

8:30 a.m.

Wednesday, June 12, 1991

[Chairman: Mr. Pashak]

MR. CHAIRMAN: Okay, I'd like to call this morning's meeting of the Select Standing Committee on Public Accounts to order.

MR. PASZKOWSKI: Mr. Chairman, how many opposition people that are so enthusiastic about asking questions are here? I think it should be noted in the minutes because it's important.

MR. CHAIRMAN: I'm sure that just because you mentioned it, it will be at least in *Hansard*. That will serve to make the point I think you're attempting to make.

MR. SIGURDSON: Mr. Chairman, it's not so much the quantity as the quality.

MR. CHAIRMAN: I'm sure *Hansard* will reflect that comment as well.

Before I introduce the minister, I'd like to welcome the Auditor General, Don Salmon, and the senior Assistant Auditor General, Mr. Andrew Wingate. This morning we have the pleasure of having with us the Solicitor General, the Hon. Dick Fowler. I'd like to say welcome to him. I'd invite him to make a statement, if he'd care to do that, and introduce his associates.

MR. FOWLER: Thank you very much, Mr. Chairman. As all of you are aware, to come before this committee is a very new experience for me, at the same time a welcome experience, as most new experiences I incur are. Before my opening statement, I would like to take the opportunity to introduce my department people that are with me. On my immediate right is the Deputy Solicitor General, Mr. Jack Davis, and on Jack's right is my executive assistant, who all of you in all probability are acquainted with, Mr. John Szumlas. From the department on my left are Mr. Al McGeachy and Ms Lois Lloyd, who will assist me today. You may be sure that they will be assisting me in a number of the answers, and I want you to be as sure that I will adopt those answers they may be giving as my answers and will be fully responsible for them.

Do you want me to stop for a second, Mr. Chairman, while you deal with those hands on the other side?

MR. CHAIRMAN: It's all right.

MR. FOWLER: That's fine; I'll carry on then. I thought maybe you wanted to recognize some of the hon. colleagues on the opposite side.

The Department of the Solicitor General's responsibility for this reporting period that we are reviewing today falls in four areas: firstly, in policing; secondly, in corrections; thirdly, in the motor vehicles division. Fourthly, the horse racing commission also falls under the Department of the Solicitor General. I can say that the horse racing division was reassigned this fiscal year, but I will still give a report on it in respect to the year we are reporting for, 1989-90.

The Solicitor General is responsible for the Police Act and the administration of the Police Act in the province. While we do not have direct control over police on the municipal forces, they are pretty well controlled by the commissions that are in place. Every municipal police force, such as Edmonton, Calgary, Medicine Hat, Lethbridge, and the number that are in the province, by legislation must have a police commission in place.

The police commissions are responsible for the policies of those police forces more so than anybody else, certainly more so than the Department of the Solicitor General, which has no contact and no input in respect to the day-to-day operation of any municipal police force in this province. That is a duty of the police commissions, which must be in place and are in place by virtue of the Police Act.

The provincial policing is done by the Royal Canadian Mounted Police under contract, and for the reporting year there would have been something in the neighbourhood of 1,053, I believe, or 1,050 RCMP officers on provincial contract as the police force of the province of Alberta. This is a situation similar to all other provinces in Canada with the exception of Ontario and Quebec, which have provincial police forces. Alberta is the second largest contracting province in Canada, British Columbia being the largest contracting province. In the reporting year we were in the ninth year of the contract. March 1990 would have been the completion of the ninth year of a 10-year contract. I think all my colleagues are aware, Mr. Chairman, that the contract terminated in 1991, and we have been deeply involved with the federal Department of the Solicitor General for a new contract. However, that's outside the reporting year, and I won't make any further comment than that, although I'd be prepared to respond to any questions committee members may have.

I believe the contracting force supplies Canada, most particularly Alberta in this case, with excellent policing. The Royal Canadian Mounted Police have a worldwide reputation, their training is second to none worldwide, and they provide an ongoing type of policing in Alberta. We do not get into problems with negotiations in contract talks with the force itself and this type of thing; our only contract is with the Solicitor General of Canada, so we never have a shortage of policemen. They have equivalent training right through: a man in Fort McMurray or Fort MacKay is as well trained as a man in Fort Macleod. That consistency is of very great benefit to the province generally.

We also have the ability with our police forces that they have Canada-wide experience, because many of the policemen that in fact do come are from other provinces. As I indicated, I think their worldwide reputation also serves the province of Alberta and its people in a very fine fashion. I have had few complaints about the police force to this point in my term as Solicitor General. I want to just mention very briefly, Mr. Chairman, that we are in contract talks, and at this time it looks like we will be able to get a favourable contract this year.

Corrections of the province, Mr. Chairman, are again the responsibility of the Solicitor General. Our main responsibility in this area is the housing of provincial prisoners, and by "provincial prisoner" I mean a person sentenced to less than two years. Many of us are familiar with the term "two years less a day," and that simply means that automatically he or she is going to be a provincial prisoner or a prisoner the province is responsible for. Anything two years and over is a federal prisoner. However, that doesn't mean they necessarily go to a federal institute. Because of an exchange agreement or a service agreement with corrections Canada, again the Solicitor General of Canada, we in fact house many, many, many prisoners that are looked upon as federal prisoners.

The criterion in accepting a federal prisoner is, firstly: does the federal government want us to do so? Is it the type of prisoner that has committed a type of crime that is not so heinous that sentence must be served in a tougher institute such as the penitentiary in Prince Albert or even Edmonton Institu-

tion to a lesser degree? If it is felt that this prisoner can benefit from the provincial system with rules and regulations less stringent than those that may apply in a federal system, most particularly a maximum security one, if it is felt there is a better opportunity for rehabilitation of that particular person, then the likelihood is they may well come to the provincial system. We have federal prisoners that are serving quite long sentences in provincial institutes as a matter of fact.

8:40

Of course, our main priority in corrections quite frankly is one of rehabilitation, to try to provide the programs that have the best chance to rehabilitate the prisoners we have. I think all of us are becoming increasingly aware of what is perceived as an increase in youth problems and the perceived ineffectiveness of the Young Offenders Act. It is our belief that too often the effect of the Young Offenders Act is to incarcerate very young people, and the opportunity is not truly there for a great deal of rehabilitation. It's distressing to see, as I have seen, 12- and 13-year-olds who are in fact incarcerated in young offender centres. I am left puzzled as to what we are really accomplishing by keeping these people under lock and key.

However, I guess one can ask: what can one do about a 12-year-old who insists on setting buildings on fire? They certainly must be attended to in some way, shape, or form. If that is their particular propensity, if that's what they are going to do when they get out to enjoy their freedom, at least for the time we can we're keeping these torch bearers, torch people off the street. It still leaves all of us in the system, and I'm sure most Albertans are distressed that it is necessary or is felt to be necessary to do that.

We have 26,000 people in our prison system under lock and key, so to speak, at least lock and key at night. That number includes the 300 youths we have not only in our young offender centres but also in other halfway houses or other institutes smaller than the young offender centres.

Thirdly, in the department we have the motor vehicles division. This division is responsible for the operator licence and registration. It's also a division which has taken responsibility for the impaired driving programs which were first implemented on a major scale in the 1989-90 year in this particular budget. The number of impaired drivers has become absolutely intolerable to Albertans, and I'm sure you people have received as much input on that matter from constituents as I have. We are becoming known, I guess, as one of the tougher provinces in dealing with impaired driving. In '89-90 and '90-91 and '91-92, three successive years, we have implemented new initiatives in this area. I don't believe there's any question, Mr. Chairman and ladies and gentlemen, that we are having an effect. We know we have had an effect on what was perceived likely to be the responsible driver in the first instance, who sometimes may have been prone to making a mistake by having one or two drinks too many and then getting into an automobile and driving. People, all of us here, now more so than ever before, I'm sure, are indicating their responsible attitude towards drinking and driving. I've even heard from licensees of the Alberta Liquor Control Board, those people who run the bars, the night clubs, and this type of thing. I've had complaints from them that I have affected their businesses. Of course, it has made me feel nothing but good when that has occurred, because it means we are accomplishing our objective of having people realize they cannot drink and drive and should not drink and drive.

The person whose attention we have not caught is apparently the habitual drinker or the one whose attitude is "I don't give a darn" all the time and is socially irresponsible in the first place. We will continue to devise methods to catch this person, and all of us will see the new implementation of initiatives on an ongoing basis. Those programs that we have put in place, ladies and gentlemen and Mr. Chairman, have been highly acceptable to the general public of Alberta. In fact we cannot and will not go as far as many Albertans suggest we go. I don't think our laws can become so draconian or harsh that we gain a reputation for draconianism or harshness in this province. I think we have to be reasonable at all times and make every attempt to do so.

The motor vehicle division is a large revenue generator for the province, and I expect that there may well be questions on that today. One of the things I want to bring out in the motor vehicle division is that we are issuing more licences and more registrations every year but continue to do so with a decreasing rate of personnel due to the modern technology we have put in. The department has worked very hard, Mr. Chairman, in not releasing people who then may have go out and look for new work and start trying to replace a career at a time when it may be difficult to do so. Most of our cutbacks have been a result of natural retirements or departures from the department generally. In few instances, although they are there, have we actually downsized to the point of having to release people. As I indicated, the numbers are increasing on the licences and registrations we issue, and there's no sign that that is going to go down at all.

Finally, in respect to horse racing, Mr. Chairman, the Racing Commission was in the Department of the Solicitor General. It was a matter of making appointments to the commission and working with the chairman of that commission, a former Member of this Legislative Assembly, Mr. Roy Farran, to ensure that horse racing was run in an entirely fair fashion in the province and to see that the most important person of all, the bettor - that's the most important person in the whole horse racing business, because without the bettor there would not be any horse racing at all - got a "fair shake" insofar as is possible in the racing business. We think that has been accomplished by and large. The thing about horse racing is that it is at no cost to the taxpayer of the province. It is an entirely self-funded operation in that a certain percentage of the take or the betting amount is in fact turned back, is rerouted through the Treasury Department that collects it, turns it back to the horse Racing Commission, which in fact, as I indicated, is totally responsible for all racing within the province.

Mr. Chairman, I'll let my opening comments stop there and respond to the best of my ability to questions my colleagues have. As I indicated and want to reaffirm again, there will be numerous answers in all probability given by my department people, and in each and every instance I will accept that answer and ask you to accept that answer as my answer; I will be responsible for it.

Thank you, Mr. Chairman.

MR. CHAIRMAN: I'd like to thank you, hon. minister, for that overview of the goals and objectives of the various entities for which you're responsible. This is the minister's initial appearance, as I understand it, before the committee. I'd just like to explain to him that normally each member will ask three questions, a major question and two supplements, although not necessarily on the same topic. We try to keep the questions away from policy issues to the extent we can and on the accounts themselves or on the Auditor General's report, but we can't help

sometimes drifting into the policy field. If you feel comfortable about answering those kinds of questions, I'll leave that to your discretion.

With that, I'd like to recognize those in the order in which I saw them put up their hands.

Mr. Paszkowski.

8:50

MR. PASZKOWSKI: Well, thank you, Mr. Chairman. That's a pleasant surprise. I want to compliment the minister for the overview, because I found it quite informative.

My first question, Mr. Chairman, is on vote 3.2.5, on page 3.111 of the public accounts. It shows an overexpenditure of the RCMP provincial police contract of over a million dollars. What is the reason for this?

MR. FOWLER: The Royal Canadian Mounted Police officers were granted a salary increase of 5.1 percent, while the administrative staff received something over 9 percent, I believe 9 and a half percent. In addition to that, the Royal Canadian Mounted Police incurred unbudgeted costs associated with the Blood Indian inquiry, which was called by the government. As I say, the RCMP, because of the number of witnesses they had to bring in, required further funding on that under the provincial contract.

MR. PASZKOWSKI: Thank you. My supplementary. Is the department not able to estimate contract settlements in budget submissions? Is there a process where you can anticipate?

MR. FOWLER: Well, we can certainly anticipate, hon. member, but because it's the RCMP, the RCMP is paid by the federal government, Canadian government. Only the Canadian government negotiates with the RCMP, without any reference to the provinces at all. We are bound to accept the result of that negotiation irrespective of what it may be.

MR. PASZKOWSKI: My final supplementary. The special warrants obtained by this department are explained on page 8.9 of the public accounts. The second special warrant noted there refers to the "unanticipated salary increases associated with the RCMP-provincial policing agreement." How much of the \$1.36 million special warrant was allocated to funding the RCMP?

MR. FOWLER: It's \$450,000, Mr. Member.

I want to answer further on your first supplementary too. We did in fact budget 4 percent for that amount, but obviously it wasn't enough, as I said, because the rate was 5.1 for the salary increase and administrative staff at 9 and a half.

MR. CHAIRMAN: Okay.

Mr. Thurber.

MR. THURBER: Thank you, Mr. Chairman. Good morning, Mr. Minister. My first question is on page 3.113 under the heading Other Revenue: Refunds of Expenditure. There's an amount there of \$386,665, and it's indicated as income from victim fine surcharges. Could you explain the nature of this income for me, please, Mr. Minister?

MR. FOWLER: Yes. The majority of these funds are federal funds which are granted to the province for the victim programs. That amount was \$238,040. This was under a three-year federal/provincial memorandum of agreement that expired in

March of '90, or the reporting year. It was received over this year plus the two preceding years. It also includes the federal fine surcharge moneys which were collected under the federal legislation; this was \$148,000-plus. As these funds were collected prior to our legislation, which was just brought in last fiscal year, as they were collected prior to the legislation being proclaimed, they were placed in general revenue.

MR. THURBER: What's the projection on how this revenue will be used? Will individual victims receive funds, or will it go to program support? Could you give us a bit of an outline on that one?

MR. FOWLER: The federal government agreed when they implemented the program that they would give the province a grant equivalent to 10 cents per person. That's the one that expired in March 1990. We are presently attempting to negotiate an extension on that, although all of us in this room are aware of the federal government's propensity at this time to back off programs which assist provinces in any way, shape, or form. The federal fines in fact that only apply are a surcharge on the Criminal Code, the Narcotic Control Act, and food and drug offences, and these will continue as far as the surcharge is concerned.

MR. THURBER: From what you're saying, it may not increase, but can you expect this revenue to increase or decrease in the years to come?

MR. FOWLER: Even without the ongoing commitment from the federal government on increased grants into this program, because of the criminal activity itself, I expect the funds to increase, as a matter of fact.

MR. THURBER: Thank you.

MR. CHAIRMAN: Okay.

Mr. Sigurdson.

MR. SIGURDSON: Thank you, Mr. Chairman. Mr. Minister, if I could direct your attention, please, to the Alberta Racing Commission on page 6.141. You've got it?

MR. FOWLER: Yes.

MR. SIGURDSON: Just under the expenditures column between 1989 and 1990, for the most part, as we go through the list - the administrative salaries, veterinarian fees, judges' fees, commissioners' honoraria - there doesn't seem to be any great fluctuation until you get about halfway down the column. If we're going to talk about fairness in the racing profession, having lost a couple of dollars at the track every once in a while, I'd like to ask questions about the steroid testing program, where we have more than a doubling of the expenditure from 1989, when it was \$14,902, to 1990 of \$33,026. Are you aware of the reason for that increase in cost?

MR. FOWLER: My recollection, hon. member, is that the whole drug testing system was massively overhauled and increased during this particular reporting period. The federal people, through the Department of Agriculture, also have a hand in the racing system and racing activities, and they were also involved in this. I recall considerable literature on this, the

federal involvement, with the decision being made that drug testing would increase dramatically.

MR. SIGURDSON: Just moving down to Hearings and Appeals, that's an area where we have a substantial drop. Is that related, then, to the above item of steroid testing? Have you had fewer hearings and appeals because of the increased steroid testing?

MR. FOWLER: I would think that many of those hearings and appeals were in respect to the new drug things that were coming in in '89 and '90, and having been accepted by the owners, the trainers, the appeals would have decreased dramatically in 1990 over 1989.

MR. SIGURDSON: Then immediately following that, the other area where we have almost a doubling of the amount of expenditure, is Licensee Identification Equipment and Supplies. Could I just get an explanation on the reason for that increase in that particular area?

MR. FOWLER: I am advised here, and accept the fact, that this has to do with the tattooing and branding of horses, hon. member, but that doesn't necessarily explain the increase unless a great many more horses came to the tracks at that time. Of course, I know an increasing problem at our tracks is actually the housing of horses.

MR. CHAIRMAN: Mrs. Black.

MRS. BLACK: Thank you, Mr. Chairman. Back to page 6.141 again, under the second statement, the Alberta Racing Commission Statement of Revenue and Expenditure - Development, could you please explain to me, under the revenue section, Contribution by the Province of Alberta? What is that?

9:00

MR. FOWLER: That's our grant, hon. member, that I indicated comes from the betting mutuel in the first place. They pay a percentage to the general revenue account of the province, and the province in turn makes a grant to the Racing Commission for its operation. Four percent of the betting in the province is returned to the Racing Commission. Not only is the Racing Commission responsible for the fair operation of pari-mutuels in Alberta, it also carries a very large responsibility for the ongoing development of horse racing in Alberta, improving the quality of horses. That has been one of their main functions for years: improving the quality of horses, Canadian-bred and Alberta-bred. To some degree it is felt that we are too dependent on an American-bred or an out-of-country-bred racehorse for quality, but there's a lot of money, a tremendous amount of money, that goes into enhanced purses for Alberta-bred racing horses.

MRS. BLACK: Well, on that same statement the minister's quite right. It looks like we're putting in purse supplements, and I gather that's the enhanced purses. Under Standardbred Support \$1.7 million, under Thoroughbred another \$1.7 million, and under Community \$187,000: where is that money coming from?

MR. FOWLER: It comes from the grants, hon. member, the \$6 million that you see at the top, Revenue, because the figures you're referring to are the expenditures immediately under the

grant. Close to half the money that is granted to the Alberta Racing Commission goes to enhanced purses for the sole purpose of improving the breed.

MRS. BLACK: Well, then as a final supplement, if we refer to the top statement on the same page, under Revenue again there's another contribution from the province, of \$686,444. Is that another grant?

MR. FOWLER: I'm advised, hon. member, that the amount you referred to is a public works contribution. We are responsible for 4 percent. Public works contributes 1 percent.

MR. CHAIRMAN: Mr. Bruseker.

MR. BRUSEKER: Thank you, Mr. Chairman. I'd like to ask the minister to turn to the Alberta Liquor Control Board commission on page 7.34 of the public accounts book, please. In the statement there, there is Cash from Operations, Net Income shown as being \$383 million. My first question is with respect to that \$383 million. Does that include at all the taxes that are levied on the sale, or is that simply the increase in cost between what the product is purchased for and what it's sold for?

MR. FOWLER: That is the net difference, I believe, between our purchase price and our selling price.

MR. BRUSEKER: The next figure that I'd like the minister to look at is in note 5 of the public accounts. There's a phrase there that says, "The Liquor Control Act provides that the Board shall maintain a capital account." That capital account figure is given as being \$138 million for the purchase of land, buildings, inventory, and so forth. I'm wondering: how much of that \$138 million is expended on the appropriation of lands and buildings in that fiscal year?

MR. FOWLER: I'm going to ask Mr. McGeachy if he can respond to that, please.

First, I want to say that in the first question, hon. member, it is not the net difference; it is the net difference after all expenses. That is the amount of money that is turned over, net, to the Provincial Treasurer into the general revenue account for purposes of the government.

MR. McGEACHY: Mr. Chairman, I think it would be advisable if we took that one under notice and got back to the member. I couldn't give you the breakdown right now.

MR. BRUSEKER: Okay. That would be fine, thank you.

My final supplementary, then, is with respect to lands and buildings again. Under note 4 there's a list of fixed assets owned by the commission: land, buildings, et cetera, et cetera. I understand the warehouse in Calgary is no longer being used, as services have been centralized in the St. Albert warehouse. I'm wondering: is there going to be a profit from the sale or has a profit been realized from the sale of the building in Calgary?

MR. FOWLER: I don't think there's any doubt there will be a profit on it if it is in fact resold, hon. member, but a decision has not been made on that at this specific time.

MR. CHAIRMAN: We're wandering a little outside this year, but that's okay.

Mr. Cardinal.

MR. CARDINAL: Thank you very much. My question is on the Motor Vehicle Accident Claims Fund. Page 5.66 of the public accounts shows the assets, liabilities, and equities of the Motor Vehicle Accident Claims Fund. The summary statement shows the fund's equity has grown to \$7 million during the fiscal year of '89-90. Does this indicate that the government is overcharging for the coverage?

MR. FOWLER: I think, hon. member, that is not an indication of overcharging. In addition to expenditures of \$8.6 million for this reporting period, the fund also had at that time a contingent liability of \$25.6 million for unsettled claims that were before the unsatisfied judgment fund.

MR. CARDINAL: Could the minister outline, on the contingent liability, the amount and types - he said \$20 million - of claims that are outstanding?

MR. FOWLER: Well, about 45 percent of them are personal injury claims; 37 percent are hit-and-run accidents where the perpetrator of the crime is not, in fact, found and cannot be sued or if he is sued and is uninsured, as is too often the case in hit-and-run accidents, then the injured party has the right to go to the fund. If he or she has a judgment against a person who can't pay, then it can be collected by the fund. The fund makes every effort to get it back. Then nearly 17 percent are for judgments and less than 1 percent, eight-tenths of 1 percent, for uninsured motorists. There's been a total of 2,566 claims paid.

MR. CARDINAL: Okay. Just a final supplementary. What is the accident claim fee, and is it being reviewed in light of the apparent surplus?

MR. FOWLER: Every time you purchase a motor vehicle registration, there's a \$6 surcharge on that. So that's how much you pay. Every registration in the province pays that amount every year.

MR. CARDINAL: Part of my question was: is the accident fee dollar amount being reviewed because of the apparent surplus you have?

MR. FOWLER: Well, this is reviewed constantly, hon. member, and where it is felt that the fund has more than what is necessary to handle any claims or contingent liabilities or administration for the year, it can be transferred to the General Revenue Fund.

MR. CHAIRMAN: Ms Calahasen.

MS CALAHASEN: Thank you, Mr. Chairman. On page 3.111, vote 1.0.1, since I like the minister so much, I would like to know of the overexpenditure of \$36,200 shown for the Minister's Office. Could you explain why this was?

MR. FOWLER: The biggest reason is that in order to meet the demands of the office, I found it necessary to upgrade the office equipment with the purchase of microcomputers, a fax machine, and the rental of a new photocopier. In addition to that, hon. member, as a new minister very considerable time was spent in this first year of my ministry traveling to each of the major motor vehicle offices in the province, and I also traveled to each

and all of the correctional facilities in order to familiarize myself with the department's operations and meet as many of my staff as I could, both the line people, the guards, and the administrations in the prisons, and the people in the motor vehicle offices.

9:10

MS CALAHASEN: That's commendable; I have to say that's probably a justifiable expense.

On that same page, though, to go on the same theme, vote 1.0.6 shows an overexpenditure under Staff Training College. What was the reason for this?

MR. FOWLER: With the start of the native police force on the Blood reserve in southern Alberta it was necessary to provide additional training for the 16 recruits that were the first ones trained for that force. This program is a comprehensive 16 weeks in residence at the staff college and then several months of on-site training, which we accept responsibility for too. I might add that the first recruits that have gone into the Blood reserve - it's been a highly successful operation. I was going to say experiment, but it's not an experiment. It's an operation which will be a full-fledged, fully operating police force as soon as we feel that they have reached the level of training necessary to take on full responsibilities as a municipal force.

MS CALAHASEN: Thank you. Actually, on vote 1.0.5, Systems and Information Services, that same section was also overexpended. Can you comment on this one, please, as well?

MR. FOWLER: For expediency's sake, I'll ask Mr. McGeachy to respond to that.

MR. McGEACHY: The majority of the charges associated in that vote are charges from the public works mainframe computer back to the department. We try to estimate the demand at the start of the year, and we were out in our estimate. The motor vehicles system is the primary user of those computer facilities.

MR. CHAIRMAN: Thank you.
Ms Laing.

MS M. LAING: Thank you, and I'd like to thank the minister for his opening remarks; they were very helpful.

I would like to refer you to page 7.36 under Licences and Permits. The revenue is down significantly from \$8.3 million to \$1.8 million. I'm wondering what that's all about.

MR. FOWLER: The revenue is down. What page are we on? I'm sorry . . .

MS M. LAING: Page 7.36 and note 7, other income.

MR. FOWLER: Again, I'm going to ask Mr. McGeachy to respond to this. I see where you mean now.

MR. McGEACHY: That's the revenue from the permits, and in terms of the actual details again, I would not have them here, but I'd certainly be prepared to get them for you through the Liquor Control Board.

MS M. LAING: Thank you.

I noted that the minister mentioned that he - you're probably going to rule me out of order, Mr. Chairman.

MR. CHAIRMAN: Fair warning.

MS M. LAING: He always does that to me.

You bring in and house federal prisoners, and given the recent publicity about female prisoners, I'm wondering if you are, in fact, housing federal women prisoners in Alberta?

MR. FOWLER: Yes, we are, hon. member, and I think I could further say that we have made a very serious attempt in discussions with the Solicitor General of Canada to further accommodate the female prisoners that have been indicated would be moving here from Kingston, I believe. We have a whole unit at Fort Saskatchewan, one of the most modern facilities in Canada at this time, that we have offered to the federal people in exchange for service. I'm sorry to say that there doesn't appear to be a great deal of enthusiasm on the part of the federal people at this time. We've also suggested that we could make available to them another institute in Strathmore that may be underutilized by us at this point. There seems to be more of a desire on their part to build a brand-new facility rather than make use of that which we could make available to them. We're continuing our discussions with them, though.

MS M. LAING: Okay. Thank you. You also mentioned the young offenders and the difficulty in providing rehabilitation. I think Strathmore was in fact a place where there was a good young offenders program, the Phoenix program. I'm wondering what kind of a future you see in terms of programs within the facilities themselves.

MR. FOWLER: We make an ongoing, continuous effort, hon. member, to maintain programs and a level of programs which will assist in rehabilitation. It's our belief that anybody can be put out on temporary release and operate under more normal circumstances than they would under an institute, but that's what we do. Of course, our first responsibility is to ensure the safety of the general public, but immediately after that is our desire and in fact responsibility to do what we can to see to the rehabilitation of the person themselves.

One of the things I didn't indicate about the Young Offenders Act is the very considerable amount of objections we receive from the general public where young offenders are in fact convicted of very, very serious crimes, up to and including murder of course, where if they're tried in young offenders court, then it's still a maximum of three years with two years' probation. There are many members of the general public that find that impossible to accept. But what is worse in my view, not worse than murder but what is worse in respect to a light sentence as a result of that, is that we are finding increasing numbers of young offenders that have been recruited by adults to become involved in very serious crime. The young offenders and the adults know that they can commit any type of crime and their punishment is not going to be more than three years with two years' probation. That is a very serious problem that we continue to try and address.

MR. CHAIRMAN: Mrs. Laing.

MRS. B. LAING: Thank you, Mr. Chairman. Mr. Minister, I'd like to welcome you again today as well. Page 3.108, vote 3, shows a \$1.145 million special warrant for program support under the heading of Law Enforcement. Can the minister tell the committee what this money is used for?

MR. FOWLER: This is the two special warrants? I'm sorry. Thank you. One of the warrants was for \$295,000, which was obtained in January of the reporting year 1990. That was to provide the initial funding required for the native criminal justice task force that was called for by the government and headed up by Mr. Justice Cawsey and has reported just recently. A second special warrant totaled \$1.355 million, and this was required for three reasons mainly. Firstly, to start up the Blood Indian police force that I referred to earlier that we trained in our staff college: \$55,000 for that purpose. There was the additional funding required for the Blood inquiry that was headed up by Assistant Chief Judge Carl Rolf in relation to the inquiry on all of the perceived unexplained deaths of members of the Blood reserve. That was conducted in southern Alberta; \$850,000 extra was required for that. This was a shortfall in legal fees incurred in conducting the inquiry. This was over and above the original estimate of '89-90, which was \$1.65 million for that inquiry. Finally, it was to provide for an overrun in the RCMP provincial police contract due to the RCMP members' salary increase, which amounted to \$450,000.

MRS. B. LAING: Thank you. He answered all my questions.

MR. CHAIRMAN: Thank you.

Mr. Lund.

9:20

MR. LUND: Thank you, Mr. Chairman. Good morning, hon. minister and staff. Most of the questions I had have been asked, but getting back to the Blood inquiry, you'd commented about having to get the special warrant for additional legal costs. I know we're not supposed to wander too far from the accounts, but could you comment whether in fact you were able to budget in the succeeding year more accurately as to the costs?

MR. FOWLER: We make every attempt - thank God there aren't a whole bunch of judicial inquiries going on, because as you can see from this report in itself, the expenses are considerable. It's difficult to control the expenses where you have appointed a chief commissioner, or chief inquirer in the case of Mr. Carl Rolf, and he believes that in the best interests of justice generally and certainly the best interests of this specific inquiry, it may have to go a little further than was originally intended. This happened here, and it would have been extremely difficult to have said no to his request for additional funding, because he did not believe that his inquiry was complete at the time, and that's had to come to us.

We make absolutely every attempt, hon. member, to see that special warrants are not required or additional funds. Treasury doesn't make it a particularly pleasant experience in asking for special warrants to go through. In dealing with the people of Alberta, we are as honest as we can be in our estimates, and it's an honest - not even an oversight; it's just something that wasn't seen nor was in fact predictable when we were setting the amount of money for the inquiry generally. We were able to hold the next task force down to a much more reasonable amount of extra funds required when we dealt with the Cawsey task force.

MR. LUND: Thanks. I know special warrants are one thing that's always bothered me, but I guess it's one of the things we have to have for these very purposes you've just described.

Turning to page 3.113 and the statement there of the revenue, from the federal government I notice that in 1990 there's a fairly

substantial decrease in national parole services. What really does this mean? Are we providing less service? Does that go in hand with the reduced dollars, or what's happening there?

MR. FOWLER: No. The decrease, hon member, is primarily related to a reduction in volume or the number of inmates that were involved in receiving the service, the number of federal inmates.

MR. LUND: So does that also apply, then, to the native courtworker program? Is it a lower demand now that we're having less money from the . . .

MR. FOWLER: No. It would refer fewer people to us, hon. member; that is, they are a federal responsibility. If they choose, for whatever reason, not to make a referral of anybody or any group or any number, we have no control over that at all, and in this instance they referred fewer than we had, in fact, budgeted for on the revenue side.

MR. CHAIRMAN: Okay, thank you.

Mr. Drobot.

MR. DROBOT: Thank you, Mr. Chairman. Perhaps my question is a bit biased since we had a correctional centre close in St. Paul due to budget restraint and population shift a year ago. On vote 2 on page 3.111 it shows the estimates and expenditures of Alberta's correctional services and a number of the centres listed under institutional services are overextended in their budgets. Why is this?

MR. FOWLER: Two reasons, two things mainly, hon. member. The department did not receive full funding for manpower, and since the centres are manpower intensive, the realignments were necessary to meet manpower dollar requirements. In addition, several of the centres also had a higher inmate population than in fact was expected, thus requiring greater man-hours in the supervision of the prison population.

MR. DROBOT: With respect to budgeting, is it difficult to predict the needs of the institution based on a varying inmate population?

MR. FOWLER: Again, please? I'm sorry, hon. member.

MR. DROBOT: Well, with respect to budgeting, is it difficult to predict the needs of an institution based on varying inmate population?

MR. FOWLER: The prediction can be inaccurate because it is totally dependent upon the court system and the sentencing of the courts that set the number of people that we must deal with and handle. It is not something that we have any control over at all. The predictions we make are based on the immediately previous year or previous years, and if this is thrown off for any reason because of a particular crime wave or the particular propensities of a number of judges in a given year, it can affect our population. We have no control over that.

MR. DROBOT: So my final supplementary. Does the inmate population and the subsequent necessary expense vary significantly from year to year?

MR. FOWLER: The answer to that, I think, hon. member, is that the overall numbers right across the province may well be fairly constant, but the numbers in specific institutes certainly do vary.

MR. CHAIRMAN: Mr. Gibeault.

MR. GIBEAULT: Thank you, Mr. Chairman. If we could turn to page 3.113, the revenue statement for the Solicitor General for that budget year. I want to follow up on some questions there by Mr. Lund talking about the payments from the government of Canada. There was some discussion about the National Parole Services and the Native Courtworker Program, but what about the Young Offenders Program and the Federal Inmate Account, both of which are significantly less than '89? I'm wondering if that was also due to less people in the system. Or was that a reduction from the federal government?

MR. FOWLER: The young offender program, hon. member, is cost shared with the federal government on a 50-50 basis. The difference is explained by two adjustments that occurred. The '89 year contained a net \$2 million adjustment from the '88 year, and also the '89 year contains a major loss adjustment that was not applicable to the 1990 year. Maybe Mr. McGeachy can expand on that.

MR. McGEACHY: Mr. Chairman, when the Young Offenders Act came in, the province went for five years without having the federal audit component completed. So when it was completed by the federal auditors who came in and reviewed our books, there were adjustments that went back to varying years, and \$2 million we had overbilled them in accordance with the agreement, after the audit was completed. So that explained the one reduction. The other one was the fact that we did some capital upgrading to satisfy the requirements of a young offender centre in Edmonton - I'm not sure of the name of it; I believe the Edmonton youth development centre - and then they were shot down. The federal government did not allow us to take those capital costs in as part of the young offenders agreement, so that required another adjustment from one year to the next.

MR. GIBEAULT: On those payments that are based on the number of people that are processed or put through the system there, was there an increase in the cost of living or an inflation increase from '89 to '90?

MR. McGEACHY: A tough question to answer. No, there wasn't a cost of living increase; they're cost shared. The province pays, and bills the federal government, so it's based on the costs that are incurred as opposed to a budget concept that is inflated for cost of living adjustments.

MR. DAVIS: That agreement now has been capped by the federal government, and their contributions will not move up on a 50-50 percentage any further. So their percent has actually started dropping below 50 percent and will continue to drop.

9:30

MR. GIBEAULT: So they're dumping their expense on us. Okay.

The last question, then, Mr. Chairman, is in terms of the horse racing commission, the Alberta Racing Commission. We see on page 3.112 the grant of \$7 million that's paid, and I'm wondering why we don't see on page 3.113 the revenue that's taken in from

the betting fees, because I understand from the Solicitor General's earlier comments that this simply goes in on the one side, from betting, and then is paid out as a grant. Why don't we see it on the revenue side as well as on the expense side? We only seem to see it on the expense side here.

MR. FOWLER: The amount of revenue that the government takes from the pari-mutuel, hon. member, is exactly that: the revenue that we show going back to the commission. It's a break-even thing. The provincial government General Revenue Fund does not in fact get a revenue that it can use for purposes other than the horse racing commission. Have I made myself clear? The two amounts are equal; the amount received is the amount paid out.

MR. CHAIRMAN: Mr. Clegg.

MR. CLEGG: Thank you, Mr. Chairman. I'd just like to make a quick comment before I ask my questions. I was very interested in the Member for Rocky Mountain House's questions. He brought out the cost of inquiries, and I hope every member of the House realizes that you don't do these inquiries into anything without thousands and thousands of dollars spent.

My question is on page 3.109 of public accounts. Vote 3 shows Law Enforcement Salaries, Wages, and Employment Benefits transferred: \$173,000. What was the reason for this transfer?

MR. CHAIRMAN: Which vote are you referring to?

MR. CLEGG: Page 3.109.

MR. CHAIRMAN: Page 3.109 and which vote number?

MR. CLEGG: Vote 3.

MR. FOWLER: We have the amount.

Mr. McGeachy, please.

MR. McGEACHY: Mr. Chairman, we used part of the funds that were surplus in the manpower to assist in - they were transferred to Supplies and Services and fixed assets. Part of it goes to the RCMP contract that the minister has already alluded to, and the other part went to EDP equipment for the Blood inquiry. Prior to going for special warrants, we always try and adjust our funding internally, so there were transfers from surpluses that we had accumulated in the manpower side of the Law Enforcement vote.

MR. CLEGG: Thank you. That just again shows some more costs for the inquiry.

My final supplementary question, because I think you've answered two in one. Budgeted under the vote Purchase of Fixed Assets was \$34,500. However, there was a special warrant of \$40,000, plus a transfer of \$16,000 added and authorized to the fixed assets. Can the minister outline the need for the use of these additional funds?

MR. FOWLER: Again I'm advised, Mr. Chairman and hon. member, that this has to do with the Blood inquiry as well, the additional cost required for computer equipment and that type of thing, and the task force.

MR. CLEGG: Well, I guess I still have one question, then, that I would like to ask. Is this equipment going to be available for use? I hope the department can continue to use this now that we have the equipment.

MR. FOWLER: It's already back in our department, hon. member.

MR. CLEGG: Thank you.

MR. CHAIRMAN: Mr. Severtson.

MR. SEVERTSON: Thank you, Mr. Chairman. My question is on page 3.111, vote 1.0.8. It's in reference to the Liquor Licensing Review Council, where your estimated budget was \$88,100 and the expenditure was \$32,518. Can you explain why only 37 percent of the budget was spent?

MR. FOWLER: Again, the call for funds in this expenditure item or this element is not driven by government at all. We estimate the number of appeals that will be heard and the cost of those appeals in the liquor industry. It is apparent from this figure that the number of appeals we estimated just were not conducted in that fiscal period or that year, and therefore the expenditures were not made.

MR. SEVERTSON: My supplement. The mandate of the council is just to hear appeals as they come up, so it's in effect the mandate of the liquor review board, then, or council?

MR. FOWLER: Not at all. The whole and sole purpose of the Liquor Licensing Review Council was to deal with appeals of decisions made by the Alberta Liquor Control Board itself.

MR. SEVERTSON: I have a third one that goes on. It may be a little out of the public accounts, but is that trend in existence: less appeals all the time?

MR. FOWLER: What is occurring now, Mr. Chairman and hon. member, is that under the legislation that is now passed and will be proclaimed as soon as the regulations are in place, the Liquor Licensing Review Council is a true appeal board now and their jurisdiction will permit them to either confirm or reverse the decisions of the Alberta Liquor Control Board. All they could do before was advise. So it's difficult to predict what the over 5,000 licensees will be doing in respect of this board now that the board is self-autonomous, so to speak. I think one thing is evident: initially there may be more appeals, but those appeals will set precedents which it will have to follow itself and may result in fewer appeals as time goes by.

MR. CHAIRMAN: Thank you.
Mr. Paszkowski.

MR. PASZKOWSKI: Thank you, Mr. Chairman. I'd like to go back to the early overview that the minister gave us. Basically, I think that's generated some interest that I wasn't aware of. Is the minister at liberty to share some of the details of the federal/provincial exchange agreement that is in place? Could you give us an insight as to what the funding arrangements are? Just a general overview of what the exchange agreement consists of.

MR. FOWLER: I could, hon. member and Mr. Chairman, but I'm going to ask the Deputy Solicitor General to respond to that. He can likely do so in better detail than I could.

MR. DAVIS: Thank you. The exchange of services agreement deals with two types of programs. Firstly, it is an exchange of prisoners agreement that allows selected federal prisoners to serve their sentences in Alberta correctional facilities. As the minister indicated, certain criteria have to be met in order for us to accept a prisoner: length of sentence, his home community has to be in Edmonton, we look at the number of times the individual has been incarcerated, we tend to want to take people that would be looking at a first-time federal sentence, and that sort of thing. There are approximately 150 federal prisoners in our system at any given time. They must be referred to us by Correctional Service Canada as well. That's another important factor. Those prisoners are housed in our system on a full cost recovery basis, so the costs that are utilized are essentially our per diem costs charged back to the federal government. There's also some cost recovery for federal prisoners held in our remand centres once they go beyond certain time limits, whether they're back for court appearances or after sentencing.

The other general type of exchange of services agreement we have is for community corrections, primarily parole supervision, where we provide the parole supervision in Alberta for all federally sentenced prisoners on conditional release, which is day parole, full parole, or mandatory supervision. That program, again, is delivered on a cost recovery basis. Whatever our costs are, they're covered by Correctional Service Canada.

MR. PASZKOWSKI: Okay. Thank you.

You also referred to the diversity and the number of provincial institutions that are in place. Could you give us a bit of an insight as to just how many institutions the minister oversees?

MR. FOWLER: Mr. Davis.

9:40

MR. DAVIS: There's a total of 18 facilities, but in saying that, they range from the Lethbridge Young Offender Centre, which I believe is about a 10-bed, almost large group home, to the Edmonton Remand Centre, which houses well over 500 prisoners on any given day. So there's quite a diversity of facilities. They break into three or four categories. We have remand centres, large ones in Edmonton and Calgary. We have sentenced facilities for adult prisoners throughout the province. In rural Alberta the sentenced facilities such as Peace River and Grande Cache can house some remand prisoners as well. We have young offenders centres that are in two categories again: open custody and secured custody in remand.

MR. PASZKOWSKI: Thank you.

MR. CHAIRMAN: Mr. Sigurdson.

MR. SIGURDSON: This is certainly different than last week, isn't it, Mr. Chairman?

Mr. Minister, if I could again direct your attention, sir, to page 3.113, which deals with Motor Vehicle Licences on the revenue side. Just looking at Reinstatements, I notice that between 1989 and 1990 we've got a drop in revenue of approximately \$600,000, or 30 percent. Could you tell me the reasons why we have such a substantial drop in revenue?

MR. FOWLER: I would ask Mr. McGeachy to respond you, please.

MR. McGEACHY: Mr. Chairman, they added one year to the suspensions. This is the year they showed the drop in order to reapply for reinstatement in the following year.

MR. SIGURDSON: Good. Thank you very much. The very next line is Road Test Fees, and we have an increase. I've had comment from some of the driving school operators about road test fees and the cost. Is that just due to the increase in the fee itself, or is that in numbers of students going through the examination?

MR. McGEACHY: Mr. Chairman, the original road test fee came in in late 1989, so this shows the first full year of operation. It's not a fair comparison from one year to the next. This is the first full year.

MR. SIGURDSON: Okay. Thank you very much.

MR. FOWLER: Mr. Chairman, could I clarify an answer or complete an answer? The hon. Member for Edmonton-Mill Woods was asking where the racing tax or racing revenues showed up in public accounts. I would refer him to page 3.133.

MR. CHAIRMAN: Okay.

Mr. Bruseker.

MR. BRUSEKER: Thank you, Mr. Chairman. I'd like to return briefly to the Alberta Liquor Control Board commission on page 7.33, please, Mr. Minister. At the very bottom of that page there is an expense called Environmental Expense that has virtually doubled from last year to this year. I understand that's an increase as a result of increase in deposits, but I'm wondering if there has been any kind of tracking to see whether that's working. In other words, is the public returning bottles at a better rate and is the environmental expense actually working? Are people bringing the bottles back to depots, so that that \$2.6 million we're expending is worthwhile?

MR. FOWLER: I'm going to ask my executive assistant Mr. Szumlas to respond to that, please.

MR. SZUMLAS: Mr. Chairman, quite simply two things have occurred: the amendments to the beverage container regulations in 1988 gave rise to the inclusion of larger containers that are used in the Liquor Control Board, and a very encouraging sign on the part of Albertans of in fact using the returnable deposit system to enhance their environment. So we had two things functioning at the same time in that fiscal year. One was the amendment to the Beverage Container Act which realigned the fees so that there would be a universal application for the larger size containers as well as the small, and the inclusion of the miniatures. Prior to that the miniatures were not part of the Beverage Container Act. They were brought in, and so they were an add-on to the returnable system.

MR. BRUSEKER: Very good. Thank you.

I'd like to turn to page 3.111, and I'm looking at the long list of Correctional Services. I note that that total expenditure there is around \$112 million, and it's continued in a similar kind of fashion from previous years. I'm wondering: of that \$112 million total expenditure in correctional services, how much is

really expended for young offenders? I know there are a couple of sitings for young offender centres, but I'm wondering in terms of the total numbers of criminals, I guess, that we have that are young offenders: how much of that \$112 million total is for young offenders?

MR. FOWLER: I'll ask Deputy Solicitor General Jack Davis to respond to that, please.

MR. DAVIS: I think the figures for the young offender program are approximately in the \$25 million range. That may not be right on, because we have to remember that the young offender program involves both an institutional component, a community corrections component, and then a private-sector contract component. A better way to perhaps look at the issue is the cost per young offender in an institution. Our costs for adults I believe were in the \$85 to \$90 range per day, and for young offenders they're \$140 per day. That essentially represents a more favourable staff to young offender ratio in the young offender facilities. It is a more expensive program on a per unit basis.

MR. BRUSEKER: My final, then, along the same kind of line is: I'm wondering how much of the total expenditure we have on our correctional institutions deals with repeat offenders: people that have been in, served their time, have been released, and then unfortunately end up back in the correctional system, wherever.

MR. CHAIRMAN: We're getting outside the topic a bit, but if the member has that information, I'm sure the members of the committee would find it interesting.

MR. FOWLER: The recidivism rate, I think, and what is it, Mr. Davis?

MR. DAVIS: Well, again, it depends on how you define recidivism and how it's tracked. We feel that our récidivism rate in terms of offenders that are finishing up a sentence on some sort of early release and then come back into the system is extremely low. As time goes by and the length of time is lengthier between when an individual has completed the sentence and when they're readmitted to the system - we don't necessarily always have that data, whether they've come through the federal system, our system, and other provincial systems. So it's difficult to define, but it's generally felt to be somewhat under 50 percent; in the 30, 40 percent range for most jurisdictions.

MR. CHAIRMAN: Okay.

Ms Laing.

MS M. LAING: Yes. I have a question. I think it would probably come under vote 2, Correctional Services, and I'm thinking of the rehabilitation, reintegration into the community services, and particularly for conjugal visits. I'm wondering how that works out in a place like Grande Cache, which is quite isolated. Do you have any sense of that, or is that too kind of detailed?

MR. FOWLER: Again I'm going to ask Mr. Davis to respond, Mr. Chairman. He was Assistant Deputy Minister of Corrections at the time of this report, and Mr. Davis can explain.

MR. DAVIS: There are two programs in the provincial system for family visits: one in Grande Cache, one in Fort Saskatchewan. Both programs are reasonably heavily used. The one in Grande Cache is a little more important because of the remoteness of the facility, but because of the relatively short sentences that a lot of provincial offenders have, there isn't the same type of demand or need for the program in the provincial system that you see in the federal system.

MS M. LAING: Okay. I think that's it.

MR. CHAIRMAN: Well, seeing there are no other hands or whatever, I'd like to thank the minister for being with us this morning. I'm sure that all members of the committee found your answers very interesting and very informative. I know that I did. Now we have a few items of business that we have to speed through before we adjourn, if you could just bear with us.

We didn't deal with last week's minutes, so they've been circulated. Do we have a motion to adopt the minutes as distributed? Moved by Mr. Gibeault. Is it agreed that we adopt the minutes as distributed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Any business arising from those minutes? Hearing none, I'd just like to announce that our next meeting will be June 19, and it'll be with the Minister of Forestry, Lands and Wildlife, the Hon. LeRoy Fjordbotten.

With that I recognize Mr. Moore.

MR. MOORE: I move that we adjourn.

MR. CHAIRMAN: We have a motion to adjourn. Are we agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Agreed. We're adjourned.

[The committee adjourned at 9:50 a.m.]