr. Chairman.

MS OLSEN: We have a couple of questions here still.

THE CHAIRMAN: One more question?

MS OLSEN: We don't want Bob to rush away to Christmas this quickly.

MR. CLARK: I'm going over to the Auditor General's party. No.

MS OLSEN: There you go.
Go ahead, Gary.

MR. DICKSON: You'll be familiar with the Conflicts of Interest Act amendments that have just been dealt with in the fall legislative session. Is there any financial impact in terms of that bill in the operation of your office? I don't see it reflected there.

MR. CLARK: Gary, the only area I can see that has significant financial impacts would be that area that allows members to be compensated for their blind trust. As soon as the legislation is proclaimed, I'll be writing members who have blind trusts and asking them what's involved from the standpoint of costs, and if they have plans of submitting something to me, then I need to know very early. I take it as one of my responsibilities to be satisfied with any funds that are asked for in that area. I've only ever had one member who's expressed a concern to me about the costs of the information and preparation for their public disclosure documents.

We did consider putting some additional money in the budget this year for that, and quite honestly, at the time we did the budgets until a few days ago, I didn't know whether this was going to get through or not. I'm not sure when it's going to be proclaimed. It's conceivable, Mr. Chairman, that if there's a big rush there, I would certainly get back to you and hopefully do something in the fall. Members meet with me in kind of midsummer, the August/September period of time, and that would allow me to come back in the fall if that were necessary.

MR. DICKSON: I was just thinking. We looked at an Ombudsman budget that's hugely anticipating legislative changes we haven't even seen yet. We're looking at changes in terms of health legislation which hasn't even been tabled yet, and in this case, here's a statute that's already been passed, albeit not proclaimed, and it just seems to me that if there's a cost factor there . . .

MR. CLARK: Gary, the reason I didn't put anything in it -- when I talked to the member who had raised it with me, it seemed like he was talking of an amount of money for once ever. That member has now had that done, and I wouldn't see this legislation coming back if I can pick that up.

MR. DICKSON: Okay. Thank you.

MR. CLARK: Thank you very much.

THE CHAIRMAN: We need a motion to adjourn.

MRS. O'NEILL: I'll make a motion to adjourn.

THE CHAIRMAN: I have a motion by Mary that we adjourn.

MS OLSEN: Oh, I would like to make a motion first. I'd like to move that when we convene these meetings, cell phones be turned off to avoid the disruptions that we seem to have. I can make that motion at the beginning of the next meeting.

THE CHAIRMAN: Yeah. I would like to accept your motion, but we're down to three members, which is barely a quorum here, so

maybe you could bring it up at the beginning of a new meeting. Do you mind withdrawing your motion and bringing it back?

MS OLSEN: Uh-uh.

THE CHAIRMAN: Okay.

Mary has a motion that we adjourn. All those in favour?

HON. MEMBERS: Agreed.

THE CHAIRMAN: That's carried.

[The committee adjourned at 3:35 p.m.]

