



Legislative Assembly of Alberta

The 27th Legislature  
Fourth Session

Standing Committee  
on  
Public Safety and Services

Department of Solicitor General and Public Security  
Consideration of Main Estimates

Monday, April 11, 2011  
6:30 p.m.

Transcript No. 27-4-5

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

**Standing Committee on Public Safety and Services**

Drysdale, Wayne, Grande Prairie-Wapiti (PC), Chair  
Kang, Darshan S., Calgary-McCall (AL), Deputy Chair

Boutilier, Guy C., Fort McMurray-Wood Buffalo (W)  
Brown, Dr. Neil, QC, Calgary-Nose Hill (PC)  
Calahasen, Pearl, Lesser Slave Lake (PC)  
Cao, Wayne C.N., Calgary-Fort (PC)  
Forsyth, Heather, Calgary-Fish Creek (W)  
Johnson, Jeff, Athabasca-Redwater (PC)  
MacDonald, Hugh, Edmonton-Gold Bar (AL)  
Rogers, George, Leduc-Beaumont-Devon (PC)  
Sandhu, Peter, Edmonton-Manning (PC)  
Xiao, David H., Edmonton-McClung (PC)

**Department of Solicitor General and Public Security Participant**

Hon. Frank Oberle                      Minister

**Also in Attendance**

Mason, Brian, Edmonton-Highlands-Norwood (ND)

**Support Staff**

W.J. David McNeil	Clerk
Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
Robert H. Reynolds, QC	Law Clerk/Director of Interparliamentary Relations
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Melanie Friesacher	Communications Consultant
Tracey Sales	Communications Consultant
Philip Massolin	Committee Research Co-ordinator
Stephanie LeBlanc	Legal Research Officer
Diana Staley	Research Officer
Rachel Stein	Research Officer
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

6:30 p.m.

Monday, April 11, 2011

[Mr. Drysdale in the chair]

**Department of Solicitor General and Public Security**  
**Consideration of Main Estimates**

**The Chair:** Welcome, everyone. I'd like to call the meeting to order. I will remind everyone that the usual rules regarding electronic devices and food and beverages in the Chamber continue to apply.

Members and staff should be aware that all the proceedings of the policy field committees in their consideration of the budget estimates are being video streamed. The minister whose department's estimates are under review is seated in the designated location, and all other members wishing to speak must do so from their assigned seat in the Chamber. Any official or staff member seated in the chair of a member must yield the seat immediately should a member wish to occupy his or her seat.

Note that the committee has under consideration the estimates of the Department of the Solicitor General and Public Security for the fiscal year ending March 31, 2012. The speaking order and times are prescribed by the standing orders and Government Motion 5, passed on February 23, 2011, and are as follows: the minister or the member of the Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes; for the hour that follows, members of the Official Opposition and the minister may speak; for the next 20 minutes the members of the third party, if any, and the minister may speak; for the next 20 minutes the members of the fourth party, if any, and the minister may speak; for the next 20 minutes the members of any other party represented in the Assembly and any independent members and the minister may speak; any member may speak thereafter. Within this sequence members may speak more than once; however, speaking time is limited to 10 minutes at a time.

A minister and a member may combine their time for a total of 20 minutes. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister's time.

Committee members, ministers, and other members who are not committee members may participate. Department officials and members' staff may be present but may not address the committee.

Three hours have been scheduled to consider the estimates of the Department of the Solicitor General and Public Security. If debate is exhausted prior to three hours, the department's estimates are deemed to have been considered for the time allotted in the schedule, and we will adjourn; otherwise, we will adjourn at 9:30 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

Vote on the estimates is deferred until Committee of Supply on April 20, 2011.

Written amendments must be reviewed by Parliamentary Counsel no later than 6 p.m. on the day they are to be moved. An amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of a subsidy. An amendment may be proposed to reduce an estimate, but the amendment cannot propose to reduce the estimate by its full amount. The vote on amendments is also deferred until Committee of Supply, April 20, 2011. Twenty-five copies of amendments must be provided at the meeting for committee members and staff.

A written response by the office of the Solicitor General and Minister of Public Security to questions deferred during the course of this meeting can be tabled in the Assembly by the minister or through the Clerk of the Legislative Assembly for the benefit of all MLAs.

I'd now like to invite the Solicitor General and Minister of Public Security to begin his remarks.

**Mr. Oberle:** Well, thank you so much, Mr. Chair. It's an honour to appear before the committee this evening and present an overview and my opening remarks. I'll present an overview, highlights from the Alberta Solicitor General and Public Security's estimates, the 2011 to 2014 business plan, and the services and programs provided by the Alberta Gaming and Liquor Commission.

Just before I begin, I would like to introduce the staff from my ministry who are present with us this evening. Immediately to my right is Brad Pickering, the deputy minister, Solicitor General and Public Security. Then we have Jim Bauer, who is the assistant deputy, corporate services. Kimberly Armstrong, on the far side there, is executive director in the public security division; Jim Cook, executive director, correctional services division. Immediately on my left is Gerry McLennan, CEO of the Alberta Gaming and Liquor Commission.

I have some staff seated in the gallery as well: Ryan Cromb, who is with communications in the department; Lynn Hutchings-Mah, who is communications with the AGLC; Jodie Buksa, who is the executive director, financial and business services, in the department; and Paul Leeder, who is the executive assistant to the deputy minister. Then hiding off in the corner is Christine Myatt, who is with government members' research. I only hope I don't let them down this evening, Mr. Chair. It's a great team to be with. It's a real focus of pride for me to serve this department with these people.

The ministry's vision is that Albertans have safe and secure communities in which to live, work, and raise their families. We meet this vision by providing oversight and funding for police services and programs, secure correctional facilities for offenders, assistance to victims of crime, and oversight of gaming and liquor industries.

I'm going to stop right there. I realize I didn't introduce my executive assistant, Mike Simpson, right behind me. I am going to pay for that, Mr. Chair, I can assure you.

New business plan goals this year better reflect the ministry's core businesses and bring more focus to the work in terms of goal outcomes. The business plan identifies five goals: one, to ensure that Alberta has effective public security through the ministry's leadership, oversight, collaboration, integration, and innovation; two, to provide effective custody and community supervision through the application of best practices; three, to ensure that Alberta has safer communities through partnerships in crime prevention, offender rehabilitation, and community transition supports; four, to provide support to victims of crime and organizations that support victims of crime; and five, to ensure Alberta's liquor and gaming activities are conducted with integrity and in a socially responsible manner.

Moving on to the financials, the 2011-12 operational budget is \$677.9 million. This supports initiatives that make a real difference in creating strong communities where Albertans feel safe and secure. The initiatives ensure effective policing throughout the province, including preventing and combating organized crime and drugs, secure custody of adult and youth offenders, and supervision of offenders in the community.

Five point one per cent, or \$32.9 million, represents an increase this year over last year's budget, primarily consisting of \$13.7 million due to inflation in such areas as the RCMP and First Nations policing programs, including salary and benefits, equipment, supplies, and other items; \$5.1 million for increased information technology costs for applicable administration, maintenance, and support for the corrections system renewal and the Alberta police integrated information initiative, or API3; increased charges for IT consumption costs charged by Service Alberta; \$4 million for start-up activities in the new Edmonton Remand Centre; \$4 million to hire 50 additional probation officers, 20 to supervise individuals under court-ordered supervision and 30 to meet our safe communities commitment to hire 110 new probation officers over four years.

Mr. Chair, \$1.8 million of the increase is to hire additional correctional peace officers to address Justice Marceau's decision that offenders have increased access to fresh air, exercise, and time out of cells.

Finally, \$1.8 million is for lottery fund initiatives. This includes increases for the horse racing and breeding renewal programs and bingo associations as a result of increased gaming revenues directly associated with these programs.

Sixty-eight per cent of the ministry budget goes to manpower, including staff directly employed by the ministry, and funding provided to municipalities and the RCMP to pay for police officers in Alberta.

We've looked at all areas of our operations for cost savings given that this is a tight budget and we must live within our means.

To begin with, a public security division overview. The public security division is responsible for contract policing, policing oversight, policing standards, organized and serious crime, the victims of crime fund and associated programs to support victims, and the sheriffs programs. That budget is \$377.4 million, Mr. Chair, an increase of \$14.8 million, or 4.1 per cent, over last year's budget. The increase will help ensure the continued safety and security of Albertans through the provision of effective and efficient policing services to protect Albertans with a continued focus on integrated policing to combat organized crime throughout the province and enforcement of traffic safety on our highways.

**6:40**

Mr. Chair, \$193.1 million is for the provincial police service agreement, or the PPSA, with the RCMP to provide provincial policing for municipal districts and counties, Métis settlements, and communities with populations under 5,000. There are currently 1,489 RCMP officers serving in Alberta under the PPSA, including enhanced positions.

Twenty-five point two million dollars will be spent on combating serious and organized crime throughout the province, accomplished by bringing 250 police officers and 62 sheriffs together under the ALERT umbrella, Alberta's law enforcement response teams, from various police services. Seventy nine point seven million dollars will be spent on providing support to municipalities for their policing costs through programs like the municipal policing assistance grants and the 300 new front-line police officers that Premier Stelmach committed as an initiative under SafeCom.

The sheriffs branch has a \$51.3 million budget for court security and prisoner transport, traffic enforcement, protection services, and crisis management planning. Not including the 62 sheriffs seconded to ALERT, there are currently 578 FTEs within the sheriffs branch. Three hundred and ninety-one sheriffs ensure the security of court-

houses, infrastructure, and the secure transport of prisoners for court appearance and between correctional facilities; 115 sheriffs work with the RCMP in the integrated traffic units that enforce safety on Alberta's highways; and 72 protection services sheriffs provide security services and protective intelligence analysis for elected officials, judiciary, and government property and administering the counter-terrorism crisis management plan.

The public security division is also responsible for victims of crime programs and the victims of crime fund. The budget this year is \$27.7 million, an increase of \$600,000, or 2.1 per cent. The fund ensures eligible victims of crime receive financial benefits. It's also used to help community groups and organizations establish programs and initiatives to meet the needs of victims of crime. There are currently 120 police-based and 30 community-based organizations that provide support for Albertans who are victims of crime. As well, close to 2,000 volunteers across the province contribute over 177,000 hours in support of victims of crime during the year.

The correctional services division provides secure custody of adult and young offenders and supervision in the community. Their budget is \$208.8 million, a \$10.1 million, or 5.1 per cent, increase. The increase includes funding for operating the new Edmonton Remand Centre, including \$4 million for start-up activities such as recruiting, hiring, and training new staff prior to the opening – and the opening won't be until 2012 – and \$4 million in funding to hire an additional 50 probation officers, as I said earlier. One hundred and thirty-three point four million dollars will be spent on housing adult offenders in remand and sentence facilities. The average daily population in the province's eight adult correctional facilities is 1,615 in remand and 1,292 in sentence facilities. These inmates and offenders are supervised by 1,422 staff comprising the correctional peace officers and corrections service workers, including probation officers, and management oversight.

The new Edmonton Remand Centre is being constructed based on a direct supervision model, which increases access to programs and services for inmates and enhances security within the centre. Its initial capacity will house 1,944 inmates. The construction is currently proceeding on schedule for completion in October of 2012.

A further \$20.2 million will be spent on the operations of our two young offenders centres. Their average daily population is 211.

**The Chair:** I'm sorry, Minister, but your 10 minutes are up.

**Mr. Oberle:** That was 10 minutes? Okay.

**The Chair:** For the hour that follows, members of the Official Opposition and the minister may speak. I assume that's Mr. MacDonald, and I assume you're going to share your 20 minutes back and forth with the minister.

**Mr. MacDonald:** If you don't mind, Mr. Chairman.

**The Chair:** Okay. Go ahead.

**Mr. MacDonald:** Thank you very much. How much did you have before you were finished with your remarks, sir? A lot?

**Mr. Oberle:** A lot, yes. We'll work the rest of it into the answers.

**Mr. MacDonald:** Okay. Now, I want to get started right away here, I think, because there's a lot to cover in this very important ministry. You were talking about policing, and I was interested to hear what you had to say.

Now, in 2008 the government promised an increase in the number of police officers. It was reported in 2009-10 that 200 additional police officers had been hired. Nevertheless, as at December 31, 2010, Alberta ranked 12 out of 13 of the Canadian provinces and territories in the number of police officers per 100,000 population, with 177 compared to the national average of 203. We had an exchange on this matter in question period. I was going to table for your benefit the Stats Canada information, but I assume your fine staff Mr. Simpson would find that straight away, diligent as he is, even if you did forget to introduce him. He does excellent work.

Policing assistance, Mr. Chairman, to municipalities is virtually unchanged in the budget for this year, 2011-12. I'm looking directly at page 286, line 2.10. Does this mean Albertans will see no increase in the number of police officers per 100,000 population in urban areas in 2011-12?

**Mr. Oberle:** Well, let me just be clear with the hon. member that the commitment was to hire 100 additional police officers per year over a three-year period. So in each of the three years '08-09, '09-10, and '10-11 we added 100 officers for a 300-officer addition in the province. The final year of that was announced last spring, when I was first appointed as minister. We carried through with that. We provided the funding for that. So the funding to municipalities has actually increased as a result of that. But beyond that, no, we are not adding additional police officers this year.

The hon. member quotes some Statistics Canada information. I think I need to refer the hon. member to the law enforcement framework, which probably would be the best place to go, because Alberta provides its policing in a little different fashion than some of the other provinces do. We utilize municipal bylaw officers in traffic enforcement. As I described, before I so wildly exceeded my time, we utilize a significant number of sheriffs, and our sheriffs in many cases are doing provincial police work. The current RCMP contract negotiations recognize the fact that our sheriffs are doing provincial police work and bringing them under the federal 70-30 funding split. If you add our spectrum of police forces, the right person, the right training in the right job position, into our police resources, which Stats Canada doesn't, we actually wind up about in the middle of the pack.

How we compare to other provinces, though, is not my concern. What my concern is is that Albertans have safe communities that we can live and work and raise our families and pursue our dreams in. I note with some considerable pride that as a result of the efforts of the great people in this department and some great police officers out there, traffic accidents are down. Fatalities, injuries are down this year, and crime statistics are down. I don't for a second claim full credit for that, but I think we're having an effect there, absolutely.

I might add also that I don't believe the Stats Canada information includes our other units out there, ALERT, ASIRT, and then all of the units that are housed under ALERT, ICE, that we were talking about earlier. As I said, when you add in our spectrum of police officers or people performing law enforcement duties in our province, we rate quite well relative to other provinces.

**Mr. MacDonald:** Thank you. I appreciate that from the hon. Solicitor General.

Can the Solicitor General please tell us whether the rate of police officers to population will increase in line with the population growth in Edmonton and in Calgary? That's where we're seeing the largest increases in population growth. How will the police officers fit into that?

**Mr. Oberle:** Well, this minister is not responsible for policing in Edmonton or Calgary. I provide policing assistance grants to both of those municipalities. They fund and staff and operate police departments independently of us. They operate in accordance with our legislation, of course. But it's up to the city of Edmonton and the city of Calgary to determine what their policing resources are, and we assist them in that regard in any way we can.

6:50

**Mr. MacDonald:** Okay. Now, while we're on the subject of policing and the RCMP contract, contract policing and policing oversight is up 5 per cent in this budget. Again this is on page 286, element 2.8. Will the additional funding for contract policing increase the number of RCMP officers providing police services?

**Mr. Oberle:** Right at the moment the total budget for contract policing and policing oversight is \$194.4 million, primarily for the provincial policing services agreement, which is \$193.1 million, as I said. That is an increase. You're correct. This really factors in inflation, pension contribution rate increases, and enhanced policing positions. There are no new RCMP positions resulting from this increase this year, and that is to reflect the fact that we are in a tough budget year. As I said, the larger municipalities supply their own policing, and they have either their own police forces or their own independent contracts with the RCMP. We are budgeting for 1,419 provincial RCMP positions plus 70 enhanced policing positions in the province.

**Mr. MacDonald:** Thank you.

Now, a new contract has been announced for the Royal Canadian Mounted Police to serve as a provincial police service. We were hoping that that's what would be done. I think a government that is in power for 40 years to have its own police service: well, I wouldn't be comfortable with that for one. Certainly, the news release refers to cost sharing, with Alberta paying 70 per cent and the government of Canada paying 30 per cent. What implications will the new contract have for policing in Alberta? In particular, how will costs under the new contract compare with existing costs, and what are the projections for costs over the life of that contract? There are three questions there.

**Mr. Oberle:** Yeah. First of all, I wasn't quite sure I understood. You are in favour of the government signing the RCMP contract?

**Mr. MacDonald:** You bet. I don't want you to create your own police force.

**Mr. Oberle:** Okay. Well, most certainly myself and my staff have been working diligently to achieve that goal, and our Premier himself has stated the urgency around renewing that contract. We're all very much in favour of that.

Now, the contract doesn't actually come into effect until March 31, 2012, and it extends 20 years from that point, replacing an old 20-year agreement. The cost escalations that are foreseen in the contract – I forget what the exact number is – are in the order of 3 per cent. All of the cost increases that we expect to see are included in the budget. We've been negotiating this contract for a very long time and even before budget preparations were confident with the cost increases.

I should caution the member that we have not achieved a new contract at this stage. I have a draft contract. I have been authorized by our cabinet to enter into that contract with the federal government but because of the election the federal government has not yet signed it. I'm expecting and I'm hoping that will be picked up as soon as the federal election is done.

I have to tell you that I share the hon. member's sentiment about the RCMP and his thoughts about a provincial police service. I think the RCMP has served this province honorably and with deep service for the history of this province. Aside from some of the other benefits like the 70-30 cost share, I think they're an absolute Canadian symbol that I would hate to see go from the face of this province. Yes, I fully support that contract.

**Mr. MacDonald:** I can appreciate that from the hon. member, and I thank him for it.

Now, you indicated that the existing operational contract was for 20 years, and this is after 2012 going to be an additional 20-year contract. When will the contract, if ever, be made publicly available for those who are interested in reading it?

**Mr. Oberle:** Once it's signed, the contract will be made public. The member had talked about the cost escalations in there. Really, over time the costs would be subject to a significant amount of government policy. The contract doesn't actually specify, for example, the number of police officers that would serve in our province. That's up to an agreement between the government and the RCMP that we make on an annual review sort of thing. It does specify what services the RCMP will provide them. So we've got a good feel for what next year's contract rollout would look like. As I said, we probably won't sign that contract until at least, hopefully, a short time after the federal election, at which time I guess it would become a public document.

I want to point out, though, that it does offer some significant advantages over the last contract. It maintains a 70-30 split. That's a national figure that the federal government applies when we utilize the RCMP for provincial policing. It's got some other advantages.

Some time ago the KPMG consulting firm did a review of the RCMP, of whether they were in fact a value for money, and they identified some issues with the administration of the RCMP. They did identify that RCMP officers are good value for money, particularly when the 70-30 split is instituted, but there were some issues around contract management or contract oversight, how much input the provincial government had into financial planning of the RCMP, the length of the financial planning horizon. All of those issues have been addressed in a new contract: the contract management committee, three-year planning horizon, and a bunch of other issues that we're very happy with.

The other is that the federal government builds detachment buildings, and we lease the space in them. We're going to build equity so that over the 20-year horizon of this next contract, by the time we reach the end of that horizon, we will have a 70 per cent stake in all of the RCMP infrastructure sitting in our province, which is a big advantage over where we were before.

**Mr. MacDonald:** Thank you.

Now I would like to move on, please, to ask some questions on the IT technology, the new information technology, the first responders, and TALON. The most recent ministry annual report, 2009-10, page 21, highlights information technology projects for public security, in particular to standardize operating systems for first responders in different law enforcement agencies. These projects carry hefty price tags, \$177 million in capital expenditure this year alone. IT systems raise many issues regardless of which government department we're talking about. They are remarkably prone to delay and budget increases. They seem inevitably to have problems, especially during the early stages. They require intensive training programs for staff. They get out of date very quickly and require ongoing capital expenditures as well as specialized in-

house support when the application developers move on, if they ever do. The equipment tends to be paid off over increasingly short periods in the IT world. The standard for obsolescence is often three years or less.

I have two questions at this time, Mr. Chairman. What feasibility studies did the ministry do before entering into the contracts for these systems, especially the first responders system and the TALON database system? What models were these systems based on, and what evidence is there that they will perform effectively?

Thank you.

**Mr. Oberle:** Well, typically, Mr. Chairman, I think the overview that the member gave of the difficulties of entering into new IT areas, or new IT developments, are certainly wise counsel, but I think they might apply better to new reaches into new areas. We've got two very major, correctly identified as very, very expensive infrastructure initiatives here. One is a first responder radio network. That's a new system, no doubt about it, but is based on existing technology, a radio communications technology that has been available for some time and is employed in a number of areas and has been for some time. The cost of it involves the construction of towers.

To service a police community, it's not good enough that we have 90 per cent coverage of the province or some similar figure. This has to provide 99.999 per cent coverage in the province, which will involve construction of considerable tower resources. We will where we can utilize existing resources on the landscape, but in many cases that will involve a strengthening of existing towers and insulation of security installation, fences, and that sort of thing, which will add costs. It's not a simple matter of bolting a repeater on a tower as you might do in other radio networks. It's an expensive project to undertake, but it's not one that's new or untested. Absolutely. Saskatchewan is using the same technology, and they're pushing ahead. In fact, we're hoping to co-ordinate with Saskatchewan and be able to provide some cross-border functionality there. There are installations in the States that use the same radio technology. We're pushing ahead, yes, but not into an unknown territory.

7:00

With respect to the API3, police integrated information initiative, that too is maybe new for Alberta or new for a lot of jurisdictions, but it's not new in the world, and it's not new in North America. It's just a simple functionality of distance delivery of storage and allowing one police force to access information from a centralized database versus their own database back home. It's the same information. The architecture of their database is fairly simple and agreed upon. The expense of that is a centralized location, storage of a tremendous amount of data, and the inter-connectivity between all of our police departments. Again, it's not a new area, and it's in many respects a tried and proven technology.

What we did was go out to the market for procurement on both of those contracts. We entertained and, obviously, seriously evaluated bids from competing contractors and competing technologies, and we arrived at our decision based both on the strength of the bids and what we see out there.

**Mr. MacDonald:** Thank you.

Mr. Chairman, again to the hon. minister: what cost-benefit analysis had been done prior to initiating this project, or what comparative analysis had been done on the cost of implementing these systems as opposed to other public security solutions such as deploying more front-line police officers?

**Mr. Oberle:** You know, I guess we'll wander off into politics briefly for a moment here, and that would be: what would be the point of allocating more front-line police officers if I have no way of communicating with them or supplying them with information? They may in fact be in danger out there. If you're going to run a police force, then you need to equip it properly with modern technology, and there's no cost-benefit analysis on that. The fact of the matter is that they need a radio system, so I have to supply them with a radio system. The cost benefit is what evaluation goes into the procurement process, but I have to supply them with a radio system.

At the moment the RCMP system, which is the backbone of our communications, is antiquated and needs replacement. It's decades old, so I have no choice but to supply them with radio equipment and other modern equipment as other such police forces have available to them and equipment that is necessary in order to meet best practices as demonstrated across North America and maybe around the world.

It's the same thing with computer technology and the interlinking between police forces. It seems silly to me that an Edmonton police officer might pull somebody over on the side of the road and not know if that person is known to other police forces within our province at least and, in not knowing that, might actually be in harm's way. So it's not a question of cost benefit. What's the benefit of a police officer's life? It's huge to me. We're going to supply our police officers with the best available technology, and we believe we're at that point.

I don't believe we've gone overboard. We're going to have great, effective systems that provide communications across our province not only with police officers, I might point out, but with all first responders across the province – we estimate probably 30,000 people will be able to access our network – and then with communications amongst police officers to ensure that they have the latest information available to them at the time that they need it available to them.

**Mr. MacDonald:** Thank you. This is quite interesting. You're talking about, you know, protecting the lives of police officers, and that's commendable and understandable. Can the hon. Solicitor General quantify the expected outcomes of the first responders' system in terms of lives saved? I would appreciate if you could elaborate on that, please.

**Mr. Oberle:** Well, I certainly can't, Mr. Chairman, and I wouldn't attempt to do so other than to say somewhere between some lives saved and many lives saved. Obviously, it depends on what disasters befall our province, and let's both pray that none do. After every disaster that has befallen a jurisdiction in North America, whether it's a disaster on the scale of 9/11 or a localized disaster, say the scale of the Highwood flood, the subsequent review always says that the first thing is that communications needs to be improved, and that's what we aim to do.

In the Highwood floods we dispatched fire and ambulance resources out of the city of Calgary and had them dispatched by cellphone or written instructions. Five minutes out of Calgary they were radio dead. That's not state-of-the-art communications, and that's not what I believe our front-line workers who are out there, not just police officers but first responders across the province, deserve. That's what our citizens deserve, better protection.

**Mr. MacDonald:** Now, if the airport tunnel in Calgary was ever to be built, who would be setting up the speed traps? The sheriffs or the Calgary Police Service?

**Mr. Oberle:** So we're off in dangerous territory, at least part of which we'll have to cover in Transportation's estimates. The city of Calgary would be providing traffic enforcement along that tunnel section. Actually, if the speed is over 80 kilometres an hour, our sheriffs would be doing that, so it depends exactly where you're saying.

**Mr. MacDonald:** I appreciate that, Mr. Chairman. There was a debate on that tunnel, I think, in another portion of this Assembly as we were discussing these budget estimates. I again thank the Solicitor General for that.

Can the Solicitor General please qualify the expected outcomes for the TALON system in terms of crimes prevented, arrests, and convictions?

**Mr. Oberle:** No, I can't, actually. The hon. member will know that, too. Again, I would say it's somewhere between some and lots, depending upon the nature of crime over the next few years and the severity of crime. The fact of the matter is that organized crime and criminals in our province and elsewhere are becoming more sophisticated, and we need more sophisticated tools in order to catch them.

Some time ago the deputy minister and myself were in Chilliwack, looking at the RCMP installation out there and their crime gang member database and some of the information they had there, and they pointed out to us that the gang members that they see on the Lower Mainland that trouble their policing system are our gang members some months down the road. There is a pipeline of drugs and firearms and gang members that travel not just across our border but across our country. We need the best available tools to make sure that we have the information available first and foremost for officer safety. When you pull somebody over on the side of the road, you should know what information exists in police databases relative to that person.

Second of all, for crime fighting, for crime investigation the API3 network will facilitate interjurisdictional investigation in automated preparation of prosecution packages and those sorts of things. I think it'll be a big advancement. It will free up front-line officers' time to be front-line officers, to be out there on the streets solving crime.

**Mr. MacDonald:** Mr. Chairman, while we're on this issue of gangs and gang-related activity and whether they're centred in the Lower Mainland or Edmonton or Calgary or Red Deer, I would like to ask this question, please. What efforts in this budget year in the Department of Solicitor General are being made to control or reduce the practice of money laundering by gangs through their gang-related activities through the casino system in this province?

**Mr. Oberle:** Through which system?

**Mr. MacDonald:** Through the casinos. I would appreciate that, please.

**Mr. Oberle:** Yeah. The hon. member will know we have an ALERT network out there, the Alberta law enforcement response team, and something in the neighbourhood of 300 FTEs allocated to that, investigating organized crime, gang crime activities. We are aware of the potential on the AGLC side, and we have a gaming investigations team operating audits within casinos currently consisting of two RCMP, one EPS member, and one CPS member and, halftime, Camrose, Medicine Hat, Lethbridge, and the Tsuu T'ina First Nation police as well. So we do have a dedicated police force looking at casino finance in addition to the information that we get or pursue through the ALERT network.

7:10

**Mr. MacDonald:** What kind of bankroll must I have if I was to, say, enter a casino with a pocketful of cash and purchase how many thousands of dollars worth of chips before any police officer would be alerted of the potential for me laundering my money through my gang-related activities? Like, what are the triggers to get the police involved if I am a suspicious character at a casino?

**Mr. Oberle:** I'm just informed, hon. member, that if you were to walk into a casino with a large pocketful of cash – and you're right, you are a suspicious-looking character – that if you had over \$10,000 in your pocket, you would alert, in fact, the federal government's resources, and they would be required to report. In addition to that, even for numbers under \$10,000 anybody that comes in repeatedly with \$9,000, for example, some lesser amount of money that comes in significantly often would raise the suspicions of the staff there and the investigative team. They track this even for amounts of money less than \$10,000.

**Mr. MacDonald:** Okay. I'm told by people I respect in the law enforcement community in this province that it's quite a problem here in Alberta where our gaming or gambling facilities are used for money laundering activities. Being respectful to the sensitivities here of other hon. members who may think it's not in the public's interest to know, I think there needs to be a lot of work done to at least try to restrict and limit the money laundering activities through the gambling casinos in this province. I would urge the hon. minister to think about that because I'm told by respected people in the law enforcement community that this is quite a problem for us. If we're going to get tough on gangs and we're going to get tough on the proceeds of their activities, this is one way to do it. I would appreciate it if the minister would have a look at that.

Now, we only have so much time, and we have a lot of issues, and this is, as I said earlier, quite a department. The police college: we all know Fort Macleod was designated as the site for the police training centre in 2006. The project was to begin a year later and to have opened in 2010, but no action was taken. Last November it was reported that the project was going to proceed. The capital plan for 2011 through '14 includes funding for the police college in Fort Macleod, a total of \$117 million. It's spread out over three years: \$20 million, \$50 million, and \$47 million in 2013-14. This is on the fiscal plan, page 107. The cost was originally estimated at \$300 million. The Premier announced that the building would begin in the summer of 2012. Can the Solicitor General please explain what will be a seven-year delay in getting this project started after all the hoopla in 2005 surrounding the selection of the site? If we're determined to get so tough on criminals, which is the right thing to do, why did this take so long?

**Mr. Oberle:** I'd be happy to do that, Mr. Chairman, but first I'm going to go back to the previous question and the urgency that the member places on us looking into the potential for money laundering in casinos. We are aware of the potential, and as I said, we have investigators in place.

I've got to tell the hon. member that I would be outraged to learn that there were members of the public who knew, who had evidence of wrongdoing in a casino, money laundering, activities of crime in casinos, and did not report it to the proper authorities for investigation. I'd be further outraged to discover that they were members of the law enforcement community as the hon. member suggests. While I don't question the hon. member's integrity there, I am astounded by the statement. I've got to say that. I would be very distressed to learn that there are law enforcement

members out there who know of activities and that aren't forwarding them for investigation.

Now, with respect to the police college I can't speak to what happened in 2005. I can't speak to what the original scope of that project was, what the original vision was, how many sheriffs it included, what the province's intention was at that time with the sheriff's program. What training was envisioned with other provincial peace officers or whether it would include municipal bylaw officers I really don't know.

I do know that the community of Fort Macleod was promised a police college based on a provincial competition. So when I was appointed last year, my task was to get that thing on the rails. I went to the community of Fort Macleod in March, and I told them I would commit to them that I would try very hard to profile a police college that worked for my present needs, what I need to train there in terms of sheriffs, provincial police officers, provincial peace officers. Then I would try very hard to get it on the capital list. As you now know, both of those things have happened.

I am now working on the planning stages. We've got money freed up for this budget year. All things going really well, we will be scratching dirt this year, but if not, we will certainly be doing it next year. I'm very happy that the college is moving ahead. How it compares to what was discussed in 2005, I really can't say.

**Mr. MacDonald:** Yes. I can appreciate that.

Now, Mr. Chairman, I'm going to have to go back to the minister's statement to me. Are you telling me through this Assembly and to the public that no law enforcement agency, whether they're from Edmonton or Calgary or a federal police service, has ever in the last three years contacted your department about the potential money laundering in Alberta's gambling casinos from organized crime? Is that what you're telling me?

**Mr. Oberle:** I'm not telling the member any such thing. What I'm telling the member is that he was alleging that there are members of the law enforcement community that are aware of activities that I'm not aware of. If any have forwarded their concerns to my department, I can tell you that they would be investigated to the fullest. If they haven't, I'm telling the member I would be concerned about that.

You started this line of questioning. You suggested that there are members of the law enforcement community that know of money laundering activities that my department doesn't know about, and I challenge that statement, or at least I find it to be deeply concerning.

**Mr. MacDonald:** And you should be concerned, sir, because this is information that is talked about all the time. I can only hope that you will look into this because, again, if we're going to get serious about gangs and their activities, that's one way of doing it. It's not only the casinos or the gambling facilities; it's also the financial institutions as well. I'm sure the minister is quite aware of that.

**Mr. Oberle:** I would like to respond to that. I agree that if the criminals and gangs want to operate in the province, that is one way of doing it. Flying UFOs across the province with bagfuls of money, dropping them at strategic locations would be another way of doing it. But the member has absolutely no evidence whatsoever for that past drive-by, and you are implicating law enforcement agencies by saying that they have information about breaking the law that my department does not have and they're not forwarding it. I take exception to that, and I'd ask you to table some information or evidence to that effect. If not, let's move on to a different topic area perhaps.



**Mr. MacDonald:** No, Mr. Chairman. I can understand the sensitivity of the minister, but all I'm asking is for you and your department to investigate that. I'm sorry if you're sensitive to that. That's not my problem. Do your job, sir.

Now, we're going to get back to the police college. The capital plan includes \$117 million in funding over three years. What is the expected total cost of the project?

**Mr. Oberle:** Which project?

**Mr. MacDonald:** I'm talking about the police college in Fort Macleod.

**Mr. Oberle:** I think we have \$122.4 million identified. The \$177: I'm not sure where you're getting that figure from. I have \$5 million in '10-11, \$20 million in '11-12, \$50 million in '12-13, and \$47.4 million in '13-14, for a total of \$122.4 million. I'm not sure where you get the \$177 million from. That is expected. . .

7:20

**Mr. MacDonald:** A hundred and seventeen.

**Mr. Oberle:** Oh, \$117 million plus \$5 million in last year's budget. Okay. That makes \$122.4 for a total cost. That is, in fact, the total cost of that facility. That's what we're expecting to construct a facility for that will meet my current needs for the training of police and peace officers in our province.

**Mr. MacDonald:** What is the expected completion date of this police college? When will it be up and running; when will it be fully operational? Will it be a P3 project, or will it be by tender, business as usual?

**Mr. Oberle:** Yeah. The conclusion of spending on the project is '13-14, and that's the budget year in which it would open. We're currently planning to do a conventional build, a government build rather than a P3 on this project. The member might know that we did not have a successful call for proposals on P3s back when the college was originally envisioned, and for a few reasons, including expediency at the moment, I would like to proceed with a conventional build.

**Mr. MacDonald:** Thank you.

Mr. Chairman, my next series of questions are around sheriffs and security operations. The most recent annual report highlights the fact that security screened 1.7 million members of the public accessing Alberta's courthouses and confiscated over 6,700 items. That's on page 29 of the annual report. Can the minister explain, please, what risk assessment has been done to confirm that this level of security is a reasonable response to the threat of harm to those within the court system?

**Mr. Oberle:** Again, Mr. Chairman, the assessment is the fact that we're doing it and that it's successful, and we've had no incidents in our courtrooms. We are obviously intercepting the prohibited items – they are being confiscated as the report indicates – and we've had no harm within our courtrooms. I have to assume that it's an effective program.

**Mr. MacDonald:** The annual report doesn't tell me what a prohibited item may be. I've been through that security check myself to get access to either the Provincial Court or the Court of Queen's Bench, and it seems to move along just as quickly, for instance, as if you go to the airport. Are they getting knives, guns, pepper spray? What are these prohibited items that are, hopefully, all being found before they enter the courthouses?

**Mr. Oberle:** Well, I think they would represent in some respects something similar that one might see in an airport, where you see the tower of prohibited weapons. We've intercepted knives, box cutters, brass knuckles, in one case even a firearm. We haven't intercepted a weed whacker, which I did see in one airport receptacle where somebody tried to board a plane with a weed whacker. But other than that, I think it's probably a similar set of prohibited items. As I say, brass knuckles, knives, one firearm.

**Mr. MacDonald:** Okay. I would like to move on, if you don't mind, to correctional services. We're getting down to program 3. Pressures on correctional services: we read about this all the time. In the 2009-10 annual report, page 32, it was noted that the provincial adult in-house custody population continued to increase, from 2,838 in 2008-09 to 2,907 in 2009-10, up 2.4 per cent in one year. The increase is due in part to changes in the Criminal Code resulting in more admissions to both remand and sentenced custody. The adult inmate population is projected to grow by around 23 per cent between 2010 and 2015. That's a five-year period. Individuals in remand account for much of the increase. Remand inmates comprised 58 per cent of the inmate population in 2009-10.

**The Chair:** This will be the final 20 minutes now.

**Mr. MacDonald:** Yes. Thank you very much, Mr. Chairman.

Now, my first question related to this is: what input did the province provide in the changes to the Criminal Code that are resulting in increased pressure on the province's correctional services, and did the Solicitor General support the changes? Then I have more questions regarding this.

**Mr. Oberle:** You bet. I want to point out that the member correctly quotes that the largest amount of pressure comes from the remand population, which is 58 per cent of our total inmate population on any given day, and that we are constructing the Edmonton Remand Centre right now precisely to deal with that pressure.

Now, not having been here for more than a year but obviously having been deeply involved in the past year, I can tell you that the province of Alberta has not only been involved and consulted but, in fact, has pushed for or requested changes in the federal legislation and continues to do so. The federal government has been very open to engagement on that topic.

I have made the point in public numerous times that Alberta, in fact, has asked for these changes, and we're not going to turn around and point the finger at the federal government for tough-on-crime legislation that has some financial impact on us in terms of facilities. We asked for it, we want it, and we will work with the federal department in implementing those changes.

We will have some concerns around timing, how fast these things are brought on and how fast we can react, but we are going to be there playing our part because we believe in the changes in the legislation that they're bringing forward.

**Mr. MacDonald:** As these changes are brought forward and the potential size of the prison population increases, how much money will be needed to follow through with all these changes in the penal, or the prison, system?

**Mr. Oberle:** Well, that's not entirely clear right now, nor is it clear as we get to that point how much money the federal government will be providing. They've talked about some level of prison construction for the federal system. We don't know yet what the impact will be on the provincial side. We believe the remand pop-

ulation, for example, is going to go down as a result of the changes in federal legislation. So it's a little up in the air right now. We're not concerned about the impact. We will shortly have significant additional remand capacity in our province, 1,944 initially, and we can go beyond that. In addition, that will free up a lot of existing space within adult detention facilities, and we'll be able to handle quite an impact before we really get too concerned about money.

We're talking with the federal government about what the impacts are going to be, how fast they're going to be, and we'll have to adjust accordingly, but we don't have any cost figures at the moment. We're not anticipating very severe impacts at the moment either.

**Mr. MacDonald:** Okay. Now, in 2009-10 the average caseload in community supervision programs was 17,598 adults and 4,470 youth. The adult caseload increased by 13 per cent according to the annual report from 2009-10, page 33. Community supervision programs were intended to reduce the number of offenders in custody, but we seem to be seeing increases in numbers in both correctional facilities and community supervision programs. Can the Solicitor General please explain what the ratio should be and how an appropriate balance will be achieved?

**Mr. Oberle:** No, I can't, actually. That's a pretty broad topic area depending on federal legislation and provincial justice legislation. All I do is house the inmates that other systems sentence or other systems dictate require community supervision. As the hon. member may know, that balance has shifted back and forth at various times. A simple piece of federal legislation can change how we deal with dangerous offenders or sex offenders or anything else, and my department is left to deliver programs.

So, no, I can't designate any appropriate balance. What I have to do is respond appropriately to pressures on any one side of the system. That's what we've done this year with the addition of 50 probation officers.

**Mr. MacDonald:** Thank you.

Now, I would like to just ask a few questions, please, about the Edmonton Remand Centre. It appears in the 2011-14 capital plan on page 107 with a total allocation of \$181 million. That's split in two years: \$135 million and \$46 million. As you indicated, completion is in the fall of 2012 with 1,944 beds. It is one of the largest current capital projects of the entire government, I think. The ring roads would be larger. When operational in 2012 there is an anticipated future expansion of almost a thousand, I think, to just over 2,800 beds.

7:30

The capital plan for 2008-11 allocated \$567 million to the centre. This is the first year that I can see that the centre was mentioned. The capital plan for 2011-14 allocates \$181 million, which we talked about. That's roughly \$748 million in total. Now, what will be the total cost for the construction of the Edmonton Remand Centre, and does this figure exceed the original amount estimated by the ministry?

**Mr. Oberle:** Yeah. Just to clarify, Mr. Chairman, the remand centre, that we expect to open in October 2012, will house 1,944 inmates. That's part of a larger plan that at full construction would house 2,808 inmates.

Now, the original vision here and the original budget announced for this project was \$620 million, and the current construction costs will come in at \$568 million, or \$567 million and change, as the member indicated. So we're a little below budget. We are a

little beyond in timeline. We ran behind due to some difficulties, but we're within budget on the project. We will be hiring in this budget year and begin training procedures.

The commissioning of this facility through next year is a pretty detailed process. I invite the hon. member to have a look at that facility sometime. You quickly understand the complexity of operating that system and the need to begin training well in advance. That facility covers 16 hectares, some 20 CFL football fields. It's a big facility, and there are miles and miles of cable and video cameras and all the associated things. It's a very complex facility, and really we're seeing action.

**Mr. MacDonald:** Yes. Now, I have some more questions regarding this facility. Program element 2.14, court security and prisoner transport, is estimated to be \$33.8 million. With the remand centre being moved from sort of kitty-corner to the courthouse in Edmonton to the north end, what increase in prisoner transportation costs does the ministry anticipate?

**Mr. Oberle:** I'm not sure I can provide an exact increase in the cost though I could inform the member that the court security and prisoner transport cost related to the remand centre is not the full scope of court security and prisoner transfer costs in our province. We have Calgary and Peace River and a number of facilities across the province. There would be an increase in costs. I can't for sure say what that cost would be.

I might indicate, though, that there will be corresponding decreases in costs because of the efficiencies of the new remand centre and our ability to supervise prisoners under the model that we want. You know, the current Edmonton Remand Centre is certainly fraught with problems but in my view of it, actually, maybe not the problems that are reported in the media. It's not as horrifically overcrowded as one would be led to believe nor is there anybody chained to a wall with a smoky coal fire going anywhere, which one might also believe if you read enough newspapers.

Moving a very complex prisoner population around a very limited facility is expensive and time consuming and dangerous work and requires more supervision than the new remand centre will. It's a pod system. The services are delivered on the pods. Video visitation, video courtroom appearances: those kinds of things will save a significant amount of money, particularly the courtroom appearances. That's a huge part of our prisoner transport job right there. The video courtroom appearance system in there will really cut our costs.

**Mr. MacDonald:** Okay. Now, the minister mentioned the existing remand centre downtown. What will happen to that facility once the one up in the north end is up and operational with potentially up to 2,900 beds? What are you going to do with the existing one?

**Mr. Oberle:** That's actually beyond my control. What happens in my department is that that facility, while operated by me, falls under my department. Once I've determined that that facility is surplus to my needs, that I do not intend to operate a corrections program in that facility, it is transferred to Alberta Infrastructure, and it's up to them to dispose of it, lease it out, work with partners, whatever it is they plan to do with that facility. I've done that. I have no intention of operating a correctional facility in that location. Upon completion of the remand centre and transfer of the inmates, we will no longer have that facility in my department. The ultimate fate of it: I can't say for sure.

**Mr. MacDonald:** What will determine, please, if you don't mind, whether a judge or a justice hears from an individual in remand in

person before them in the courts or through the video conferencing system? What are the criteria around that to reduce or to control your costs of transporting prisoners or individuals in remand from the north side down to the court facilities in the central part of the city?

**Mr. Oberle:** That's pretty much up to the judge. I believe there are many judges that are fully comfortable with the technology and some, perhaps, less so. It's up to the judge. If the judge demands an appearance, he'll get an appearance. We'll grow into this technology. So far, from the justices that use it, it's well received, and the inmates like it, too. It provides them with clear, private access to their lawyer yet a full court appearance. I've sat in the booth myself. It's quite interesting technology. But it has to grow on people.

We're not going to force anybody to accept it. It is up to the judges. Most of the judges, I'm informed, are very supportive of the video court. About 68 per cent of first appearances are by video now, and we'll be providing the guidelines for the new Edmonton Remand Centre, but the suites are there, and I think they'll be used more and more over time.

**Mr. MacDonald:** Okay. I appreciate that.

Now, I would like to please ask some questions about the aboriginal or First Nations prison population. Again – you'll have to excuse me – Statistics Canada is my source. A Stats Canada publication issued in 2009: representation of aboriginal adults in custody and community programs remained significantly higher than their representation in the overall population.

According to the 2006 census 3.1 per cent of adults 18 years or older in Canada identified themselves as aboriginal, or First Nation. In comparison, the representation of aboriginal, or First Nation, adults in custody or in community correctional programs has traditionally been much higher. From 1998-1999 to 2007-08, aboriginal adults as a population of adults admitted to provincial and territorial sentenced custody grew steadily from 13 to 18 per cent. The figure is 35 per cent in our province, here in Alberta. While the number of admissions to sentenced custody has decreased over time for both aboriginal and nonaboriginal adults, declines have been larger for nonaboriginal, or non First Nation, adults.

Now, we can go through this, and it certainly is interesting. I think it depicts an accurate reflection of what is going on. But Statistics Canada reported that aboriginals, or First Nations, make up 35 per cent of the adult inmate population in Alberta. Did the Solicitor General have more current data than this data from 2006 when you made your budget estimates this year?

7:40

**Mr. Oberle:** Mr. Chairman, currently the demographics of people in sentenced population in our province – and these numbers are from fiscal '09-10. Ninety-one per cent of inmates are male; 9 per cent are female. The average age is 33 years. The most common age on admission is 22 years. The average education is grade 10, and the current '09-10 percentage of aboriginal population is 37 per cent according to our numbers.

**Mr. MacDonald:** Yes, 37 per cent. So that's gone up slightly.

Now, what is the ministry doing to address the root causes of the overrepresentation of aboriginals or First Nations people in Alberta's prison system?

**Mr. Oberle:** Well, I've been adamant about this since my time here, working closely with the past Justice minister and the current one. Mr. Chairman, it's readily apparent to anybody that occupies this seat that you're not going to arrest your way out of your crime

problems, whether that be aboriginal gangs or whatever else their problem. We need a more comprehensive strategy around gangs – and we've unveiled the gang strategy – and in general a crime reduction strategy that is broader than just enforcement and locking people up. I am certainly constitutionally required to accept prisoners as sentenced by a judicial system, and I do that, but our focus has to be broader than that and on crime prevention and gang reduction.

We've undertaken consultation with aboriginal contractors, staff, and inmates led externally, and we're going to develop an aboriginal correction strategy as well, how to deal with aboriginal inmates. You'll know that in last year's budget – the hon. member would know this – we had originally planned to cancel an aboriginal correction contract, and we reversed that decision. While we could argue statistics about they do a better job or we do a better job, I think we could both sit back and argue that neither one of us does a spectacular job, and we need to do a better job. I continue to work with the Kainai group, that is, to try and profile that facility, believing in my heart that that's one piece of a future puzzle that we will need, but we will broaden our approach and our understanding of the very complex issues.

Coupled with some initiatives on the Justice side, like the integrated justice services project, drug courts, alcohol courts, community courts, things that we're going to try over the next few years but a broader strategy than in any target population to lock them up and throw away the key. That is not the strategy here, and we will be focused on crime reduction over the next few years.

**Mr. MacDonald:** Thank you.

In the time that I have left, I would like to point out that under the lottery fund estimates, which are in your department, this year you are anticipating granting \$115 million to the First Nations development fund, and that would add to the at least \$375 million that has been granted since that program was started in 2006-07. We're talking a lot of money here. We're talking close to half a billion dollars, or \$500 million. Has any of the money that has been granted through the First Nations development fund ever been used to try to reduce the number of aboriginal, or First Nations, individuals – you said 37 per cent – who are incarcerated in our prison system? What programs, if any, are being funded through that First Nations development fund to try to correct this very unusual and very unfortunate statistic?

**Mr. Oberle:** I guess that's a rather difficult question for me to answer in light of the fact that while the allocation is made through the lottery fund, the expenditures under that program are approved by Aboriginal Relations. So it's hard for me to talk about the scope of programs or the type of programs that have been offered. In the broadest sense I think a significant part of that money would have gone towards community improvement, which is part of the very complex issues around crime rates and alcoholism and other issues in those communities. I think a significant amount of that money has been spent there and in programming as well. But as it relates to actual programming – I'm sorry – I can't share it with the hon. member. That's Aboriginal Relations.

**The Chair:** Thank you, Minister. That's the time allotted.

For the next 20 minutes members of the third party, Wildrose Alliance, and the minister may speak. I assume that's Mrs. Forsyth.

**Mrs. Forsyth:** I would assume you're right.

**The Chair:** I assume you're going back and forth with the minister.

**Mrs. Forsyth:** I'm fine with that. I've been listening to the Solicitor General, and his answers have been very succinct, so I have no problem with that. Sometimes we have other ministers, and we get a lot longer answers. I'm fine with that if the minister is okay with that.

The first question I'd like to ask the minister is about our RCMP, who are in my estimation held in high regard by Albertans. An independent audit commissioned by the government recommended more robust measures to ensure the force meets its obligations. That is a question I would like to ask you. What exactly does the independent audit commissioned by your government mean when it says: to ensure that the force meets its obligations?

**Mr. Oberle:** I'm not sure of a statement in there. I'm not clear exactly what she's asking. I'm assuming you're asking about the KPMG report. I'm sorry. I'm not picking up exactly what you're asking me about that report.

Could I ask the hon. member to introduce her staff member for the benefit of all of us here?

**Mrs. Forsyth:** It's Patty Kobewka. She's my leg. assistant. She's been with us a couple of months now.

The report I'm asking you about is the KPMG report, and it was commissioned by your government prior to contract negotiations to determine if the RCMP were delivering cost-effective policing. They did say that it is providing cost-effective policing, but one of the recommendations was that more robust measures be taken to ensure the force is meeting its obligations. I'd like to know exactly what that recommendation meant by: ensuring the force meets its obligations.

**Mr. Oberle:** I seem to be having hearing trouble. I'm very sorry. I've just been passed a note here. Okay. I believe you're asking about oversight. The shortcomings in that report were around oversight of the RCMP, our ability to exercise some control over the financial planning, the staff planning, and cost planning.

Those items were negotiated as part of the new contract, and we have a contract oversight committee. We have enhanced planning activities jointly with the RCMP. We have annual reports to the minister. We have formal contract reviews from the contract oversight committee. There's congruence with provincial priorities, and the RCMP have committed to meet or exceed our standards; in the case where they have a different standard, they have to exceed our standard. We have three-year infrastructure and equipment plans. There are a number of oversight activities that we've negotiated into the new contract but always focusing back on the fact that the contract review provided that the RCMP are an effective and valuable police service to us.

**Mrs. Forsyth:** Minister, could you tell me what details you can provide on the new 20-year deal? I know you had stated previously that till you had gotten I think it was a signed contract from Ottawa, you weren't prepared to release that report. Have you got that contract signed by Ottawa, and will you release the contract so it's accessible to Albertans?

**Mr. Oberle:** I have not signed the contract, nor has Ottawa at this point. We were very close just prior to the call of the federal election.

It's not a contract until both parties sign it. Once we sign it, it will be a public document. It's a contract of the government of Alberta. Possibly before you were involved in the conversation, hon. member, I scoped out quite a bit of what's in that contract. It's not a legal contract until both parties sign it, so it can't be a public document until that point.

**Mrs. Forsyth:** I'd like to ask you about the \$370 million radio system that's being implemented across the province over the next three years. How was the company Harris Canada Systems selected? Was it sole sourced, or were there others that had competed for the contract?

7:50

**Mr. Oberle:** It was put out for tender, as any large government contract is. There was another bidder that went right through to the end of the process. There was at least one bidder that dropped out along the way of the process. It fully met our procurement requirements, as any contract that size would have to.

**Mrs. Forsyth:** Thank you, Minister. How does the government plan to be proactive and effective at reducing crime in Alberta – it's strategically some of your goals – when you've cut the crime prevention budget by 15 per cent?

**Mr. Oberle:** I'm not aware of a 15 per cent reduction in our crime prevention budget. Certainly not on my side there isn't.

The member will know of a number of initiatives we're undertaking. The radio contract is one of them. The API3 network is one of them. We plan to provide our police and peace officers with the best available equipment. As the member may know from last fall's law enforcement framework, we will unveil new and innovative ways of policing in our province, integrated policing focusing at the municipal level and at the provincial level, integrated amongst all police forces, collaboration. We're going to add training to the mix with our training college. We believe we are well on the way, and we are going to continue with the effective policing that we have today.

**Mrs. Forsyth:** Okay. We're just trying to find our budget, but it said that the Public Security budget is up \$15 million, to \$376 million. The crime prevention budget is down 15 per cent, to \$685,000. Just to get a clarification, is it up or is it down?

**Mr. Oberle:** Yeah, Member, I should point out that crime prevention is significantly more than just that line in the budget. We spend a significant amount more than the \$685,000 that the member is projecting in that line. I'd have to just find what that particular line refers to. Yeah, I see it now. It's a decrease of \$83,000, which is 10.8 per cent, primarily due to the elimination of the restorative justice grants, which is \$351,000, offset by the reversal of the Budget 2010 fiscal correction for aboriginal crime prevention co-ordinators, \$266,000, for a net of \$83,000.

I spoke to the hon. Member for Edmonton-Gold Bar about our aboriginal corrections reversal in the last budget. So, yeah, the reduction you see there is entirely a reduction of restorative justice grants offset by an increase in the aboriginal corrections contract.

**Mrs. Forsyth:** Thank you. Minister, I'm sorry I'm bouncing all over the place, but the time is limited, so I'm going to go to your priority initiatives under 3.1. It talks about being in collaboration with Alberta Health Services. You want to enhance health-related services for inmates and offenders, with special emphasis on assessment, treatment, and community-based transition services. What are you doing currently to deal with their drug addictions and their mental health problems?

**Mr. Oberle:** The biggest thing we've done there is that in the past year we've transferred our in-facilities treatment to Alberta Health Services, who clearly is in a better position to deliver programming. We're in the process of that transition. Obviously, it involves staff and a number of other initiatives.

Our intention is that we want to strengthen the delivery of integrated mental health and addiction services in all of our corrections centres; establish a mental health unit for older, violent young offenders and establish one for adult female offenders, which I'm sure the member would know has been an issue in the press as of late; enhance pharmacy services; maximize nursing services; adopt and implement health services standards consistent with Accreditation Canada and Alberta's infection prevention and control strategy; and to benefit from the short- and long-term health care cost avoidance.

As I said, we're transferring all of those services to Alberta Health. Obviously, they will still be delivered within our facilities but by qualified and accredited staff from Alberta Health. That's actually one of the reasons for the Corrections Amendment Act that's before the House right now. We have to allow the new Health staff to still exchange information with corrections facilities managers.

Using funding provided through safe communities will assist to provide enhanced health services for inmates, so we've leveraged some outside funding here as well, including assessment, treatment, and community-based transition services. We're anticipating approximately 70 full-time equivalents to be allocated to Alberta Health Services in support of this.

**Mrs. Forsyth:** Thanks, Minister. How many times last year, in 2010, did you do random drug searches at your Alberta correctional facilities?

**Mr. Oberle:** I just have to have a look here. I don't know that I can provide an exact number of tests, but we do random drug searches throughout the facilities. We have one service dog that's a drug dog. We'll be adding another one. We use a drug dog across the province currently. We use electronic scanners. We have the chair, as they call it. We do significant drug testing throughout the facilities. We did 178 centre searches last year; 7,014 inmates were searched for the detection of illegal drugs, weapons, and other contraband. So there are the numbers for you.

**Mrs. Forsyth:** Thank you. Again I'm going to one of your priority initiatives, and it's 3.3, together with the Safe Communities Secretariat supporting community crime prevention and crime reduction strategies, including the implementation of the long-term crime prevention framework and the Alberta gang reduction strategy. What are you doing there exactly?

**Mr. Oberle:** Well, I think the funding that you're referring to in that section relates to grants that we've been giving to community organizations. As I said earlier, we're not going to be able to arrest our way out of gang-related problems. While enforcement and, if necessary, incarceration are obviously fairly key tools in the fight, we need to deal with education, prevention, and intervention programs. Those are best dealt with by engaging the community. We have been working with community groups, and you'll have seen a couple of announcements of funding whereby the community can take hold of their problems with assistance and collaboration on the part of my ministry and that of Justice.

**Mrs. Forsyth:** Thank you. The ALERT program is another plank of – can we call it the LEF, or do you have an acronym for that? Police usually do have an acronym for everything. It's the law enforcement framework, so LEF. What data and indicators of success do you have so far? Should they be the model and focus point for law enforcement in Alberta? What other models have you looked at, and what is the ALERT model based on?

**Mr. Oberle:** The ALERT model is based on a pretty thorough understanding that criminals do not respect municipal boundaries, and we very clearly need to collaborate across municipal boundaries. The ALERT model in its genesis predates my tenure here, so I can't say exactly where the model came from and what other models were considered. I can tell you, though, that it's wildly successful, not only because of the actions that they've taken and the successes that they've had, but also because of their acceptance by Albertans – it's a widely recognized brand name already – and also their acceptance nationally. We're constantly speaking about ALERT with other provinces and with our federal counterparts. It is a successful team.

It has been my experience, however brief in this department, that, first of all, integration is pretty key between police departments and, second of all, that integration doesn't happen if you just mandate it to be so. It actually has to be based on some level of trust and previous experience. That is exactly what ALERT is providing us. It's building a network of police officers that have worked together and will continue to do so in the future.

I think it's wildly successful. Since its genesis in 2006 it's arrested 3,500 individuals on 10,000 charges and seized 400 firearms, taken tons of drugs off our street, protected children, intercepted human trafficking, all kinds of things that they've done. A wildly successful model, and we'll continue to push it.

8:00

**Mrs. Forsyth:** Thank you, Minister.

One of the ministry's goals is to provide fair and timely financial assistance to eligible victims of violent crime. The victims of crime fund is a concern for me. The money is there, but it's not being spent that quickly and decisions for victims take 12 months or longer. Some victims have waited so long. What is the status of the program? Additional staff were brought in. Have they made a difference? Is the money getting quicker into the hands of the victims now?

**Mr. Oberle:** I'm happy to inform the member that while the statistics she quotes are true, they are also out of date. As of March 2011 we're down to 94 days for average case processing. I think it's fairly clear that the additional staff implemented there have been successful.

The victims of crime fund: the expenditures are going up slightly this year. We expect a bigger draw. That shows consistently a \$45 million to \$50 million surplus, but I have to point out that there are long-term obligations against that fund. For example, for victims that were injured with brain injury and are unable to function, we provide monthly benefits. We have about a \$30 million long-term liability against that, so the fund is not as wealthy as it would appear on paper. We'll be cautious with it. We want it to be sustainable, and that's what we're going to do.

**Mrs. Forsyth:** Thank you.

We had before us last year the body armour bill that was passed. I'd like to ask you: what has been the effect of the body armour bill that was passed last year? Are more vests being confiscated routinely from gang members? Do you have any of those stats?

**Mr. Oberle:** The purpose of the body armour – it was debated sometimes hotly in the Chamber about whether it would have any effect or not. It received royal assent, but it has not currently been proclaimed because we are still working on the associated regulations. I can tell you that the intent was not to be able to give gang members a \$20 fine because they're wearing body armour but to allow a search of somebody who's obviously violating a law. That gives us one more tool to use against gangs. By itself probably an

ineffective one, but in concert with a number of other tools that we have, an effective one that's been proven effective elsewhere. But as I said, it's not proclaimed yet. We're still working on regulations.

**Mrs. Forsyth:** Okay. So if I can take that further, then. If you explain that it's not proclaimed, what are you doing or looking at in regard to regulations? Would you not have had that planned before you brought the bill forward in regard to what regulations should be in the bill and what regulations shouldn't be?

**Mr. Oberle:** The member will know that for various reasons sometimes that's not done that far in advance. I can't really speak to this particular piece of legislation. It's an Alberta Justice piece of legislation. My department is not developing the regulations on it. I can speak from a government point of view to tell you that we want to step pretty carefully here because we do not unduly want to impact people that do wear body armour as part of their day-to-day duties. We don't want to impose any undue burden or cost upon them.

**Mrs. Forsyth:** Thanks, Minister.

The hon. member was questioning you in regard to the new Edmonton Remand Centre. You have said that there are some construction delays, but also in your priority initiatives you talked about staff training and preparation for the opening of the new Edmonton Remand Centre. Can you maybe explain – you talked about the pods and things like that – what kind of staff training you're going to be providing? Is it because the facility is totally different, or what exactly do you need to train the staff on or for moving into the new location? Safety or . . .

**Mr. Oberle:** Yeah. As I'm sure the member can appreciate – and I suspect in her day she probably toured more than one corrections facility – it can be quite a complex business, especially in the event of an incident where a lockdown has to occur. The design of this facility is obviously very different than any existing facility, and the equipment that it has is very different. Before we occupy that and start taking inmates, first of all, we need to fully understand the controls that are in that building in terms of locks for doors, video camera controls, the scrolling of thousands of video cameras that are in that building. There is no video dead spot or radio dead spot in that entire building. Considering how many pods are involved and hallways, it's quite complex . . .

**The Chair:** Thank you, Mr. Minister. Your time has elapsed.

**Mr. Oberle:** We went 10 minutes?

**The Chair:** That was 20 minutes.

For the next 20 minutes the members of the fourth party, ND, and the minister may speak. I assume that's Mr. Mason.

**Mr. Mason:** Yes. Thank you very much, Mr. Chairman. Well, time flies when you're having fun there, Mr. Minister.

**The Chair:** I assume you'll go back and forth tonight.

**Mr. Mason:** That would be satisfactory. Thank you very much.

I'd like to start with the decision to renew the RCMP contract in the province. I'll admit I'm one of the people that was kind of suspicious that you were setting up your own provincial police force. I know a lot of other people thought that, too, around this place. I'd really like to know how you evaluated that decision, how you determined that setting up a provincial police force was less effective or more expensive than renewing the RCMP con-

tract. Was it something that was done on the basis of objectively analyzing the costs and benefits involved in the two courses of action, or was it based more on emotional grounds, based on, you know, the RCMP is historically our national symbol and part of building the province, that sort of thing?

**Mr. Oberle:** I am happy to report to the hon. member that while the emotional factors of the decision to incorporate the RCMP do play a role – certainly with me you know, the red serge is one of those Canadian things. The RCMP are an institution and woven into the fabric of our history, particularly in Alberta and the town of Fort Macleod. While it's very true that those emotional components played a role, I can tell him that it was a much more scientific, rigorous exercise than that.

First of all, although you don't have to go very far to find the efficiencies in it, we did commission an external report by the KPMG group about whether or not the RCMP represented value for money. I talked to the hon. members for Calgary-Fish Creek and Edmonton-Gold Bar about that earlier. Their conclusion was definitely positive, and you need look no further than the 70-30 cost split that advantages us when we deal with the RCMP as our provincial police force.

Add to that fact that we have also managed to convince the federal government that some of our sheriff resources also qualify under that 70-30 split, and they've extended it to us. Add to that fact that the municipalities currently served by the RCMP would have to pay 100 per cent of their costs as well if the RCMP was to withdraw as a municipal service in the province – you know, just those factors alone.

We are absolutely convinced of the value of the RCMP as a provincial police service with some of the contract oversight provisions that we've put into the new contract and the oversight that we provide through the ASIRT model in serious incidents. The RCMP, by the way, have committed to that model nationally. We will be providing ASIRT service in the Yukon territory starting later this year on a full cost-recovery basis to us. That's a great model.

So we're very pleased with the RCMP, and we're very pleased to continue. It was never a consideration for me. I can tell the hon. member that.

**Mr. Mason:** Thank you very much.

One of the issues that certainly has come up and has been brought to my attention by the Alberta Urban Municipalities Association in particular but also in my travels around the province meeting with mayors and municipal councils in different parts of the province is that there are some real concerns about inequities of provincial funding for police amongst different municipalities of different sizes.

**8:10**

The AUMA has identified a number of inequities. They've calculated the municipal policing costs per capita, and these are 2006 numbers that they use. In communities of greater than 50,000 the per capita cost for policing for municipalities that have their own police service is \$256, and if you have the RCMP, it's \$128. For communities of 15,000 to 49,999 the cost is \$219 per person for a municipal force and \$95 for those with the RCMP. In those communities between 5,000 and 14,999 the cost if you have your own municipal service is \$184 per capita and RCMP is \$105. In addition to that, the support that's provided for large municipalities is minimal, and small municipalities are relatively advantaged, going up to very small communities where they get it for free.

I'd like to ask the minister if he's prepared to consider any changes to these formulas to enable municipalities to have their own municipal forces where that's warranted without a major financial disadvantage and, secondly, to reduce the discrimination against larger municipalities inherent in the formula.

**Mr. Oberle:** Well, I first need to point out to the hon. member that the formula is not a provincial formula. That's a formula applied by the federal government. It applies across our country to municipalities of different sizes. We do some work to offset the costs that municipalities experience, but there is always at least a 10 per cent contribution by the federal government in the event of larger communities, and then on smaller communities it's a 70-30 split as well.

The member might be aware that in the law enforcement framework one of the strategic directions was that we were going to seek a more equitable distribution of funding within our province. We attempted to do that and were unsuccessful. But I left the direction in the law enforcement framework as it was released last fall because it's genuinely my intention to do that.

I would caution the member, though, in providing a direct comparison of what it costs a municipality to be serviced by the RCMP versus one serviced by their own municipal police force. There are a lot of complexities buried in that. True, part of it is the 10 per cent provided by the federal government, but it's fuzzied by a bunch of things. I provide both of those communities with municipal police assistance grants dependent on their size, but there are a lot of complexities in policing Edmonton versus policing Red Deer or policing Fort McMurray that provide for different levels of service, and those are municipal decisions, not provincial decisions.

While I may move and will move to find an equitable funding formula, that will still translate into different policing costs in different communities because of the decisions of municipalities. So I can go part way there but not all of the way there.

**Mr. Mason:** Well, I mean, just to be clear, though, the municipal policing assistance grant is a provincial grant, is it not?

**Mr. Oberle:** Yes.

**Mr. Mason:** And that gives towns and cities with a population of 5,000 to 20,000 a \$200,000 base payment plus an additional \$8 per capita. Cities and urban service areas with a population of 20,000 to 100,000 receive the greater of \$16 per capita or a \$100,000 base payment and \$14 per capita. Cities with a population of over 100,000 receive grants of \$16 per capita. So is that what the minister is talking about when he says that they are trying to balance off the federal formula?

**Mr. Oberle:** Yes. The member is quite right in pointing that out. That municipal police assistance grant is a grant by the province to help municipalities offset their policing costs, and those are the correct grant amounts that he relayed there. The one he missed was that towns under 5,000 are not required to pay for their policing, and they were in the mix as well.

The AUMA, in particular, the Alberta Urban Municipalities Association, has identified to my department that they wish to see an equitable funding model, and so do I. We're working on that, but exactly how that translates out, I'm not sure at the moment. It's going to be one developed in partnership with the AUMA and the AAMD and C.

**Mr. Mason:** Thank you very much.

I'd like to go to the recent fee. I've spent the last couple of weeks travelling around the province, and one issue that came up

repeatedly was the new fee for information searches that is now going to be charged to municipalities. I heard the minister today in question period respond to a member by saying: well, it's up to the municipality if this is passed on to police forces or not. But I think that since it's directly related to police activity primarily, it's natural that it's going to be considered part of an increased cost to policing. Regardless, it was unexpected and has caught municipalities by surprise. There's reaction ranging from surprise to concern to disappointment to anger or sadness – I don't know – and it's certainly hit them hard.

I guess my question is: why couldn't we have been more transparent about that? Is it actually in this budget? Is it identified as an additional fee that will be specifically identified in this budget? If not, why not? Why didn't this get communicated to municipalities much earlier in the process?

**Mr. Oberle:** Okay. I need to be sure that the member understands – and I believe it's consistent with my comments today – that this fee, as the Minister of Service Alberta has identified, is a cost recovery for the service we do in providing that information back to municipalities. It doesn't apply to the police action of a policeman pulling somebody over on the side of the road. It applies to photoradar tickets and parking tickets, essentially.

You know, fine revenue has never been meant to drive police forces. The fine revenue is returned to the municipality, not to the police force. The police force is actually not a legal entity in that regard. They're an arm of the municipality. So the fine revenue is returned to the municipality. Now, within a municipality's global budget what they intend to do about a reduction in revenue, as they view this particular action, is entirely up to them, and I'm not going to wade into that discussion.

There were discussions about: well, that's going to cost us 40 officers on the street. I suggest that that would be maybe a reasonable way to scope out the magnitude of the problem they're facing but not a reasonable way to actually implement the cost impacts of that. I certainly wouldn't advocate that they reduce any officers on the street. It's a municipal decision.

The number does not appear in my budget. This is a Service Alberta fee, a database they run. I can only assume it would be in Service Alberta's budget, and I can only ask you to speak to the Minister of Service Alberta with regard to what discussions were held or what transparency was between department and municipalities. I had no discussions. This is not a budget item of mine.

**Mr. Mason:** Okay. I'll do that.

I want to get to a little bit of the proceeds of crime and, specifically, to crime prevention. I'm sorry; I'm talking about the victims of crime fund. It's supported by surcharges on provincial fines. The surcharge is imposed by the courts under the Criminal Code. We've been looking at the victims of crime fund over the past several years, and it always seems to bring in a million dollars or \$2 million more than is distributed. It's building up a nice value, close to \$60 million now. My question is on why more assistance to victims isn't put in place and if there's a good reason for this fund and, if so, what that might be. Why are we building up a \$60 million fund?

**8:20**

**Mr. Oberle:** Just for clarity here, at the end of March 31, 2010, the accumulated fund surplus was \$49.7 million. The accumulated fund surplus is estimated to be \$52 million at the end of the '11-12 year. So the member is right. The fund assets are increasing.

Cast against that is a current long-term liability of \$30.6 million, which also grows over time as each new award is given. The

member might be aware that in general victims of crime are assisted by a one-time grant payment. That may be assistance with funeral expenses in the event that somebody has perished. It could be an award reflective of an injury that was received. In the event of brain injuries there's a monthly payment that's made. Each time we make that award, that builds a long-term liability against the account.

Actually, I can assure the member that I, too, am concerned about the fund. I don't believe it's the government's job to hoard this money. We do have to provide for sustainability of the fund and guard our ability to pay long-term liabilities against that fund. We have taken maybe a cautious approach, I guess, but we are very assured that the fund is sustainable, and I think that's key here.

**Mr. Mason:** Thank you very much.

Mr. Chairman, if I could just, you know, have a little bit of leeway because the minister is responsible also for the Gaming and Liquor Commission, and we have the director here. One of the concerns that comes up all the time in some of the communities that I represent and others as well has to do with hotels where overserving is a problem as well as other activities on the premises. That can include things like drug dealing, prostitution, and other criminal activities. I can say that from my time as a municipal councillor the Gaming and Liquor Commission has not always been the most proactive ally of people who want to clean up some of these activities in their communities. I just wonder if the minister can tell us what he's been doing on that aspect of it.

**Mr. Oberle:** Well, I very much thank the hon. member for that question. I cannot speak to what may have transpired in the past and how willing a partner in improvement the AGLC was in the past. I don't know. I never worked with them before. But I can tell you that under the current leadership of the current CEO, Gerry, seated beside me, and the current board it's a phenomenal organization. I believe we've seen great improvement in the last few years.

What the AGLC is doing now: we run regular inspections. We conducted 35,064 inspections – that's over 95 a day – in fiscal '09-10. Inspectors check licences for compliance in a number of areas. We issued liquor licence penalties to 188 individual liquor licensees in fiscal '09-10.

We've launched a number of new programs. Best Bar None was launched in Edmonton in 2010. It's a voluntary program for bars, pubs, and clubs striving to reduce bar-related violence. We've got ProServe, which is mandatory; 117,000 certificates were issued to staff. This is a training program available online or through public seminars or in-house seminars. We've got ProTect, launched in February of 2008, mandatory since December 31, 2008; 8,656 certificates were issued since the program began, again a training program for staff.

We've got new responsible liquor service regulations effective August 1, 2008, with minimum drink prices, happy-hour limitations, limits on the number of drinks a patron can have at their table at any time, particularly after 1 in the morning, when people order a tray load of drinks – you can't do that anymore – and then new amendments proclaimed in force on November 1, 2009. The Safer Bars Council, consisting of 18 liquor industry stakeholders – I think the member gets the flavour here.

I see a very, very aggressive AGLC in response to – and I understand the member's concern in the communities that he serves – a very troubling relationship that the city, my department, and police in the city have had with the bar business in the city and that I see improving radically. I see players that were once consid-

ered maybe deeply troubled being right in the centre of upgrading training, volunteering for Best Bar None. We had awards just recently. I see tremendous improvement and tremendous cooperation on the part of the AGLC.

**Mr. Mason:** Okay. Thank you very much.

Mr. Chairman, I'd just add a point. The difficulty, you know, is that some of these places should have had their licences suspended, but I take the minister's point that there is a plethora of programs that are now being followed, and I hope they're successful. [Mr. Mason's speaking time expired] Could I just have one question? It was a lot of stuff.

**The Chair:** Well, I can put you back on the list.

**Mr. Mason:** The question I have goes back to the casinos and organized crime. My experience working in some of those casinos on behalf of my community is the fact that it's very apparent that the kind of money laundering that the hon. member is talking about is going on. Everybody seems to be aware of it. My question is: what has the Solicitor General's department done to assess the potential for organized crime operating within our casino system and the risks and the potential for them to be used in illegal activities? Has the department in fact done an assessment of that?

**Mr. Oberle:** Well, we absolutely have, Mr. Chair, which is why we have an investigations unit, precisely to deal with that potential problem. That's why we do investigations and audits of casinos. I would challenge this member the same as I did the hon. Member for Edmonton-Gold Bar. This member is telling me that he was standing in a casino working on a volunteer basis with a parent group from, you know, whatever the charity involved is, Friends of the Moss on the North Side of Trees or whatever charity group was in the casino that evening, and observed illegal activity happening?

**Mr. Mason:** No.

**Mr. Oberle:** Well, I thought you said that it's happening all around you and you're aware of it.

**Mr. Mason:** Somebody comes in and puts down \$5,000, buys \$5,000 worth of chips . . .

**The Chair:** Okay. I think, gentlemen, we'll have to cut it off there. The time has elapsed. We have to move on to the next 20-minute segment. Sorry, gentlemen.

For the next 20 minutes members of any other party represented in the Assembly and any independent members and the minister may speak.

Seeing none, any member may speak hereafter. First on the list is Mr. MacDonald.

**Mr. MacDonald:** Yes. Thank you. I have been listening with interest to the exchanges that have recently occurred between the hon. Member for Edmonton-Highlands-Norwood and the hon. Member for Calgary-Fish Creek. Perhaps we'll get back to the lottery funding at a later time this evening, Mr. Chair.

I would like to talk about safe communities. We had a little discussion on safe communities in Justice, but it's sort of one of those programs or initiatives that is occurring in two departments. It has been suggested that these two departments, Solicitor General and Justice – they were in the past one department. Could we return to smaller government, that is perhaps more efficient?

Mr. Chair, safe communities, we've got to recognize, is not a department program area. It's a partnership with the Safe Com-



munities Secretariat, or the committee, as it's called, and other stakeholders. The primary objectives or initiatives are collaboration with Alberta Health Services, support of offender reintegration into the community through supports and whatnot, and together with the Safe Communities Secretariat or committee support of community crime prevention and crime reduction strategies, including the implementation of the long-term crime prevention framework and the Alberta gang reduction strategy.

Now, goal 3, as I see it here, certainly relates to the ministry's first two core programs or businesses, public security and correctional services. To the minister: where does the funding to meet goal 3 come from? Is funding being taken from other areas for the safe communities program? Also, how long can we expect to see this goal listed separately in the business plan of the ministry?

Thank you.

8:30

**Mr. Oberle:** I apologize. I just need to find it. Okay. The hon. member listed some specific initiatives that fall under goal 3; 3.1 was: "In collaboration with Alberta Health Services, enhance health related services for inmates and offenders." I spoke to that when the Member for Calgary-Fish Creek – I keep forgetting that we're in committee and I can actually refer to her as Mrs. Forsyth, so that makes it a little easier. The provision of health services was transferred to Alberta Health Services effective September 13, 2010, in keeping with that commitment. Funding was provided through safe communities to assist enhanced health services for inmates, including assessment, treatment and community-based transition services. As I said, 70 FTEs have been allocated to that exercise.

I'm not sure what additional information the member seeks under that category.

**Mr. MacDonald:** How long can we expect to see this goal listed separately in the business plan on page 102?

**Mr. Oberle:** I guess I'm a little confused. I believe that the member is listing goal 3 as just being a Safe Communities Secretariat initiative. That's a business plan goal of my department, and we have no intention of dropping our activities there. The listing there and the measures of performance are part of my business plan, and although they're funded at the moment by SafeCom, they are initiatives of my department that we have no intention of dropping.

**Mr. MacDonald:** Okay. I appreciate that.

Now, I have some questions regarding grants for community-based crime prevention. The community-based crime prevention program provides funding for a range of different initiatives. The ministry supports nonprofit and also community-based organizations to undertake projects to prevent crime and to make their communities safer. The annual report notes on page 23 that \$600,000 in grants was given to community organizations to support 17 different or separate projects. In the last annual report the ministry reported providing the \$600,000 in grants to community organizations for these projects. Is the funding continuing in this year? If so, where is it in the budget? If you could explain that, I would appreciate it.

**Mr. Oberle:** Yeah. I'm informed that the program continues, but it's transferred to the safe communities innovation fund administered by Justice, the SCIF grants. The funding is continuing, but it's now administered by Justice, so it no longer appears in my budget.

**Mr. MacDonald:** Okay. So you have no concern or issue about the value of the funding for these projects. If I was to ask any more questions, you're in an indirect way telling me I should have asked Justice when they appeared before us.

**Mr. Oberle:** Thank you for your perceptive . . .

**Mr. MacDonald:** Yeah. Okay. Well, it's nice to know that that's now over in Justice.

Now, the ministry provides support for aboriginal communities to develop and implement their own community safety initiatives. The ministry provided \$265,000 to aboriginal organizations for four crime prevention co-ordinators in 2009-10. I'm getting that from page 24 of the annual report. Is this funding being continued in 2011-12? If so, where is it in the budget?

**Mr. Oberle:** Yeah. It's part of program element 2.5 in the budget, which is crime prevention, I suppose. The member is correct: \$266,000 in contract services to aboriginal organizations for four crime prevention co-ordinators serving 12 communities. I spoke earlier with a member, Mr. MacDonald, about the aboriginal corrections piece. We're working on that, but I can inform you that we're certainly – let's put it this way – negotiating in good faith. I believe that there is a relationship with aboriginal communities that needs to continue here. Exactly what it looks like going forward is difficult for me to say right now, but I'm pretty sure it will go forward.

I could point out that there are other activities supporting aboriginal crime prevention not part of the \$266,000 budget. There are RCMP officers dedicated to First Nations communities, and First Nations police officers are role models in communities and mentor young people who live on reserves. We support programs for aboriginal victims, the youth justice committees program, 25 per cent of which serve the youth of aboriginal communities, and the First Nations police services.

When I spoke earlier about the Kainai facility, the Budget 2010 fiscal correction also had eliminated the four aboriginal crime prevention co-ordinators. We reinstated that, partly in reaction to the communities and partly because of my own belief that we need to work with the communities. So we're going to continue to do that, and we're in the process right now of scoping out what that looks like going forward.

**Mr. MacDonald:** Okay. You can confirm, hon. minister, please, program 2.5, crime prevention – \$685,000 is left in there; two years ago there was \$1.7 million – that what's left in there is specifically for the First Nations, that group, right?

**Mr. Oberle:** A portion of it is. Yes. That's correct. The \$266,000 that the member pointed out does not add up to the \$685,000 that's there.

**Mr. MacDonald:** Okay. While we're on that page – or maybe I will get back to that in a moment.

Now, could you please tell us what is being done to determine whether funding for this initiative – you said it was sort of stop, start, and you like the program, so it's going to continue. Will it be continued from year to year?

**Mr. Oberle:** Yeah. I've already committed to the program for this coming year, the current budget year. It's reflected in the budget. We believe that it will continue beyond that, but we do need to have some discussions with our First Nations partners in that regard. The program that emerges from that will be developed in collaboration with them, not dictated by my department. So I have

some discussions to go forward on that, but I'm pretty confident we'll get there.

**Mr. MacDonald:** And this funding is completely separate from First Nations policing, correct?

**Mr. Oberle:** Yes, it is. Yes. First Nations policing provides police officers on reserve in communities.

**Mr. MacDonald:** Okay. While we're on those program expenses, in program element 2.11, organized and serious crime, you are anticipating or estimating to spend \$25.1 million. Now, I'm looking at the annual report from 2009-10, and for organized crime the actual expense was \$23.9 million, and you left a portion of that unexpended in '09-10. You left \$4.3 million of that unexpended, and I believe it went into other programs or back into general revenue. I have no idea where it went. In light of, you know, the seriousness of organized crime and their activities, is that an adequate funding amount to do what you want to ensure that we are protected?

8:40

**Mr. Oberle:** It is at the present moment. The \$4 million the member identifies relates to the police officer recruitment fund, and because we were short of positions there, that money reverted back. There's a slight increase this year.

This is the organization that we need at present. We will continue to expand it, and these costs will grow over time. We are currently stationed in Edmonton, Calgary, and Fort McMurray. We will expand to Lethbridge and Red Deer and Grande Prairie. We'll be looking at additional stationings of ALERT centres, and our costs will grow over time. At present we're building the program that we want, that we believe will work, and that fits into our department architecture and the police departments that we have out there. We're very pleased with the operations of ALERT, and we'll continue to support it.

**Mr. MacDonald:** Okay. Thank you.

Now, I would like to have a look at the business plan. The hon. member earlier talked a little bit about the victims of crime fund. I'm looking at the business plan, pages 101 through 104, and of course the core business is victims' programs and services. Goal four is to provide support to victims of crime and organizations that support victims of crime. There are priority initiatives, the victims of crime fund.

If we look at the budget estimates on page 300, we can see the revenue, the investment and fines. We can see the expenses, which are slightly up from 2010-11. The financial benefits are slightly up from 2010-11. Victims' programs is slightly up, to \$11.8 million. Criminal Injuries Review Board is \$400,000. Administration is down. My calculations indicate it's down 21 per cent from 2010-11.

As of March 31 of 2010 the fund had assets of \$49.6 million. That is from the Victims Services Status Report, page 4, Mr. Chairman. But the victims of crime fund is nearly \$50 million in net assets and is expecting nearly \$28 million in revenue from fines and penalties; \$28 million is what it expects to spend in this year, '11-12. Can the minister please explain why the fund is being invested rather than being used for the purposes for which it was intended?

Thank you.

**Mr. Oberle:** Well, I spoke to this with the hon. Mr. Mason. His constituency name escapes me at the moment. The victims of

crime fund has to be sustainable. It provides services to victims, benefits to victims, but it has to be sustainable.

The member is right. The fund as of March 31, 2010, was just a bit shy of \$50 million, and by the end of the year it will grow to, I believe, a \$52 million balance. The expenditures, therefore, will be slightly less than the amount that we receive in revenue this year.

While it appears that the fund has a \$52 million surplus, in actual fact the fund currently has a long-term liability of \$30.6 million, so the surplus is not so much a surplus. That liability comes from the fact that not only do we provide awards for victims of crimes. In some cases we provide monthly benefits, and obviously that builds a long-term liability. We have to be cognizant of the size of that liability and make sure the fund is sustainable going forward. We believe we're at that balance, and we are currently satisfied with the program.

The Criminal Injuries Review Board. The member referenced that the administration costs are going down. Some time ago we faced a three-year delay in processing claims. As of March 2011 we're down to 94 days processing. So we've made tremendous strides on reducing a backlog there, and I believe that's the reason why the administration costs are down now. We think the fund is operating well and is doing what it's intended to do.

**Mr. MacDonald:** Thank you.

Now, the total financial expenditures for victims' services in 2009-10 was \$23.7 million. A total of \$10.4 million was provided to eligible victims of crime by the financial benefits program during this period. The total amount provided through grants to victims' programs in the victims of crime fund in 2009-10 was \$9.1 million. In 2009-10 the minister approved grants from the victims of crime fund totalling \$8.4 million for 62 victims' services programs. What proportion of the victims of violent crime who are eligible for financial benefits actually apply for financial benefits, and of those who apply, how many were refused and on what grounds would that refusal be based, please?

**Mr. Oberle:** I think the criteria on which one is eligible for funding are pretty clear in the regulations, and the Criminal Injuries Review Board applies those regulations. I don't keep statistics on how many people who were eligible actually applied. Until they apply, we don't determine eligibility of every victim out there. We may not in some cases even be aware of them.

I can tell you that all the people that do apply to the program are treated with fairness and respect and, subject to the criteria and the regulations, are awarded awards when they are deserving of them. When people have a criminal background, for example, that eliminates them, and there are other considerations there. Everybody has the same magnifying glass applied, and when they're eligible, they receive an award.

**Mr. MacDonald:** Okay. Can the minister please explain the reasoning behind the allocation of funds, the amounts that go to pay financial benefits to victims directly and the amounts that go to fund programs to victims and the proportion of that program funding that goes directly to grants?

**Mr. Oberle:** Well, I don't think we're trying to meet any particular balance of proportionality there. We fund victims of crime in accordance with the applications we receive, and we fund grants in accordance with the applications we receive. We're not trying to meet some predetermined allocation target there, that I'm aware of. In '09-10 we provided grants from the victims of crime fund to support 73 police-based victims' services programs.

**The Chair:** Thank you, Minister. That time has elapsed. Is there anyone else wishing to speak?

**Mr. MacDonald:** I want to speak, please.

**The Chair:** You want to go back on the list?

**Mr. MacDonald:** If you don't mind.

**The Chair:** Okay. The next 20 minutes Mr. MacDonald again. Go ahead. There's nobody else wishing to speak.

**Mr. MacDonald:** Thank you. Now, the minister was talking about, I believe, police-based victims' services. Can the minister please explain how the funding for victims' services programs is currently being distributed; for example, how much to the police-based victims' services and how much to community-based victims' services organizations? Are there any changes contemplated in how this works for this fiscal year, 2011-12?

**Mr. Oberle:** I don't know that I could provide that breakdown, but I can tell you that there are no changes contemplated. It depends on our relationship with each of the program operators. Again, there's no proportion predesigned into the program. It's quite possible that we could lose a police-based organization and gain a community-based organization, which would alter that balance. We provide what we think is fair funding for those organizations to continue to do the excellent work they do in providing services for victims, and we'll continue to do that. We have no intention of cutting back on it.

**Mr. MacDonald:** Okay. Again, Mr. Chairman, on community-based victims' services organizations: what role do community-based organizations play in victims' services, what gaps do they fill within the system, and how does the ministry determine the suitability of community-based programs for funding? There are three questions there.

8:50

**Mr. Oberle:** Yeah. That's three questions.

I have a committee, actually – the name is escaping me at the moment – an advisory committee that provides advice on how those grants are distributed based on a review of the business plans of those organizations. While those recommendations are not binding on me, I certainly tend to follow them. They're a good group of people and provide good advice based on thorough review. That's the Victims of Crime Programs Committee if you could imagine. Why I couldn't come up with that name on short notice I'm not sure.

**Mr. MacDonald:** What gaps are not adequately filled by community-based organizations, and where are the greatest needs in victims' services?

**Mr. Oberle:** I have a very long list of organizations that provide services. You know, I can't tell you what gaps exist. I can tell you that in any particular community the structure of that would be different. We fund based on request and will continue to do that. I guess I need the member to define gaps for me. I'm not sure what he's after here. I provide grants to victims' services organizations, and that system works. Nobody has identified to me that: hey, we can't do this, and, hey, we're not doing that. So it's very tough for me to answer that question.

**Mr. MacDonald:** Okay. I'll maybe dig into this a little further, and perhaps during question period we can get some answers.

Now, the victims of crime legislative review. The department conducted a review of the victims of crime legislation in December 2010 and in January of this year. Can the minister provide some information about the online survey? How many responses were received? What proportion came from individuals or organizations that represent individuals?

**Mr. Oberle:** Yeah. It's difficult for us to describe what percentage represented any particular kind of organization, I think, but over 500 responses were received online. Plus, we held public consultations in five cities between January 11 and 14, including Grande Prairie, Lethbridge, Edmonton, Calgary, and Red Deer. Government ministries that were concerned with victims' issues were also provided the opportunity to provide written feedback, and a number of stakeholder groups provided their input on the act and regulations, including the public victims, police-based and community-based victims' service programs, nongovernmental organizations, and government ministries and boards. The member will be aware we introduced the amending act into the House in March 2011.

**Mr. MacDonald:** So the amending act is the result of all this and the only result of this?

**Mr. Oberle:** Well, the result of all of this at present is the bill that's before the House and the regulations that will be subsequent to that bill. Now, the bill is in, I believe, second reading at the moment. If the member can assure me that the bill will pass unamended, then I can tell him exactly what the results are; otherwise, we'll have to wait for the final result of the bill. But, as I say, the bill is currently before the House, so I don't think we should debate it here.

**Mr. MacDonald:** Okay. I can certainly understand that.

I'm not going to ask you what the victims of crime legislative review cost. I can wait patiently, and I can see if there were any payments to government members for their role in this when the indemnity files are made available by the gentleman who traditionally sits in that seat, the Minister of the Treasury Board.

Now, gaming. It's interesting that gaming is in this department. I sit and I watch – your officials do very well at Public Accounts, by the way. They make a very good effort, sir, to answer the members' questions. Politically, I can't understand why gaming is in your department. I was told – and I'm not going to get into the details of the Progressive Conservative Party's leadership and why gaming wound up in the Solicitor General's department, but I find it interesting.

Now, the core business of gaming, of course, is responsible – and you noted this – for liquor and gaming regulation, or gambling regulation. Goal 5 is that Alberta's liquor and gaming activities are conducted with integrity and in a socially responsible manner. You have priority initiatives, four of them. You have:

- 5.1 In partnership with others, promote a culture of moderation to reduce alcohol related harms.
- 5.2 Address the causes and impacts of violence in and around licensed premises.
- 5.3 Encourage the development of healthy, sustainable gambling opportunities that minimize gambling related harm.

In another words, addictions.

- 5.4 Ensure that the liquor model, the charitable gaming model and the Alberta Lottery Fund meet the current and future expectations of Albertans.

Budget estimates page 287 notes that all funding for gaming budget lines comes from the lottery fund. Funding to the horse racing and breeding renewal program appears to represent revenue

from horse-racing tracks, and if we look at estimates on page 293, we can certainly see where that is indicated in the footnote.

You know, we can talk all we want. Then we look at Public Accounts, and a grant is a grant. We can put all the spin on it we want to, but it's a grant, and this is a grant. Many people are astonished that through these difficult times – and this is our fourth year with a budget deficit – we can still have a horse-racing breeding renewal program. Granted, it's gone down – no pun intended – but there has been a significant amount of money spent on this over the years.

I think since it was initiated – and I'm going by memory because I was adding it up the day the budget was presented – it's over \$400 million in total, including the amount this year. I can only imagine what we could spend the \$400 million on other than this program.

Fewer and fewer people are going to the track. More and more people are going to other entertainment centres for their entertainment, whatever it is, right? But the \$400 million that was spent on this: I can only imagine how it would have improved the number of long-term care centres we have. Money was a problem up at the Alberta hospital, where we needed community-based care, but we also need an institution of that nature in a secluded location where folks can go and, hopefully, get healed. I can think of so many other areas we could have used this 400 million bucks than this program. We see a little tweak in this. I think it's going to go up a bit over 3 per cent in 2011-12.

Now, with horse racing and the breeding renewal program can the minister please explain how this budget line fits with the ministry's core business and how it aligns with goal 5? The goal is related to gaming. Can you explain that, please?

**Mr. Oberle:** Well, just a couple of comments that I want to back up to. First of all, the member talked earlier about the review of the victims of crime fund and whether there were any payments to members in there. I can inform the House that, no, there were no payments to members in there. That was conducted by my department, very ably and efficiently I might add.

I want to thank him for his comments about the officials of this department and their demeanour, their carriage in the Public Accounts Committee. As I said at the outset, I'm always very deeply impressed by the staff I'm surrounded by and consider myself to be deeply fortunate.

There was a comment – and I guess it's a little bit of a policy discussion – about: why has gaming wound up with Sol Gen? You know, sometimes it's obvious, and sometimes it isn't obvious why a particular program rests with a particular ministry. But I can tell you that a significant activity of the gaming side of the AGLC is inspections and enforcement. That is a very logical fit with my department in that regard, and I believe that's why it was chosen to reside here.

9:00

We have this annual discussion about Horse Racing Alberta and whether a grant is a grant. The fact of the matter is that the funding that Horse Racing Alberta receives comes from the operation of casinos that exist at racetracks in the province. Three of them – Northlands in Edmonton, Whoop Up Downs in Lethbridge, Evergreen Park in Grande Prairie – operate racing entertainment facilities or casinos, I guess.

I can't comment on whether or not the audience is down in horse racing. I don't attend the track myself. I haven't observed it. That's up to Horse Racing Alberta to manage. But I can say that the racing entertainment centres are functioning, and they're providing some money to the operator – Northlands, for example, in

Edmonton – some money to Horse Racing Alberta, and some very significant money to the government of Alberta. That goes into, again, our lottery fund. Without the activities of Horse Racing Alberta and those casinos that operate at the track, there would be no money not only for Horse Racing Alberta but for the government as well. We get about a third of the funding that comes from those.

Now, I can tell the hon. member that – and he's aware of this; we have this conversation every year – the funding that goes to Horse Racing Alberta is a 10-year funding agreement. That's a contract between the Alberta government and Horse Racing Alberta, who provides oversight for the racing and breeding industry. The industry is no small player in the province. It generates about \$350 million per year for the provincial economy. It employs something in the neighbourhood of 8,000 Albertans when you look at the full scope of it.

We think that a strong horse-racing and breeding industry benefits Alberta's agricultural community. Nonetheless, the contract expires in 2016. I guess we'll be having conversations at that time about what happens after that point.

**Mr. MacDonald:** Yes. For the ideology, as it's proposed and articulated by various members of this government: it doesn't make sense to me that you would be subsidizing horse racing in this manner. If we're a free enterprise group, then so be it. But I just can't understand the ideology as it's espoused by so many members of this government, that over the years we would be willing to spend \$400 million. If Flow-through Funding was the name of a thoroughbred, you know, it would certainly attract our attention, like it did the honourable gentleman here.

Now, Flow-through Funding is not the name of a thoroughbred that's being trained to run in the Triple Crown in America or in the Queen's Plate or the Alberta Derby. We don't seem to be getting higher quality racehorses, that I noticed, through all of this. The breeding programs don't seem to be improving. Maybe they are – I don't know – but I'm not seeing any evidence of this. I just find it very unusual in these difficult economic times that we're persisting with this program.

Horse racing got, I think, over 3 per cent or it could be close to a 4 per cent increase. The bingo associations received an increase, I believe, of 12 per cent. Can you explain the reason for the increase in funding for bingo associations, please?

**Mr. Oberle:** Yeah. It was just explained to me that that involves additional play of electronic bingo. It comes back to the lottery fund, and then it goes back to charities. It's just a difference in the amount of electronic bingo play that's happening.

**Mr. MacDonald:** Is that satellite bingo?

**Mr. Oberle:** Digi-bingo. We should go to the bingo hall right after because neither one of us knows what that means.

**Mr. MacDonald:** I'm afraid I'm not familiar with that. That is separate from satellite bingo?

**Mr. Oberle:** Satellite bingo is a completely separate game put on by Satellite Bingo Alberta, not by the local bingo hall. This is a digital product put on inside the bingo hall. It's still a bingo game, just a different product put on locally rather than provincially. It's just a different bingo product in the hall.

**Mr. MacDonald:** Okay. Speaking of bingo products, what percentage of total government revenue coming into the treasury from bingos would be from individuals playing satellite bingo?

**Mr. Oberle:** I'm informed that we get no revenue from bingo. It all goes back to the charities. All of the bingo revenue goes directly to charity, including satellite bingo.

**Mr. MacDonald:** Including satellite bingo. But there is a percentage, an amount, that goes to the operator, right?

**Mr. Oberle:** Yeah. The local bingo association gets a percentage of the take, and the rest goes to the charity that's working the floor that night.

**Mr. MacDonald:** Okay. I appreciate that.

Now, Alberta Gaming and Liquor Commission: the budget estimates are on page 301. We see revenue is increased by over 3 per cent to close to \$2.4 billion. All increases: the highest I see is in casino gaming terminals, and that's up 4.7 per cent. We're looking at expenses here: the operations for liquor is \$28 million, and that's up over 3 per cent. Gaming and lottery operations is \$253 million, and that's up 14 and a half per cent.

Most of the changes to this budget are well under 5 per cent with the exception of the gaming and the lottery operations here, which is up, as I said, 14.5 per cent on the 2010-11 forecast. Can the minister explain this increase and why it is necessary at this time?

**Mr. Oberle:** I don't know that it's necessary. The increase simply represents the AGLC's projections or predictions of business for the coming year. We're projecting increases as a result of improving economic conditions and increasing population in our province. We're going to see more gambling and more liquor sales in our province, and we'll be generating more revenue, perhaps unequally. [A timer sounded]

**The Chair:** Minister, your time has elapsed. Is there anyone else wishing to speak?

Seeing none, Mr. MacDonald, go ahead.

**Mr. MacDonald:** Thank you.

My next question would be on the gambling revenue that would be generated in Fort McMurray. How much revenue from gaming is generated in Fort McMurray and how much of that revenue goes directly back into that community to various community or service groups or in grants to Fort McMurray or the Wood Buffalo region?

**Mr. Oberle:** The arrangement would be the same as any other casino region, with the exception that Fort McMurray has a little different structure. They have no VLTs in the casino, but the operator of the facility, which is a local facility, gets 15 per cent up front.

**9:10**

Then there are the charity dollars. Those are all the same. They go directly to the charities back in those communities. The stuff that comes into our general funds here, that funds lottery programs, is again granted back to communities. So a very significant portion, the exact number of which I would be unable to supply, would wind up back in Fort McMurray or region. Let's be clear that the Fort McMurray casino services a region, not just the central municipality of Fort McMurray. There are other communities involved in that as well.

**Mr. MacDonald:** Okay. On page 46 of the 2009-10 annual report from your department there is a paragraph on reviewing the gaming model, the MLA review. Now, it is reported that the work of the MLA committee, that was appointed to examine specific as-

pects of Alberta's gaming model – I suppose they worked hard on this – cost over \$20,000, but the report had been rejected by the ministry. Does the minister now propose to take action on any of the committee's recommendations, and if not, what is proposed in the way of changes in the gaming model or the gambling model going forward?

**Mr. Oberle:** Well, I certainly had hoped to be able to take action on the recommendations of the committee, but it was pretty clear that there are some pretty strongly held feelings about the charitable gaming model that we exercise in this province. While everybody wanted to make sure that there was equitable distribution of those proceeds, surprise, surprise, we all have different definitions of what equitable distribution of proceeds actually means, and we were unable to reach any level of consensus.

While there are certainly issues, I don't think that the MLA committee report addressed those issues. I have asked and directed, in fact, that the AGLC consider, going forward, what can be done to distribute casino proceeds and to equalize waiting times across our province. Considering the complexities, the different kinds of charities that are involved, the distances to travel, it's a very complex business, and the report as presented simply didn't solve any of those issues. I was unable to accept the recommendations. That's that. The AGLC is currently looking at what can be done there, and we'll continue to work on that problem. I will consult with charities going forward. I'm not going to just unveil a program to unleash upon them. We'll certainly talk to our stakeholders before we move anywhere.

**Mr. MacDonald:** Thank you.

Now, is there any attempt in this fiscal year to remove or close any of the existing gambling or gaming facilities in the province? I'm told, for instance, that in Camrose on some nights there's very, very light attendance in that facility and that perhaps we overbuilt many of the gambling or gaming facilities and that perhaps some of them should be closed. Is that going to happen?

**Mr. Oberle:** Whether or not we've overbuilt is still up for debate, and we're reviewing that. We've got a moratorium on new facility development at the moment. If you could argue that we've reached saturation point, which some people do, then you might be able to argue that in local markets maybe there's too much competition for the casino business. I'm not sure we're at that point right now.

But I do have to point out that casinos are not government businesses. We don't own or operate these casinos. They're private businesses, and they're subject to local market influences. It was their business decision to build, their business analysis to build, and their decision whether to continue operation or not. I'm not aware of any closures on the horizon, and we're not forcing any. That's not our decision. The existing casinos have licences to operate, and they will continue to.

**Mr. MacDonald:** Okay. The existing facility that operates currently at the northwest corner of 101st Street and 104th Avenue – I have to get my directions right; I go by there every day – the downtown palace casino?

**Mr. Oberle:** The Baccarat Casino.

**Mr. MacDonald:** The Baccarat Casino. You can tell I don't go to casinos, only to volunteer with community groups.

Now, if that facility is to close and there is to be a hockey arena built there, would the hockey arena automatically get the licence transferred to the same location?

**Mr. Oberle:** No, they would not automatically get the licence transferred. If the group that's currently discussing building a new arena there were to purchase that casino – said purchase needs to be approved by the department, by the way – then it's possible that the licence could transfer. We're not aware of any discussions between the casino operator and the group talking about the arena nor have we been asked for any approvals or anything else. As we do with all proponents, we'll talk to them. But to simply build a new casino there without the transfer of a licence is not possible. There is a moratorium on right now, and that wouldn't fit into our model at all.

**Mr. MacDonald:** Okay. So I can be clear on this, if the sale of the Baccarat licence were to go through to the Katz Group, who wants to build a hockey arena there, they would have all the contractual rights that currently exist with that contract.

**Mr. Oberle:** That's assuming that there actually is a sale and that that sale was approved by the department to transfer to the new owners. There are significant requirements for that. The business model has to be acceptable and the owners have to be acceptable, right? There is a departmental approval step. Assuming those hurdles are passed, yes that would be possible.

But I'll say again that we're not aware of any discussions between the Baccarat Casino and the group at the moment nor have we been approached about the transfer of any licence related to any sale that hasn't been discussed yet. It's possible, I guess, but we're not aware of anything there, and we would have to approve it before it could happen.

**Mr. MacDonald:** Okay. That's quite interesting.

I only have a little bit of time left, and I have a few more questions. I'd like to move on, Mr. Chairman, to Internet gaming, or Internet gambling. We can reasonably anticipate a vigorous debate in the near future about a possible role for the AGLC in Internet gambling, or gaming, and the effect of Internet gaming on government revenues. Can the minister please tell us whether any funding has been allocated in this 2011-12 budget to study or to take a look at Internet gaming, or gambling, and how it may affect this province and our revenue stream?

**Mr. Oberle:** The member alludes to some debate that's about to happen, an invigorating debate, I guess. I'm not sure who that's going to be with because it's not going to involve me. Currently we have decided not to proceed with Internet gaming, and I've said that in a couple of instances in this House. That being said, I do have some money allocated, a very small amount of dollars, in the AGLC to monitor developments. You know, we send the odd person to a conference or to listen to what's happening out there in the industry.

At present we have absolutely no plans to proceed with Internet gaming either as a government entity or through the Western Canada Lottery Corporation. Now, I know some of the other provinces are proceeding, and I know there has been a push to use the lottery corporations as maybe a logical home for these. We will not participate in that. That's a policy recommended by my department and the AGLC and endorsed by our government. We are not going to proceed with Internet gaming at this time.

9:20

**Mr. MacDonald:** Thank you. I was astonished to read in the national newspaper about the amount of money that's involved in all of this. I had no idea it was that big an operation in some places, including Costa Rica. It is quite an operation.

The lottery fund. In the time that we have left I certainly have questions about the lottery fund. Thirteen of the 24 ministries receive lottery funding. For example, there is nothing for Housing, Infrastructure, Justice, Seniors, and SRD. Can the minister please explain the rationale for which ministries are allocated lottery funding and which are not?

**Mr. Oberle:** Yeah. We have an annual process we go through. I don't actually set within my budget and decide, well, I think I'll give those guys a hundred million. These are applications that are brought to us. We advise the ministries of what we expect the budget to be and to identify programs back to us that would be eligible for lottery funding. The funding flows through my department, but it's a larger Treasury Board discussion about how those funds are going to be allocated. So it's based on applications back to available funding. I don't actually allocate. I don't determine the amounts spent by ministries.

**Mr. MacDonald:** Okay. So you're telling me that, you know, in some cases the lottery funding is a whole program, like the Solicitor General, part of a program that gets no increase in its budget. Some programs may get a decrease in their budget, like Culture, and part of a program may get a significant increase, like Transportation. So what you're saying is that this goes to Treasury Board, and Treasury Board makes the determination, not the department officials currently in your control.

**Mr. Oberle:** Yeah. The revenue from the lottery fund is transferred to the Department of Solicitor General and Public Security on behalf of the general revenue fund, and having been transferred to the general revenue fund, these monies then become part of the department's supply vote. Then the subsequent table determines how those monies were allocated. The individual program, whether it's expanding or not or being continued or not is the decision of each minister who operates that program, and then how the fund is allocated is the decision of the Treasury Board. Then they wind up in my estimates, the final ones.

**Mr. MacDonald:** Okay. Now ministry support services – we were talking about that a little earlier – and IT budgets. Certainly, you know, Alberta Health Services would come to mind. The Auditor General has had specific recommendations regarding their IT budget. We look at something like the Alberta Treasury Branches, the Crown corporation, the state-owned bank, where they're implementing some sort of new banking system. It's doubled in price, and it's taken almost twice as long to implement. So, you know, you don't have to go too far to find examples of IT budgets going up.

Now, the department's IT budget, according to our research, is going up by \$12.5 million, or 49 per cent, for the year 2011-12. This is in addition to capital investment of \$6.7 million. There is also another \$170 million in the capital investment we talked about for the first responders communication system and the Alberta police integrated information initiative. To put this in perspective, this is almost as much as the voted expense for Alberta Environment and almost as much as the voted expense for the Department of Energy.

Staffing in the department is expected to rise by 115. Can the minister explain, first off, where and why the new staff are required, and is this staffing increase reflected in this IT budget?

**Mr. Oberle:** The 115 FTE increase that the member is referring to is the full suite of FTEs across the department. That includes the 50 probation officers, the new remand centre staff. There's an increase of \$4.2 million between the '10-11 forecast to the '11-12

budget primarily for an increase in ongoing operational maintenance costs for the correctional system computer. It's four FTEs for the radio system and eight FTEs for the Alberta police integration information system. Now, I think the member can easily appreciate that a system that size and the amount of software development that's going on within that shop requires some additional staff, but it's not 116; it's 12.

**Mr. MacDonald:** Okay. Now, my next question would be on the commissionaires, the Canadian Corps of Commissionaires. In my time in this Assembly they have always provided very good protective services for a fellow like me. They've done a very good job, and it's someplace where veterans can get employment after their years of military or other service. I see a diminished role for the commissionaires in and around the precincts of the Legislative Assembly and an increase in the role of the sheriffs. Sheriffs are very nice people. They're polite, they're respectful, and they certainly seem to be well trained and well equipped. My first question would be: how cost-effective are the commissionaires? Surely it must be more economical to contract out that work to the commissionaires than it is to have the sheriffs around the Legislative Assembly.

**Mr. Oberle:** Well, I think the member has to recognize the significantly changed role of security individuals within the Legislative Assembly. It's not to just stand at the front door or walk the hallways. We have sheriffs on bike patrol in the summertime. We have cars patrolling around. You know, I need to be able to move qualified and well-equipped officers between all of the roles that are played on the security stage here, and I think the role is significantly different than it used to be in response to changing conditions out there. We've made a decision to involve more sheriffs in that, and I think it's effective as measured by the fact that it seems to be working.

**Mr. MacDonald:** If I could again, please, what does it cost to contract out a service to a commissionaire, and what is the com-

parison of that cost with the employment of a sheriff? The Canadian Corps of Commissionaires has developed into quite a respected institution across the country, and it's a place where veterans can go and find a job after they are discharged from their military service.

**The Chair:** Thank you. Member, the 20 minutes is up.

Is there anyone else wishing to ask questions? There's one minute left.

**Mr. MacDonald:** I'm going to see if I can get an answer to this question because it's been on my mind for some time. Every time I enter the Annex, I see cheerful commissionaires there and also cheerful sheriffs. But I'm thinking, you know, the sheriffs – I'm not the criminal here, and I would be much more comfortable if they were out on the street with the money and the resources we're providing to them to find crime or to prevent crime before it happens. Leave the work around here to the commissionaires.

**Mr. Oberle:** Well, the sheriffs are not chasing criminals; they don't have Criminal Code authority. They do provide security here. Now, I could dig out what it cost us at one time to provide security on the hill through a commissionaires contract, and I could compare that to what it costs us currently to provide security using sheriffs. I think the hon. member would understand that that would be a pretty radical comparison of apples and grapes or blueberries, maybe, because the job has changed significantly in that amount of time. The sheriffs that are in the facility here are not providing criminal support. They're providing security for this facility and the grounds surrounding it.

**The Chair:** Thank you, everyone. I apologize for the interruption, but I must advise the committee that the time allocated for this item of business has concluded.

Pursuant to Government Motion 5 the meeting is adjourned.

[The committee adjourned at 9:30 p.m.]







