

Vol. 3

5th Session
24th Legislature

YUKON LEGISLATIVE ASSEMBLY

REPORT

OF THE

STANDING COMMITTEE

ON

PUBLIC ACCOUNTS

TOGETHER WITH

EVIDENCE

MARCH, 1982

Legislative Assembly Office

Whitehorse





Yukon Legislative Assembly

Hon. Don Taylor, Speaker
Yukon Legislative Assembly
Box 2703
Whitehorse, Yukon

Dear Mr. Speaker:

It is an honour to present the Third Report of the Standing Committee on Public Accounts. This is the last report of the Committee in the life of this 24th Legislature.

All of us who were privileged to share in the inception of the Committee and the ensuing deliberations have, I am sure, been enriched by the experience.

We trust the next Legislature will uphold the non-partisan tradition set by this Committee.

Sincerely,

A handwritten signature in cursive script, reading "Tony Penikett".

Tony Penikett
Chairman
Public Accounts Committee

March, 1982



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STANDING COMMITTEE ON PUBLIC ACCOUNTS

Yukon Legislative Assembly
Fifth Session 24th Legislature

Members

Tony Penikett, M.L.A., Chairman	Whitehorse West
Peter J. Hanson, M.L.A., Vice-Chairman	Mayo
Al Falle, M.L.A. *	Hootalinqua
Doug Graham, M.L.A.	Whitehorse Porter Creek West
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Staff

Clerk to Committee
Missy Follwell

-
- * Al Falle was appointed to the Committee on
April 14, 1981
 - * Alice McGuire was appointed to the Committee
on December 16, 1981



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Preface

The Standing Committee on Public Accounts has held fourteen meetings since October 16, 1981. During the Formal Hearings, January 19 - 29, 1982, witnesses were called from the Department of Consumer and Corporate Affairs and the Department of Health and Human Resources. As well, witnesses were called from the Departments of Government Services, Highways and Public Works, Renewable Resources, Finance, and Internal Audit to discuss follow-up from previous hearings. The Department of Municipal and Community Affairs was called to discuss matters arising from the report of the Auditor General on the Public Accounts.

In July, the Chairman attended the third annual meeting of the Chairmen of Public Accounts Committees, held in conjunction with a meeting of the Legislative Auditors. The main agenda item was a discussion of a report entitled Improving Accountability which was published by the Canadian Comprehensive Auditing Foundation with a view to helping PACs and Auditors serve their Legislatures, and therefore the public, more effectively. This Committee is pleased to note that many of the procedures it follows are highlighted in the report and recommendations are made suggesting their adoption by other PACs. We found it gratifying to be recognized nationwide as being innovative and effective, particularly as our Committee is still in its infancy.

Having given the report recommendations much study, the Committee is of the opinion that its existing procedures are conducive to carrying out its mandate but the Committee feels strongly that having a researcher available would greatly facilitate its work.



(ii)

As this will be the last report of the first Public Accounts Committee, the Committee members would like to take this opportunity to reiterate their faith in the role played by the Public Accounts Committee. The Committee is confident that its very existence has ensured that there is increased accountability and responsibility for financial and personnel administration on the part of the government bureaucracy to the Assembly and ultimately to the citizens of Yukon.



FORMAL
HEARINGS

NOTE: *****
* In the following section *
* there are number indica- *
* tors in the margin. *
* These relate to the page *
* reference in the appended *
* "Formal Hearings: *
* Evidence". *



DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS

Introduction

The Department of Consumer and Corporate Affairs was the first department selected for review by the Committee. Departmental witnesses were the Deputy Minister, Doug Spray, and the Director of Policy and Planning, John Lawson.

Objective Vague

Background

- 2:4 1. The departmental objective is "to monitor and research the needs of Yukon residents to promote the development of an equitable and stable marketplace, regulated by Government guidelines, in which all residents are aware of their respective rights and responsibilities."
2. To meet its objective the Department is organized into five sections, each responsible for the legislation in its particular area. These sections are:

Consumer Services
Corporate Affairs
Motor Vehicles
Public Utilities
Labour Services

Analysis

- 2:4/5 1. The departmental objective makes no reference to providing services, such as registration of motor vehicles and operators, licencing of various professionals, and registrations of businesses, which are
- 2:9 an important and significant aspect of the Department's activities.

2:6 2. According to the Department, the objective "to monitor and research the needs of Yukon residents" is deliberately very broad. The Committee notes, however, that the Department does not have an independent research function. The Committee is unclear as to how the Department attempts to carry out this stated objective.

1. Recommendation

The Department should redefine its objective so as to state the role of the Department more clearly and to indicate how its mandate is to be achieved.

Monitoring and Enforcement of Legislation

Background

2:8 1. The Department in administering its legislation attempts to ensure that consumers are aware of their responsibilities, their rights, and how to obtain those rights.

Analysis

2:9 1. The consumer services provided by the Department do not necessarily provide consumer protection. The existing consumer legislation administered by the Department has very few teeth and for that reason it is currently being reviewed.

5:1 2. Consumer protection includes enforcement, which may be done by the Department or by an enforcement agency. The Department maintains a follow-up system for cases brought to the Department. When an

enforcement agency assumes responsibility for investigations, the Department drops its authority and responsibility and there is no follow-up system for such cases. The Department therefore has no assurance that referred cases have been dealt with unless the complainant informs the Department to that effect.

2. Recommendation

The Department should ensure that all legislation under its authority is enforceable.

3. Recommendation

The Department should implement a follow-up system for all cases that it refers to other departments or enforcement agencies.

Access to Information

Background

- 2:7 1. The Personal Property Security Ordinance which will be brought into force in June, 1982, will allow for immediate input of information into and immediate retrieval from the computer system developed under the Ordinance.
2. The driving records of motor vehicle operators are restricted to enforcement agencies and the individual concerned. An individual can release his records to a prospective employer if he so wishes.

Analysis

- 3:8 1. Under the new computerized system, information can be requested on a particular document, individual

or vehicle and this information will appear on the screen. Accidental access to other information will be eliminated; however, if a person out of curiosity chooses to call up other information he will be able to do so.

5:2 2. Under the present manual system any person can come into the Department, request information about any documents registered through Consumer and Corporate Affairs, and be given the relevant file.

5:3 Because of lack of physical security, he could tamper with or even remove the documentation. The Department does not inquire as to the purpose of the search, as the files are public and it is not for the Department to decide who has an interest in them.

3. The Department stated that there is no way to alter physical security arrangements under the existing manual system but that the computerized system will overcome this. In both systems there is freedom of access to information for valid or other reasons.

Inadequate Reporting of Statistical Information

Background

3:4 1. Statistics shown in the Yukon Annual Report and statistics offered by the Department vary widely. For example, for registered motor vehicles:

	<u>1978-79</u>	<u>1979-80</u>	<u>1980-81</u>
Yukon Annual Report	20,910	27,579	22,884
Department statistics	19,942	21,678	22,879

3:4 2. The method of reporting statistics sometimes changes but an explanation that this change has

occurred is not given. For example, the Yukon Annual Report shows 5,673 persons licenced for 1978-79, 4,712 for 1979-80, and 16,178 for 1980-81, when it was changed to operators licenced. The 1978-79 and the 1980-81 figures show the number of individuals receiving operating licences in the fiscal year, not the total number of valid licences. The 1980-81 figures show the number of valid licences in effect.

Analysis

- 3:5
1. The Department is responsible for the accuracy and quality of the Ministry's information in public documents such as the Annual Report and the Estimates. The timing of the preparation of the Annual Report is such that finalized data are not available. This fact is not disclosed in the Annual Report, nor are changes in the method of reporting.
 2. Presumably, accurate statistics are used in the preparation of program forecasts and Estimates. It might therefore be appropriate for such documents as the Annual Report and the Estimates to provide summarized statistical information covering several years so that comparisons could be made.

4. Recommendation

The Department should provide in documents such as the Yukon Annual Report summary statistical information of its major activities for the preceding five years. Any changes in the method of reporting statistics should be explained.

Performance Measurement

Background

- 3:6 1. The Department does not use performance evaluation as such. It is more concerned with management of the legislation and programs to ensure that they are effectively and efficiently managed with the
- 3:7 staff and funds available. In the opinion of the Department, performance is measured by monitoring the number of inquiries, the number of concerns brought to attention of the Department, the number of problems arising, and the effect that the Department is having on the marketplace.

Analysis

1. Performance cannot be measured simply by monitoring the number of inquiries and concerns brought to the Department's attention, or by acting on problems perceived by the Department. There is a cost involved for each activity in terms of human resources and funding. These costs can be determined with a cost established for each activity. This could be used as a performance indicator.
2. Where statistics are available, such as for the number of licences and inspections, they represent the outputs of the activity. The outputs can be related to the costs of the activity, that is, inputs, to give a performance indicator based on unit cost. In the first instance the inputs and outputs would be estimated, and then periodically compared with actuals to measure performance. In this way management would be able to assess the level of efficiency for the activity.

5. Recommendation

The Department should establish unit cost performance indicators for those activities where statistical information is available.

Occupational Health and Safety Officer

Background

- 2:5 1. Occupational health and safety, a shared responsibility with the Workers' Compensation Board, is in the developmental stages, dependent on new legislation.
- 5:2 2. Occupational health and safety concerns accident prevention, education, and investigation of accidents. As it concerns far more than ensuring that a worker's wages are replaced after he suffers an accident, it is aligned with the Labour Unit of the Consumer and Corporate Affairs Department rather than the Workers' Compensation Board. The Occupational Health and Safety Officer, based in the Labour Unit, investigates accidents and inspects work sites to ensure compliance with safety regulations. Investigations of actual accidents are provided automatically to the Workers' Compensation Board. Routine inspection reports are provided on request to the Board.
- 3:6 3. The Department does not measure the performance of the Occupational Health and Safety Officer because, in its view, the amount of work is not under the control of that Officer or the Department as the volume depends on the level of construction and economic activity. The monitoring of his performance is based on a review by his supervisor of his inspection reports and accident investigation reports.

Analysis

1. The number of inspections or investigations arising in any year cannot be predicted by the Department or the Occupational Health and Safety Officer. However, the Department has a responsibility to attempt to control the time required to perform each inspection or investigation if it is to utilize its resources effectively.
2. Because the Department must satisfy itself that all aspects of an inspection or investigation are carried out, it should have an understanding of the work required and should be able to estimate the time required to carry it out.

6. Recommendation

The Department should establish performance standards for inspections and investigations, depending on their complexity, and measure the performance of the Occupational Health and Safety Officer against them.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Introduction

The Department of Health and Human Resources was the second department selected for review by the Committee. Departmental witnesses were the Deputy Minister, Jim Davie, Departmental Administrator, Roger Graham, and the Regional Manager, Whitehorse, of Human Resources, Peter Dudding.

Objectives

- 5:4
1. In 1980, the separate departments of Health and of Human Resources were amalgamated. The Department was reorganized and unit managers were assigned full responsibility and accountability for the administration and management of their programs.
 2. The departmental objectives (as stated in the 1981/82 Estimates) are:
 - To provide a range of comprehensive and diverse social and health care services throughout Yukon.
 - To work towards prevention of deterioration of family and community life.
 - To promote activities and resources within communities to strengthen and enhance individual, family, and community life.
 - To provide public health care, hospital services and medical services for all Yukon residents.

Analysis

- 5:5
1. The Department acknowledges that its objectives are a motherhood statement but

says that for operational purposes it does define its objectives in a more limited way.

2. The Committee does not disagree with the overall objectives of the Department being stated in rather global terms. However, the objectives for each program within the Department should be stated in specific terms related to the level of funding being requested for the fiscal year so that at the end of that fiscal year the effectiveness of that program can be measured.

7. Recommendation

The Department should establish the objectives of each program in specific and measurable terms.

Reporting Statistical and Other Information

Background

- 5:5 1. The Department is developing a new computerized management information system which, when fully implemented, will enable it to provide more accurate and timely statistical information. It should make possible the matching of statistical and financial information.
2. The deadline for supplying information for the Yukon Annual Report makes it difficult to provide complete statistical information that is compatible with data provided in reports prepared at a later date.

Analysis

- 6:1 1. All statistical information in the Yukon Annual Report is reported on a fiscal year basis except for information on Vital Statistics which is reported on

a calendar year basis as it is all across Canada. The Department could report this on a fiscal year basis when the information is computerized.

- 8:3 2. In prior years, information was provided in the Yukon Annual Report on the Yukon Hospital Insurance Plan and Medicare. This information was not provided in the 1980-81 Annual Report.

8. Recommendation

The Department should report all statistical information on a fiscal year basis in the Yukon Annual Report.

9. Recommendation

The Department should include information on the Yukon Hospital Insurance Plan and Medicare in the Yukon Annual Report.

Estimates Information

Background

- 5:9/10 1. The Department's program forecast submitted to the Department of Finance represents the estimated cost of its programs based on price increases which it considers are likely to occur. The forecast is adjusted for the purposes of the Estimates if the increase is higher than the allowable target increases set by the Government.

Analysis

1. The Department made significant progress in presenting its activities in the new form of the 1981/82 Estimates. A great deal of statistical and financial information was included in the way of

performance indicators. In some cases input costs, both human and financial, were translated into output costs. In certain cases, more detailed narrative might lead to a better understanding of the programs within the Department.

7:6 2. The 1981/82 Main Estimates covering Welfare Services provide statistics for children in care. These statistics could be prepared for the 1983-84 Estimates year in such a way as to show more readily the number of children actually in care as well as the number of cases opened and closed.

7:6/7 3. In the 1981-82 Main Estimates, statistical information is provided for Group Homes and for the Receiving and Assessment Centre. It would be appropriate to disclose the cost per resident day for all group homes and facilities and the nature of them.

7:3 4. The 1981/82 Main Estimates regarding the Yukon Health Care Insurance Plan provide information on the number of claims paid and the average cost per claim in and out of the Territory. The amount shown falls short of the total funding requirement by \$960,716.

8:1 The Department confirmed that while the number of claims paid was correct the average cost per claim in-Territory and out-of-Territory was grossly understated.

10. Recommendation

The Department should ensure the accuracy of statistical and financial information included in its Estimates and it should provide explanations in the Estimates of significant variances from information provided the previous year.

Performance Indicators - Social Workers

Background

- 5:6 1. The Department employs about 25 social workers including casuals and contract help. In the small communities, individual social workers are responsible for the whole range of social services offered by the Department, some of which duplicate services offered by the Department of Indian and Northern Affairs.

Analysis

- 6:8 1. The Department is in the position to provide case-load statistics for social workers, together with explanations of differences in case loads. Traditionally the more skilled workers are assigned the more difficult cases and therefore have a smaller case load.
- 6:9 Weighting factors would have to be developed to recognize the complexity of cases assigned to each social worker if performance indicators are to be established.

11. Recommendation

The Department should establish performance indicators for social workers and disclose them in the Estimates.

Medical Services - Relationship with Federal Government

Background

1. A note to the financial statements of the Government of Yukon for the year ended March 31, 1981, observes that the Government has declined to pay billings from the Federal Government in excess of the amount provided for in the Territory's Estimates to cover hospital services during the year within Yukon.

The unpaid billings amount to approximately \$1.4 million.

- 7:1 2. The Federal Government owns and operates the hospitals, health centres and health stations. Yukon is expected to pay 70% of the capital costs of the facilities, 70% of the operation and maintenance costs of the health centres and health stations, and 100% of the operation and maintenance costs of general hospitals. Medical Services Branch, Yukon, is provided with the required level of funding through Medical Services Branch, Canada.

Analysis

- 7:2 1. Although Yukon is provided with the agreed level of funding by Canada, it is expected to pay the full costs billed, but has no control over them. Formerly, if the costs billed by Canada have been in excess of the amounts provided for by Yukon in the Department's budget, supplementary estimates were requested by the Department. In 1980-81, the position was taken that Yukon would pay only the costs provided for in its budget.
- 7:1 2. In recent months the relationship with Medical Services Branch Canada has improved at the local level. The Federal Government made the commitment to undertake a review of all hospitals in Yukon and to involve the Yukon Government in the planning process.

The Committee makes no recommendation in this area but would ask the Department to report back to the Committee on this subject next year.

The Committee wishes to record its appreciation for the frank and forthright manner displayed by the witnesses from Health and Human Resources.

STATUS REPORT: AUDITOR GENERAL'S REPORT "ON
ANY OTHER MATTER" FOR YEAR ENDED MARCH 31, 1981

The Committee at its Formal Hearings reviewed with the appropriate Departments the observations and recommendations made by the Auditor General in his report to the Legislature "on any other matter" arising from his examination of the Government's accounts and financial statements for the year ended March 31, 1981. The Committee reports as follows:

1. Land Development (Municipal and Community Affairs)

4:1 The Department of Municipal and Community Affairs
4:2 advised that it is implementing the recommendations
4:1 made by the Auditor General and that the cost of the
land under development inventory will be reconciled
by March 31, 1982. The Department agreed to provide
the Committee with the final figures, when reconciled.
The Department also advised that for lots sold to date
it had recovered the costs incurred but that interest
costs which are an ongoing drain on the Government have
not been included in the land development costs.
However, the Department stated that as a result of
recent Government policy interest costs will now be
included. It also acknowledged that an administration
fee of \$100 was included in the selling price although
the actual costs of administration involved are not
known. The Committee, therefore, is unable to see how
the Department can categorically state that it has
recovered all costs to date, when it does not yet know
with any reasonable certainty what the costs involved
are.

2. Data Processing System (Government Services)

Computer Program Libraries

1:2 The Department of Government Services advised that program libraries have been separated from other programs and live data. Currently, however, there is no one on staff with the necessary skills to control access to program libraries by programming personnel. This has been identified as a requirement in the Department's 1982-83 Main Estimates.

Program Testing

1:3 The Department advised that it does have standards which define the user's role in developing test data and substantiating test results, but the users are not always co-operative. The Department is attempting to define how projects are to be managed so as to ensure a consistency in the methodology of systems projects. The Department expects the Systems Priorities Committee and then the Sub-committee on Finance to discuss and approve this within a few months.

Program Maintenance

The Department advised that an inventory of program maintenance projects has now been undertaken. Currently, there is a very informal process for establishing program maintenance priorities with the user groups. A staff person has been assigned responsibility for program maintenance activities.

3. Main Estimates (Department of Finance)

4:6 The Committee reviewed with the Department of Finance the suggestions made by the Auditor General for further improvements to the form and content of the Main Estimates. The Committee was pleased to note

that the Department of Finance is receiving good co-operation from the other departments in the Estimates project and that the project is proceeding well.

4. Capital Estimates (Department of Finance)

4:9 The Department advised that the format of 1982-83 Capital Estimates was the first step in moving towards a uniform format for the Operation and Maintenance Estimates and the Capital Estimates. Uniformity should be achieved in 1983-84.

Among other matters, the Department offered the following comments:

4:7 It is a desirable feature to have in the Capital Estimates an introductory statement on a long-term capital spending strategy and basis of funding. However, there are constraints to doing this at present, the major one being that capital funding is provided on a year-to-year basis. The Department recognizes the need for developing a long-term capital plan and in fact has a commitment to the Federal Government to have one in place for 1983-84.

4:9 A statement of procedures for management and control of capital projects is in the exploratory stage and should fall into place as part of developing the new form of estimates.

4:9 Narrative commentary in support of new capital projects and explanations for any major changes in the scope or cost of projects included in prior years' Estimates should be included in the 1983-84 Capital Estimates.

4:8 The Committee also reviewed with the Department of Finance financial management problems arising from escalating maintenance costs due to inadequate funding for new capital projects. The Department sees the need for a properly developed capital plan that would deal not only with capital requirements but also maintenance requirements. This would make it evident that failure to spend capital money in a particular area would have repercussions on operation and maintenance needs. The Committee noted that the Department is committed to have such a plan in place for 1983-84 and requests the Auditor General to follow-up on this matter.

5. Internal Audit

8:6 The Internal Auditor advised the Committee that the Internal Audit Committee still has not met. The Committee was dismayed to learn this fact.

The Internal Audit Office has been called into different departments to review problem areas. There appears to be effective liaison and good co-operation.

The Committee suggests that the mandate of Internal Audit be clarified so that value-for-money auditing is clearly a part of that mandate.

12. Recommendation

The Internal Audit Committee should meet at the earliest opportunity.

STATUS OF PAC (1980) RECOMMENDATIONS

In the PAC (1981) Report, the status of the implementation of the fourteen recommendations in the PAC (1980) Report was as follows:

Recommendation concurred in	1
Recommendations implemented	6
Recommendation noted, and the Government's response accepted by the Committee	1
Recommendations not fully implemented	5
Action does not fully meet Committee recommendation, leading to revised recommendation in the PAC (1981) Report	<u>1</u>
	<u>14</u>

The Committee now considers the following recommendations, referred to in the PAC (1981) Report as "not fully implemented", to be "implemented".

Recommendations Implemented - PAC (1980) Report

5. Preparation of Variance Reports

The Government should require its departments to prepare timely, regular, and adequate variance reports.

6. Training Programs

While training in the systems now being implemented is being provided by the Department of Finance, it should not be used as a substitute for sound training programs to provide the level of skills necessary to provide an appropriate and effective financial function in each government department.

9. Road Equipment Replacement Account

If ways can be found to replace the cost control and funding functions previously served by this

accounting mechanism, then this type of account should be closed in order to bring expenditures under legislative control. The excess would be transferred to the general revenues of the Government.

10. Form and Content of the Estimates

The Department of Finance, in consultation with the Auditor General should undertake a review of the form and content of the Estimates with a view to providing more narrative descriptions, consistent with the recommendations made by the Auditor General in chapter six of his 1978 Report to the House of Commons.

Recommendations Not Fully Implemented - PAC (1980) Report

The following recommendation is the only recommendation from the PAC (1980) Report that the Committee considers to be "not fully implemented":

8. Internal Audit Committee

The Government should activate the Internal Audit Committee and appoint an elected member to chair it. Until the Government has recruited its own Internal Audit staff, the Audit Services Bureau should be directed to report to the Internal Audit Committee.

The Treasurer should advise on the scope and coverage of the work of the Audit Services Bureau only through the Internal Audit Committee.

STATUS OF PAC (1981) RECOMMENDATIONS

In the PAC (1981) Report, the Committee made fifteen recommendations as summarized on pages 27-30 of that Report. The status of the implementation of those recommendations is as follows:

Recommendations Implemented

The Committee, based on the appropriate Department's comments either before the Committee at the 1982 Formal Hearings or in written communication, considers only three of its recommendations to be fully implemented:

4. Personnel Data - Highways

The Department should further break out its manpower planning and personnel data to show the work-base location of departmental employees.

5. Road Equipment Replacement Accountability - Highways

The Department should be more accountable to the Legislative Assembly for the purchase and replacement of road equipment by providing details of the equipment to be purchased or replaced.

7. Maintenance Cost Identification - Highways

The Department should develop a reporting system to identify the maintenance cost of each Yukon road both by individual maintenance camp for each class of road in that camp and for the road as a whole.

Recommendations Revised

Based on the comments made to the Committee at the 1982 Formal Hearings and in written communication, the Committee is of the opinion that the following recommendations made in 1981 could be revised to reflect their inter-relationship:

2. Long-Term Planning - Highways

The Department should undertake a cost/benefit analysis on the feasibility of developing longer term planning with regard to the construction and reconstruction of Yukon highways.

1:4 The Department acknowledges that there is a major benefit in long-term planning, but that long-term planning would require an improved data base. The
1:7 existing five-year plan at current levels of funding and priorities will probably take up to ten years to accomplish.

6. Maintenance and Reconstruction Criteria - Highways

Criteria for maintenance and for reconstruction should be the same since maintenance standards are based on reconstruction standards.

1:5 The Department clarified the relationship between maintenance and reconstruction standards. Maintenance standards are established to meet today's conditions on a given section of road based on traffic, safety and construction standards. In construction, roads are designed and built to predetermined geometric standards based on the projected need for the next 15 to 20 years.

1:7 Based on generally accepted levels and standards,
the Department guesstimates that \$30-35 million will
be required annually to develop the road system over
the next twenty years. It is presently getting
25% - 33% of this amount which has a serious impact
on maintenance costs. However, the Department does
not have adequate traffic information and projections
on the road system for determining the point in time
1:8 when it will cost more to maintain roads than to
reconstruct. Neither does it have an adequate data
base to determine the life expectancy of road paving.
The Department expects to have this type of information
at some point in the future.

13. Revised Recommendation

The Department should gather the information needed for an adequate data base and develop an action plan so that it will be in position to plan and control more effectively its capital construction and maintenance activities.

Recommendations Not Fully Implemented

Based on the comments made to the Committee in its Formal Hearings and in written communications, the Committee is of the opinion that the following recommendations have not been fully implemented:

1. Delegation of Authority

Ministers should be responsible for all delegations of financial signing authority within their departments.

In the House on April 14, 1981, the Government Leader stated that "The Government will once again

4:5 review this procedure, and will respond to the Committee in the next Report." The Territorial Treasurer advised that there is a constitutional problem to be overcome related to the term "Minister", which by definition under the Interpretation Act (Federal) refers only to a federal minister. The Committee asked if the problem could be overcome by substituting "Executive Council Member" for "Minister". The Territorial Treasurer said he would seek a legal opinion on this. The Committee will pursue this matter again.

3. Accident Plotting System - Highways

The Department should develop an accident plotting system for all Yukon roads.

1:4 The Committee appreciates that some progress has been made on this. The Department of Highways and Public Works has collated and itemized by location accident statistics for the past five years. Because of a lack of resources it has not yet developed a plotting system. In cooperation with the Department of Consumer and Corporate Affairs the Department will endeavour to obtain statistical information better suited to its needs.

8. Transfer of Funds - Highways

Clearly defined guidelines and procedures should be established with appropriate limits for the transfer of funds between activities.

The Department advised that a work order system should be developed by the end of the current fiscal year.

9. Construction Program Coordination -
Public Works

The Department of Highways and Public Works should be responsible for the coordination of the Government's construction program.

10. Facility Construction Responsibility -
Public Works

If funding is granted to any department contemplating the construction of a facility, the Department of Highways and Public Works should be responsible for the planning, development and delivery of that facility.

In the House on April 14, 1981, the Minister of Highways and Public Works stated in reference to recommendations 9 and 10 that "these almost touch on government policy ... probably the Minister in charge should take them forward and address these two concerns." The Committee wishes to clarify its position.

Currently, the Department of Highways and Public Works through Public Works is responsible for the actual construction of public buildings. Each government department is responsible for proving the need, identifying the requirements and requesting the funding for any construction project falling in its area of responsibility. Public Works then handles the construction phase. If Public Works were to plot each government department's construction requirements into an overall long-term plan, the total construction requirements of the Government would be known and priorities could be established, which should lead to more effective planning and control of the Government's construction program.

11. Evaluation of Project Proposals - Highways and Public Works

The Department of Highways and Public Works should ensure that it has the expertise to analyze and evaluate fully and effectively project proposals.

1:9 The Department advised that it does not have the capability to assess a project as far as detailed engineering calculations are concerned but does have the capability to evaluate the concept and viability of a project. To carry out the former would require an increase in professional and technical staff, as well as the use of major computer hardware and software, that could not be cost justified at this time.

1:8 With reference to the Dawson City Sewer and Water System, the Committee was advised that the review of the stages that the development of the project went through is underway but there is no estimate on a completion date. The Deputy Minister stated he would have no objection to the Committee being provided with a summary of the review, but this would be up to the Minister to decide.

12. Mandate Limitation - Renewable Resources

The Department should undertake only those activities which clearly fall within its mandate and should state goals only to the extent of its mandate.

13. Performance Measurement - Renewable Resources

The Department should define its objectives in terms of the activities for which funding is being requested so that, wherever possible, performance can be measured against these objectives.

1:10 The Department advised that, having now defined its goals and objectives, it will be developing branch objectives and targets which will be tied in with the budget. It is expected that performance indicators will be developed in time for the 1983-84 fiscal year.

14. Wildlife Data Base

The Department should develop a solid wildlife data base.

2:1 The Department agrees in principle with this
2:3 recommendation and estimates that with the present
level of funding it will take about ten years to
2:1 develop a solid data base. The Department advised that
\$369,600 was budgeted in 1981-82 for information-
gathering and of that approximately \$286,000 will be
2:2 spent. The Department acknowledges the expenditure
pattern at the present time covers all species rather
than focussing on one in particular. The Committee is
concerned about the effectiveness of this fragmented ap-
proach for fear it could further delay the development of
a solid wildlife data base which is crucial to the
effectiveness of wildlife management.

15. Hunting Licence Fees - Renewable Resources

The Department should review its hunting licence fees with a view to ensuring a reasonable economic return to the public purse.

1:10 The Department advised that it has not reviewed hunting licence fees but that it did compare its licencing fees with other jurisdictions. The fee/

operating cost ratio in Yukon is about 1 to 5.5; in other jurisdictions about 1 to 4. Until the
2:3 Department changes its fee structure including trophy fees, and upgrades its enforcement activities, it may not be in a position to ensure a reasonable economic return to the public purse.

STATUS REPORT: FINANCIAL MANAGEMENT SYSTEM PROJECTS

As mentioned in the PAC (1981) Report, the Committee included a status report on FMS Projects because of their importance to the overall financial management and control of Government operations. A status report on the projects reported last year as "underway" follows:

Department of Finance

The Territorial Treasurer reported as follows:

Projects Completed

- (1) Financial Administration and Accounting Control Manual
- (5) Account Verification and Pre-Audit Function
- (6) Invoice Processing - Centralized or Decentralized

Projects Underway

- (2) Revenue and Recovery Recording and Collection Procedures

This project has been referred to the System Priorities Committee where it is not likely to be given a high priority. The manual system will be continued in the interim.

- (3) Internal Chargebacks

As a result of further studies on chargebacks to departments it has been concluded that each department is to be considered individually. The Internal Management Committee has requested each department to describe chargeback systems currently in effect and it will then make recommendations to Cabinet, probably by the end of January, 1982.

(4) Commitment Accounting

As reported in 1981, work on this project will begin after the release of the report by the Comptroller General of Canada on this subject. It is anticipated the report will be available by late Spring, 1982.

(7) New Payroll System

The Committee was advised last year that the Department considered a new payroll system to be a top priority (PAC (1981) Report, page 8). A software package has been purchased and is currently being installed and tested. The target date for full implementation is April 1, 1982.

The Committee requests the Department of Finance to provide the Committee, by December 31, 1982, with a status report on the FMS projects underway.

Department of Government Services

The Department of Government Services reported on the FMS projects for which it is responsible as follows:

Projects Underway

(1) Electronic Data Processing Policy Manual

The Department advised that this project had been deferred due to lack of funding and resources.

The project has been included in the 1982-83 estimates and, if approved, the project will be started early in the new fiscal year. The Committee is concerned about the lack of progress on this project as a manual would not only establish policies and procedures but would also serve as a ready source of reference for training. The Committee believes that at least some progress could have been made on this project in 1981-82 simply by bringing together all existing policies and procedures.

Asset Control

The Department advised that the accounting system for asset control has been redesigned but it is unlikely that the system will be computerized in 1981-82 because of its low priority. The Committee was advised that the new accounting system is working very satisfactorily. The Committee is therefore requesting the Auditor General to review the system and report to the Committee on its effectiveness. If that report assures the Committee that there is effective control over Government assets, the Committee will consider the project completed.

Project Deferred

(1) Central Shipping and Receiving

The Director of Supply and Services stated that there may be alternative approaches to the central commitment control. A memorandum to Cabinet has been prepared on this subject and it is anticipated that a clear policy will be forthcoming in 1982-83.

SUMMARY OF RECOMMENDATIONS

Department of Consumer and Corporate Affairs

1. Redefinition of Objective

The Department should redefine its objective so as to state the role of the Department more clearly and to indicate how its mandate is to be achieved.

2. Enforceable Legislation

The Department should ensure that all legislation under its authority is enforceable.

3. Follow-up System

The Department should implement a follow-up system for all cases that it refers to other departments or enforcement agencies.

4. Summary Statistical Information

The Department should provide in documents such as the Yukon Annual Report summary statistical information of its major activities for the preceding five years. Any changes in the method of reporting statistics should be explained.

5. Activity Performance Indicators

The Department should establish unit cost performance indicators for those activities where statistical information is available.

6. Health and Safety Performance Indicators

The Department should establish performance standards for inspections and investigations, depending on their complexity, and measure the performance of the Occupational Health and Safety Officer against them.

Department of Health and Human Resources

7. Specific Objectives

The Department should establish the objectives of each program in specific and measurable terms.

8. Reporting Statistical Information

The Department should report all statistical information on a fiscal year basis in the Yukon Annual Report.

9. Information in Annual Report

The Department should include information on the Yukon Hospital Insurance Plan and Medicare in the Yukon Annual Report.

10. Accuracy of Information

The Department should ensure the accuracy of statistical and financial information included in its Estimates and it should provide explanations in the Estimates of significant variances from information provided the previous year.

11. Social Worker Performance Indicators

The Department should establish performance indicators for social workers and disclose them in the Estimates.

Internal Audit

12. Internal Audit Committee

The Internal Audit Committee should meet at the earliest opportunity.

Department of Highways and Public Works

(Revised Recommendation arising from 1981 Recommendations)

13. Long-term Planning

The Department should gather the information needed for an adequate data base and develop an action plan so that it will be in a position to plan and control more effectively its capital construction and maintenance activities.

WITNESSES 1982

Department of Government Services

Mr. Andy Vantell, Deputy Minister
Mr. Rob Fuller, Director, Systems and
Computing Services
Mr. Sam Cawley, Director, Supply Services

Department of Highways and Public Works

Mr. Larry Blackman, Deputy Minister

Department of Renewable Resources

Mr. Merv McKay, Deputy Minister

Department of Consumer and Corporate Affairs

Mr. Doug Spray, Deputy Minister
Mr. John Lawson, Director of Policy & Planning

Department of Municipal and Community Affairs

Mr. Grant Livingston, Deputy Minister

Department of Finance

Mr. Frank Fingland, Territorial Treasurer and
Deputy Minister of Finance
Mr. Don Hall, Director, Financial Management
Mr. Bruce McLennan, Director, Financial Operations

Department of Health and Human Resources

Mr. Jim Davie, Deputy Minister
Mr. Roger Graham, Departmental Administrator
Mr. Peter Dudding, Regional Manager, Whitehorse,
of Human Resources

Internal Audit

Mr. Ken Sherwood, Director of Internal Audit

FORMAL HEARINGS: EVIDENCE





The Dukon Legislative Assembly

Issue No. 1 (Third Sitting)

24th Legislature

PUBLIC ACCOUNTS COMMITTEE

Formal Hearings: Evidence

Tuesday, January 19, 1982
9:30 a.m.

Chairman: Tony Penikett, M.L.A.

Standing Committee on Public Accounts

Chairman: Tony Penikett, M.L.A.

Vice-Chairman: Peter Hanson, M.L.A.

Members: Al Falle, M.L.A.
Doug Graham, M.L.A.
Alice McGuire, M.L.A.

Missy Follwell
Clerk to Committee

Expert Advisors from the Office of the Auditor General:

Raymond Dubois, Deputy Auditor General

Harold Hayes, Principal

Witnesses:

Department of Government Services

Mr. Andy Vantell, Deputy Minister

Mr. Rob Fuller, Director, Systems and Computing Services

Mr. Sam Cawley, Director, Systems and Computing Services

Department of Highways and Public Works

Mr. Larry Blackman, Deputy Minister

Department of Renewable Resources

Mr. Merv McKay, Deputy Minister

ORDER OF REFERENCE

ORDERED, THAT Messrs. MacKay, Graham, Hibberd, Lattin and Penikett be appointed to the Standing Committee on Public Accounts;

THAT the said Committee be empowered to examine and enquire into all matters referred to it by the House and to report from time to time their observations thereon;

THAT it have the power to send for persons, papers and records, and to examine witnesses under oath; to sit during periods when the House stands adjourned; and to print such papers and evidence as may be ordered; and

THAT the Clerk of the Legislative Assembly be responsible for providing the necessary support services to the Committee

(October 22, 1979)

ORDERED, THAT the Standing Committee on Public Accounts be empowered to sit while the House is prorogued.

(November 13, 1979)

ORDERED, THAT the membership of the Standing Committee on Public Accounts, as established by Motion No. 31 of the Second Session of the 24th Legislature, be amended

(1) by rescinding the appointments of Mr. MacKay and Mr. Lattin, and

(2) by appointing Mr. Byblow and Mr. Hanson to the said Committee

(November 13, 1980)

ORDERED, THAT the membership of the Standing Committee on Public Accounts, as established by Motion No. 31 of the Second Session of the 24th Legislature, be amended:

(1) by rescinding the appointment of Mr. Hibberd, and

(2) by appointing Mr. Falle to the said Committee.

(April 14, 1981)

ORDERED, THAT the membership, as established by Motion No. 31 of the Second Session of the 24th Legislature, of the Standing Committee on Public Accounts, be revised:

by rescinding the appointment of Mr. Byblow, and appointing Mrs. McGuire to the said Committee

(December 16, 1981)



EVIDENCE

Tuesday, January 19, 1982 — 9:30 a.m.

Mr. Chairman: I call the Standing Committee on Public Accounts, 1982, to order. This is the third round of hearings for the Committee. We will be joined shortly by Mrs. McGuire and Mr. Graham.

I do, for the record, want to welcome our new member, Mrs. McGuire, to the Committee. In a less novel way, I would also welcome Mr. Falle, who is a repeating member of the Committee, but this is the first time that he has sat on the Committee as a full-time member rather than as a substitute.

I want to, for the record, again emphasize that the hearings of this Committee are carried on in an entirely non-partisan way. The seating arrangements in the Chamber emphasize that the dialogue is among the Legislature, if you like, or a committee of the Legislature and senior members of the Public Service, or the Administration of the Government, rather than the customary debate in this House which is one between Government and Opposition and which has all the philosophical colouring that goes with that debate.

I want to mention that in the past year the Canadian Comprehensive Auditing Foundation published a work called *Improving Accountability*. Some copies of that Report were made available to people in Yukon, and we have recommended it as reading for both Members of the House and people in the Government. It is a matter of some pride to this Committee that the Report cited the work of this Committee as being generally acceptable by the criteria it set.

I want to welcome back, at this time, Mr. Ray Dubois, Deputy Auditor-General of Canada, and Harold Hayes, the Principal for the Auditor-General's Office and I thank these two gentlemen for their time and service to this Committee.

I want to emphasize that we will be going through a schedule similar to that of previous years, but we have a little heavier work load. We are going to be beginning today with a follow-up from last year, next we will continue through a review of the operations of Consumer and Corporate Affairs, and then Health and Human Resources.

At this time, I want to table for the Committee the Territorial Accounts and the Auditor-General's Report on "any other matter". I would welcome Mr. Andy Vantell, Deputy Minister of Government Services, Mr. Rob Fuller, Director of Systems and Computer Services, and Mr. Sam Cawley, Director of Supply and Services, all of whom will be serving the Committee as witnesses.

We want to begin by talking about matters arising from the 1981 Report of the Committee; then I want to proceed briefly to matters arising from the Auditor-General's Report and "any other matter" this year.

Mr. Vantell, let me begin by asking you some follow-up questions concerning your letter to the Committee of December 23rd, 1981. That letter was in response to a request from this Committee, as tabled in the House in April, 1981; in that letter, you provided us with a status report on the financial management system projects either underway or deferred.

Now, in the Committee Report from last year, the Director of Supply and Services stated that the accounting system for asset control has been re-designed, and should be computerized during the fiscal year 1981-82. In your letter of December 23rd, you said that this project had been presented to the Systems Priorities Committee for review and scheduling. I wonder if you would care, at this time, to elaborate on that answer for the Committee?

Mr. Vantell: The new accounting system was implemented for asset control during the year, and it is working very satisfactorily. The computerization of asset control has been brought to the attention of the Systems Priorities Committee, and it is considered as a very low priority item because there

are so many other projects on the shelf which are much more important. I do not see that asset control will be computerized during the next fiscal year.

Mr. Chairman: Could you clarify a little bit, sir, of what you mean by a "low priority item", and give us some idea of how relatively low that priority is?

Mr. Fuller: I think that the Committee felt not that asset control itself was a low priority, but rather that, in relation to other projects on the board relating also to the resource level of the branch to take action on these projects, it was not going to be a project which would be acted upon immediately. I guess a gut feeling would be, probably not within the next year and a half, given the present resources. There are a number of major projects under way now, likely to continue for some time, which are taking up a good part of our resources.

Mr. Chairman: When you say in the next year, year and a half, is that a relatively firm target, in the context of your plans, or is that just a guesstimate at this point?

Mr. Fuller: It is a guesstimate; there is no target, per se. It is just that all the Committee does is rank relatively all the projects that are on the shelf. It does not put target dates on them.

Mr. Chairman: So, there is no plan, in the sense of a schedule for implementation of these projects?

Mr. Fuller: No, only for the ones that are in current progress. The ones that have yet to be started do not have dates on them.

Mr. Chairman: So your estimate of a year, a year and a half, is based on your knowledge of the work of that Committee at the moment.

Mr. Fuller: Yes.

Mr. Chairman: Let me run through the entire set of issues here, Mr. Vantell, and then, if there are other supplementary questions from other Members of the Committee, I invite them to get in.

In our Report of last year, the Committee had noted with concern that no further work had been done on the Electronic Data Processing Manual; in your letter of December 23rd, you said that due to a lack of resources and funding this project had to be deferred, and that this requirement will again be identified in your projected Main Estimates for 1982-83; then, if approved, work will start on this project early in 1982.

I wonder if you could give us any more information on that item?

Mr. Vantell: As I said in the letter, we simply have not had the resources, nor have we had the money available, to start working on these projects. We have identified it in our submission, our Main Estimates for 1982-83, as a high priority item in our requirements. If that is approved, we will certainly start on that project very soon into the 1982 fiscal year.

Rob Fuller asked me if he could make some comments on that subject.

Mr. Chairman: Let me just put the question to Mr. Fuller. Last year, Mr. O'Donovan said it was a low priority. Mr. Fuller, I think, in his answer has almost suggested that it was lower than that. Mr. Vantell has just suggested it has a higher priority this year. Would that be an accurate understanding, Mr. Fuller?

Mr. Fuller: It is an accurate understanding. As Mr. Vantell pointed out, we have identified in our Main Estimates for 1982-83 that we are requesting some additional staff. If that is approved we will be in a position to dedicate a significant amount of a senior person's time to really pull together some of the existing policies, procedures, and standards, as well as developing whatever new ones are required.

I have some comments that I would like to make, however, with regards to viewing this as a project, per se. I think that if we do get the resources that we are looking for, a year from now I will be able to come back to this Committee and say "Yes, we have accomplished a great deal". But, due to changing technology, the increasing scope of our role, and an increasing awareness of the departments as to what information

systems are all about and how they relate to them, I do not see it as a project; I see it as an on-going activity. Therefore, I do not feel that I will ever be able to appear before the Committee and say that it is complete.

Mr. Chairman: Let me ask you about the other item, Mr. Vantell, which your letter described: Central Shipping and Receiving.

We noted, in our Report of last year, that the Director of Supply and Services stated that until there is a Central Commitment Control, it is not possible to implement Central Shipping and Receiving. Your letter of December 23rd says "...The Director of Supply and Services has prepared a memorandum to Cabinet relative to the subject. The implementation of a Central Shipping and Receiving system depends upon Cabinet's direction and/or approval. It is anticipated that a clear policy will be forthcoming within the 1982-83 fiscal year, at which time I will be able to make a comprehensive report on the Government's position for the establishment of a system to cover the concerns relative to this area."

Could you elaborate on that answer at all?

Mr. Vantell: We have just completed the request for decision. We are reviewing all the details on that and it will be submitted to Cabinet for approval. There are all kinds of considerations with the Central Shipping and Receiving. We need more people to run it, and we need more money. It is all subject to approval of Cabinet.

Mr. Chairman: I understood from the witnesses last year that, because of the number of departments involved and the complexity, this was an enormously complicated business, involving not just your departments but many others; but that is not inhibiting whatever progress you are going to make on this.

Mr. Cawley: No, there are a number of approaches you can take to the subject. Mr. Donovan looked at one, and recognized that Central Shipping and Receiving required a commitment control more elaborate than the Government now has. Since I have taken over as Director of Supply and Services, I have looked at the problem in another way, and suggested that there are a number of ways we can accomplish the required task without establishing a central commitment factor. In fact, this is what we are proposing. We recognize the diversity of the various departments; we have looked at their needs and looked at the government mandate in relation to paying accounts, and looked at the private sector's requirement for expediency in payment, and we think that we have come up with something that is going to look after all areas.

Mr. Chairman: Let me ask you a very general question, Mr. Vantell, before I turn it over to other members of the Committee who may have supplementaries. Notwithstanding Mr. Fuller's observation about the Electronic Data Processing Policy Manual, which he described as an on-going work, there were four FMS projects that were transferred from Finance to your administration. Without committing yourself to a firm date — because I understand the reasons for your not being able to do that yet — could you give us any kind of estimate as to when these projects will be completed, from your point of view?

Mr. Vantell: *inaudible*

Mr. Chairman: No, the entire group: when would you expect to have these completed, notwithstanding the expressed concern on the Electronic Data Processing Manual?

Mr. Vantell: It all depends, again, on the approval of the Main Estimates and our requirements for additional man-years.

Mr. Chairman: If that happens, though, you would expect to see what progress a year from now?

Mr. Vantell: Then a lot of these things will be completed during the 1982-83 fiscal year.

Mr. Falle: Mr. Vantell, through the questioning, I believe the main object you have in mind is that before any of these programs that we have suggested to you can be implemented, you require more man-years. Is that not correct?

Mr. Vantell: I am sorry, I did not hear the question.

Mr. Falle: Through all the questioning today, I have understood that one of the main reasons you have not implemented the programs is lack of man-years, and that you do not see any of these programs being implemented unless you have more man-years. Is that not correct?

Mr. Vantell: Yes.

Mr. Chairman: I have no further questions at this time. Mr. Vantell, you understand that we may invite you back again a year from now. Thank you for being here this morning and for taking time out from what I know is a busy schedule. If we have any follow-up questions we may communicate them in writing, but we thank you anyway for your appearance here today.

Pardon me, I am missing half of the agenda. I do have to ask you, before you go, about the Auditor General's Report. I did not cover those questions.

In the Auditor General's Report on "other matters" published this year, there were three items which came under the data processing system. They were control over computer program libraries, program testing, and program maintenance activities. If I could just cite the Auditor General's comment: "...There are a number of key environmental controls within the data processing system which were either weak or non-existent, thereby exposing the Government to considerable risk. These include control over computer program libraries." Under that heading, it said "...There is inadequate protection of computer program libraries. These libraries are accessible at all times by programmers and/or other knowledgeable staff. This can lead to unauthorized changes being made to regular production programs."

The Auditor General's recommendations read, "...Program libraries should be physically separated from other programs and live data. These libraries should not be accessible by programming personnel, without authorization." The Government's comment on that was, "...Organizational reviews are being undertaken and should be finalized within three months."

Now as I understand it, to put the concern in layman's language, you have the potential at present of a programmer's being able to write himself cheques, or something like that. Could you elaborate on the answer given in the Auditor General's Report, and indicate whether the three month estimate is still operational?

Mr. Vantell: Following the recommendations of the Auditor General respecting the program libraries, they have now been separated from other programs and live data.

Regarding the second part of the recommendations — that these libraries should not be accessible by the Programming personnel without authorization — we do not, at the present time, have a person within the Computing Services Branch with the necessary skills to look after these aspects of it. Again, this has been identified in our Main Estimates, and if we get the additional man-years we have requested, this will be looked after.

Mr. Chairman: You say the review should be finalized within three months. I take it that that is now complete?

Mr. Vantell: I would not like to make those comments.

Mr. Chairman: As in many governments, of course, the author is not identified.

These are, I would expect, Cabinet level responses, at least, to the Auditor General's management letter. Would you say that that is not an accurate statement, then?

Mr. Vantell: The statement is accurate, as far as reviewing the situation in three months time is concerned; that has been done.

As I said, the Program Libraries have now been separated, but the other aspect of the recommendation will have to be deferred until next fiscal year.

Mr. Chairman: Let me go on, then, to the question of program testing. The Auditor General's comment was that, "...Standard procedures have not been developed, to ensure

that programs are fully tested prior to implementation. User sections, while required to sign off on a major program change, do not participate in the testing activity itself."

The recommendation was, "...Standards should be developed for program testing and should include user involvement — at least in formulation of test data and comparison to results." The Government's comment was, "As above, organizational reviews are being undertaken and should be finalized within three months."

From the layman's point of view, again, Mr. Vantell, I understand this is an issue of accountability and responsibility. Could you elaborate on this problem?

Mr. Vantell: Again, it is manpower, but perhaps Mr. Fuller can elaborate on this in more detail.

Mr. Fuller: In actual fact, we do have standards which define the Department's role in developing test data and substantiating test results. However, in the interest of expediency, if we do not get the total co-operation from the departments that we are looking for, often the technical staff doing the development just verify the results themselves and carry on; often they do not feel they have the time to wait around.

So, the standards are there; they just do not have the teeth in them to make sure they are always followed.

Mr. Chairman: As I understand it, you have stated the problem, from your point of view, of not getting co-operation from other departments. Let me for a second, if I could, play the point of view of the other department. Is it not a problem of the other department's requiring some service from you, and then a question of whether you are providing them the service that they actually need or require?

Mr. Fuller: The area you are talking about here is primarily new development or modifications to existing systems, rather than just the day-to-day production of this application. We try to take the attitude, wherever possible, whenever we enter into a development project, that that project is the department's project and that they are responsible for it. We are just there to help them, the other department. Not every department sees itself playing that role; sometimes we end up, in effect, managing the project — verifying the results and trying to turn it over to the other department when it is finished. That is not the ideal way.

The case that is being referred to here is that kind of situation: where the department sees us doing the development and we turn over a finished product when we are done. Well, if they are only involved at the end, they cannot be involved in the middle in verifying that the test results are what they expect.

Mr. Chairman: What specific steps do you see your department taking, Mr. Fuller, to improve the quality of the client relationship in these circumstances?

Mr. Fuller: Part of it is being dealt with through the Systems Priorities Committee. We are presently developing conditions of service which basically are going to define exactly how these projects are going to be managed, or that they are not going to be projects at all. Each project that we are involved in now, is probably being managed in a different way, simply because there is no clear definition of how a project is to be managed. We are trying to build that through the Systems Priorities Committee, such that they will not approve a project unless it is going to be managed in the way that they feel it should be.

Mr. Chairman: *inaudible interjection*

Mr. Fuller: It is not even defined yet, but we are in the process of defining it and getting the Systems Priorities Committee to approve it; then, I suspect, they will go to the Subcommittee on Finance, which has formed the Systems Priorities Committee, to approve it at that level.

Mr. Chairman: At what timetable would you see those kinds of decisions being made?

Mr. Fuller: I am trying to have a draft available for the Systems Priorities Committee's review by the end of this month. So, I would say that, within the next two or three

months, perhaps we will have a draft at that Committee's level finalized; then, at that point, they can take it to the Subcommittee on Finance.

Mr. Chairman: Let me move on then to the issue of Program Maintenance Activities. The Auditor General's comment was, "...From time to time, systems and programs require modifications due to a change in requirements, identification of problems, or to improve efficiency for which responsibility has not been assigned to any person. There is a large backlog of such necessary changes in Yukon Data Processing."

The Auditor General's recommendation was that, "...Inventory of these projects should be taken, and priorities established jointly by data processing and user groups. Regular program maintenance should be delegated to responsible personnel." The Government's comment was, "...Organizational and staffing reviews are being undertaken to address current and future work load commitments."

Now, I understand the problem here is one of up-dating the systems. Would someone care to elaborate?

Mr. Fuller: The first half of that recommendation has been accomplished, through a re-definition of one of our senior programming staff's responsibilities. This person is now responsible for maintaining the inventory of these maintenance activities. Now, these are typically small projects, and therefore are not subject to the review by the Systems Priorities Committee; the Systems Priorities Committee is only dealing with large, significant projects. So, that is being dealt with through a re-definition of responsibilities.

The second half of the recommendation was accomplished quite a number of months ago, just by pointing the finger and saying, "That is yours."

Mr. Chairman: So, you say that this recommendation has been undertaken and completed.

Mr. Fuller: Yes.

Mr. Falle: I would like to ask Mr. Vantell if there is any way that the Systems Priorities Committee has, of evaluating the programs that you implement? Are there any ways to evaluate any of your systems?

Mr. Fuller: Our Systems Development Methodology presently has a system feasibility phase within it, prior to any development. What that attempts to identify, is the various alternatives in approaching the problem, as well as, hopefully, what some of the cost benefits will be with the various approaches. That information is very valuable for both the departments and the System Priorities Committee, to make a decision as to which approach to take, but also to have a feel for what the expected returns are going to be.

I am not sure if that answered your question exactly.

Mr. Chairman: Having said good-bye to you once, Mr. Vantell, we say for the second time, thank you for being here. Again, I emphasize that if we have any follow-up questions which we may decide to put in writing, we will communicate them to you. I thank you, Mr. Cawley and Mr. Fuller, for being here this morning. Please do not be surprised if you are invited back next year for follow-up. Thank you for your answers and thank you for being here.

The Committee will recess for five minutes.

Recess

Mr. Chairman: The Committee will come to order.

I would like to welcome back, for his second appearance before the Committee, Mr. Larry Blackman. The purpose of calling you here, Mr. Blackman, is to follow up the recommendations, your Minister's commitments, and your own further comments, made more recently with respect to those recommendations. For that purpose, if you do not have an opening remark, we will recognize Mr. Hanson.

Mr. Hanson: Good morning.

Short portion missing...

The Number Two recommendation of the Committee, and your answer on road classifications, should be working together to come out with the longer range plan that we are asking for.

Mr. Blackman: I think they are. Maybe I misinterpreted the question that was asked, or the recommendation, shall we say, but it was a recommendation that there would be a cost benefit analysis on the feasibility of planning. In my humble opinion, there is no question that there is a major benefit in long-term planning. It seemed to me illogical to spend man-hours doing a cost feasibility study, when we know we should be planning, with all the capability we have, or the resource, trying to move into building the data that you need for planning.

One of the problems in the theoretical approach is that, in a system the size that we have here, senior staff people carry a lot of this information in their head, and really what we have to do is try to find the time to get that down on paper in a formalized sort of way; however, in effect, the equivalent of a very formal planning system does go on.

Again, I have to relate to a southern jurisdiction, where they have a system that has been well developed for the last fifty to seventy-five years. What I was trying to say, in the paragraph that you read in my paper — if I can call it that — on Road Classification Standards, is that there is a very major part of the Highway system in the Yukon which would fall below acceptable geometric standards. Therefore, there is a tremendous demand for reconstruction which there are no funds to meet; it is going to be a long term program.

Programming is based principally on those roadways which carry the highest traffic, and which are significantly below what we would say are acceptable standards. The Alaska Highway, the Klondike Highway, and the Carcross Road are good examples of this.

I do not know whether that answers your question. I seem to go around the questions part of the time, but all of this becomes part of the solution, if I can call it that.

Mr. Chairman: Let me just ask a quick supplementary, Mr. Blackman. You have both educated and confused us, on the whole question of classifications. Let me ask you a really blunt question. Given the 15 or 20-year lifetime of a highway, can you afford not to plan on the same terms?

Mr. Blackman: Again, this word "plan" is difficult, because there are so many connotations of it. When you are looking at reconstruction, in the normal case, you would be projecting your requirements for the next 15 to 20 years, and your design should cover that term. When traffic volumes are as low as they are in many places along the Alaska Highway, your actual standard is higher than the minimum required right now. So, there is a decision that has to be made, as to how much additional capacity you are going to build into the road. That is part of your 15 to 20 year plan.

Mr. Hanson: That seems to take care of Number Two.

We move on to Number Three, where you have have the accident statistics for the last five years. Where did you get those statistics from, the RCMP?

Mr. Blackman: All reportable accidents are copies of the police reports on file with Consumer and Corporate Affairs. We had a staff person review all the reports in five years, to locate and classify the accidents. I believe, without reading my answer that I gave you here, this has been done.

The next phase we have to do is develop a plotting system. The data is there; we can look at any piece of road now and see how many accidents there were over the past five years — when they were — and then refer back, if we want, to the type, and so on.

I would now like to be able to move, when we have people available, to visual presentation of this, so that, instead of going through reams of paper, it sort of hits you. I think this is a more effective way of presenting it, but it is all a question of the same problem Mr. Vantell was referring to before: money and person-hours.

Mr. Chairman: Referring to the data that you now have, has that alerted you to or brought your attention to any problem in the system anywhere that you have not really been aware of before?

Mr. Blackman: No, I do not think that it has brought out a specific problem; it has emphasized problems. An example of this would be questions regarding the Faro Access Road, if I may refer to that. We will be building a portion of it and, amongst other things, we looked at where the accidents occurred on the road. You have to combine that with a lot of the physical things such as lighting in some areas, how many accidents were there, this sort of thing. We are using it, in other words, now.

Mr. Hanson: Then you have been able to learn something from the accidents in relation to your planning of reconstruction or old planning of reconstruction.

One thing that we noticed here is where you say, "We hope to be in a position to update." Surely, you must be in a position to update accident reports if they are reported to you by the RCMP; and the files are an on-going thing, but you say "we hope".

Mr. Blackman: We engaged a university student during the past summer months, on a casual basis, to come in and do this. We hope to have the money available to update that.

I probably should not speculate but Consumer and Corporate Affairs produce statistics for Statistics Canada somewhat different to what we require and, hopefully, I am going to find time to sit down with Consumer and Corporate Affairs to see if we can have them produce the information that we want, at the same time, which would simplify this; that is a question that has yet to be answered.

Mr. Hanson: We will move on to Number Four, then.

Your answer to the Committee's recommendations does not really address the recommendations, particularly if you look at the analysis in relation to your answer. Surely the Deputy Minister has the information regarding the skills of the people that are in the various camps throughout the Yukon, but you do not seem to have that kind of record.

Mr. Blackman: I am not really sure what the Committee was suggesting. My impression was that there was a desire for historic information. Historic information is not of great value in the onward planning and management.

We have a record, of course, of everybody that works for us and what their qualifications are. Keeping track of people in a camp is a constant fluctuating thing; you meet the needs of that particular season or month. Quite frankly, I do not specifically know what the Committee was proposing.

Mr. Chairman: If I can just take you back for a second, Mr. Blackman, you may recall the shock with which the Committee greeted the information provided by Mr. Koken that he did not know where his employees were, last year, in the sense of camp by camp.

Now, people representing constituencies in various parts of the Territory tend to be aware of the camps in their own neighbourhood and the section of road for which they are responsible. We had trouble understanding how one could plan and manage a highway system without knowing who was in each camp responsible for a section or road and the skills of the people there at any moment in time. We were puzzled that there was not that information or that that information was not readily available to the administration of the Department.

Mr. Blackman: We gallantly record the classification of each person in any camp at any given time, but the records are not maintained as to who was in that camp eight years ago. I

Mr. Chairman: I have perceived a problem, based on little information. Is it your view that, even given the need for financial planning you talked about, there is not a serious problem at the present time?

Mr. Fingland: I do not think it is a serious problem, Mr. Chairman, no. I think it is just a matter of working out proper arrangements for timing and somehow finding the means of getting the work done.

Mr. Chairman: Let me ask you, then, to go back to your answer, in which you talked about some other way, other than that which the Auditor General has proposed, of achieving the objective which you cited as being desirable. Could you indicate to us the kind of other ways that you would contemplate?

Mr. Fingland: I am sorry, I am not quite clear about the question.

Mr. Chairman: In the first item, "...an introductory statement of Government long term capital spending strategy and basis of funding;", you talked about some problem of achieving this recommendation and looking at other ways of doing the same thing.

Mr. Fingland: I think the other ways would be through the construction of a proper capital plan. I think, with the construction of a proper capital plan on which there was agreement between the territorial and federal Governments, that that sort of information would fall out automatically.

Mr. Chairman: You indicated a problem with your present resources. If you are able to deal with that problem, how long do you think it would be before you would be able to achieve such an objective?

Mr. Fingland: Well, I think we are probably under a fairly serious time constraint because we have been told in no uncertain terms that we have to have such a plan in place for 1983-84.

My dilemma, at the moment, is that in order to develop such a plan, the initial effort has to be a really extraordinary one. It is not going to be something that we can deal with in the normal ongoing way. Once we have the plan in place, I think the resources can probably continue on at a given level, less than what we need in the first instance.

Mr. Chairman: The kind of work that you can contract out or obtain ... to achieve?

Mr. Fingland: I am not really sure about that, yet. I really have to give that a little more consideration.

Mr. Chairman: Let me, then, just quickly go through the other particulars here and ask you if you have any comments on those.

The next one is: "...a statement of procedures for management and control of capital projects;...".

Mr. Hall: Now for the tough questions.

I think that the majority of these items, under Capital Estimates, will all fall into place as part of this entire process. A procedure for management and control of capital projects, there are several options which we are looking at to determine the best method for this. I think that, to an extent, we have to say that this is an exploratory stage at this time. A certain amount of work has been done, but it is an area that requires strengthening.

Mr. Chairman: What about planning summaries in the same format as the current Main Estimates?

Mr. Hall: The Capital Estimates that were passed in November was the first step in moving towards a similar format as the Operation and Maintenance Estimates. Additional work has been done on that with the co-operation and assistance of the Auditor General and, while we had considered it for 1982-83, because of resource constraints, we are not able to do that. It is our intent that this will be sufficiently far advanced after we get the Operation and Maintenance for 1982-83 and the forecast out of the way. By next November, it is out plan to have them in a similar format, yes.

Mr. Chairman: Have you considered "...the identification of new and continuing programs, including current and future year cost estimates and expected completion dates"?

Mr. Hall: I think that I would have to say that this is part of the overall package and it would be premature to comment on the stage. It is in the developing stage at this time.

Mr. Chairman: Let me just ask you, then, about "...narrative commentary in support of new projects and provision of explanation for any major changes in scope or cost of projects including prior years' Estimates."

Mr. Hall: This particular one, Mr. Chairman, should fall out in the additional narrative type of information that we are attempting to do in the Operation and Maintenance and which we were unable to do for 1982-83. I think that the bulk of this will fall into place for the 1983-84, which should be tabled in November, of this year.

Mr. Chairman: Just taking the Capital Estimates as a complete project and given the comments that you have just made, what kind of timetable would you see in having the Capital Estimates presented to the Legislature in, on your point of view, the most desirable form?

Mr. Hall: I am sorry, Mr. Chairman?

Mr. Chairman: How many years will it take you to complete the reform of the Capital Estimates?

Mr. Hall: How many years? We were hoping, Mr. Chairman, to condense that into a much shorter time frame, but I think, as Mr. Fingland has pointed out, it relates primarily to the availability of resources, the opportunity to work at this. I think that, optimistically, we will have to look at it in terms of maybe 1983-84. I believe we would like to achieve that: history will only dictate, I suppose, as to whether we did.

Mr. Chairman: Pessimistically, how long?

Mr. Hall: *inaudible*

Mr. Chairman: Mr. Fingland, I will go back to you on one question. It occurs to me that I did not get a commitment from you, in terms of finding a solution to the delegation of authority issue. Can you give me an idea if you expect to see that done in the near future or a year, two years?

Mr. Fingland: Well, I had thought, in my own mind, that we would attempt to clarify, to whatever extent that we could, the whole question of delegation of authority over the course of approximately the coming year. If there are some of these constitutional difficulties that I refer to, I just could not put a timeframe on that.

Mr. Chairman: Your predecessor used to come and talk to us frankly about some of his staffing or resource problems. I wonder if I could put you in the tender mercies of Mrs. McGuire for a couple of questions on that subject?

Mrs. McGuire: I have just a couple of quick questions I will direct to Mr. Fingland. Could you give me the total number of people that are employed by the Department of Finance when all positions are filled?

Mr. Fingland: There are 39 person-years, Mr. Chairman, and that would be the total number of people in established positions. We are, however, carrying several people under contract and as casuals. At the moment, my figures are that we have, I believe, three contracts and three casuals in addition to the normal established positions. We do, however, have some vacancies; there are four vacancies.

Mrs. McGuire: I have before me a list of the appointments, terminations, transfers and promotions of employees within the Department of Finance for the year 1980-81. I will just go down the list: appointments to Public Service, nine; terminations, fourteen; transfers, and I suppose we can assume that is transferred out of the Department of Finance, eight; promotions, nine. Terminations and transfers totaled 22: is that an unusually high number of people terminating during that year?

Mr. Fingland: I really cannot specifically answer whether it is high. Just on the face of it, I would say that it looks very high; in fact, it looks unusually high.

My understanding of the situation is that the Department has suffered very badly, particularly over the course of the last year, from the loss of senior staff. I also would like to say,

however, that in the course of the last six months, there has been an almost remarkable turn-around of that particular situation. Senior people have been engaged and are on the job and, as far as I can tell at the moment, much of that difficulty has disappeared.

That is not to say that there may not be further turnover, of course, in the normal course of events. I am sorry, I just do not know how that relates to the normal kind of turnover that one would expect in that Department.

Mrs. McGuire: Can you offer us a reason for the high turnover?

Mr. Fingland: I am sorry, I just do not know what the reason might be.

Mr. Graham: Mr. Fingland, I am kind of curious. Who, in your Department, if anyone, is going to be working with the Department of Municipal Affairs to develop the accounting system and the reconciliation of the lands inventory account?

Mr. McLennan: Mr. Chairman, I will be working with the Department of Municipal Affairs.

Mr. Graham: When do you expect to have this reconciliation completed?

Mr. McLennan: Before the end of the current fiscal year. It is already in the works and we are working, as well, with the Internal Auditor in that area.

Mr. Chairman: Mr. Fingland, I appreciate you and your officers having been with us this morning. We may come back to you in writing with some specific questions, because we have a short timetable in terms of drafting a report. I would appreciate it if we could get quick responses to any questions that may arise from the hearings this morning.

We have a fairly heavy Executive Session scheduled now, so I would entertain the motion to adjourn. Before doing so, I would ask, Mr. Fingland, if you and your staff would join the Committee for coffee.

Mr. Fingland: All right, Mr. Chairman, we would appreciate that very much.

Mr. Chairman: Is there a motion to adjourn into Executive Session?

Mr. Graham: I so move.

Mr. Chairman: Mr. Graham, thank you.

The Committee adjourned at 11:15 a.m.



The Dukon Legislative Assembly

Issue No. 5 (Third Sitting)

24th Legislature

PUBLIC ACCOUNTS COMMITTEE

Formal Hearings: Evidence

Tuesday, January 26, 1982
9:30 a.m.

Chairman: Tony Penikett, M.L.A.

Standing Committee on Public Accounts

Chairman: Tony Penikett, M.L.A.*

Vice-Chairman: Peter Hanson, M.L.A.

Members: Al Falle, M.L.A.
Doug Graham, M.L.A.
Alice McGuire, M.L.A.

Missy Follwell
Clerk to Committee

* Pursuant to S.O. 46.(3), Mr. Byblow substituted for Mr. Penikett while Consumer and Corporate Affairs attended.

Auditor-General Of Canada: Kenneth Dye

Expert Advisors from the Office of the Auditor General:

Raymond Dubois, Deputy Auditor General

Harold Hayes, Principal

Witnesses:

Department of Consumer and Corporate Affairs

Mr. Doug Spray, Deputy Minister

Mr. John Lawson, Director of Policy and Planning

Department of Health and Human Resources

Mr. Jim Davie, Deputy Minister

Mr. Roger Graham, Departmental Administrator

Mr. Peter Dudding, Regional Manager, Whitehorse

EVIDENCE

Tuesday, January 26, 1982 — 9:30 a.m.

Mr. Vice-Chairman: This is the fifth meeting of the Third Sitting of the Standing Committee on Public Accounts.

The Department of Consumer and Corporate Affairs is represented here, to wind up their hearing by Mr. Doug Spray and Mr. John Lawson. I would like to introduce to you, this morning, the stranger in our midst, the Auditor General of Canada, Mr. Kenneth Dye, who is here for a visit to see how we run our operations. I presume you know the other members sitting at the Table and the Committee members.

We will start off asking by Mr. Byblow to carry on with his questioning from the other day.

Mr. Byblow: I have several questions, Mr. Spray, to clarify the area of the administration of ordinances.

When you spoke to the Committee the other day, you explained that Department policy varies on each individual ordinance, as to how your Department treats inquiries, how and whether it undertakes enforcement, and the degree of responsibility your Department has towards the general administration.

I observed in your comments that there was a lack of streamline consistency and you justified that by commenting that different ordinances had different statute requirements. You said that there was the need to engage other agencies, and you noted that the frequency and the type of complaint or inquiry affected how you, as policy, treated the ordinance.

My question then, from that summary, is to ask you whether or not you think that a better service would be provided if your Department assumed a full responsibility for ordinance administration? That is, regardless of whether other agencies or departments were engaged, that your Department co-ordinated the full delivery of the administration?

Mr. Spray: You must keep in mind that each one of these ordinances is uniquely different from the other, and that we are a very small operation in the Yukon Territory as compared to the types of administrative organizations they have for these in the provinces.

Some years back we did have, in the Department of Territorial Secretary and Registrar General, a comprehensive inspection service. We not only totally administered and enforced the ordinances under our supervision, but we also provided inspection services on ordinances which were administered by other departments.

The concept at that time was that one total inspection service would be more efficient and would provide the type of service that you are talking about, Mr. Byblow; in effect it did not work. What we found was that, in order to do this, we would have to have such an extensive staff to properly provide this type of service that it would be quite unreasonable for us to be expected to do so. Therefore, we have found, through experience and by relying on other enforcement agencies that, at whatever point they assume responsibility, the dropping of the responsibility by ourselves actually was more efficient.

I see the point you are trying to make: that, in order to have adequate follow-up on some of these items, total co-ordination by the Department might be appropriate; but it does depend on the make-up of the ordinance and the provisions in the ordinance. I think that in order to provide that type of co-ordinating service, we would have to have quite an increase in staff, and we probably would have to look at revising some of the pieces of legislation.

Once we turn an investigation over to, say, the R.C.M.P., it is the R.C.M.P.'s responsibility; they make the final decisions, in many cases, as to whether or not that piece of investigation will be carried through to prosecution.

Mr. Byblow: You do not think of, nor is there the precedent

for, your Department's assuming a full co-ordinating role. Is that correct?

Mr. Spray: At this point in time, no, Mr. Byblow.

Mr. Byblow: Perhaps I could put the question this way: if another department is involved in certain aspects of administering an ordinance, can it not be said that this leads to divided responsibility, and, subsequently, less efficiency and value for time and money spent?

Mr. Spray: Yes, Mr. Byblow, it certainly leads to divided responsibility; but, in our estimation, it increases efficiency, due to the availability in many cases of technical staff in another department. The Department of Highways and Public Works, with which we have worked on some aspects of our operation, has more technical staff. When we did totally handle some of the work ourselves, we found that we were consistently caught referring to their staff for technical advice, and then translating that technical advice and passing it back on to the consumer. We find it is much more efficient for the consumer or the inquiring person to deal directly with the technical people, rather than having a third person involved.

Mr. Byblow: Then it is correct to conclude that you do not think that a department which may be responsible for major parts of administering the ordinance should not necessarily be responsible for the full administration of that ordinance?

Mr. Spray: I think that the system of divided responsibility, dependent on the legislation, dependent on the requirements of the consumer, can be far more efficient.

Mr. Byblow: Under the present status of your Department, do you think that you have the authority to undertake a co-ordinating role in the full administration of the ordinances in your Department?

Mr. Spray: Most of our ordinances, yes.

Mr. Byblow: You have that authority.

Mr. Spray: Yes.

Mr. Byblow: Do you maintain any monitoring system to follow up on inquiries or cases brought to your Department, and I ask that in a two-edged way. Cases that stay within your Department, and cases that go outside your Department to another agency for the full administration: do you keep a monitoring system?

Mr. Spray: The inquiries and concerns that are brought to the Department on which we carry out an investigation are monitored. We maintain full files on them, and they are reviewed. Those items that are passed to another department or agency — at that point in time we pass authority and responsibility for that inspection or concern to that department, and no, we do not further monitor. We monitor it to that point; beyond that point we do not. If there is a legislative problem as a result of that investigation, it is communicated back to us.

Mr. Byblow: So, you do maintain a follow-up system for cases brought to your Department, but not a follow-up for cases that are sent out of your Department.

Mr. Spray: That is correct.

Mrs. McGuire: I will refer my few questions to the Manpower Unit.

Mr. Spray, you have said that, "the Manpower portion of the Unit was not reflected very effectively in our Department's objectives." Is that because of low priority or because of shortages of staff? Could you explain that statement?

Mr. Spray: The departmental objective is, of necessity, relatively broad. Dealing primarily with Consumer and Corporate Affairs, the Manpower Unit was transferred in during the year under review, and, as all Committee members are aware, is now being transferred out of the Department again.

During that period — because it was almost what you could call an "experimental period" — the departmental objectives were not revised. It was felt that the portion discussing the development of an equitable and stable marketplace could be taken to cover Manpower, which primarily is concerned with the labour force and the stability of the labour force in the

Yukon Territory. However, the departmental objectives were not revised, and therefore, they do not adequately reflect Manpower. If Manpower, in the unit of Labour Services and Manpower, had been continued, then it would be necessary this year for us to revise our total objective.

Mrs. McGuire: I think you have answered my two other questions.

Mr. Graham: Mr. Spray, is it correct that you get a recovery from the Workers' Compensation Board for a position in your Department?

Mr. Spray: Yes, Mr. Graham. That is the position of the Occupational Health and Safety Officer.

Mr. Graham: How do you report to the Workers' Compensation Board, on the activities of this position and on the method by which their money is spent during the year?

Mr. Spray: The activities of the Occupational Health and Safety Officer are two-fold: one is investigation of accidents, and the other is inspections of work sites to ensure compliance with the safety regulations, in order to avoid accidents and to remove potential hazards which cause accidents.

The reports of the investigations of the accidents are provided to the Workers' Compensation Board, since they are primarily concerned, of course, with the cause and effect of those accidents. The routine inspections are made available to the Board on request, but they are not reported.

We are in the process, as a point in matter of principle, of discussing with the Board and the Board's Executive Director, in the next week or two, a more formalized reporting system. The system will not be so much by way of written reports, but by way of verbal communication. At this point in time, our files are available to the Board and investigations of actual accidents are reported to the Board.

Mr. Graham: Do you have any other recoveries from that Department?

Mr. Spray: That is the only one.

Mr. Graham: That is for the Occupational Health and Safety Officer.

Mr. Spray: That is correct.

Mr. Graham: What percentage of that officer's time is spent on Workers' Compensation Board-related matters?

Mr. Spray: I am not too sure I understand the question, because 100 percent of his time is spent on occupational health and safety. The regulations on occupational health and safety are made, pursuant to the *Workers' Compensation Ordinance*. Therefore, the Board has responsibility for this, although that responsibility has been passed over to our Department.

Because it is felt that the Board is primarily responsible for ensuring that a worker's wages are replaced after he has suffered an accident, Occupational Health and Safety is a facet of the operation which goes far beyond that. It is accident prevention, it is education, and it is investigation of those accidents, and relates more closely to labour services and the total work force; therefore, it has been aligned with the Labour Unit in our Department, rather than directly with the Workers' Compensation Board.

Mr. Graham: Do you agree with that decision?

Mr. Spray: Yes, most certainly, Mr. Graham.

Mr. Byblow: I have just one follow-up question to the last series. Is safety inspection the only activity of the Occupational Health and Safety Officer?

Mr. Spray: Safety inspection, safety education, and investigation of accidents.

For your additional information, Mr. Byblow, he is a member of the Board of Governors of the Centre for Occupational Health and Safety, so he is tied directly into information available and communication with people across the country.

Mr. Byblow: Mr. Spray, during Committee discussions with the Department of Highways, the Committee was informed that your Department would be called on to assist in developing accident statistics. To date has your Department been called on to do this?

Mr. Spray: Motor vehicle accident statistics?

Mr. Byblow: Yes.

Mr. Spray: Not to the best of my knowledge, Mr. Byblow, although we do review the motor vehicle accident reports provided to us, and pull certain specified information off for Statistics Canada.

Now, the responsible people in Highways and Public Works may very well have been discussing this matter with the Deputy Registrar of Motor Vehicles; however, I am not personally aware of it.

Mr. Byblow: As I understand that your Department presently does compile accident statistics for Statistics Canada, and it was brought to our attention that Highways could use some of that data, developed in a different way, for their purposes...

Mr. Spray: It would most certainly be available to them, Mr. Byblow, since we have all accident reports.

Mr. Byblow: You see no problem in setting up a plotting system for accidents on Yukon roads?

Mr. Spray: None, other than administrative problems with staffing, but anything can be overcome. Yes, we can do it quite readily.

Mr. Byblow: I have a couple more questions, on the subject of security concerning documents in the Department. I am not totally familiar with the procedures involved in the acquisition of documents, or to whom they are available. Could I ask for a clarification of policy, respecting security of documents which are registered?

Mr. Spray: You are referring, Mr. Byblow, to those documents registered through Corporate Affairs?

Mr. Byblow: Correct.

Mr. Lawson: Under the document registry system that we have now, Mr. Byblow, the documents themselves are available on request to anyone who comes in and requests a search; that is simply because, under the manual registration system we have, the ledger shows only, for example, my name as the mortgagor. If you want to find out whether or not there is a lien against my car, or any other piece of property, you have to go search the actual chattel mortgage or other document that was filed. So, the documents are in our possession, but they are available on request in there.

That is one problem with the system; certainly, there is a possibility there for people to remove documents, or even alter documents. In fact, I recall one instance, three or four years ago, where I personally saw someone standing at the counter changing a document. That is a fact of life, under the existing system.

Mr. Byblow: Under the present manual system you describe, someone could come up and request information, be given the file of documentation, and could, in fact, tamper with it?

Mr. Lawson: Correct.

Mr. Byblow: You being aware of that, would it not be logical to set up a tighter security system?

Mr. Lawson: Well, us being aware of that, and with the objective of a tighter security system in mind, this is really one of the prime reasons for the new Personal Property Registration System.

The old system has been in effect for so many years that there is really no way to alter the security arrangements under that system. The only way, really, to improve it is to change the system or to replace the system.

If you have a document that was registered, let us say 20 years ago, and it is still in effect, the only way that you can be satisfied as to what information you wish to find out through your search, is to see that actual document. Even if I give you a photostat of it, you are not sure that what you have seen is what you wanted to see. Under the legislation, you are entitled to see that document.

So, what we have to do is change the legislative system so that that document no longer goes back to you. Under the new

Personal Properties Systems there are two changes: the first one being that the document which actually creates the lien — the mortgage or the conditional sale document, whatever — will not be filed with us; only the notice of a lien will be filed. Secondly, that information will go into the computer, to which you will have access to request a search, but our data systems people assure us that the system will be secure, so that there is no way you can have access to the system in order to tamper with the information that is in it.

Mr. Byblow: I can certainly appreciate the intent to make the new system quite fool-proof, but I suppose that I am concerned that this is perhaps taking place even now.

Let me just quickly review. Say, for example, I went up and made a request for some corporate file, and against that corporation was a lien or a mortgage registered. Under the present physical arrangement, I could remove that document, which would then eliminate anyone else's searching that property and finding a lien against it.

Mr. Lawson: Not necessarily. Notice of the lien, or whatever, appears in two places. In the example you are using, it first of all appears in the register of mortgages, then the actual document appears in the company file.

So, yes, conceivably you could somehow mutilate or take a page out of the Corporate Register; you could conceivably, at the same time, destroy the actual mortgage document in the corporate file. But, you would have to do it both places, in order to actually destroy the file totally, or destroy notice of it.

Let us say that the register still exists, but someone has removed the file out of the corporate file, or they have removed the mortgage. That does not necessarily invalidate the claim of the lien-holder. They might have to go to some effort to replace it, but their claim is still there.

Mr. Byblow: Okay, you are saying that your control in the security is really a cross-reference system: that if they removed an encumbrance against a property from the company file, you still have one more record of it somewhere, for someone else who might be coming along to check that property if they wished to buy it.

Mr. Lawson: We only have notice in the register that a lien did exist. We do not have another copy of the actual mortgage document.

Mr. Byblow: And notice does not necessarily mean you will find the actual lien.

Mr. Lawson: No.

Mr. Byblow: Would it not make sense, perhaps, to set up a better physical arrangement, where people are reviewing files?

Mr. Lawson: To the extent possible; we are limited to a certain degree by space, but it is not a major problem. All searches are conducted on the front counter in front of our staff.

The example that I quoted you a few minutes ago is, I think, certainly very rare. I am simply stating that there is that opportunity; if someone wants to be brazen enough to stand there and tear out the pages, it is possible. But, the files are not given to someone to be taken to another room, or anything like that; they are carried out to the front counter, right in front of our Registry staff.

Mr. Byblow: When people do make inquiries of that nature — to examine corporate files, documentation — is any inquiry made as to the purpose of their investigation? Could I walk in, unannounced, and take Company X, and no one would ask me why I wanted it or who I am?

Mr. Lawson: Yes, under the legislation, those files are public files, and we are not given any role or responsibility as to deciding who has an interest in those files.

Mr. Byblow: To date, have you investigated the possibility of microfilming?

Mr. Lawson: We have looked at it on, I would say, a very preliminary basis; it came up two or three years ago.

Now, we may be talking of two or three different areas here. We looked at microfilming of company documents: the actual individual company file. To date, simply for cost reasons, we have not done it. It probably will come; it is happening in virtually all jurisdictions, partly for security reasons, but largely for storage reasons; people just run out of space. We think we have problems here, but the other jurisdictions have the same problems, magnified several times over.

With respect to the personal property security documents, no, we are not looking at microfilming, at this point, because computerization is the alternative.

Mr. Byblow: Under the present legislation, is it illegal to remove any documents from the corporate file?

Mr. Lawson: There may be some legislation; I would guess that there is, in another area. There is nothing under the Companies legislation itself which specifically deals with that subject. I would guess that there is, at any point, prohibition against removal or destruction of public records. Where you would find that, I really cannot tell you.

Mr. Spray: If I may, that would be in the Department of Heritage and Cultural Resources, under the Yukon Archives legislation, which creates the requirement that all documentation of this Government is government property, and that there be systems and controls on the removal or destruction of the paper.

Mr. Byblow: Have you had any record of documents being removed, other than the ones you cited earlier?

Mr. Lawson: We have had none that we are aware of being removed. We are aware of some documents, going back 20 or 30 years ago, which are missing. We do not know the reasons why; presumably through several moves of the Government, going back over that many years.

Mr. Byblow: In the area that I have been questioning — that is, the area of public access to the information and the potential of theft or removal of documents by the public — what type of security do you have within the Department on documentation?

Mr. Spray: Mr. Byblow, if I may, our documents are, as I stated just a few moments ago, Government documents. Our files are all maintained in the file station, under the security of the Department of Heritage and Cultural Resources. That station is manned by their staff and is secured in non-business hours. It is locked.

Mr. Falle: I would like to follow up, Mr. Spray, on the security aspect of this. Although you tell me that I can go to the counter and request Company X's file, and that theoretically I am just supposed to go through it and find what I am looking for, I could also put it under my arm and march out. It seems to me that there is a security problem, but I guess the computerization, which you stated is coming, will overcome this?

Mr. Spray: Yes, Mr. Falle. The only other possible way would be to have the viewing area within the confines of the Department. We just do not have the space and never have had the space for that sort of thing, which is why we use a public counter. Duplicate files would perhaps be another alternative, but one which would be terribly expensive and terribly cumbersome. As Mr. Lawson has pointed out, the public has a right to view the actual documentation on file, not a photocopy.

We have, of course, security guards in this building, but that still does not stop anyone from walking out with a file; unless one of our staff notices it, they could very well get away. The only way that we can be assured of security is by computerization.

Mr. Vice-Chairman: Seeing there are no further questions, I would just like to point out to the witnesses that there seems to be no reason for calling you back. The Committee might send a letter to you, a little later on, if we find that we have some unanswered questions that should be answered for our Report.

So, we just ask you to stand by, in case you do receive such a letter, and to return the answers as soon as possible, so we will be able to finish our Report. Thank you.

We will now have a coffee break and return here at 10:20.

Recess

Mr. Chairman: The Standing Committee on Public Accounts will come to order.

This morning we have three witnesses from the Department of Health and Human Resources: Mr. Jim Davie, Deputy Minister, Mr. Roger Graham, Departmental Administrator, and Mr. Peter Dudding, Regional Manager, Whitehorse.

I would like, for your information, Mr. Davie, and that of your officials, to introduce you to members of the Committee, one or two of whom you may not know. Mr. Falle will be with us in a minute. On my left is Mr. Hanson, to my immediate right is Mrs. McGuire, and, on my far right is Mr. Doug Graham.

Before we begin questions this morning, I would ask you, Mr. Davie, if you have anything in the way of opening remarks that you would like to make to the Committee?

Mr. Davie: I have here a memo, sent yesterday, which I could read, if you like.

Mr. Chairman: inaudible

Mr. Davie: I will preface the reading of that memo by saying that, should you require any other witnesses from the Department for their area of expertise — in particular, Child Welfare or Alcohol and Drug — I have asked these officials to be available to be called to the meeting, to respond to specific aspects of your program.

Today, I have with me Roger Graham, Departmental Administrator, who takes the primary responsibility for forecasting, budgeting, and the administration of these aspects of the program. Peter Dudding, whose operational title is Regional Manager, Whitehorse, also has the statutory appointment of Director of Social Welfare, and therefore covers a very broad area of the Department, and a broad area of social assistance, senior citizens, and these kinds of programs. I have asked him specifically to come, owing to the complication of the area, and because it is an area in which there is sure to be an interest.

So, having said that, perhaps I could just read my statement. The 1980-81 fiscal year was an active and complicated one for the Department of Health and Human Resources. In May, 1980, it was announced that the functions of Health, which included Alcohol and Drug Services and Rehabilitation Services, would be amalgamated with the function of Human Resources, which, at that time, comprised Social Services, Social Assistance, Services to Seniors, Child Welfare, Juvenile Justice, Day Care, and Grants to Private Agencies. The amalgamation of both Departments was completed administratively in June, 1980, but it was January, 1981, before a Director of Health Services was hired.

In October 1980, the Department was re-organized into distinct operational units: that is, Health Services, Child Welfare, Whitehorse Region, and Field Region, with Alcohol and Drug Services remaining for a time under the direct supervision of the Deputy Minister. Key to this re-organization was the commitment that the unit managers have a maximum responsibility, and therefore expected accountability, for the administration of their units, in terms of program management, financial management, and all aspects of administration. Each manager then became a part of a senior management team — the purpose of which was to work together with the Deputy Minister in the running of the Department and in the planning and development of programs. This re-organization, at that time, represented a move, away from management which was essentially supervisory toward management which had recognized responsibilities, not only for a unit of service within the Department, but also in planning the overall administration and development of programs within the Department. Prior to that re-organization, the decision-making was much more concentrated upon the Deputy Minister and Departmental Administrator. The re-organization essentially permitted a flattening of the hierarchy and a greater sharing of responsibility.

Appointments were made to the senior positions in October, 1980. Actually what happened was that existing staff had to re-apply for the positions which became available within the re-organization, but it was January, 1981, before the new structure was functional.

The organization chart, which was distributed earlier to the Committee members, shows the structure of the Department as of 1981. The organization chart changed slightly when the functions of Alcohol and Drug Services were amalgamated with those of the Field Region. This was done to improve co-ordination of services, and in recognition of the fact that the alcohol problem was present, to some degree, in all aspects of program delivery. It should be noted that the Regional Manager, Whitehorse, who is Peter Dudding, carries primary responsibility for Social Assistance, as Director of Social Welfare — a statutory appointment. He is also Director of Rehabilitation Services, and for both these appointments, has a total departmental responsibility, even though some aspects of these programs will be delivered by other managers. The same principle applies to the Director of Child Welfare, again a statutory appointment. Although not a statutory appointment, the Director of Field Services has a similar responsibility, in terms of Alcohol and Drug Services. Health Services has a mandate, again statutory, for the management of the Health and Hospital Plans, and Vital Statistics. I have explained this here in order to make it clear that the Departmental Managers have responsibility not only for the functions within their units, but also for some aspects of program, which is department-wide.

The Departmental Administrator has centralized responsibility for all aspects of finance, administration, and personnel. This is a crucial function, in terms of co-ordinating all the administrative matters, although not being primarily responsible for the management and administration of the program units. To a large degree, the Departmental Administrator is a support service to the program area.

Research and Training is a one-man unit, with responsibility for research-type tasks delegated by the Deputy Minister and for planning and co-ordination of training programs for all staff. This is a support program for the total department and has no program responsibility.

The attached program manual, which badly requires updating and which basically reflects the Human Resources Department before the inclusion of Health, gives a description of program areas and of the broad goals and objectives: perhaps more clearly termed the philosophy of the Department.

The following lists some highlights of the 1980-81 fiscal year:

- 1) new programs were introduced: namely Pharmacare, Daycare Licensing, Headway House, and the Transition Home;
- 2) a feasibility study was completed for a management information system in Human Resources;
- 3) the initiation of a plan to computerize Health records;
- 4) the re-organization of the Social Assistance finance system to an item-by-item system, for better control;
- 5) development of audit procedures and contribution agreements for private agencies — the audit procedures, by the way, being program audit procedures;
- 6) the revamping of departmental manuals, particularly in Social Assistance, Child Welfare, and Court and Juvenile Justice;
- 7) involvement of the department in the Grant McEwan College Native Social Service Training Program.
- 8) a noticeable increase in client caseload, and, as I said in the memo, statistics can be made available to you on that;
- 9) a turn-over of staff, with new staff in senior positions: the Director of Health was hired that year, the Co-ordinator of Rehabilitation Services was hired that year, the Chief of Alcohol and Drug Services, and the Departmental Administrator;
- 10) commencement of a move away from the physical facility at Wolf Creek, which was used for youth services detention

purposes, to two locations in Whitehorse.

That is the end of the memo. I wrote the memo in that particular way to give some idea to the Committee that, in fact, they did pick a choice year to examine Health and Human Resources: a year in which many things happened in administration, staff turn-over, and amalgamation of greater responsibilities.

Mr. Chairman: Let me say that we have already quite a few questions: I do not even know whether we will have time to get through them in the time we have allocated. So, I will turn you immediately over to the tender mercies of Mr. Hanson.

Mr. Hanson: Good morning. We looked through all the documents you have given us: the Annual Report for the Departmental Objectives. We came up with the objectives, as defined on page 69 of the 1981-82 Main Estimates, as being very general and far-reaching; they really do not center in on anything. The wording could easily be re-used: just take out your Branch's name and you could put Recreation or Education in there, as well. What is your feeling on this?

Mr. Davie: I think your observation of the objectives, Mr. Hanson, is fairly accurate. It is true that in the summary of the Main Estimates and in the Departmental Manual — which I emphasized does require updating — there is a motherhood connotation to the objectives.

There is some excuse for that, inasmuch as, although it is not impossible, it is highly desirable to have very specific objectives, in the area of Social Services. It is a much tougher field than some other fields, in which to define your objectives as specifically as you can.

The objectives of the Department sometimes are fairly simplistic, and they change. They are achieved more within the way the Department operates, in terms of the team management system which I just described: the fact that managers have very regular meetings with staff, not only at an individual level but at the group level, and also that the management of the Department itself meets on a regular weekly basis as a team, and defines the objectives in a much more limited way than the motherhood ones which you lightly attribute here to the Main Estimates.

An objective, for example, in a particular year in Child Welfare, could be to try and recruit more native foster homes. You would not necessarily see that in the Main Estimates, or in an overall blurb of the Department. An objective in Social Assistance, one which is very much in place at the moment, is to try and reduce the number of people eligible for unemployment by looking at the kind of programs we might develop to get them off the Social Assistance roll.

So, in essence, your observation is accurate. I think there is a motherhood nature to the statement of objectives, as you see there; but the objectives are actually worked out in a much more comprehensive way, within the daily operation of the Department.

Mr. Hanson: What you really have in there could easily lead to mandate overlap of other departments or jurisdictions. Could the wording be more precise, for the record, in whatever objectives you put out in future, more precise in what the programs are and what they are intended to do and what they actually do do?

Mainly, when this Committee meets, the first thing we do is pick up the Annual Report, and from this Annual Report come a lot of our questions. There is nothing whatsoever in the Annual Report about the objectives of this Department. Do you think it should contain the objectives of the Department in the Annual Report?

Mr. Davie: I note that your observation is accurate and that it is a weakness, in terms of the kind of department that we operate; that for whatever reasons we perhaps have been unable to project our objectives as clearly as we would like to.

Mr. Hanson: The Annual Report relating to the Department contains mostly descriptive material. The Report could

also include relevant statistics or other quantified information, to give the reader a better understanding of the level of activities in the various branches.

Mr. Davie: I am a bit confused as to which report you are referring to, at this point in time. Are you referring to the Department manual?

Mr. Hanson: The Annual Report.

Mr. Davie: Of Health Services?

Mr. Hanson: Yes. It does not give us anything. The Report contains Vital Statistics, based on the calendar year instead of the fiscal year, as in the case of the Main Estimates, page 87. Yes, the Yukon Annual Report, I am talking about.

Mr. Davie: (Inaudible).

Mr. Hanson: Sorry, I did not mean to mislead you there. Would it not be practical to report on a fiscal year basis, since Y.T.G. information is generally on that basis? Your statistics now are on the calendar year, and the rest of your Report is based on the fiscal year. Would it not be better to have both combined?

Mr. Davie: Yes, the observation is quite accurate; it would be. I was trying to make a response to that — I realize now that it is the Annual Report that you are talking about. For a minute or two I was thinking it was the Health Annual Report.

The timetable for supplying information, in order to have the Government Annual Report completed, sometimes makes it in fact difficult to make the two compatible.

The Department, by the way, has operated on manual systems for statistics for many, many years. It was a very cumbersome system which required many person-hours, if you asked a question or were trying to research something, in order to try and get the information. As I mentioned in the opening statement, these are some of the reasons why we are actively pursuing and are in the business now of developing a management information system.

I know that I want that; for better control, for better information — not only for the Annual Report itself, but for all kinds of daily and information purposes to the public and other interest groups. I am fairly confident that, when we have the management information system in place, we will have a system which allows us to give much more up-to-date, much quicker and more accurately, statistical information which matches financial information.

The management information system is at the stage, right now, where we have utilized a firm. They are beginning to develop a system; the written records that we have are, in fact, at this stage in time in the process of being computerized. It will take at least another year before the system is mostly in place, although some aspects of it will basically begin to come into place as of now.

I would say this will generate an improvement in the relevancy of information which the Department is able to give in the future. This will also apply in the area of Health, which is now following the same management information system, because this is one funded by Health and Welfare Canada, which would only look at Social Service-type programs I talked about a minute ago. Health has begun to look at how they too can computerize health records, because, to date, all the statistical information, financial information, health information, again is a manual system, requiring a horrendous amount of work when trying to bring together any kind of statistics that make sense. Within the year you should see these statistics computerized, as well.

Mr. Hanson: The 1980-81 Annual Report caused confusion. If it is going to continue, it should be stated that it is "the 1980 calendar year", so as not to confuse people. That way they would be able to understand that it is not the fiscal year, but the calendar year. It should be quite clear to anybody reading the Report.

What qualifications are needed to become a social worker in Yukon?

cost increases is ten per cent, for example, when in reality the market may not reflect that. You may see a 25 per cent increase in utility costs, an 18 per cent increase in food costs. The Department may be well aware that that is likely to be the effect, particularly in the area of social assistance where you do pay the market rent, you do pay the cost of food as it goes, but, the budget exercise was given with the guideline that ten per cent was the figure to be applied across the board to cost increases.

Mr. D. Graham: I have the last three years' Supplementary Estimates here. In the last three years, Social Assistance has always required a tremendous Supplementary Estimate and yet I see from your own figures that you have predicted, in the last three years, that there would be somewhere in the neighborhood of a 20 to 30 per cent increase in the Social Assistance budget each year.

Now, in the budget that you prepare and submit to Finance for their further observation, do you indicate that those 25 to 30 per cent increases are going to be necessary?

Mr. Davie: The budget exercise, as you know Mr. Graham, is a fairly prolonged one. In our initial working papers we will be telling Finance what the Department thinks, with the best knowledge we can put together what we think the cost increases are going to be in all areas. It then becomes a refinement process, which takes place at the political level as well as at the bureaucratic level, where certain guidelines are imposed. You know that you will end up requesting a supplementary estimate, particularly in that area. That area is a very tough one to control unless it is looked upon in a very realistic way, with the real cost increases in the marketplace being taken into account.

Mr. D. Graham: I guess what I am trying to do here, Mr. Davie, and I make no secret about it, is pin down with whom the fault lies. Does it lie with your Department for not requesting the budget increases that you feel is necessary? Does it lie with the Department of Finance for unrealistically eliminating some of the increases that you feel are necessary? Or does it lie with Cabinet for setting the program target expenditures and then refusing to budge?

Mr. Davie: I would find it difficult to lay fault at any one of these levels.

Mr. D. Graham: ...inaudible...and continue to put unrealistic numbers, you can call them dishonest numbers, in the Budget. Do you really think that that is a good idea?

Mr. Davie: It is not a good idea.

Mr. Chairman: I can promise you that tomorrow morning we would love to have you back and I think Mr. Graham will be pursuing this matter.

Before we adjourn, Mr. Falle has a question, as well, that he would like to give you notice of. If the question permits a very brief reply, I will allow it. If it does not, perhaps you would take it as notice for tomorrow morning.

Mr. Falle: Mr. Davie, I have never quite understood this Department and I have sat here today and I have gotten more confused than ever. I am going to ask a very specific question. You are not going to be able to answer it now, but I would like you try to get me the answer.

I have been listening, as you went through it with Mr. Hanson, to what your Department is doing. I completely lose perception of the whole thing. So what I would like you to do to get things into perspective for me is specifically look at one area, Dawson City. I would like to know how much it costs this Government, your Department, for transportation, housing, office space, the whole works of the Operation and Maintenance for Dawson City, for all the social services that your Department gives Dawson City. On the other side of the spectrum, I would like to know how much do the recipients receive? This may put things into perspective for me.

Mr. Chairman: I think you have some sense of where we might be going tomorrow, particularly from Mr. Graham, who has a number of questions, and Mr. Falle who has perhaps,

proposed that we take a look at a case study of one community. As I say, we will try and give you as much notice as we can on some complicated questions because we have a lot that the Committee members want to ask you.

Before we adjourn, I do want to say thank you very much, once again, to Ray Dubois, Deputy Auditor General of Canada, who has once again been with us and provided expert advice to the Committee. We wish him Godspeed and a fond journey home to Ottawa and may he be with us again next year.

On that note, we will adjourn to Executive Session.

Thank you Mr. Davie, Mr. Dudding, Mr. Graham.

The Committee adjourned at 11:30 a.m.



The Yukon Legislative Assembly

Issue No. 6 (Third Sitting)

24th Legislature

PUBLIC ACCOUNTS COMMITTEE

Formal Hearings: Evidence

Wednesday, January 27, 1982
9:30 a.m.

Chairman: Tony Penikett, M.L.A.

Standing Committee on Public Accounts

Chairman: Tony Penikett, M.L.A.

Vice-Chairman: Peter Hanson, M.L.A.

Members: Al Falle, M.L.A.

Doug Graham, M.L.A.

Alice McGuire, M.L.A.

Missy Follwell

Clerk to Committee

Expert Advisor from the Office of the Auditor General:

Harold Hayes, Principal

Witnesses:

Department of Health and Human Resources

Mr. Jim Davie, Deputy Minister

Mr. Roger Graham, Departmental Administrator

Mr. Peter Dudding, Regional Manager, Whitehorse

EVIDENCE

Wednesday, January 27, 1982 — 9:30 a.m.

Mr. Chairman: The Public Accounts Committee, Meeting Number 6, Third Sitting, Formal Hearings will now come to order.

I would like to welcome back with us this morning, Mr. Jim Davie, Deputy Minister of the Department of Health and Human Resources, and his officials, Mr. Roger Graham, and Mr. Peter Dudding.

We had indicated yesterday, Mr. Davie, that we had a fairly long schedule of questions we wanted to get through, and Mr. Doug Graham will be the leading edge of that inquiry. Before we get into that, we have a number of follow-up questions arising out of yesterday's evidence which we would just like to briefly pursue, if we might. The first of these questions is the matter of the Manual.

Mr. Hanson: You left me kind of confused. I have to wait until I get the answer, to find out exactly what you are talking about, because yesterday you mentioned that your Manual on Social Assistance was hopelessly outdated.

In the letter sent to Mr. Penikett on the 25th of this month, in Item C, at the bottom of page 2, you wrote, "...During 1980-81 a complete Social Assistance Manual was drafted, completed, and implemented. This Social Assistance Manual represented a major undertaking, in pulling together Social Assistance legislation, regulations, policy, rates, and procedures into a single reference document. This Social Assistance Manual has been in place for over one year and has been now available as a continually updated reference document, both for every day use as well as the training of Social Welfare Officers."

Now, what are you talking about that is outdated?

Mr. Davie: Yes, I would like to clarify that for you. The manual I was talking about was the Manual which was appended to the opening statement I read, which is the Program and Organization Manual of the Department. What I was saying was that that Manual is requiring updating because it does not reflect, for example, the amalgamation of Health with Human Resources, and some other recent changes. In fact, you are quite accurate in the statement you read out of the Social Assistance Manual: it was brought together a year ago in the terms that you have just described.

Mr. Hanson: This one here was first tabled in the House in the 1980 Budget.

Mr. Davie: That is right. We were asked during that Session if we had a Program Organization Manual; it was tabled at that time, yes.

I would like to raise another point of clarification; just a brief point. Mr. Hanson, at the beginning of yesterday's session, was asking questions about statistics and the relevance of statistics for the financial year, with the same financial information. I think I was a bit confused, since I was not sure which report he was referring to. I understand now that it was the Government Annual Report and I think I can give clarification.

All of the statistics are, in fact, based on the financial year, as is our financial information, with the one exception of Vital Statistics: which is deaths, marriages, births, that kind of thing. These statistics are reflected in the calendar year in the Annual Report. The reason why they are reported this way is that this is the way Vital Statistics are reported across the country, in all provinces, because of the high relationship they bear to the tax year; the tax year is, in fact, the calendar year. However, should the Committee recommend that the Department report Vital Statistics in terms of the financial year, we can easily do that. We can extrapolate those from the figures and report annually in terms of the financial year.

Mr. Hanson: The real thing was that it should be written that the statistics are based on the calendar year. You did that

before but you did not do it this time; it is confusing to anybody who really wants to read it. That was our beef on that one.

Could we get a copy of the Social Assistance Manual? Is that possible?

Mr. Davie: Certainly.

Mr. Hanson: We will be coming back to the Social Worker qualifications later on in the hearing, but I had a few questions here in regards to investigation of claimants after they apply. Do your workers investigate the facts as they have been given to you by a person who is applying for social assistance?

I will give you a brief answer and then, if you like, ask Mr. Dudding to give a more explicit one.

In fact, most aspects of an application are checked by the supervisor and by Finance people. Also, I will mention that you should know that we have an audit done on our social service side of things — which includes Social Assistance — by the Canada Assistance Plan officials. So, there is an audit done on a sample case on a regular basis, at least annually, by these officials, over and above any audit that may be done by the Auditor General's department or by our own Internal Audit system.

Having said that, I will ask Mr. Dudding to explain just what exactly what the check-off points are when someone applies for Social Assistance.

Mr. Dudding: In response to that question, the precise details of what is checked and what is not checked may vary somewhat from case to case, dependent upon the circumstances involved and the amount of prior information we may already have about the head of household and the family. Typically, what happens is that, at the point of application for Social Assistance, an application form, which involves a statutory declaration being signed and duly notarized by our social welfare officer, is filled out. There is also a very explicit warning on that Social Assistance application about penalties involved as a result of making false statements; that is clearly pointed out to an applicant at the time of application.

The other thing that is done routinely at the point of application is that a release of information form is signed by the client, which is sent to all of the banks operating in Whitehorse, if there are several bank accounts involved. Another typical kind of release of information form which is used is one for use by the Unemployment Insurance Commission, in order to determine the extent of the person's entitlement for unemployment insurance benefits.

The other kinds of investigation which take place have to do with judgement, made on the part of the worker, in terms of how does this person's explanation of his circumstances fit with what his story is and what his financial need is. We also routinely look for documentation around his statement of expenses. If you have had earnings, fine; we would like a written statement of the earnings: your last pay stub, for example. If you declare that you are paying "x" amount of dollars in rent, then we would like a statement from your landlord indicating that that is, in fact, the actual dollar figure that is paid out in rent.

So, those kinds of things are routinely looked for and examined. Another one that comes to mind, of course, is utilities; we look at the utility bills in order to determine the amount and level of payment.

Moving above and beyond that, the Ordinance is rather all-encompassing. I will paraphrase it roughly: essentially, it places the requirement on the applicant to assist the officer in every way possible in providing all information pertaining to his eligibility for Social Assistance. That means, then, for example, co-operating in getting release of information from Canada Employment counsellors and from other professionals who may be involved with the family.

I should mention that, when an applicant comes in and says, "I need to apply for Social Assistance; my doctor says that I cannot work", we routinely ask him to return to his doctor to

get a letter indicating that he is unable to work, what the reason for that is, and what period of time it is expected he will require for recovery.

Mr. Hanson: That is a very good answer, but we just want to try to get them a little briefer.

Mr. Dudding: I am sorry.

Mr. Hanson: Could you tell us if there is any follow-up when a person goes on Social Assistance: do you actually check up afterward to see that they are spending their money on groceries and that they are feeding their children? There is a follow-up?

Mr. Dudding: Definitely, there is a follow-up.

Mr. Hanson: How many people have been charged in the last budget year for fraudulent acceptance of Social Assistance?

Mr. Dudding: None have been charged during the year 1980-81.

Mr. Hanson: None were charged.

Mr. Dudding: That is correct.

Mr. Hanson: You are not saying that there was nobody who did it; you are just saying none were charged.

Mr. Dudding: I am not saying that definitely.

Mr. Hanson: Were there any caught, let us put it that way — not convicted but caught?

Mr. Dudding: Well, I think, to answer that question in a slightly different manner, we are very careful, in terms of our follow-up, in ensuring that what people are receiving is what they are entitled to. There have been circumstances where people have received monies for which they are not entitled; we have dealt with those by, for example, recovery of Assistance from that person.

Mr. Hanson: You do recover the money, but there is no conviction, no penalties?

Mr. Dudding: As I say, during that year we did not have anyone charged.

Mr. Hanson: How many occasions in that year were you able to recover money that you had given out Assistance on?

Mr. Dudding: Off the top of my head, I could not give you the exact dollar amount for recoveries, but I could certainly find that figure out for you.

Mr. Hanson: Thanks. All cases are dealt with the same; you do not take one fellow to court and not the other fellow?

Mr. Dudding: No, that would not be the case, it would be dependent upon the circumstances. Certainly, if it was a gross case of fraud we would most definitely pursue charges.

Mrs. McGuire: I have one supplementary to the question on investigations, to whomever chooses to answer it.

As a tie-in to alcohol prevention and the mis-use of social service funds, upon investigation of social service recipients there could be stipulations made by your Department on certain individuals. For example, while drawing social service funds, they, the recipients, could not indulge in licensed establishments or purchase liquor from liquor vendors, or some other such rulings, depending on what the investigation revealed. Now, are there any such stipulations imposed on social assistance recipients?

Mr. Davie: No, we do not form that kind of policing function with people or put that kind of condition on the receipt of Social Assistance; our approach to that would be a much different one. We would try to provide the counselling advice, and the help and support that we could, to try and prevent its happening. I do not think that there is anything in the legislation that really gives us the authority to stipulate that, unless you behave in certain ways, you will not receive help.

I think that can be done if the person, for example, has committed an offense and appears before a judge. A judge, with a probation order or something, can say "You will refrain from liquor" or "You will not be found in bars", or whatever. I think it is not an authority that we have as a Department.

Mrs. McGuire: Well, I believe it is an offense, when a person draws funds from social welfare and spends his welfare

money in bars, thus causing hardships on his family. If there is no investigation done on that sort of thing, if there are no rulings or whatever imposed on that person to prevent him doing so, it just continues on year after year.

Mr. Dudding: I would like to respond to that with a couple of additional pieces of information, Mrs. McGuire.

There have been instances where the Department has required persons with known alcohol problems, as a condition of their receipt of Social Assistance, to participate in some kind of alcohol counselling program. That is one kind of positive approach that we take in working with these people.

It is similar to the kind of thing that we do with someone whom we feel is not doing sufficient exploration into employment, for example. We would require that that person register with and visit a Manpower counsellor, and would provide the follow-up contact with that counsellor ourselves.

Mr. Chairman: You indicated earlier, I think, that you had some doubts about the legal position you would have in putting in that kind of requirement for Social Assistance. Given the example that Mr. Dudding just gave, what is your legal authority for making that a condition of Social Assistance?

Mr. Dudding: The authority would be found under — I will refer to the exact section in a moment — but essentially there is that provision: the requirement to do everything in one's power towards self-support and self-sufficiency.

Mr. Davie: It is probably more a philosophical thing than a legal thing, actually. I am no expert on that aspect of the law dealing with people and civil liberties, but I think that one of the philosophies of the Department is that we are not a policing department; we are not a court. We would need to have extensive additional staff if we were to follow up on the philosophy of checking people out: of following them, of being with them when they went to the grocery store, to make sure they bought the appropriate things. I do not think that we could do it within our existing system, except in an exceptional kind of circumstance and isolated case.

Mr. Chairman: It is entirely as an aside, Mr. Davie. I am sure you are making the Committee a little bit nervous, because you are the second Department in a row that has come before us and said that you are not responsible for policing it. Anyway, I said that that is an aside.

Mr. Falle: Yes, Mr. Davie, yesterday you stated that your manual filing system was a great deal of work and that it took quite a few people. You also stated that everything was going on computer and that the files would be computerized. Do you see any reduction in the work load, and, therefore, a reduction in staff?

Mr. Davie: We do not anticipate that, as a result of computerization, there will be a reduction in staff. One of the exercises that was gone into in the feasibility study which led to computerization was weighing up that kind of factor: how many man-years, and what not. The reason why you do not see a reduction at the end of the year in staff, Mr. Falle, is because the Department is continually taking on new responsibilities and adding new things. If you look at even some of the new things that have been added over the last two or three years, such as responsibility for Juvenile Justice, for Probation, expansions to Alcohol and Drug programs, the Pioneer Utility Grant, the Day Care Subsidy Program, these were brought in without additional staff requests for the managing of these programs. The reason we were able to do all that is because, as we refine our systems, we are able to clear more time for other things to be done. The short answer is that, no, we do not actually end up with a staff saving at the end of computerization.

Mr. Chairman: Mr. Falle has some other questions which we will come back to later, but let me just close the circle on this issue.

You caught everybody's attention yesterday, Mr. Davie, when you discussed the budgeting process. It was almost like,

if I may use a parallel, a fraudulent claim for social assistance. What you budgeted for was a complete understatement of your needs, when taking into account your growth patterns and requirements: what the Legislature was being asked for was a lot less money than you really needed, and it meant that, ultimately, we would have to pass more monies by way of supplementaries.

My next question touches on one of the questions Mr. Falle raised, and the whole problem of administering public money. Now, we are all sensitive to the fact that a department such as yours is always going to be subject to all sorts of rumours and image problems as regards the inefficient handling of public funds; the very nature of your work would mean that. Have you, though, in your experience of managing Social Assistance monies and so forth, come to any conclusions or have you made any recommendations or are you ready to make recommendations, as to the more publicly expeditious and more efficient way of doing this?

You will know that there are proposals, from time to time, about tax credit systems, or demi-grant systems. I assume that most of your clients' circumstances are ones of poverty — in fact, might not there rather be a more efficient way of delivering the financial means to these people, perhaps, than social workers? From a point purely of efficiency and of achieving the objective of meeting these peoples' needs.

Mr. Davie: I think I see two things in your question. One is getting a bit towards my personal views in the delivery of that kind of social service program. I have strong views, but I do not know if this arena is where I should express them.

The other question is, have we made recommendations, concerning financial planning for a program like Social Assistance? The answer to that is: most certainly, yes. The recommendation goes along this line: where there is a program which is so much affected by the market, by the economy, by the ups and downs in the economy beyond the control of the administrators of the program, then the kind of guidelines applied to financial planning and forecasting for that program should in essence be very different from the kind of guidelines applied to much more predictable kinds of programs. We have made recommendations along these lines.

To date, it has been the custom to treat Social Assistance like other programs. If you look at our forecast, for example, you will find in an area such as counselling and child welfare and that kind of thing, that by and large we have controllable items and we are able to keep within the guidelines. In Social Assistance, that is not the case.

If you look at Health, there is another area where you will find the same problem right across the country, as well as in the Yukon — that the marketplace very often dictates the kind of expenditures you will have to pay out.

Mr. Chairman: The officials, I am sure, would be more than pleased to listen to your personal views on the subject.

Let me, for the purposes of this discussion, direct the question to you as the manager of these resources. Given the widespread public criticism, whatever you feel to be the facts of the situation, and given the relatively high cost of delivering the relatively small amount of benefit to the recipients, have you come to any conclusions as whether there is a better way of doing it in this place, at this time?

Mr. Davie: In Canada, we are tied into guidelines under cost-sharing agreements: for example, the Canada Assistance Plan, the Vocational Rehabilitation for Disabled Persons, and what not. You must also realize that we are one Department which has a counterpart in Ottawa, as regards Health and Welfare, and they already have certain schemes which certainly relate to welfare programs, pension plans, and this kind of thing, pensions for the disabled, and as well they have vast areas of guidelines governing the administration of cost-sharing programs.

If you could isolate yourself from Canada and be a separate nation, then, by all means, you could come up with a better

welfare program. I do not think that there is anyone in the business across the country who would not admit to that: that there is a proliferation of programs, added, tied on, one to the other, which have come about because of the nature of the ways of social services' being developed in the country. I think that a lot of the officials that you meet, and a lot of political people that you meet, are very much aware of this. Therefore, the exercise for the future — and I do not know whether it will be in this decade or the one after — is one of unravelling the past.

Mr. Chairman: I may wish to pursue that, but let me turn you over now to Mr. Graham, who has some more hard-edged questions.

Mr. D. Graham: I have a couple of questions that came up as a result of answers we received from you.

I went through last year's Budget for the Department of Health and Human Resources, and, based on the Social Assistance statistics in that Budget, I prepared a few questions. When I received the answer to written questions that we sent to you, I went to Table A and compared the Social Assistance case-load data on Table A to the Social Assistance data in the Budget; I found out that not one of the numbers match. I was just curious whether there was a reason for that? I kind of thought that, from year to year, case-load data in the Budget and case-load data that you gave me in these answers should match. Is there a reason for it?

Mr. Davie: The data should be consistent. I find it hard to actually be very specific without sitting and looking at the figures and comparing the same two things.

Mr. D. Graham: I can ask a couple of other questions. Under the expenditure recovery process for Y.T.G. under Social Assistance, I notice that, from year to year, the actual percentage of money we receive back from Ottawa differs. For one year, I think it was either 1979-80 or 1980-81, we showed an expenditure recovery of some \$750,000, which amounted to approximately 50 percent of the total Social Assistance expenditure for that year. In 1981-82, we received from Ottawa somewhat in excess of a \$1,000,000 in expenditure recoveries, which amounted to 60 percent of the total money paid out under Social Assistance.

I was under the impression that we were under some kind of a guideline with Ottawa: a cost-sharing program which was fairly standard, so that the percentages should be the same from year to year. Is that not correct?

Mr. Davie: The percentages, Mr. Graham, could vary by certain amounts. The cost-sharing agreement under which we operate is the Canada Assistance Plan. You do not just send, for example, a figure that says we have spent \$1 million on Social Assistance and then get half a million back. It is a line-by-line kind of accounting that you have to use, and it has to meet the criteria of the plan. Therefore, from time to time, you could get that kind of discrepancy.

I do not know the whole answer to why there is that slight difference of 60 percent and 50 percent, but another possible reason is that sometimes you make recoveries for a financial year two years later, or eighteen months later, because the process is an ongoing one, in terms of auditing and in terms of getting the recoveries.

Mr. R. Graham: I would agree with Mr. Davie. Essentially, the process of claiming recoveries throughout Canada is one of quarterly preparing your claims on a line-by-line item, as Mr. Davie indicated.

From year to year, however, upon reviewing those claims, we are consistently looking at areas where further cost-sharing may be obtained that we may have missed; new programs may have come in which were not picked up in the claiming process during that financial year; approval may not have actually been received, at that point in time, from Canada for cost-sharing. So, we are consistently picking up expenditures accrued during the previous financial year.

As Mr. Davie indicated, without looking in more detail, I

would say that is probably the primary explanation for that difference.

Mr. Davie: Maybe I can give you an example which I think might help you to understand.

We have for the last year pursued the Canada Assistance Plan officials around, for cost-sharing of certain aspects of alcohol programs. It actually took us up until about three months ago before they agreed that we did have an argument, and, in fact, we will receive some cost-sharing back-dated for two years. That will appear in the next financial year as quite a substantial bit more than had been received previously.

Mr. D. Graham: I am also kind of curious as to whether or not the Department of Social Welfare gives social welfare payments to persons of Indian ancestry.

Mr. Davie: The administration of Social Assistance for status Indians is handled by the social workers and funded by the Department of Indian Affairs. There would be people of Indian ancestry who would receive Social Assistance from our Department, but if, inadvertently, by mistake or whatever, we were paying Social Assistance to a status Indian, we would get 100 percent recovery for that from Indian Affairs, when it was sorted out.

Mr. D. Graham: One of the things that worries me, though, is whether there is any chance that a status Indian person could get Social Assistance both from our Department and from the Department of Indian Affairs?

Mr. Dudding: There is a continual cross-checking of those applications, between the two departments.

There is just one point of clarification I might mention, as well. There are instances where we are providing the administration of Social Assistance to status Indians where the head of household is a non-status person. What we will be doing is claiming a recovery from the Department of Indian and Northern Affairs for those status members of that non-status household family. Similarly, we have the same relationship where a status Indian is the head of household with non-status members.

Mr. D. Graham: So, a status Indian may come to the Territorial Government and request Social Assistance and you would not turn him down?

Mr. Dudding: Not as the head of the household, only as a member of that family.

Mr. D. Graham: I wonder if you have had a chance to look at the statistics, and could you comment at this time?

Mr. Davie: Could you allow us to come back with a response to that tomorrow? I am quite sure there is an answer, because the statistics are public figures, but there is a discrepancy. You have readily identified a discrepancy and I think we need to look at it.

Mr. Chairman: We will accept that undertaking, Mr. Davie. I just wondered, Mr. Graham, if there were any other questions arising from that you would like to give them notice of now.

I will just let Mr. Graham give notice of a couple of questions, then I will recognize Mr. Falle before we continue on.

Mr. D. Graham: One of the things that really worries me is the average cost per case in the statistics quoted in the Budget. The costs quoted in the Budget are in excess of \$2,000, and yet, in the answers which we received from you, it is a declining cost over the last few years; it has declined to somewhat less than \$800, as I recall. That particular number really sticks out, since in your answers to us it was a declining number, and yet in the Budget it increases each year. I think that is a particular case you would want to investigate, and I would like an answer to that one, if possible. The rest I can ask you as time goes on.

Mr. Chairman: It is a simple question of tradition of the case-load, as I recall.

Mr. Falle: I just received your answer to my questions of yesterday. I particularly picked out Dawson City because I believe it to be an average Yukon town, with all due respect to Dawson.

I was very interested in some of the answers I received. I am going to ask you if there is an Indian and Northern Affairs person up there handling welfare for the native people? Have they got an Indian worker up there, or a worker for status Indians.

Mr. Davie: It is my understanding, Mr. Falle, that the Band has a social service administrator who does handle the social assistance for status Indians.

Mr. Falle: Would it be fair to say that, dividing the population about fifty-fifty, there would probably be 250 natives and 250 whites on a year round basis, not counting the big influx of people?

Mr. Davie: Frankly, Mr. Falle, I am not 100 percent sure whether the population divides in half, but I do not think the figures would be very much out of line.

Mr. Falle: The figures you gave me are strictly the Operation and Maintenance part of it, not the Capital. I am very surprised to see, just on the social welfare scheme, not counting MacDonald Lodge, that our cost of administration was \$82,000. I would have liked to have had the number of clientele: how many there were.

Anyway, I do have the figure you gave me, \$54,000. To me — and I am not up on social service — but that relates to about 150 percent on the other side of where it should be. It costs you \$82,000 to distribute \$54,000; it seems to be an incredibly high figure. Are there any explanations you have for this?

Mr. Davie: I think the explanation, Mr. Falle, is that we are giving the figure of the monies disbursed by the social workers. The only monies, basically, that a social worker in Dawson City would disburse would be Social Assistance funds. There are other monies which may be going to Dawson City from a centralized administration. For example, a senior citizen in receipt of the Pioneer Unlity Grant would be making an application between October and January every year to the Department here in Whitehorse, and would receive these funds. There are one or two foster parents in the Dawson City area who would be receiving a foster parent loan. Again, that is a centrally administered program.

That is one part of the explanation. The other part is that the social worker does not only do Social Assistance. She is also involved in family counselling, in probation work, in group work, and in a variety of community-type activities, and hopefully in preventative kind of activities as well. So the expenditure does not just relate to what that person does; that would be one part of the job, but she has another variety of parts of the job.

Mr. Falle: The \$54,000 is the money that that person authorizes as a social worker, not counting the foster parent plan that is administered from Whitehorse or any of the other plans. You did not tell me whether or not that service was in the alcohol field at all. This is just social service. Is the alcoholism rehabilitation and drug service included under this \$54,000 figure?

Mr. Davie: Well, you see, there is no other service that gives money. The only service, Mr. Falle, that gives money, is Social Assistance. There is no dollar attachment to alcohol counselling or to group work with teenagers concerning alcohol. There is no money spent in there. That is worker time that is spent in there.

I suppose that the only way you can really get a true picture of what somebody does is to have a time study as to how much time is spent disbursing Social Assistance, how much time is spent in alcohol counselling or marital counselling, and have a costing of that. We do not have a record kept, in that kind of way, of the activity.

Mr. Falle: I think that you have missed my question. Does the \$82,000 on the O and M side cover an alcohol worker?

Mr. Davie: Sorry, that is a different question. No, that does not cover an alcohol worker, but since you are asking specifically about Dawson City, in fact, up until a recent increase in our monies for alcohol, the social service worker in Dawson

City was also the alcohol worker. Dawson was the only town in Yukon that had that situation; in the other towns, there would be two separate people. So, in this case it does include the alcohol worker, as a short answer, because that is a unique situation.

Mr. Falle: But, as we know, with the increase in Budget there will be another worker looking after alcohol-related problems in the Dawson area, which would, in turn, drive the Operation and Maintenance up another — what, \$30,000, \$50,000 by the time....

Mr. Davie: It would increase it by \$12,000 to \$15,000, given the rate of pay and the number of hours for an alcohol worker.

Mr. Falle: That is not in the figures, I will admit, but I still have a hard time trying to evaluate how we, as taxpayers, get our money value. You tell us it is hard to put a value or dollar sign on social assistance, but right now, if we did add the alcohol worker to your figure of \$82,000, the administration costs would be roughly \$100,000, and what the recipients actually get would be \$50,000, in round figures. To me, there is no value for money at all in that. I do not really see the people, who are supposed to be receiving the help, receiving one-half the help that the social service is getting. I mean, you people are taking \$100,000; they are getting \$50,000, and this does seem to me a very inadequate situation.

Mr. Davie: I see your point and I will try to explain. Yesterday, I was asked a question about field workers and I explained a kind of generalized case-load. In fact, I think what you are doing is looking at this as the only kind of social assistance, and you are relating that to the Operation and Maintenance cost, and saying, "But they only spent \$53,000."

If we were bigger and had a bigger population, you would have a Welfare office there which handled social assistance, you would probably have a Child Welfare office which delivered child welfare programs, and you would have an Alcohol and Drug Department or something, and they would all have a cost. But, your Welfare office would only deliver social assistance; therefore, the cost of the staff there could be related, in fact, to the social assistance expenditure. Whereas our people in Yukon deliver child welfare programs, probation programs, senior citizen programs, alcohol programs, as well as social assistance.

Mr. Chairman: Let me just try and wrap that up for Mr. Falle with two questions. How many Social Assistance workers are there in Dawson and what is their case-load?

Mr. Davie: In Dawson there is a Social Worker II position which, as I mentioned yesterday, has been raised to a supervisory position and is being advertised, a Social Service Worker position, and a clerical position. We will be adding this year, I think it is something like 30 hours for an Alcohol Addictions Worker, as well. The case-load I do not have at the top of my head.

Mr. Chairman: Could you get it for us?

Mr. Davie: Yes.

Mr. D. Graham: Just as a follow-up to some questions we had before, who does the follow-up policing in areas where you believe that Social Assistance payments have been abused?

If a person has abused the system, who does the follow-up policing work? You said you are not a policing agency and I can understand that, but who in this Government would be?

Mr. Davie: Actually, I do not know if I am answering your question completely but, if it were a case of fraud, where we suspected outright fraud, it would become a police investigation because we would refer the case to the Crown prosecutor for action and they would carry out the investigation. We might, in having arrived at that conclusion, have done some investigation ourselves, but we would not do the complete thing.

Mr. D. Graham: I am sure there are abuses of the system on an almost ongoing basis in some areas and I believe that you have already said that you just try and recover the money. Who does

that kind of stuff? Do you do it yourselves?

Mr. Davie: The recovery of funds is handled within the Department, yes.

Mr. D. Graham: You do not bring the Justice Department in, the Territorial Government in, at any time?

Mr. Dudding: Let me answer that question. That would be something that we would look at should we have been unable to pursue the recovery ourselves, but, at this point, in terms of pursuing recoveries, our Financial Officer would be going to Small Debts Court to pursue that.

Mr. Davie: Perhaps I could just add something, Mr. Graham. Recoveries are not only in terms of somebody having cheated or fraud. That may be a situation where somebody is about to get a job, requires limited funds for a short period and we ask for payment back when they start to work.

Mr. D. Graham: That was one of my questions coming up. I wonder what kind of percentage success rate you have in those cases? You answered the written question, where we talked about agreements to repay taken by a social welfare officer and I just am curious as to what percentage of those you do recover.

Mr. Dudding: I would have to come back with the exact figure. I see we are already going to be providing you with the dollar amount of recoveries, so I can indicate a percentage, I believe.

Mr. D. Graham: I do not have a whole lot of other questions in the social assistance area. I should indicate for the record that I am still very concerned about the preparation of the Main Estimates and I only hope that you have the ability in this upcoming Budget to state your case clearly in the Budget. I know there will definitely be questions asked in the Legislature and I just hope that you have the ability to state your case truthfully in the Budget itself.

I guess I should also indicate that I am a little concerned about some of the controls placed on disbursement of funds outside of the City of Whitehorse. I realize that it is a problem because of the — well, I guess now that you have done the reorganization you will have more supervision of social welfare workers in the field, so, hopefully in the future, it will not be as much of a problem as I anticipate that it has been in the past. That is one of the things that I have been very concerned about, is the control on the disbursement of funds in the field. Do you have any comments about that at all?

Mr. Davie: Well, the new supervisory system is not in place because we have not had input into it. That will help in matters of control and also local supervision because, partly, there will be more people to provide that supervision but also they will be nearer to the scene to provide the supervision. I would think in a true examination of disbursement of funds in a small community, you would find that, by and large, the control is a unique Yukon one and that, apart from that transient section of the population which trips through Yukon in the summer, the people in receipt of social assistance are very well known, not only to the social worker, but to the whole community. Therefore, without systems, there is a large element of control on what happens.

That is also where we get some of our criticism because the community might be divided in their view as to whether that person should be receiving assistance or not receiving assistance. From there come many of our problems.

Mr. Chairman: I think what we will do now is take a ten-minute recess. When we come back, I think that Mr. Graham will have a few more questions and then I think Mrs. McGuire would like to pursue another line of questions on the alcohol and drug services. So we will stand in recess for ten minutes.

Mr. Davie: Mr. Chairman, would Mrs. McGuire want us to call our Chief of Alcohol and Drug Services or can we field the questions? We can do that if you would like that.

Mrs. McGuire: Do you feel confident in answering the questions in that area?

Mr. Davie: I do not know the questions, but we will try to answer them. Thank you.

Recess

Mr. Chairman: The meeting will come to order.

Mrs. McGuire: I will be asking questions on alcohol and drug services. From time to time there probably will be supplementaries coming from other Committee members on various topics that we enter into.

Mr. Davie, according to the Annual Report, the program of Alcohol and Drug Services does not deal strictly with the treatment of alcohol and drug abuse, but is also in the business of prevention and counselling services. How do you monitor the quality of services given under this program?

Mr. Davie: Mrs. McGuire, are you asking that in terms of the counselling services?

Mrs. McGuire: The combined programs. What method is used in the evaluation assessments and how often are they done?

Mr. Davie: We do not have a sophisticated evaluation model that we apply to the program. This question is something that the Department is looking at right now in terms of the position of research and training; how can you develop evaluation of social type programs? In recent years there has been quite a bit written about that. It is one of the more difficult types of evaluations.

Up to now, a lot of our evaluation is of a judgmental nature. For example, in the treatment of the alcoholic and the residential treatment of the alcoholic, the evaluation might be something like has the person remained sober? We would then do a follow-up for a period of six months after discharge. That is not really an accurate evaluation because you really want to know if the sobriety continues even beyond that and if the person is able to patch their life together in a lot of other ways. So, we are looking at how you could set up evaluation models for that kind of program.

The basic evaluation that is done at the moment is through the system of supervision. There is nobody who does anything who is not supervised by somebody, in terms of the number of cases they have, the number of visits they have with that person, the number of sessions they have with that person, the outcome and through the case record itself, where a narrative is written in terms of visits and outcome.

I do not know if I am answering adequately, but that is the best answer I can give.

Mrs. McGuire: I wonder if you realize that there is an indication that this program does not have a good reputation in the Yukon and perhaps, without the system of monitoring or assessing programs, this sort of thing may have shown up? Many residents have had to go outside to obtain adequate help and I wonder if you could give a reason why this is happening? Is it an overflow of clientele or insufficient funds or inadequate facilities?

Mr. Davie: If I could zero in on the fact that some people do leave the Yukon for help, the reasons for that are many. One is that even if we have very sophisticated treatment, particularly residential treatment programs in the Yukon, some people will still go outside for help for privacy reasons. Inasmuch as we are pretty much a goldfish bowl here, everybody knows one another, there is a certain type of person who chooses and elects to go to private treatment centers. Some of them pay the tab themselves and, in some instances when they do that, the tab is fairly expensive. In other cases, they are referred medically and are able to pay a much lesser amount.

We have recently had an evaluation of the Crossroads Treatment Program, which we fund and which is really our only residential treatment program in Yukon. At this point in time, we are trying very much to work with the Board of Crossroads in terms of implementing some of the recommendations of that Report because, as a Department, we feel that the treatment

program offered at Crossroads should be much broader, should be much more flexible and should be able to accommodate more clients than they have been accommodating over the past several years.

Mrs. McGuire: The Detox Treatment Program seems to deal with, to a considerable extent, repeaters. I will refer to page 83 of the 1981-82 Estimates where the number of individuals treated were 75 and new clients 15. Compared to the total, there is an indication of repeaters. Is this normal?

Mr. Davie: This is a fairly normal phenomenon in alcohol treatment programs anywhere. I think one of the areas where you see the repeater is very much in the residential treatment area and also, to some extent, in the individual counselling area, the chronic alcoholic who continues to display drinking type behavior. It is a feature of alcohol programs that there are many repeaters. It is one of the diseases, and I believe it probably is a disease, which is not necessarily cured for good in people. You get relapses, you get periods of time of drying out, periods of time when they do not drink and, with others, periods of time when they go back to drink. So, you are quite accurate in your observations, there are many repeaters in that kind of program.

Mrs. McGuire: How do you co-ordinate the treatment service with the counselling service?

Mr. Davie: The treatment service, as I say, is run by a private organization and we fund the private organization. The Chief of Alcohol and Drug Services is involved in the admission process to that treatment centre and makes recommendations to them about the clients, whom they should be taking. The treatment centre actually makes the decisions because they have a private board, they have a Director and what not, but we have a very heavy influence on whom they take.

The treatment center is not capable of taking all persons with an alcohol problem. This is one of the things that we are trying to deal with at this point in time, to encourage that treatment center, as a result of the recent review of the program, to be more flexible in their approach and have more flexible programs to offer people.

Mrs. McGuire: But there are significant efforts to look for more permanent solutions to certain individuals?

Mr. Davie: I would think that, especially given the recent injection of funding of December last, that that is an area that, as a Department, we are concentrating on very much, in terms of how do we improve the service to the alcoholic. Part of the Department's belief, for right or wrong, is that you cannot treat alcoholism in isolation, it cannot be looked upon as just a person has a drinking problem because, with that drinking problem, there are other things. Some of the general things would be children being neglected, marital breakdown, financial situation falling apart, inability to keep a job.

This is one of the reasons why, as a Department, we recently made the statement and are moving in the direction of trying to coordinate the services and trying to recognize that although the problem may come to you as one of child abuse, if there is an alcohol problem there, as well, we should be coordinating whenever we can. It is not always just social workers, it could be members of the local community, it could be R.C.M.P., it could be a teacher. It could be a variety of people who could help to deal with that problem, which is the basic one and not just the child abuse or the poverty or the marital breakdown.

Mrs. McGuire: We realize that it must be hard to find personnel to work in those areas. Do you find yourself often understaffed in those departments?

Mr. Davie: I think, first of all, yes, it is difficult to find the personnel to work in these areas and there are different philosophies about that in existence. One is that only experts, only people truly trained in counselling and with a lot of understanding of human dynamics can help. Another one, which is very much afloat in Yukon, is that there are local people who have special skills who may not have the education, but they have

other kinds of abilities: the knowledge of the community, the knowledge of the family and that kind of thing and they can help.

We are kind of straddling both in saying, "Let us try to have a mixture of both where, at the level of teaching, of supervision, we have the expert, but, at the community level we have the person who is less expert, but maybe has the knowledge that I just described."

Mrs. McGuire: What qualifications are required for recovery unit attendants? Are there requirements before you hire a person for that area?

Mr. Davie: There are no established requirements as you would have, for example, if you are running a hospital, where would have the requirements for a nurse. Basically, with recovery unit attendants, the main thing that we are looking for when we hire people is the person themselves and their ability to relate to people who have a severe drinking problem. That is what happens in the Detox Centre, they have an ability to handle the kind of situations and the very basic human situations that occur when somebody is dead drunk. So, we do not really have a very strict criteria for recovery unit attendants.

Mr. E. Graham: The requirements we look for consist of Grade 10 to 12 education and, as Mr. Davie indicated, an ability to work with the alcoholic; Detox being a crisis intervention situation. There is very limited counselling that goes on in there; therefore, we are not looking for somebody specifically with counselling skills or a counselling background. Training does occur, though, within the Centre to provide a degree of minimal counselling to try and get that individual directed through to the various treatment services.

Mrs. McGuire: I am sorry, I did not hear that last part. You said that you did have internal training for staff?

Mr. E. Graham: Yes, Mrs. McGuire. There is internal training within the Detox Centre itself, that training being directed towards providing what we call counselling, but is really not counselling in the formal sense. Really it is a case of attempting to work with that individual when the effects of alcohol have worn off and to try and get that individual directed towards a treatment service.

Mrs. McGuire: In hiring employees and looking at the balances, would you say that, percentage wise, you hire more from the outside than you do locally?

Mr. Davie: In the alcohol area I think that the percentage is much higher in local hire than it is from outside.

Mr. Falle: Mr. Davie, I am not an expert on alcoholism, but can an alcoholic be helped if he does not want to be? How can you help the person who is drunk, he prefers to stay drunk, and every time he gets a dollar, he drinks?

Mr. Davie: Mr. Falle, I would have to define "help" to a certain extent. If a person is dead drunk and vomiting all over themselves and doing other things that people do, then there is a level of help that we can give them which is provided at the Detox Centre and that is to sober them up, to clean them up. That is a form of help.

I think that you are asking beyond that. You are asking can the chronic alcoholic be cured if he does not want to be? I think that there is a division of opinion in that amongst treatment people. I think that the majority of them would say that you can help people reach a point where they recognize that they need help. You have a better chance of success when recognition within the person is reached that they need help. That is the first step towards being able to help them.

I am also certain that, like any other field, there are some people who maybe you can only provide the relief help I just described, sobering them up, cleaning them up. But if you speak to anybody who is a cured alcoholic, you will find the fervor for helping people. That is what A.A., for example, is all about, it is handled by people who, themselves, are on a daily basis of coping with and beating their alcohol problem.

Mr. Falle: As you know, Crossroads has not had a very high success rate, yet our Government funds them through your Department. On the other hand, Alcoholics Anonymous seems to have a better success rate. As you stated, it may be these people, when they join the AA organization, realize that they have the problem and they want to help themselves. But, their success rate seems to be, on paper, very high alongside of Crossroads. Again, going back to the dollar value, what AA has and what Crossroads has, there is no comparison.

Is Crossroads a step on the way to AA or is it the same?

Mr. Davie: Mr. Falle, it is not the same and, actually, two things are being confused there. One is that AA is a philosophy, a belief, it has spiritual overtones to it in terms of handling one's alcohol problems. Alcoholics Anonymous is a nonresidential system, whereas Crossroads is a residential treatment program.

Frankly, one of the questions that we are dealing with Crossroads is that, in fact, the basis of the Crossroads program has followed, very much, the AA philosophy. One of the things that we are saying to them is, although we recognize the value of AA very highly, that as a residential treatment program you have to be much more flexible than that. A lot of the clientele who go into Crossroads, for example, are not about to go through all the steps of the AA program.

Therefore, what we are saying to Crossroads is, you must have a much more flexible approach to some of your clientele, taking into account a number of things: their cultural background, the kind of place they are going back to live in, the lack of employment and so on. That is how we are working with them at this point in time.

Mr. Falle: Maybe the flexibility of Crossroads is one of the reasons why Crossroads has a reputation of, in short, a flophouse. It has had that reputation. People go there when they are drunk, they have no money. They go there, they dry out. But being as that is sort of what we are trying to do, get them to realize their problem, I suppose that this "flophouse" image is pretty hard to overcome, providing that this is part of their rules to try to get them on the road to rehabilitation.

Mr. Davie: I would like the opportunity to sort something out.

I am wondering if there is confusion in those people who make these comments between the Crossroads program and the Detox program, because Crossroads is not a flophouse. They do not take people to sober them up. One of the criteria for entering that program is that you have not been drinking. In other words, you have to be sober in order to be admitted to Crossroads.

Mr. Falle: To get in the door?

Mr. Davie: That is right. Whereas the Detox Centre could be described, although I do not like the description, as the flophouse. That, to some degree, is what it is, a sobering up place. It does not claim to be anything else. It does not claim to be a treatment centre or a ... house; it is a place where somebody, when they are really down and out on a drunk, goes to be sobered up. They are not Crossroads.

Mr. Falle: It is better than laying down along a railway track and freezing to death.

I guess my question was that the difference between the AA program and the Crossroads program seems to vary quite a bit and their success rates are very varied, too.

Mr. Davie: Only the fact that the Crossroads program has been following in the AA model and some of the people who are very much involved in Crossroads are AA members themselves.

Mr. Chairman: Before we move on to another area, I would like to just follow up on a couple things, Mr. Davie, that I am not quite sure are clear for the Committee.

When we were talking about social assistance earlier, we talked about the ongoing review process that you followed. I wanted to ask, in terms of systems, are there systematic follow-up procedures and an automatic review mechanism for

cases of continued assistance? Not as a general proposition, but could you describe the mechanism and the kind of time tables that operate?

Mr. Dudding: In response to that, there are two issues to bear in mind. One is that there is a statutory requirement under the *Social Assistance Ordinance* that a new application be taken, at least, once every year.

Above and beyond, that there are two forms which the giving of assistance will take. One is that which we know of as a "supplementary cheque system", which basically entails a client coming in to see a social worker and discussing and reviewing their situation and, after that discussion has taken place, a social assistance budget is completed and a cheque issued or, in some cases, an authorization order. I do not want to complicate it too much, I just wanted to give you a sense of the detail.

There is yet another form of assistance that is provided which is called a "continuing cheque". That is generally used with people, for example in the category of unemployable, somebody who is a permanent labour force exclusion, whose budget and income remains relatively stable over a period of time. These people will be issued a cheque on the following basis: when they receive a cheque for the month of January, in that cheque is a form called a "Request for Continuing Assistance Form" and a stamped, self-addressed envelope, the client is required to fill in that form, indicating their income for the month of February and that form then is returned to the area office in person or by mail. Then, a social worker reviews that request for continuing assistance and issues forth the appropriate social assistance budget form.

So that is basically the system. Now, above and beyond that is, of course, the social worker supervisory case planning, case management kinds of issues.

Mr. Chairman: The other day you talked about, I think, three forms: the initial application form, the ongoing review by the social worker and then, the last one, the form which could be mailed in.

Mr. Dudding: There are three forms. There is the initial application, there is the request for continuing assistance and then there is a social assistance budget form, which is used in all occasions.

Mr. Chairman: Have you brought copies of all those standard forms to the Committee?

Mr. Dudding: I have not, but they are included in the *Social Assistance Manual*.

Mr. Chairman: To go on to the next stage, you started to touch on the supervision. You have these standard forms, could you just indicate something about the supervision process of the social workers, in terms of that kind of work.

Mr. Dudding: Above and beyond that, lo and behold, is, yet, another form known as the "Client Grant Sheet", which is on the front of every file. It provides a simple detailed record of the payment and recovery history for each client.

Now, what happens is that, for every Social Assistance Budget Form that is completed, or every authorization order that is completed, or dental or optical authorizations must be entered upon the client grant sheet. The Client Grant Sheet is something that is reviewed and signed by the social worker, a social assistance clerk and the social worker's supervisor, so that there is that kind of ongoing monitoring of the expenditures.

Mr. Chairman: How often does that kind of monitoring go on?

Mr. Dudding: That would depend on the kind of expenditure that we are talking about. If it is a new case, that will happen immediately. If there are particular special needs involved, that must happen before any cheque is issued, any entitlement is determined.

On an ongoing basis with clients who have been on social assistance, what happens between worker and supervisor is that workers are regularly expected to be bringing forth cases

for case planning and case management. A particular issue in planning and management cases is to look at the employable and available categories, in terms of what kinds of plans and what kinds of follow-up are being made.

Mr. Chairman: What does regularly mean? Does that mean weekly, monthly, quarterly?

Mr. Dudding: They will meet for supervision weekly.

Mr. Chairman: Then you talked about a fourth form. Is that in the Social Assistance manual, too?

Mr. Dudding: I am just trying to think whether it is or not. If it is not I will provide it.

Mr. Chairman: One last question on that subject: is there any differentiation made between Canadian and non-Canadian citizens in applications for assistance?

Mr. Dudding: I indicated that to Mr. Graham's question.

Mr. Chairman: I am sorry. I was not clear about the answer. If it is in the written information, fine.

Mr. Davis: Over and above the internal mechanisms that Mr. Dudding described, there is also an audit done, which I mentioned earlier, by Canada Assistance Plan officials. That is not just a financial audit, it is a different kind of audit. That audit is a random sample selection of cases and they go through to see if we have kept within our regulations, if we are working with our Department policy. It is another checking point, in other words. They would not cost-share with us if they found discrepancies in the way we handle our own internal government policies or regulations in terms of disbursement of funds. So that is an additional, outside looking in, check.

Mr. Chairman: Mr. Graham gave you a notice of some questions about statistics and I am not entirely sure that I may not be covering the same ground here, but I just want to be sure for myself on a couple of points.

We talked about the 1981-82 Estimates reporting the number of cases at the year end, the individuals involved, the number of cases opened, et cetera, and closed during the year, and then, as Mr. Graham mentioned, the average cost per case. Could I get a comment from you on the advantages of reporting statistics related to the number of cases, in relationship to the number of social workers? Is there a problem doing that from the point of view of unfairly reflecting the work of the field workers?

Mr. Davis: I think we can certainly give case-load figures for individual social workers and that kind of thing. I think, like all things, it would be a good to also give some explanations of why some people have 60 cases, other people have 40 cases, this kind of thing. But the figures are there; we know exactly who is handling what, how many cases people have and this kind of thing.

Mr. Chairman: In terms of your personnel management, is that a kind of performance indicator that you are taking into account in evaluating your employees?

Mr. Davis: Numbers of cases, to some degree, but not as much as you might think it would. It would be the nature of the cases more than the number of cases. It is fairly traditional and we do not follow it completely, mark you, that some of our most skilled people have some of the more difficult cases and therefore less cases. So the figures have to be explained.

Mr. Chairman: When you are talking about the problem of budgeting, I wonder if the case-loads and the trends in caseload volumes, how much they are integrated in your budget plans? There are lots of fluctuations in the economy, but to use the current situation, it would not of been a surprise to anybody that the jobless rate in Yukon is rising and that the economic situation is poor now, internationally as well as nationally and locally. Do you take account of that information in your budgeting?

Mr. Davis: Yes, we very much look at the volume increases as we can best predict them and try to relate that to numbers of staff required, how we disburse the case load, that kind of thing. That is a big factor in our planning.

Mr. Chairman: The general fear, I suspect, that the legisla-

tors would have about the budgeting on the basis of case-load, and I am trying to psych myself into the most conservative mentality, a rational fear is one that a department such as yours would have an investment in failure, as it were, that the more cases that it could acquire, therefore the larger budget, the not unnatural tendency among public servants to increase their scope and power and staff would operate. Whereas, if you like, a larger social objective would be achieved by reducing your case-load, which we might regard as the successful treatment of the goals of your Department.

Could you comment on that from the managerial point of view? That seems to be the core question of the kind of crisis of confidence you would have from the legislative point of view.

Mr. Davie: I like to think that, in this particular area of management, there is also a certain amount of idealism. I hope that there is and, therefore, the goal should be to minimize the number of cases.

I can give you a little story from the past, not from the Yukon, where that can backfire in terms of the interpretation of figures. I remember being responsible for a project for children in care, where it was decided by myself and management level to turn around some of the activities of the workers more to family counselling and keeping kids in their own home and, as a result, reduce the number of children in care. I ended up having my staff cut. If you get my point. The children were not in care, so the statistics did not prove that there was a need to have the staff. The activity was taking place in another kind of way by keeping the kids in their own home.

So statistics can lie and I think very often, if you judge only by statistics, without explanations, without some understanding of the activities that are taking place, you can make very wrong judgements.

Mr. Chairman: But, surely, then, from a point of view of doing a more comprehensive audit, or a more humane audit, it is incumbent on you, as the manager of the resources, to come to develop some kind of performance indicators for the legislative powers, ones which would indicate the real work that you have to do and provide some other indicator of success or failure other than case-loads.

Mr. Davie: I think that you are right and I think that this is one of the things that I have mentioned a couple of times. We have not quite achieved that yet. I am hoping that with the introduction of our management information system and with plans to come up with a better way of evaluating programs, that maybe we will be able to give more information, other than just finance and case-load figures.

It is very difficult to do. It is very difficult to do. I will tell you the kinds of things that happen. You come up with things and you say to somebody, "Well, with our family service program, we have prevented 100 children from coming into care." The obvious response is, "How do you know?" You cannot really prove it at the end of the day, you can only point to some activities that took place, which, in your best judgement, meant that these kids did not have to go to court and be admitted to care. So it is a difficult area.

Mr. Chairman: Let me try and turn the question around. I understand the problem as you are stating it, and I am trying to, if I could, communicate our desire to see that proper kind of accountability and the value for money.

Presumably, this is not a problem unique to Yukon and, somewhere in the state of the art in your profession, there must be developing somewhere some kinds of performance indicators to impress upon legislative "superiors" what is being done and how well it is being done. Have you any thoughts on that topic at all? I mean, you raise questions about the kind of statistics that have been asked for, but are there other indicators being developed?

Mr. Davie: Yes, I do have some thoughts on it and it is a problem. You are quite right, Mr. Chairman, in that observation.

There is a variety of ways of doing it, some which I think are

better. One of the common ways of doing it is having a set of criteria which allows you to attach weighting factors to cases. For example, you do not just count a case as a case, but you count a case in terms of so many points because of the complexity of it, because of the number of things that are happening in it. You could, for example, have a family where the father is being treated as an alcoholic, one of the kids is in the Juvenile Court and another kid is in a group home, but, if you look at the family case-load, you are talking about one family. So, there are ways of bringing that kind of thing out.

I actually very much support the line of questioning I am getting because it is the kind of thing that, as a Department, I think we really see ourselves trying to get into in the future and have been unable to do so, for a variety of reasons, in the past, except by giving verbal explanations of what we are doing.

Mr. Chairman: One question, and I am making a personal judgement, not one on behalf of the Committee, I noted the absence of a restatement of your objectives in the Annual Report. We have noted in a number of departments some pretty imprecise objectives and you heard some comments in the first round about your Statement of Objectives.

Let me, and I believe this is an open question, suggest to you that there may be some problem in your Statement of Objectives, in terms of logically developing new programs and activities from those objectives, in order to meet those objectives, that if your objectives might be stated in a slightly different way or a slightly more precise way, it might be easier for you to show performance indicators according to how well you have met those objectives and for us, in this Committee and in the Legislature, to judge the performance of the Department. I leave that as an open question because, it seems to me, some objectives are measurable and some of the ones that you have stated are especially difficult to measure and, were they stated in a different way, they might be easier. I leave that question hanging and turn you back over to Mr. Graham who wants to talk about Health, I guess, now.

Mrs. McGuire: Before we move away from the area of treatment centres, I just have a question on Crossroads.

The 1981-82 Main Estimates reveal that Crossroads had twelve treatment admissions and three transition admissions, for a total of 15. Does the number reflect only the total number of clients and not the total number of client repeaters?

Mr. Davie: That figure of 12 and three would be an average figure in terms of the occupancy of Crossroads during that financial year, so, it would be an average occupancy.

The total number of individuals in Crossroads in that year, I do not remember if that number is in the Annual Report, but we would have that number within the Department and we would also be able to indicate how many of that number were repeaters in that year. I think that you would find that the majority are not repeaters, in that year, in that kind of program. Some may have been in previous years.

Mrs. McGuire: So we could say that that figure is the total number of people who were treated in that Centre, even if they were repeaters, that some of them could have been repeaters.

Mr. Davie: Yes, that would be the average bed occupancy. There could have been, for example, 70 people in the year treated in Crossroads, but the average monthly occupancy was 12 and three.

Mrs. McGuire: You have no doubt discovered that Crossroads is an extremely costly program for the output of treated clients; in your recent assessment, that was probably discovered. Could you tell me what kind of changes you are anticipating on the basis of your Department's assessment of this program?

Mr. Davie: One of the things that we are anticipating, which requires approval at some point up the road, is a different funding arrangement for Crossroads. Inasmuch as the present admission criteria for Crossroads is largely related to the person being eligible for welfare, that has a certain limiting

capacity on whom they can take. That is in the financial management side.

You must realize, however, that it all relates to Finance, as well, they would come back to us and say, "Okay, you tell us about these things, but what about the money?"

So, taking that into account, we are saying that the program model is too restricted. It is based on an AA model, the Steps of AA, which are not necessarily appropriate for the kind of clientele they get. It does not have enough follow-up, in terms of discharge and what happens to people after discharge. It excludes too many people who could be eligible for treatment if the program opened up and was prepared to look at a variety of different methods of helping people.

It is basically along these lines, Mrs. McGuire, that we are talking about.

Mr. Chairman: I have a question here about bed occupancy and I am referring to page 3 of the Estimates.

You used the term "average bed occupancy." Why not state it that way? It is not misleading the way it is stated now, especially to us lay people.

Mr. Davie: I actually do not have that page before me, but, if the figure is 12 and the transition figure is three, then I know that is the average bed occupancy. Maybe it is misleading in the way that it is on that table, maybe that is another thing we could look.

Mr. Chairman: Perhaps we could look at that tomorrow, Mr. Davie.

Mrs. McGuire: I would like to refer some questions now to the Community Alcohol Workers program, which I am not sure I fully understand.

There was an expenditure of \$41,225, which was or is being distributed in the Community Alcohol Worker program to four-teen communities for a total of 390.5 hours, with an average, in round figures, of 28 hours per community. My question would be, what does your Department hope to accomplish in 28 hours in a community. Is this an experimental project, or what is it?

Mr. Davie: The last point there that you state is almost true of that particular point in time, the 1980-81 fiscal year.

If you note in my opening statement, I said that it was in June of 1980 that the Alcohol & Drug Services came over to Health and Human Resources. Prior to that, if you remember, the Chief of Alcohol and Drug Services had left and there had been a period of time in recruiting a new chief. I believe, if my memory serves me right, the present Chief of Alcohol and Drug Services came in somewhere, maybe April or May of 1980.

At that point in time, the Community Alcohol Worker program had really slipped. It had really slipped to having only a few contracts across the Yukon. It had been experimental but, from that point in time, that program has been built up and developed to have many more hours in the community and many more people involved.

It is a fact that, although the people are hired as Community Alcohol Workers, they are not what you might call experts in the alcohol field, in the educational sense, in the training sense, they are people on the scene, they are local people. We hire them as contract people, basically because they would not have the qualifications to be accepted within the Public Service, but they have something, which is very hard to describe because it is not in the area of expertise, it is in the area of knowledge of the community.

That is not to say that there is not a lot of work that has to be done with that kind of program. I think that is very much what we are into this year. What we are saying is that it is not enough just to hire contract people because they are local, but we are also providing a training program and support to them.

That is the name of the game for the next year. I hope that we are successful in developing these training programs and these support services for the alcohol workers in the communities.

Mrs. McGuire: You said that this program will be main-

tained next year. In fact, it does in the next fiscal year have a forecast of \$164,900, which breaks down to an average of 112 hours per community.

Now, 28 hours and 112 hours equals 28 working days. Even if this is part of a support group that community people are going to be using, what exactly are they going to accomplish in 28 working days in 14 communities?

Mr. Davie: For some reasons, that calculation is highly inaccurate. I think tomorrow we will bring you the actual communities with the number of hours that are available on a weekly basis.

I could give you a rough idea right now. Actually, probably an average works out to something like 25 hours a week per community, with some communities having much more than that, like 35 hours a week, and some having only 20 hours a week. I can give you the exact figures that we are aiming towards for this coming financial year. I will bring them tomorrow.

Mrs. McGuire: I took my figures of the breakdown from Mrs. McCall's announcement of the program.

Mr. Chairman: We will continue on that tomorrow. Mr. Falle, you have a quick question?

Mr. Falle: Yes, I just had a follow-up I forgot to ask earlier this morning and I want to clear it up.

I just would like to know the basic requirements to qualify for social assistance, not an unbalanced bank account, but what is the real basic need?

Mr. Davie: It is awfully hard to answer your question because there is no one basic thing. The basis thing is that the person is in need and, in looking at their income, their assets and what it takes to have a basic living in terms of food, clothing, shelter, that they do not have the money to pay for these needs. It is done according to the regulations in the Ordinance and the kind of figures that are agreed to as being the basics for food, clothing, shelter. That is the best answer I can give.

Mr. Falle: It is a hypothetical question, say a person is 40 or 50 years old, has his or her own home, but for some reason they themselves in a financial situation where they cannot feed themselves. Would the Department give them assistance or would they insist that they sell their home and get the assistance that way?

Mr. Davie: Yes, it is a good question. The answer is maybe less than precise. The Department would not take action with an individual which would worsen their situation. In other words, if that same person were in a state of unemployment but had a good chance, given a period of time or some re-training, to get back into the work situation, we would never dream of making them give up their home and put them in the situation where they had no home, put them in a rental situation.

However, if the person was less than temporary, I am speaking hypothetically, and had assets, we have to reduce their assets to a certain amount of money before they are eligible for social assistance. That could include having to sell personal property, and would, but we would allow ourselves that little bit of judgment before jumping in there harshly.

Mr. Chairman: There are a lot of interesting areas here but I think, to expedite matters, with the Committee's agreement, that we would begin immediately, first thing tomorrow, to get into some of the overall survey of the health area and then get back to some of the interesting questions raised by Mrs. McGuire and Mr. Falle, later on.

With that, the Committee stands adjourned into Executive Session.

The Committee adjourned at 11:30 a.m.



The Yukon Legislative Assembly

Issue No. 7 (Third Sitting)

24th Legislature

PUBLIC ACCOUNTS COMMITTEE

Formal Hearings: Evidence

Thursday, January 28, 1982
9:30 a.m.

Chairman: Tony Penikett, M.L.A.

Standing Committee on Public Accounts

Chairman: Tony Penikett, M.L.A.

Vice-Chairman: Peter Hanson, M.L.A.

Members: Al Falle, M.L.A.
Doug Graham, M.L.A.
Alice McGuire, M.L.A.

Missy Follwell
Clerk to Committee

Expert Advisor from the Office of the Auditor General:

Harold Hayes, Principal

Witnesses:

Department of Health and Human Resources

Mr. Jim Davie, Deputy Minister

Mr. Roger Graham, Departmental Administrator

Mr. Peter Dudding, Regional Manager, Whitehorse

EVIDENCE

Thursday, January 28th, 1982 — 9:40 a.m.

Mr. Chairman: The Seventh Meeting of the Third Sitting, Formal Hearings, of the Standing Committee on Public Accounts will come to order.

Witnesses this morning, again, are Mr. Jim Davie, Mr. Roger Graham, and Mr. Peter Dudding, of the Department of Health and Human Resources. We are going to try and cover some of the Health issues this morning and Mr. Graham will be leading off.

Mr. D. Graham: Can I ask you to give us an idea, in your own words, of exactly what the relationship is between the federal Government and the Territorial Government, with respect to health centres and health stations? We would like to know who owns them, who operates them, who pays the cost for these health centres, and any other information that you think is relevant.

Mr. Davie: The relationship between the Territorial Government and the federal Government is one that has been worked on quite extensively, in order to involve the Territorial Government in a much more direct way in the planning, budgeting, and forecasting processes. To this date the totality of that has not been achieved. I can go into some detail, if you like, in terms of the kinds of things that have been done.

The ownership of the hospitals, health stations, et cetera, is in the hands of the federal Government. They are owned, operated, and planned for by the federal Government. In that process of the cost, we are informed, if there are any complications in terms of them having a different time frame for planning than the Territorial Government's time frame, there is an expectation that we pay the cost.

The facts of the matter are that the Medical Services Branch receives their funding from the Medical Services Branch Canada; the funds allocated by the Territorial Government in their Main Estimates do not go to Medical Services Branch; they go to Treasury Board. Therefore, it is clear, in dealing with Medical Services Branch, that they do not — I had better watch how I say this, and pay particular attention to that part which is paid by the Yukon Territorial Government.

I do not know if that answers your question comprehensively, but we can come back if you like.

Mr. D. Graham: So what percentage of the total cost of those health centres, stations, and hospitals do you pay?

Mr. Davie: It is expected that 100 percent of hospital health centre costs be paid by this Government; whereas, it is 70 percent of general health services costs.

Mr. D. Graham: General health services include things like the public health nurses, inspectors, and that kind of thing?

Mr. Davie: The exception to the 100 percent is in the Whitehorse General Hospital, where the capital expenditures are shared at the 70 percent level.

Mr. D. Graham: Do you do any investigation of the health centres and hospitals to see what kind of — I hate to use the cliché — value, we are getting for our money? Do you do any of that kind of work at all?

Mr. Davie: Perhaps I should preface that, Mr. Graham, by saying that it has to be realized, when you look at the Health Department in Yukon Government, that it is staffed as an accounts payable department.

The answer to your question is that we do the best we can, given these limitations in staffing, to investigate the efficiency and the staffing as we see it, in terms of hospitals. It would be wrong to say that we do not get some co-operation in that from the local Medical Services Branch; we now are receiving their variance reports. They will give us information about staffing; they will give us some ideas about why they plan things. So, we do get information. We have a kind of involvement.

Mr. D. Graham: As I understand you are carrying out some investigation with Health and Welfare Canada, respecting the operation of these health centres and hospitals, or with general health. Is that correct?

Mr. Davie: Yes. In the last three or four months of last year, we went to the highest level of officials we could: spoke to, wrote to, discussed with, the Deputy Minister of Health and Welfare the situation as we saw it in Yukon. The main theme of our discussions and correspondence with him was our lack of involvement: the fact that the mandate of the local Medical Services Branch, given to them by the federal Government, seemed to be not quite in line with the co-operative planning type of thing that we wanted.

This led to the Deputy Minister sending his Director General of Services to Yukon towards the end of October; meetings were held with us, with CYI, and with the local Medical Services Branch. Some promises were made: one, that a review of all hospitals in Yukon would take place, using an independent firm of consultants, paid by the federal Government, during the first three months of this year; two, that the mandate of the Medical Services Branch would be changed to take into account our different time frames — our need, as a Government, to be involved in their planning process. These were the two main things that were agreed to.

To date, this has never been confirmed as having been accepted back in Ottawa; but there have been some staffing changes that have taken place there; someone else is now in control of Services, rather than the Director-General to whom we talked. I learned of this, actually, only at the tail end of last week and I intend on the same agreements with this other individual.

Mr. D. Graham: Have you done anything else to make your point, other than discuss with the Director-General and his staff?

Mr. Davie: We have done things at the local level. I think we have a very much improved relationship with the local officials in the federal Government and the Medical Services Branch.

We, the Departmental Administrator and the Director of Health Services, meet on a regular monthly basis with the local Director of Medical Services Branch and some of his officials. The purpose of these meetings is really a sharing of where things are at, particularly in terms of planning; they are not totally successful. Over and above that, I personally meet with the Director of the Medical Services Branch on a weekly basis, although we missed two or three of these meetings over the Christmas/New Year period. These meetings started after the Director-General came in October and the purpose of them is to try to clue in to what they are doing, what they are thinking, and to have our input into planning.

Mr. D. Graham: Is it correct that, in the general health area, you are just handed a bill, quarterly or whenever, from the federal Government?

Mr. Davie: Basically, that is what happens. Recently, there has been some improvement in the information we have been receiving beforehand; but, it is very recently. It is really in the last three to four months.

Mr. Graham: That was my next question. What kind of information do they give you?

Mr. Davie: They give us the information on which they have based on their decisions: like number of consultants, number of ...

Mr. Chairman: On that point, Mr. Davie, would it be possible to get comparative documents of both the previous kind of billing and the present kind of billing, to show the improvement of that information?

Mr. Davie: Sorry, Mr. Chairman, I do not think that it would actually be possible because we do not receive the information in that kind of way; it is more in terms of the main process. We do receive some written information, but it is basically in terms of variance reports, which I do not think will be helpful to

the Committee.

Mr. D. Graham: In the last few years, again going through the Supplementaries, I see that, from time to time, supplementaries are requested in the area of General Health. Now, are you told what those Supplementary Estimates entail, and why there are overruns in that area, or are you not?

Mr. Davie: Yes, Mr. Graham, if a supplementary request was made we would have some knowledge of why it was being made and the contents of it. But that would not necessarily mean that we would have planned the same supplementary had we a different relationship with the federal Government.

Mr. Chairman: There are no supplementary questions on general health? Would you like to move on to the question of the insurance, Mr. Graham?

Mr. D. Graham: Mr. Davie, one thing leapt out at me when I read the Auditor General's Report, regarding the Yukon Hospital Insurance Services, and that was what seemed to be a \$1.4 million unpaid account. Can you tell me what that is?

Mr. Davie: Mr. Graham, I think you are referring to the fact that last year a decision was made not to pay the supplementary requirement asked for by the federal Government.

In previous years, it seems that when supplementary requests came in they were approved and made. Last year, the stance was taken that, no; we, as a Government, are going to pay the amount which we have forecast in our Main Estimates and which has been approved by the Assembly. I believe that that is what you are referring to; that is still an outstanding account which has not been paid by this Government.

Mr. D. Graham: What kind of a correspondence has gone on between the federal Government and us, with respect to that \$1.4 million?

Mr. Davie: I might need some guidance from the Chairman in this, because I am unsure about my role in the politics of the business and the management.

Mr. D. Graham: I am not interested, Mr. Davie, in the politics. All I am interested in is, did you refuse to pay it because they refused to supply answers to questions like why the supplementary was so large?

Mr. Davie: Yes, Mr. Graham, that is basically it. The correspondence would be concerning the fact that we were not involved; we were not involved in the planning, we forecast a very different amount, and that is the amount that we are paying.

Mr. D. Graham: Were your forecasts based on some kind of information that you received from the federal Government, telling you that this is what they expect to spend this year?

Mr. Davie: Part of the problem is that the forecasts have never been made on information received, but rather in terms of the guidelines set by the Government as to the kinds of expenditures they would be prepared to pay. That has partly to do with the fact that there has been a lack of any combined planning, and also with the different time frames in planning, that is, information not necessarily being available at the time when we had to submit our own forecasts.

Mr. D. Graham: Let us get back to the Annual Report for a while. I heard you say earlier, when someone else asked about the Annual Report, that, in your opinion, the Annual Report is not always accurate in the figures that it presents in, at least, your Department. One of the reasons that I ask for your opinion anyhow is because the basis for hospital funding seems to vary from Annual Report to Annual Report.

In the 1979-80 Annual Report, it does state that we pay 100 percent of the funding for hospital operations, but in the 1980-81 Annual Report, it seems to say that we are only paying 70 percent. Has there been a change?

Mr. Davie: I was looking at these reports yesterday, Mr. Graham, and maybe we have to look at the actual written word, because I do not see the same difference. I see the same consistency: that both Reports say we pay 100 percent for hospital services, and that the 1980-81 Report, when it refers to

70 percent, is referring to general health services.

Mr. Graham: I think anybody who reads this Annual Report, other than those either actively involved with the Department or knowing what the Department does, would be very confused by the information contained in that Annual Report. My personal observation would be that if the information was presented more clearly it would probably be of great benefit.

Do you have any statistics that break down the information laid out on page 91 of the last Main Estimates? You have listed the total days of care, in-territory and out-of-territory, total number of out-patient visits, and per capita cost of insured services, but we do not see any data such as the cost per bed-day of each of the hospitals or health stations. Do we have any breakdown such as that?

Mr. Davie: Actually, the Report itself gives combined figures, at times, for things like the cost of bed-days, and averages, and so on. We have a more detailed breakdown of data than appears in the Report, and could, in fact, give in a more detailed way the usage of in-care days in hospitals and the cost of the average bed day.

Mr. D. Graham: I think that the information would be useful, especially to the Legislature when they are considering the Main Estimates.

In the area of General Health Services, are the amounts included in the Main Estimates your estimates of costs, or the federal Government estimates of cost, or are they a combined effort?

Mr. Davie: Frankly, the answer is not one or the other; it is a bit of both. The information we have at that point in time is included in there, and the figure representing the limitation in funding, that the Yukon Government perhaps feels that they are prepared to stand on in that particular year, is also in there.

To understand what I am saying, it has to be understood that there is no valid way, at this point in time, of our being able to have the co-operative planning which we intend to have and which we would like to have.

Mr. D. Graham: I am kind of curious as to why, in your estimation, the average cost per claim has declined almost continuously over the last three years? I notice that there was a slight increase in 1980, but in 1981-82 the average cost per claim was down again. In these days of run-away inflation, I thought that it should be just the opposite.

Mr. Davie: Could you tell me which claim area you are talking about, Mr. Graham?

Mr. D. Graham: I am talking about claims made under the Yukon Health Care Insurance Plan, Page 93 of your Budget, where we are talking about average cost per claim in-Territory, out-of-Territory.

Mr. Davie: If we are talking about the same claim, my thought was that the average cost of claim had increased quite substantially in the last year.

Mr. D. Graham: The in-Territory claims decreased, as did the out-of-Territory claims decrease, or the Estimate did anyway, and I do not understand what the last line means — "Total Claims".

Mr. Davie: I do not know at this point whether we are looking at the same figures, but my understanding is that the cost per claim, as mentioned in the 1980-81 Annual Report, did, in fact, drop from \$30.17 to \$29.72, and that the cost per claim for out-of-Territory dropped from \$51.79 to \$46.96.

I will give you a general answer to that, since I cannot be as specific as you might want to be. We had a discussion yesterday with some of the staff in Health Services about the cost per claim. We do not have the total capability to be able to give a very clear response as to why there are fluctuations in some of the claim costs. The reason for that is that we receive claims and we pay for medical procedures. If there is a change in the kind of medical procedures that doctors suggest are required and that change is a more expensive one, or a less expensive one, then that is then reflected at the end of the day in either the

cost per claim going up or going down. In order to really monitor that and to really know exactly what you could do about it, you would have to have much more medical expertise within the Department, because really what you are doing is questioning medical procedures.

The balance of it, Mr. Graham, I am sorry to say, is that we cannot give you a specific answer as to why there is a fluctuation in rates, except that it is in that general area: that procedures change and, given the small medical population you have in the Yukon, this throws out greater fluctuations in terms of the cost per claim.

Mr. D. Graham: I have one other question that deals with the number of dollars shown. I looked at your statistics on page 93, at the number of claims paid in the Territory, which was \$89,700, at an average cost of \$26.00. I then looked at the out-of-Territory claims, which was \$9,664, at an average cost of \$46.18. I multiplied those numbers together and I came up with an answer that I felt should equal what the Yukon Health Care Insurance Plan expenditures were estimated to be for the 1981-82 year, and I come up almost a million dollars short. I just wonder where that million dollars went, that is, about \$960,000?

Mr. Davie: (inaudible) I am saying that the amount be expended.

Mr. D. Graham: The amount expended or the amount estimated in the 1981-82 Estimates is \$3,700,000; yet, according to the statistics on page 93, the amount when multiplied out, the estimated number of expenditures, should be \$2,780,000.

Mr. Davie: In other words we have something, Mr. Graham, in terms of a million dollars short.

Mr. D. Graham: The numbers do not jibe; there is no way.

Mr. Davie: I think the fact is that the balance — and I think I mentioned this — of the cost to be paid is made up by monies received by the Territorial Government, through the established program financing.

Mr. D. Graham: I am taking the number of claims paid, multiplying it by the average cost per claim: that should come up with the total number of dollars but it does not.

Mr. Davie: Mr. R. Graham is saying that perhaps we will have to come back to you on this, if you do not mind, after the coffee break, which will give us an opportunity to examine these figures.

Mr. D. Graham: I would not even mind sitting down with you afterward and showing the calculations I went through. I even requested that the Auditor take a look at it and see if perhaps I was wrong in some area; we still cannot find where this extra \$960,000 is.

Mr. Chairman: To emphasize Mr. D. Graham's point, Mr. Davie, or to put it another way: the actual expenditures, as shown by the territorial accounts for 1980-81, are \$2,896,423, and yet, your estimate for the same item for the year following that goes to \$3,739,200. You would understand that, even with the most creative budgeting in the world, that seems to be a difference we cannot reconcile. Mr. Graham, did you figure it out in percentage terms?

Mr. D. Graham: Yes, it is \$960,000, which is almost a 30 percent increase in budget. I would not disagree with that, as long as the estimated number of claims paid, somehow agreed with the estimated number of claims being paid for those claims. They just do not agree.

Mr. Davie: We will come back with that after coffee.

Mr. D. Graham: Can you tell me why the information relating to the Yukon Hospital Insurance Plan and to Medicare was deleted from the 1980-81 Annual Report? In previous years, the Annual Report did contain a section dealing with the Health Insurance Plan in the Territory and then, in 1980-81, it was deleted.

Mr. Davie: Mr. Graham, I cannot tell you any particular reason; certainly, there was no intention to mislead or whatever. The Report has come out in a different form.

Mr. D. Graham: The reason I ask is that I think the general information is of value to the public; I think we all believe that. If possible, we would like to see it included in future Annual Reports.

Mr. Davie: No problem with that.

Mr. D. Graham: The cost of administering the Yukon Health Care Insurance Plan for 1980-81 was forecast as \$195,700. In the 1981-82 Main Estimates, on page 86, I believe, this amount excludes the related portion of general administration which should apply to the Yukon Health Care Insurance Plan of some \$162,700, with the premiums collected being in the neighborhood of \$1.3 million. The administrative costs for the Yukon Health Care Insurance Plan seem very high. I think they are in the area of 15 percent for direct costs, and, if you consider the portion of general administration as well, they are somewhere in the neighborhood of 22-and-a-half percent. Is that normal, or do you consider it high?

Mr. Davie: Again, a very difficult one to answer. I would consider, if I have to answer "is it normal or is it high?" that it is the amount that we have to pay, given the kind of system we have.

I referred to this yesterday: that one of the key things which has to be done in the administration of Health Services is to move as quickly as possible into the computerization of record-keeping and efficiency in terms of administration. At this point in time and for several years, the administration has been handled by manual methods. I myself have been in the office there and have seen literally bundles and bundles and bundles of documents gone through by hand. I think this is not a cost-effective way of working the operation. We have already received approval to begin to look at how we could computerize these records.

If the cost of the administration is high — and I am hedging my words here because I am not totally convinced that simply because you computerize you reduce the costs — I think maybe you make your administration more efficient, more responsive, more accurate. I guess what I am saying is that at this point in time these administrative costs may seem high, but they may remain at that level, because that may be the cost of administration of a complex health plan.

The reason I am saying that is that there are a lot more things you should do when you have more information. I have referred to some of them earlier. There should be a lot more inquiring as to why that kind of bill; what kind of procedures have taken place in the hospital area; why ten days of care as opposed to eight days of care. In order to do that you need the knowledge and the information and the expertise.

Mr. D. Graham: Do you know how those percentages compare to other jurisdictions, or have you ever done any comparisons?

Mr. Davie: I do not have a comparison of that with the other provinces.

Mr. D. Graham: Just out of curiosity for myself, has your Department investigated any other method of collecting health premiums?

Mr. Davie: Mr. Graham, the Department has investigated other methods of collecting health premiums, yes.

Mr. D. Graham: Would you mind sharing those with us, or is that information still confidential?

Mr. Davie: There are aspects of that information which may be confidential, inasmuch as if you continue to have health premiums, according to the present method and the present calculations of health premiums, then you can improve your method of collection, certainly. There are ways of dealing with health premiums other than the present method, and these other ways are things I do not want to get into, particularly, at this point.

It goes back to what I was saying. The improvement in collection will result from an improvement in the kind of administrative methods we use and the kind of follow-up we use. It really does boil down to computerization.

It is particularly important in Yukon, with its small popula-

tions, with transient populations, with new firms opening up, firms closing down, with people transferring within various small areas, that you have a tracking system which allows you to have control: a tracking system other than one based on the honour of the company to submit its list of employees and pay, or the honour of the individual, or the honour of the transient who may stay for four months and who, in that four months, should be paying premiums. You have to have a tracking system that is fairly sophisticated.

Mr. D. Graham: What system do you use now? Is it presently all manual?

Mr. Davie: Presently it is all manual, yes.

Mr. D. Graham: How exactly is it done?

Mr. Davie: The notices are sent to the individuals who are behind in premiums. There is a relationship between us and Corporate Affairs in terms of companies and employee lists and that kind of thing, letters are written. Most big companies, for example, like this Government, are fairly easy to operate with, because they deduct premiums at a salary level. It becomes more complicated when you get into the case of individuals, but these are the methods we use: the writing of letters, the following-up on default payments, and that kind of thing. It is a cumbersome procedure.

Mr. D. Graham: How do you do collections then, say on someone who has not paid his health premiums in a month, or two months, or six months? What system do you use?

Mr. Davie: It is done in two or three different ways. Because of the population size, et cetera, a lot of it is done at the personal follow-up level. The inspector, although we do not have an inspector at this point in time, would visit communities, would knock on doors, would see people, would write letters, would follow up. In terms of people who were delinquent, who could not be persuaded to pay their bill, then the Small Debts Court would be used to try and recover these funds.

Mr. D. Graham: Do you ever prosecute, for non-payment of health premiums?

Mr. Davie: That is an avenue we take from time to time. It is usually in Small Debts Court, in dealing with an individual who is not paying, or who has refused to pay, but usually we do not prosecute first off. We usually give people the opportunity to give an explanation as to why, and to pay. We use that kind of approach.

Frankly, that approach is an important one, because some people in fact have reasons for not having paid, and enter willingly into an agreement to pay back premiums.

Mr. D. Graham: How successful are you in actually collecting these back premiums?

Mr. Davie: I do not have the exact figures of exactly what is left over unpaid, but in an average year we are recovering from individuals something in excess of \$30,000.

We do have a feeling within the Department that there is several thousands of dollars which, if we had a more sophisticated system, we would be able to recover. We do not know that the individual is delinquent, or that the individual is in the Territory; therefore, we are unable to recover. In situations where we do know, I am told that we are pretty near the 100 percent mark on the recoveries. I am not so worried about that as I am about the ones about whom we do not know.

Mr. D. Graham: Do you have any idea how many you do not know about?

Mr. Davie: I asked that question, Mr. Graham, some months ago, and while the people within the Department were not able to give me as exact an answer as they might have liked, for the reasons that I have just described, the figure was estimated to be somewhere in the region of \$90,000.

Mr. D. Graham: \$90,000 a year. Do you consider that a major problem?

Mr. Davie: I consider the major problem to be that we do not for sure know.

Mr. D. Graham: There is evidently a question to ask which I did not. Do you have statistics which break down, by hospital, the information laid out on page 91 of the Estimates? We previously discussed breaking it down in terms of cost per bed-day, et cetera, but do you have those statistics by hospital throughout the Territory?

Mr. Davie: Mr. Graham, we are looking at two different things. I am looking at other information we have, which may not be reflected here.

Mr. D. Graham: We are talking about the Yukon Hospital Insurance, the statistics on the number of beds and the total days of care. Again, the total days of care are on a single number basis for the whole Territory, I suppose. If we can get that information we would appreciate it.

Mr. Davie: We do have a further breakdown than what you have there. Excuse me, are you saying that you would like it now, or are you making a suggestion for the future?

Mr. Chairman: If you could give it to us in document form, that would be fine.

Mr. Davie: Yes, fine.

I have just been informed by Mr. R. Graham that, if you move away from the Government Annual Report or the Main Estimates and look at the Yukon Health Annual Report for 1980-81, there is a further breakdown of these figures within that Annual Report.

Mr. Chairman: While Mr. Graham is looking at that, could I just go back and ask you a supplementary on the question he was asking about the Health Care Insurance Plan? Could you give me any idea, as of March 31, 1981, as to the number of unpaid accounts, and as to how many of these were current, 90-day, 180-day or a year old? We are talking again about a previous question, in terms of collections on Medicare.

Mr. Davie: We can try to find that out for you. I cannot give you a response at the moment.

Mr. Chairman: If you cannot give it to me in exactly those terms, then in some kind of terms which would give us some indication of your delinquency problem.

Mr. Davie: I can do that, Mr. Chairman.

Mr. Chairman: Before we move on, maybe I could just ask a couple of questions, Mr. Davie, which you may or may not be able to answer. You may have formally or otherwise been given notice of these questions, anyway, so you may be able to deal with them fairly readily.

I wanted to ask about the collection of health premiums; the amount of staff you may have, whether these are people in your office or if you have Consumer and Corporate Affairs doing some of that work; whether there has been, in addition to prosecutions of individuals, punitive action taken against companies for not registering with Medicare; or whether there has been any punitive action or prosecutions taking place against companies that have not deducted or remitted monies deducted at a given time.

That question is of particular interest, because we do have the phenomenon currently of companies trying to define, under Yukon law, all their employees as contractors, and that is proving to be a problem to the Compensation Board, I know.

I would also like to know whether your staff, or staff from another department in YTG, checks the payrolls of these companies in order to ensure that YTG is collecting health premiums. Could you give us some kind of idea about the problem of transient workers? We have all heard questions about people coming to work in the placer mines in the summer, and we would like to know whether they are unreliable; whether they pay Medicare premiums; whether Medicare benefits are available to them; and whether the kind of rules which apply are in line with the other provinces or whether we have bilateral or multilateral agreements which govern that kind of situation?

You may wish to answer those now, or, if you wanted, you could come back in with them.

Mr. Davie: I will try to answer some of them, starting at the end and working my way back, I think.

The transient situation can be a problem, in terms of knowing exactly who is here, and whether they pay premiums or whether they do not. I suspect — and I do not know the exact figures — that quite a number of transients do not pay premiums, because their stay in the Yukon is maybe three, four, five, six months. If they are insured in another province, then they are covered for the first three months. We have written agreements now, which we signed only in the last three or four months, with all provinces in Canada, as to reciprocal agreements covering the first three months.

I also know that a large number of these transients who may be here for more than three months, and who do not enroll, probably do not receive medical services either. So, it could be said that they are no particular cost to the system, but neither is the system receiving income from them.

For those who would receive medical care — and there are actually few — and who are not covered, then they would be billed as an individual and pursued for that money.

The other question, I think, was one of pursuing companies, and the enrolment of the staff. We have never prosecuted a company, to my knowledge; we have never pursued a company to the courts. We have dealt with it, again when we have known, at the level of writing or meeting with them.

Again, we have this problem of not always knowing. With the larger companies, basically there is no problem, with the ones that are well established, basically no problem, but, again, you have the Yukon phenomenon of businesses coming and businesses going, of sometimes having less than formal arrangements in hiring people. We do not have the capability to keep completely on top of that, although we have a relationship with Consumer and Corporate Affairs which I believe is a good one, and we are able to share our information.

I am trying to remember your questions, and if I missed any of them, let me know. You asked about the administration: the number of people involved and the cost. I would ask Mr. R. Graham if he would answer that, because he has some information about who works where, and whose work is divided.

Mr. R. Graham: We have a total of four staff involved in the registration function of the Yukon Health Care Insurance Plan, as well as the field inspector position, which is essentially responsible for monitoring the collection of those premiums. The actual administration costs for the 1980-81 year were \$195,000; that is the direct administration cost.

Mr. Chairman: You know, come spring, you get twenty or thirty new companies moving into the Klondike gold fields, that may not even have existed last year. How do you even know they are there, or how do you find out that they are there? How do you even establish whether or not there are some people who should be on Medicare, or that there are companies that should be remitting premiums?

Mr. Davie: We rely, almost totally, on the fact that they would be registered with Consumer and Corporate Affairs, and that we have an agreement to receive that information, and that we do. There is no particular problem with that.

Mr. Chairman: You will understand our concern, because so many people seem to refer to Medicare records as a data base, and obviously if we are missing those people that data is not very reliable.

Mr. Davie: That is one of the reasons why we did pursue the computerization of records and what not. We realize that the medical records have been used for many years as a data base, and we also can say that it is not a reliable data base, because of the missing information or the old information that may be within a manual system.

Mr. Chairman: You recognize, obviously, the problem of picking up new people. Is there a problem, in terms of carrying people in the Medicare records for some time after they may have left the Territory?

Mr. Davie: Yes, that can be a problem, as well.

Mr. Chairman: You are not wasting any money trying to prosecute people who have long ago moved to Pango Pango or somewhere?

Mr. Davie: We have, on occasion, pursued people who have not been here for quite some time. We know who is dead and we know who has been born, because we also manage Vital Statistics, but people who come and go, or leave, or leave for half the year or whatever, are quite difficult to trace.

I must not give the impression that everything will be resolved by computerization; I think it would be very foolish to do that. We have quite a transient population and small differences make a big difference to us.

Mr. Chairman: I would ask a question on efficiency, just from the point of view of delivering health services. I remember getting a frantic call, one afternoon, from a bank manager who was concerned because one of the employees had suddenly developed a medical problem and was not yet covered by Yukon Medicare as she had not been here the required time.

Mr. Davie: Three months.

Mr. Chairman: For some reason, I forget the circumstances, the jurisdiction that she had just left had already struck her off the records, so she was in limbo as it were, sort of in the great confederation mix-up. She was without medicare coverage for a period. Is that a common problem?

Mr. Davie: It is not a common problem, Mr. Chairman, although when it comes up, it is a particularly difficult one for the person who is labouring under it. But it is not a common one; there are not many people falling into that kind of category.

Much of that will be dealt with in view of the recent agreements we have signed with all the provinces. The problem will remain if somebody has been delinquent in their previous province of residence, but what it boils down to, and this is the philosophy of the Department, we would not stop medical treatment for somebody because there was some administrative hang-up somewhere that we did not understand at that point in time. We would be trying to pursue that, we would try to find out why and deal with the reasons.

That does not mean to say that at the end of the day the person who received the treatment would not be in a position of having to pay for it because, if they were delinquent in their previous province of residence, did not have enough time established here, then they would not be covered.

Mr. Chairman: The three months, is that standard?

Mr. Davie: Three months is now standard and has been for some time although the agreements were not signed throughout the country.

Mr. Chairman: Can we just ask you one quick question that arises out of a particular case that I had some involvement with and I know that your Department probably spent far too much time on it.

It may not be very typical but it is not uncommon in today's world for marriages to end and for courts to grant custody of the children and for the parents, subsequently, to live in different jurisdictions and thereby creating some kind of problem in terms of whether they are registered or not in Medicare.

I recall, in this particular case, that this person had filled out an adjustment card to add their children to their Medicare coverage but that, somehow, that thing had not been processed and there ended up being a two-year dispute about whether or not some medical bill they had incurred was going to be picked up by this jurisdiction or another jurisdiction; both of them were declining this privilege.

Is that kind of administrative thing still a problem?

Mr. Davie: Again, Mr. Chairman, these problems are not many. They are very small in number, but, again, when it does happen, it usually consumes a lot of time because there are many people involved and there is a lot of worrying and concern on behalf of the individuals. Fortunately, there are not many. Sometimes, when they crop up, they are extremely difficult to deal with because, according to our Ordinance, the one we work under, the person has to have paid the

premiums before we can pay the bill. If, for whatever reason, neglect, delinquency, lack of knowledge, they have not done that, then we are in a very difficult position because we cannot break our own law.

We try, actually, to be helpful to people in sorting out whatever mess they are in for whatever reasons.

Mr. Chairman: Would it be your view, in that you are developing precedence in that kind of experience, that this type of problem is becoming less frequent as the Medicare system matures?

Mr. Davie: Frankly, Mr. Chairman, I do not know about the number of incidences beyond the point when the health service and Human Resources were amalgamated.

Mr. Chairman: If nobody has anything on this point, then Mrs. McGuire has some questions about Child Welfare Services.

Pardon me, I have to be reminded because I have been enjoying myself here so much this morning. Why do we not take a ten minute coffee break and then begin with Child Welfare Services. Is that agreeable to you, Mrs. McGuire.

Mrs. McGuire: Certainly.

Mr. Chairman: O.K. Ten minutes. We stand in recess.

Recess

Mr. Chairman: The Committee will come to order.

I welcome our witnesses back and recognize Mrs. McGuire with some questions on Child Welfare Services.

Mr. Davie: Excuse me, before we get into that, would you want any of the answers from yesterday to be dealt with first?

Mr. Chairman: I wonder, Mr. Davie, if we could leave them for towards the end and see if we can cover some of the ground. My fear is that there is a lot of material we want to get through and if we do not move along we may not get it through. If necessary, if there is anything left over, we can put it in writing, perhaps.

Mrs. McGuire: I would like to refer the witness to page 75, Child Welfare Service, on the number of children in care at year-end and the number of cases opened, and the number of cases closed.

There appears to be an error in the 1981-82 figures, they do not reconcile. It deals with the 1981-82 children in care at the year-end and shows the figure of 140.

The number of children in-care in 1980-81 year-end was 135, the number of cases opened for the same year was 125, giving a total of 260; cases closed in 1981-82, 145. In our calculations it gives the number of in-care, 1981-82 year-end, of 115. Could you comment on that?

Mr. E. Graham: Just a quick look at the statistics, Mrs. McGuire, to run the calculation that you did, one would have to start with the year-end base for 1980-81. Now, the figure that is provided in the Main Estimates that are being referred to is a forecast figure. In other words, that 135 is a forecast figure. I do not have the exact figure in front of me; I can check it to ensure that our statistics as provided are accurate. Essentially, by utilizing cases at year-end 1980-81 and then adding cases open less cases closed, the result would be that figure of 140 provided for the 1981-82 estimate.

Mrs. McGuire: You have a forecast of 135, that is the year end 1980-81. So, if we add 125, number of cases opened, minus the 145 number of cases closed, we end up with 115, not 140 as reported, of children in care at year 1981-82.

Mr. Davie: I think I know this one. I happen to know that the figures of children in care are accurate. The reason why you do not get the number of children in care by deducting cases closed from cases opened or whatever the way you do it, is that that takes into account only cases opened and cases closed during that year; it does not take into account cases that remained open from the year before. It shows an activity, in other words, of opening and closing throughout the year.

Mrs. McGuire: Then the figure of 135 is just an activity figure, you are saying?

Mr. Davie: No, the figure which actually states the number of children in care will be accurate because that will reflect an actual count of children in care, but the openings and closings are merely a sign of activity within a fiscal year.

In other words, you could open 120 new cases in a fiscal year, you could close 120, but that does not mean to say that you have no children in care because it does not account for the fact that you had opened cases that remained opened cases from the year before.

Mrs. McGuire: Thank you Mr. Davie, I think we have it now. I will just go on and leave it at that.

There is no reference to the number of social workers and the number of cases handled during the year. This type of information would help to understand current workloads and the effect of projected changes in volumes. It could also help management in generally monitoring employment performance and if the Department is making progress in meeting its program objectives as stated on page 74. I think I will reserve comment on that from the witnesses at this time.

What is the average cost per resident day in group homes, foster homes and receiving homes? Would you have an idea of the average cost?

Mr. Davie: Mrs. McGuire, we know the average cost in all our facilities on a daily basis. It is not with us but we have these kinds of figures readily available.

Mrs. McGuire: That could be provided then? Could this information not be disclosed in the Estimates?

Mr. Davie: There is no reason why the information cannot be disclosed in the Estimates.

Even although you said you would forgive us answering your last question, maybe it would help to give a kind of response to it. We would be quite prepared to give the breakdown of caseloads and all the rest of it. It would mean extensively more tables because of the way the Department operates. As I mentioned to you before, very few people have a discrete caseload, which is only children care. The caseloads would be spread among field workers, who have generalized caseloads including a variety of things, and other staff, but we certainly have the figures. We are in no doubt at all in the Department as to what somebody carries in their caseload.

If it is a recommendation of the Committee that we give more extensive tables then we would very readily go along with that.

Mrs. McGuire: We realize that only YTG's Department of Human Resources has the authority to apprehend and place native children in foster homes and that native children are under the jurisdiction of the Department of Indian Affairs and therefore responsible for all costs incurred for an apprehended status native child. Could you tell us if the amount YTG receives from the Department of Indian Affairs for each child includes the cost or the expenses incurred from the time of apprehension, the time of in care and the time or cost of the placement in foster homes?

Mr. Davie: Yes, Mrs. McGuire, the recoveries received for status Indian children are 100 per cent.

The only aspect which is not factored out and which we have been discussing recently, and it is a hard one to do, is that aspect that could be attributed to prevention. That is, an activity is taking place, perhaps with family counselling or children involved in groups who are not necessarily wards, but there is a lot of activity taking place. That one is not factored out.

The things you mentioned, from the point of apprehension and in-care costs, foster care costs, service costs to these children is, and is 100 per cent recoverable.

Mrs. McGuire: So it would not include, say, the social worker's time in dealing with this child during the time of apprehension to placement?

Mr. Davie: Yes, it would include elements of that time, but the fact is that it is not included. We are hoping, and we have an agreement with Indian Affairs, that maybe, if we can arrive at a formula which we agree upon and makes sense in terms of prevention — In other words, the staff are involved in many

more families than there are children in care, working, hopefully, in preventive ways.

I think they have been. If you look at the figures of children in care over the past five years, there has been a substantial reduction. But, that activity is not factored out and charged back to Indian Affairs because the children are not in care, they have no status, they are not wards. The work is voluntary work, by agreement with parents or children.

Mrs. McGuire: Could you, when you bring back the figures on the average cost per child in group homes, foster homes and receiving homes, also bring back the figures on the average cost per child that YTG receives from the Department of Indian Affairs.

Mr. Davie: Yes, Mrs. McGuire.

Mr. Chairman: Mrs. McGuire, would you like to move right on into Residential Facilities and Rehabilitation Services.

Mrs. McGuire: In Rehabilitation Services, the 1981-82 Main Estimates report a number of statistics on page 85. Most of these statistics relate to volumes of cases which are very useful; however, statistics and information that would give better ideas of progress accomplished would be more useful in both measuring employment performances and progress towards the attainment of objectives.

For example, a relationship between number of input of cases and output of cases, where a solution has been found to a problem would help in judging progress beyond the fact that a certain number of cases had been processed.

There seems to be a relatively large number of inactive cases: 425 in 1980-81 and there is no figure for 1981-82. Do you systematically follow up on inactive cases?

Mr. Dudding: During the year 1980-81, when Vocational Rehabilitation Services came into the Department, Mrs. McGuire, one of the tasks that was undertaken was a major review of the filing system. We were similarly concerned by such a large number of inactive files. A detailed case-by-case study was done of those files, and some were files that were opened but were inactive for a period of years. On those cases where case plan and continuing services were provided, they were moved into the active open filing section; those where there had been no ongoing contact with the client were closed. In this way, that large backlog of open, yet inactive cases were closed or opened.

Mr. Chairman: How about residential facilities, then, Mrs. McGuire, do you have some questions on these?

Mrs. McGuire: Mr. Davie, the Wolf Creek Detention Centre has now been closed. We understand that the assets have been transferred to Government Services for, we assume, more efficient utilization. During 1980-81, the Detention Centre was responsible for a major government expenditure at very low occupancy rates. Could this be termed government waste?

Mr. Davie: Mrs. McGuire, I guess some people could determine it to be government waste, but I cannot make a judgment on that.

The facts are that, under the law, you have to have a detention facility for young people. The detention facility we had was Wolf Creek. That detention facility had, for whatever reason, come into disrepute; the courts were not using it, children were not being referred there. At times, there were as few as one or two children in that building, with a full complement of staff.

During that year, the problem really peaked. As I mentioned in the introduction, you picked a good year to examine us, it was the year for problems. The problem peaked, the Department finds itself in a very strange position, that under the law you have to provide a service, in order to maintain that service you need a certain staff ratio, the number of clients using the service do not in any way allow you to say that it is cost-effective.

That was the same year in which we introduced our plans and said that we have to move away from the building. We have to move away for a number of reasons. The facility was probably

in the wrong place; it is not close to schools; it is not close to other services or employment opportunities for those children who can have them; it is a difficult building to supervise; the number of staff required to supervise the building because of its planning, compared to the number of users is totally disproportionate. Therefore, we did develop the plan that we close the building for that purpose and that we open two new programs in the City of Whitehorse.

These programs are much smaller, with no staff cost saving at all because, in dividing staff members between two buildings, you still require the same number of people to operate in a shift system and keep within the labour laws, et cetera. However, we have moved into these buildings and we are finding that some of our feelings with Wolf Creek are being substantiated. Both buildings are operating at almost full capacity. I believe there is an occupancy rate of somewhere averaging 17 young people, between both buildings. We are having more success in making the kind of linkages with community programs and other services than we did have in the old building.

Mrs. McGuire: Is this system costing less?

Mr. Davie: The system is not costing less, Mrs. McGuire. We moved into the two buildings, I believe, in July of last year. We realized that we would have to keep the same staff complement for the reasons that I have already given. During the first year of operation, we have built in a very careful scrutiny of staff timetables, overtime requirements, number of children, thinking that perhaps lesser numbers of staff might be required. But, in fact, that is not the way it is working out because of the high usage of both houses.

Therefore, there is no particular saving, but there is certainly an argument, in terms of cost-effectiveness, that instead of having lows of two children and approximately 20 staff on a shift basis looking after them, we can now talk in figures of an average occupancy of something like 17.

Mrs. McGuire: Is the projected volume of occupancy lower or higher than the figures? Is it higher than the figures shown in the 1981-82 Main Estimates, which is on page 79?

Mr. Davie: Yes, Mrs. McGuire, you are quite right. We were in a really tough position when we are making these forecasts, because we were at a really low ebb, as I said, with almost no children in the Wolf Creek facility. Our forecasted average was projected at 12 and it is working out to be higher than that.

Mrs. McGuire: I will move on to Lodges. The Macaulay Lodge in Whitehorse and the McDonald Lodge in Dawson seem, on the surface, to be similar types of residences for the elderly, however, with a significantly different capacity.

Further analysis of the 1981-82 Main Estimates on page 79 revealed that an average operating cost per resident day is different, with McDonald being more than twice that of the Macaulay Lodge. I will just give a rundown on the figures. In the 1981-82 Estimates: McDonald, 105 resident days; Macaulay, 41, 1980-81 Estimates: McDonald, 100; Macaulay Lodge, 38, the 1979-80 actual: McDonald, 96; Macaulay Lodge, 31. Could you explain the difference there?

Mr. Davie: Yes, Mrs. McGuire, I think I can. First of all, the difference lies in the fact that, although we use the term "lodges" for both facilities, we are talking about very different kinds of operations, very different kinds of buildings. The phenomenon occurs when you have a higher per diem in terms of the fact that there are basic services that you have to provide which are common to both, for example, the cooking services, cleaning services, supervisory services.

At Macaulay Lodge, because it has the ability to have a higher occupancy, a simple way of doing it would be to use staffing establishments much more cost-effectively than, in fact, the smaller operation of McDonald Lodge. That is why you see these discrepancies.

I think the basic thing is that you are not comparing like things. They are very dissimilar programs, although they both

may be serving senior citizens in a residential capacity.

Mrs. McGuire: Is Macaulay Lodge also a nursing home?

Mr. Davie: The short answer is that Macaulay Lodge is not a nursing home in the pure definition of nursing home, but it does provide a greater variety of levels of care than does McDonald Lodge. If you want a very specific answer of the levels and whatnot and the differences, I would maybe ask Mr. Dudding to respond to that. He has the responsibility for aulay Lodge.

Mr. Dudding: The essential difference, Mrs. McGuire, is that at MacCauley Lodge you will find several different levels of care. You will find self-dependent care, which basically constitutes a senior citizen living in an apartment with support services; domiciliary care, which essentially constitutes a room and board type of service; and personal care.

Personal care relates particularly to your question around nursing home services. Personal care is the highest level of care below nursing home services. Essentially the difference is that those people in personal care cannot be totally bedridden. That is, that they must be ambulatory in some way, shape or form.

At McDonald Lodge, in Dawson, although in theory we have the same levels of care, in practice, domiciliary care is the form of care which is provided there. As well, at this moment, there may be perhaps two people, who are in the self-dependent form of care. There are no personal care clients at McDonald Lodge currently.

Mr. Chairman: Has there been any need identified for a nursing home, as such?

Mr. Dudding: That is one of the things which is currently being reviewed by myself, my colleague in Health Services Branch and the Medical Services Branch.

Mr. Chairman: At what point do you think you will come to a conclusion on the question, Mr. Dudding?

Mr. Dudding: To be quite honest with you, at this point, Mr. Penikett, I am not sure I could answer that.

Mr. Davie: The Department is actually saying to Medical Services Branch that we feel that we want more information from them that there is a need for another level of care within the Yukon. I think that why we are saying that it has not been concluded yet is that we ourselves do not know for sure, because we require a lot more information as to how that need should be met. It can be met in a variety of ways.

The old thing that we are often accused of here, is that we do not want to just borrow the southern model and say "we'll have a nursing home, we'll have this, we'll have that and the next thing." We want to look at how best we could provide a model in Yukon which would maybe be more flexible than something to be found elsewhere and help provide that other level of care which is required.

Mr. Chairman: I have a question on the two lodges and would ask you whether or not it would be appropriate to disclose in the Estimates the nature of the activity in each lodge, particularly since it differs.

Mr. Davie: I feel, as a principle, to disclose any activity makes sense. We do run into a little problems in explanations. For example, it is very difficult to put in a succinct form the fact that you have a very close relationship with the public health nurse in Dawson, that a nurse from the hospital comes over for coffee in the morning to McDonald Lodge and if you have a older person in the Lodge who requires some special care there are all kinds of informal agreements, and that the staff visit some people in their own homes and help prepare meals or make beds. That is very difficult to get in because you cannot say you have an established program. But, you do these things because of the nature of the community. We would give any information we could.

Mrs. McGuire: Have you had any problems with overflow of clientele, that there is no room for placement? Have you had that sort of problem in the past or now?

Mr. Davie: The answer to that is that I think we are

reaching a point now where we have no significant problems, but we are seeing certain categories of care, for example in Macaulay Lodge, which are becoming fuller than they have in the past.

I believe that is a reflection, maybe of the aging population and people staying. We, as a Department, feel that people are staying in Yukon who maybe did not used to stay. It is not a problem today, but it is something that we are becoming very much aware of.

In the past, we have had a placement committee which operates for McDonald and Macaulay and they very carefully go through applications. No one, to my knowledge, and I will ask Mr. Dudding to confirm that, has been turned down for lack of space, but it is certainly something that we are having to look at in the future. I do not think we will be talking about building other lodges. It will not be that. It may be changes within the program to accomodate different levels of care. Would that be accurate, Mr. Dudding.

Mr. Dudding: Yes, I think that is accurate. We have a waiting list of only one person. That person is currently being cared for in our other lodge program but would be more appropriately housed in Whitehorse.

Mr. Chairman: Mr. Davie, I have three quick questions that I want to ask you in respect to two different subjects.

The Main Estimates, page 94 and 95, deal with Disease Control and Mental Health Services. I just wanted to ask you, in respect to those items, about your statistics related to the number of examinations performed and the number of cases treated, if you have those statistics, and whether you utilize those volume statistics to compare caseload levels. I would then ask if you attempt to optimize utilization of the personnel for these programs on the basis of that data, primitive as it might be.

Mr. Davie: We do not lack statistics, they may not always be shown in certain reports, but we do have information.

What we do lack, and I will deal with Mental Health Services, is that we do not plan the programs related to Mental Health Services. It goes back to the discussion we had earlier about our involvement in planning the provision of Health Services.

I do not think I can isolate either Disease Control or Mental Health Services from that total picture, especially when one considers that one is working in times of restraint. If, for example, one were asked to expand Mental Health Service, okay we use statistics, but you have to plan that expansion in terms of what other programs you might curtail, or what other programs you might think were a lesser priority.

That is where our basic weakness lies, in terms of co-operative planning, that we do not have the arena within which to do that. Frankly, although I say that we have statistics, we do not always have the information and the way we would want to have it in order to have careful planning in these areas.

I do not know if I am answering your question but, if not, I can try again.

Mr. Chairman: I am sure you are answering it perfectly well, whether I understand it is another problem, but it is probably not you.

Let me go back to a couple of quick questions before I ask you to provide the answers to questions of which you have been given notice. When were talking about General Health, way back whenever it was, we were talking about the 1981-82 Estimates on page 89, where they indicate the number of health centres and the number of health stations. Do you keep statistics regarding such information as the number of cases by centre and by station? Do you have a breakdown that way?

Mr. Davie: Again, I think I mentioned this earlier, we do not reflect that in any of our reports but we can get the statistics of patient days, this kind of thing.

Mr. Chairman: You have that tool, you certainly have that kind of information.

Mr. Davie: We have that information, we do get it, yes.

Mr. Chairman: Let me, rather than pursuing another mat-

ter right now, ask you if you might give us answers to some of the questions of which you were given notice, Mr. Davie. Could you do that now?

Mr. Davie: I think I have two people to give the answers. Mr. Dudding has some responses from yesterday, written in memo form, and Mr. Graham has a verbal response to some questions.

Mr. Chairman: We will table the written answers with the Clerk and then the verbal ones we could hear right now.

Mr. E. Graham: I believe there were three questions outstanding yesterday, two of which have been addressed in Mr. Dudding's memorandum, leaving the third question which related to the caseload statistics for Dawson City.

As of March 31st, the caseload carried by the Dawson City area office totalled 65. I can provide a further breakdown by category, if you so wish, by social assistance, foster home, adoption home, et cetera.

Mr. Chairman: Does anyone wish that further clarification?

Mr. Davie: Mr. Chairman, the other two basically referred to social assistance questions and they are responded to in the memo which has just been tabled.

Mr. Chairman: You said you would undertake to get some information today which you will be getting back to us on.

Let me just ask you one quick question. On page 94 of the Estimates, Department of Health and Human Resources, under Disease Control, the total expenditures of this is listed as \$224,600. Then there is an item above that, which says "Other", in terms of the allotments, is \$212,800. Can you give some indication and elaborate a little on what "Other" refers to there?

Mr. Davie: I cannot, frankly, off the top of my head. I will ask Mr. Graham if he can. If not, it may be another one that we will have to reflect on and give you a response in the morning.

Mr. Chairman: Just for the terms of information, "Other" is a bit too succinct for my tastes. We will take that as notice then, Mr. Davie.

Now, let me try and explain what I would hope to do tomorrow, before we adjourn. I have before me quite a long list of short subjects which arose out of evidence you have already given and which various members of the committee wish to pursue. I cannot give you any idea of where we are going to go tomorrow, but I would hope that you could be with us at least until 11:00 to follow up any of those details.

I think Mr. Graham has a question that we may not be able to find time to get to in the formal hearings and I would hope that we would be able to communicate to you in writing and accept your undertaking, if you are prepared to give it, to get back to us as soon as you can so that we can write our Report before the Session.

Mr. Davie: I have just been informed that we have an answer to the question on the Disease Control which we might as well deal with.

Mr. E. Graham: If I understand your question correctly, the "Other" in our 1980-81 Estimates amounted to \$171,000. Is that what you are questioning?

Mr. Chairman: My question is in the 1981-82 Estimates, where I see an item which says "Other", \$212,800 and, then following across the line is \$202,000 for the 1980-81 forecast, et cetera, et cetera.

Mr. E. Graham: Yes, Mr. Chairman, I do not have the specific information in front of me for the 1981-82 year, but what that "Other" constitutes is four categories. One is the Venereal Disease Control, the other is Tuberculosis, the is third Cancer Control, and the last is Communicable Disease Control.

Mr. Chairman: The transfer payments of 11.8 is some kind of transfer you make?

Mr. E. Graham: The transfer payments are payments to the individuals suffering from these particular diseases for reimbursement of expenditures, such as transportation out of the Territory to a centre in B.C. or Alberta for treatment, et

cetera.

Mr. Chairman: I understand, also, that you had undertaken Mr. Davie, to give some kind of commitment to Mrs. McGuire in terms of the Community Alcohol Worker Program. There were a number of questions where I am sure, if you examined the record, you will see that you made a commitment in that regard, too. That is just a reminder.

Mr. Davie: O.K.

Mr. Chairman: Having said that, the Committee will now adjourn into Executive Session.

Thank you, Mr. Davie, Mr. Graham, Mr. Dudding. Thank you, Members of the Committee.

The Committee adjourned at 11:30 a.m.





The Dukon Legislative Assembly

Issue No. 8 (Third Sitting)

24th Legislature

PUBLIC ACCOUNTS COMMITTEE

Formal Hearings: Evidence

Friday, January 29, 1982
9:30 a.m.

Chairman: Tony Penikett, M.L.A.

Standing Committee on Public Accounts

Chairman: Tony Penikett, M.L.A.

Vice-Chairman: Peter Hanson, M.L.A.

Members: Al Falle, M.L.A.

Doug Graham, M.L.A.

Alice McGuire, M.L.A.

Missy Follwell

Clerk to Committee

Expert Advisor from the Office of the Auditor General:

Harold Hayes, Principal

Witnesses:

Department of Health and Human Resources

Mr. Jim Davie, Deputy Minister

Mr. Roger Graham, Departmental Administrator

Mr. Peter Dudding, Regional Manager, Whitehorse

Internal Audit

Mr. Ken Sherwood, Director of Internal Audit

EVIDENCE

Friday, January 29th — 9:30 a.m.

Mr. Chairman: Meeting Number 8, Third Sitting of the Formal Hearing of the Standing Committee of Public Accounts, will now come to order. We welcome back with us this morning, again, Mr. Jim Davie, Mr. Roger Graham, and Mr. Peter Dudding, of the Department of Health and Human Resources.

What we hoped to do this morning, Mr. Davie, was wrap up some loose ends, pursue some small, leftover questions that members may have, until about 11 o'clock, at which point we would hope to bid you a farewell, for this year, anyway. I would emphasize, again, that if upon reflection we discover there are some other minor items we wish to pursue in writing, we will communicate with you through the Clerk.

Let me ask you before we begin this morning if you now have any replies to questions to which you were given notice yesterday?

Mr. Davie: Yes, I believe we have replies to all the questions. I hope we have not missed any. I am going to ask Mr. Graham to give some replies to some of the financial statistical questions, but, first, I would start off by dealing with Mrs. McGuire's business with the community alcohol workers.

I think I owe you an apology, Mrs. McGuire, because I think you were probably reading out the right figures, and I was hearing it in a different kind of way. My misinterpretation was that I thought you were talking about hours in a year: but you were not, you were talking about hours in a week. You are quite right that additional contracts will be issued. Some are already being worked on and some have been issued, but during this three months, they will be issued for community alcohol workers in Dawson City, Burwash Landing, and Beaver Creek for 30 hours a week; in Whitehorse for 35.5 hours; and in Haines Junction for 20 hours.

Existing contracts, which are presently at the 15-hour level in Faro, Watson Lake, and Upper Liard, will be increased to 37.5 hours; in Ross River, Carmacks, and Mayo to 30 hours; in Old Crow to 25 hours; and in Carcross and Teslin to 20 hours.

As you will imagine, some of the conclusions around how many hours might be needed in a community did not, perhaps, have the best scientific evidence to know that the community needed 35 as opposed to 25, or whatever the difference might be. As a Department, we feel that within the total of these hours, if, in our experience, one community needs more and another community needs less, or if the need in the community changes at some point, we have that administrative ability to be able to make a change.

In order to emphasize that this is more than an addition of hours to alcohol programs, it should be realized that we will also be including these individuals—the community alcohol workers—as a part of the local helping team, working with the social workers and whomever else in the community happens to be in that field.

We will be introducing training packages, which we have already worked out. We have them established, but they have never been introduced to staff. We will be introducing them sometime in February, since the Director of Field Services we hired hopefully will be beginning work on Monday of next week. You will then see, not only additional hours for community alcohol workers, but also training packages. These training packages will not be solely for social workers in the community, but in most communities we will try to open these up to other interested people, which could be the R.C.M.P., the local school teacher, the public health nurse.

Mr. Chairman: What I will do, Mr. Davie, is invite you to follow up on all the questions and all the answers that you have ready for us and then we will come back with our accumulated questions.

Mr. Davie: Fine. In that case, I will ask Mr. Graham to continue.

Mr. R. Graham: We were asked for an aging list on outstanding accounts for Yukon Health Care Insurance premiums, as of the fiscal year-end 1980-81. Unfortunately, we are unable to provide an aging list; however, the dollar amount of outstanding accounts was approximately \$110,000, as of that point.

Mr. Chairman: You say you were not able to give that; is it because you do not keep an aging list, or that you do not keep the records in that form?

Mr. R. Graham: It is partially both those reasons, Mr. Chairman. We do not keep an aging list, and it is difficult to keep it in that form.

What we are faced with—even to get the figure that you had requested of us was quite a major operation, because these accounts are manually maintained in a total of 46 ledgers, each ledger containing several hundred ledger sheets for individual clients. It is a case of, every time a payment comes in, locating this particular client's registry sheet, ledger sheet, entering the amount in, and going through the same process at year-end: going through each of the ledgers, each of the individual sheets to pull out those outstanding dollar amounts, and billing.

Mr. Chairman: Would you even venture a guess as to what portion of that \$110,000 was bad debts?

Mr. R. Graham: It is just a guess, but I would hazard in the order of 30 to 40 percent.

I have a number of questions here to reply to; they may not be in any necessary order. I believe Mrs. McGuire asked the question about some costs relative to the Child Welfare area, specifically the average cost, per Indian status child, recovered from the Department of Indian and Northern Affairs. That cost is \$13,230: that is the average that is recovered per child from Indian and Northern Affairs, for services provided on behalf of those children.

We were also asked the average per diem rate per child in foster homes, group homes, et cetera, and perhaps I could address the foster homes first. We have three categories within our foster home rates, those being: for children between the ages of zero and five years, \$6.80 per day; for children between the ages of six and twelve years, \$7.25 per day; and for children between the ages of 13 to 18 years, \$8.95 per day.

With respect to the average cost of group homes and facilities, I can quote out a number of our outside facilities, and provide the per diem rates that we have paid against those facilities for children placed in them. As an example, the B.C. Foster Home has a per diem rate of \$6.89; Children's Aid Society of Ontario, \$4.35; Camp Kluane, \$53 per day; and Rancheria, \$56.96; Russell Sam Wilderness Program, \$61.62.

The remainder are our own facilities operated within the Yukon: Liard Street Group Home, \$53.62; Lowe Street Group Home, \$30.06; Klondike Group Home, \$41.97; Watson Lake Group Home, \$51.74; Villa Madonna, \$43.92; and our Receiving and Assessment Home, \$68.76.

I might just mention that those average per diem costs per child are based upon the total operational costs of the centres for the fiscal year, as compared to the total occupancy days for the fiscal year, which would account for some of the variances ranging from \$43.00 to \$60.00, et cetera.

My last response is with respect to the discrepancy in the figures for the Yukon Health Care Insurance Plan. For that I would like to thank the Committee for pointing it out to us; because it is just that, a very major discrepancy. Upon looking into it, it is apparent that the average cost per claim that we have quoted in the 1981-82 Estimates for in-Territory and out-of-Territory are grossly understated.

The primary reasoning why this occurred—and I am not offering excuses—is that the Main Estimate figure, \$3,739,000, was developed on the basis of historical information. At the same time, we attempted to take into account increases that

would be occurring as a result of fee schedule negotiations with the Yukon Medical Association.

Unfortunately, when we developed the Main Estimate figure, at the time of providing these to the Department of Finance, we did not make the necessary adjustment in our in-Territory and out-of-Territory claims; therefore, the inaccurate figure is being reflected. The figures that should be in the Main Estimate are Average Cost Per Claim in-Territory, \$35.38, and for out-of-Territory, \$58.93. The Average Total Claims, of \$37.64, which is reflected in the Estimates, is an accurate figure, as are the Number of Claims Paid for in-Territory and out-of-Territory.

Mr. Chairman: Mr. Graham, unfortunately, had child care problems this morning, so he could not be with us. I know that he would have liked to have pursued that matter; he may be here later and may yet have an opportunity.

Let me, instead, move back to a question that we spent a brief time on yesterday, which is senior citizens' lodges. Mr. Hanson has declared his interest in the question and has some pertinent inquiries.

Mr. Hanson: As you know, in our position we get a number of complaints about different things, and I have received about three complaints about Macaulay Lodge. All I want to know is whether the Lodge does handle chronically sick people? It does?

Mr. Davie: I am sorry. You cannot answer that by saying they do, Mr. Hanson. The fact is that they do not have a level of chronic care in Macaulay Lodge. But then you have to get into what do you really mean by that?

What we really mean by that is that the Lodge will be flexible as much as possible to keep people there, as opposed to having them be admitted to hospital or moved somewhere else for treatment. In that respect, that Lodge is probably more flexible than any you will find in Canada, where they work mainly according to health criteria which describes a level of care: when you are no longer in that level of care, you have moved into another one. We work on the principle, Mr. Hanson, that of being able to provide the psychological and social comforts, the daily needs of the individual — at certain ages, sometimes that is more important than advanced medical care.

But, we have to take the advice of the medical people at certain times, and when that advice says that the person, for the sake of his health or his life, has to be admitted to hospital, then that is what happens. Mr. Dudding supervises the Macaulay Lodge operation and he may have something to add to that.

Mr. Dudding: I think the only point of clarification to be made is that all admissions to the Lodge program are made via the Senior's Placement Committee, which includes the Chairperson, who is a representative of the senior citizens' community, the Chief Medical Officer of Health for the Territory, the two Lodge supervisors, and myself.

Mr. Hanson: The case that was brought to my attention, by three different individuals working in there now, is one of a client with tuberculosis, who is also an alcoholic. His booze is delivered to him right at the Lodge, which makes a miserable night for other people when he is into the sauce. So, they take him back over to Detox and dry him out, then bring him back again. It is good business for the bootleggers and the taxis, but I was just wondering what your feelings were about the other people that are staying in the Lodge?

Mr. Dudding: The question of alcohol in the Lodges is always, at best, a controversial one. Without getting into the specific case that you have cited, let me try and approach the problem in the area of alcohol consumption this way. The use of alcohol in a responsible manner is permitted within the Lodge program. It is their home, and that, of course, is something that residents, as a rule, will be allowed to do.

However, there are cases, and exceptional cases like the one you cited, where alcohol abuse becomes a particular problem

with a resident. What we will do in that case is try to handle it in the most responsible manner, in terms of working with that person: looking at the alcohol abuse consumption problem and trying to eliminate it.

Mr. Hanson: The other case that I heard about is of rather a violent case, one where a client has been known to assault some of the staff there. He has caused a number of bruising, but not much can be done about it.

Mr. Dudding: That, again, is a rather difficult kind of issue. If I could just respond to that in general terms, as Mr. Davie was pointing out earlier, the approach of the Lodge is to try and be as flexible in meeting needs as possible. However, there does come a point in time, sometimes, when those needs are above and beyond our capacity. Solutions, for example, such as "psycho-geriatric settings" are in our mind a last resort, and therefore, with the particular resident you have cited, we try and look at every other remedy, other than having to send that person outside to a more intensive or more structured setting.

Mr. Chairman: Mrs. McGuire has some further questions on Alcohol and Drug Services.

Mrs. McGuire: I posed a question before, on the Community Alcohol Worker Program. Is this program an experimental project, or is it a program that is a carry-on from a previous year?

Mr. Davie: Mrs. McGuire, it is an established program that has existed for a few years now. It is an established program with which you are always experimenting, mark you, because the people who are hired into the Community Alcohol Worker positions are basically untrained people. They are hired because they are local people in the community who might be accepted better than somebody that you bring in from outside, even with particular qualifications. So to a degree you could say that it is experimental, but, in the true sense, it is an established program which has been in existence for a few years now, and it is a program with which we have developed a fair bit of knowledge, in terms of the best way to deliver it, the best way to give support to the workers, and the kind of training things that they need on the job to do the job effectively.

Mrs. McGuire: Of the 14 communities, how many new workers will you be hiring for this program?

Mr. Davie: Five new workers will be hired for Dawson City, Burwash Landing, Beaver Creek, Whitehorse, and Haines Junction, which will be additional contracts. In the other towns that I mentioned, the contracts exist but they are being expanded.

Mrs. McGuire: Ten workers have already been hired and established in previous years then?

Mr. Davie: There were ten positions, yes, ten contracts filled in previous years. At certain times they have been vacant, as people left, and then we have re-negotiated with somebody else. They have been in existence — I am just trying to remember — from before the transfer of Alcohol and Drugs to Human Resources, anyway. Perhaps a couple of years before that, the Community Alcohol Workers were in existence.

Mrs. McGuire: Does your Department have a Drug Prevention Program in place?

Mr. Davie: Mrs. McGuire, that is an area where we are much weaker than we are in the alcohol area. The emphasis has been alcohol in the past few years, and in a sense, alcohol and drug has been a misnomer; but, in this past year, we have begun to develop a drug program, particularly with young people. It is a program that is more evident in Whitehorse, today, than it is in the outlying communities, but it is the direction of the Department that that is a program we should be expanding, and, most certainly, drug prevention will be part of the training of the Community Addiction Workers.

Notice that I use that term. I have slipped into the habit of calling them Community Alcohol Workers, myself. The term is actually Community Addiction Workers, so that it covers a wider range of things.

Mr. Chairman: Before we go to Mr. Falle for a question, I have another question about numbers.

Since Mr. Doug Graham is here, I wonder if Mr. Roger Graham might, in a moment, precis your previous answer concerning the Estimates question from yesterday, since Mr. Graham may have a follow-up?

I would ask you to take a look at page 75 of the Main Estimates for the year that we are looking at. My question arises out of the previous discussion we had, concerning the discrepancy of the number of children in care. In 1981-82, the number of children in care at the beginning of the year was 135, and the number of cases opened was 125, which gives us a total of 260.

The number of cases closed was 145, for a total of 115, but what is disclosed in the Estimates is 140. There seems to be a discrepancy there of 25.

Mr. Davis: I tried to deal with that yesterday; in order to check out my response, I spoke to the Director of Child Welfare, later in the afternoon. The facts are that the figure for children in care at year end is totally accurate: that is the case count of children in care at year end.

We are going to have to find a different way of reporting cases closed and cases opened. The reason that, when you deduct one from the other you come up with a different kind of figure, is that it is really a report of activity that has happened in opening and closing of cases. What it does not deal with, what it does not tell you, is that some cases remained open from the year before. Therefore, you do not, by deducting one from the other, get an actual number of the children in care.

Mr. Chairman: I heard you yesterday, and understood the reasoning. The further confusion was that, when one took a look at the 1980-81 figure, the numbers did add up, so it was a problem of you talking about apples and oranges. However, with your undertaking to look for a better way of reporting it, I think it would be easier to understand.

Mr. Davis: I am sure we have to, but you can take it for certain that the actual figure of children in care at year end is totally accurate.

Mr. Chairman: Let me ask Mr. Roger Graham if he would just like to precis his previous answer, for Mr. Douglas Graham.

Mr. R. Graham: Mr. Graham, as I mentioned to the Committee, thank you for pointing out the discrepancy, because that is just what it was: a discrepancy. It did give us some problems in trying to determine where we had gone wrong ourselves.

Essentially, the figures that are reflected inaccurately in these Estimates are the average cost per claim, be it the in-Territory or the out-of-Territory. Whereas we have shown the average cost per claim in-Territory as being \$26.00, that should in fact be \$35.38. With respect to the out-of-Territory, that should be \$58.93.

Just to quickly go over what we think was the reason behind this error's occurring: at the time of doing the Main Estimate exercise we were also gearing up for the process of negotiations with the Yukon Medical Association for the fee schedule. So, in putting forward the Main Estimate figure, we had built into that figure a percentage increase that we felt we would be able to negotiate with the Medical Association. Unfortunately, we did not go back at that time and re-calculate the in-Territory average costs. So, what you got was average cost figure based upon some historical data — with no consideration given to the actual Main Estimate figure and the increases that would be resulting through fee schedule negotiation.

Mr. D. Graham: I would assume that now the figures add up properly with those numbers?

Mr. R. Graham: Yes.

Mr. Falle: I think I will direct this question to Mr. R. Graham since he seems to be the figure man. Have you ever put a dollar sign on the rehabilitation of the average alcoholic client?

Mr. R. Graham: No, we have not attempted to do that. Part of the problem there is in attempting to pin down the services that are provided to the average alcohol client. That client may be going through Detox, he may go from there into some counselling sessions or treatment with the Alcohol and Drug staff and, perhaps, ultimately into the Crossroads program.

In an area such as Crossroads, with its fixed per diem rate that we would perhaps be paying on behalf of a client, this could easily be identified. However, some of the other aspects: counsellors' time, in terms of treatment; time spent in Detox, in terms of recovery units; time spent with clients, et cetera, et cetera, are very difficult — not impossible, but very difficult to pull out. So, no, I cannot say that we do have that figure.

Mr. Falle: I do hope that you can appreciate my problem, as a politician trying to explain something to a constituent.

This question has come up time and time again, and I have not been able to answer it with any accuracy at all, not even a guess. I have gone through the Budget to try to pull out some figures, and it does seem to be a question that is quite basic, I think. I keep telling them, "Well, one fellow may stay drunk a month and the other may stay drunk a week or whatever; everybody is different."

The question that keeps coming up is that there must be a summary somewhere including from the time of entry to the time of release, and whether or not that person comes back again. I guess when he comes back he is another case. Just one person going through our system, like you mentioned, from Detox on through the system; if he comes back again, well, that is strike one for that guy and he is going again. I would like to get that figure, even it is not accurate to the penny, within some range.

Mr. Davis: If it would help you to answer the questions put to you by your constituents, we can give you the average cost for treatment at Crossroads. We could give you the average, as we did for children's institutions, for the per diem at a place like Detox. We could give you the average cost, worked out around counsellors' caseloads, this kind of thing.

It is when you ask the average cost for the average client and you begin to try and fractionate it, well, if a guy goes through five or six different services, how do you arrive at that? That is the difficult one, but, if ever you need that kind of information, we could make it readily available to you.

Mr. Falle: I would like to have the average client case load for the social program in Dawson City, too. You can give it to me in writing.

Mr. Davis: I understand that we gave the average case load figures for Dawson yesterday.

Mr. Chairman: Mrs. McGuire, I think you had a question about the group home costs, and the handling of complaints by the social worker.

Mrs. McGuire: Yes. I would like to ask the witnesses, and I have asked this question before, how does the Department handle complaints about a particular client's allegedly misusing Social Assistance funds? Perhaps, I should give an example of what I am talking about.

I know of this particular case, happening in a particular community, where there is a couple with two children who draw Social Assistance to survive. Social Assistance pays for their food and pays for their rent. It is quite noticeable throughout the community, by the social worker and by the people, that the couple spends a great amount of their time in bars drinking. We all know of course, that they are using Social Assistance funds to buy their liquor.

Now, the social worker herself has the problem of — how do you deal with this? The children at home are cared for: not very well, but they are cared for. They have food, such as it is, they have clothing, they have babysitters. So, her hands are tied, as far as removing the children from that home. If she decides to withdraw Social Assistance, she knows that then the children will suffer. The couple continues to drink, even though they have been offered counselling and other forms of help in

trying to get them out of the bars. They know that they have the social worker over a barrel. So they just continue this on and on; it goes on for months.

They have a social worker who is wringing her hands saying, "What do I do with this?" She has community people down her neck because they think she is not doing anything about it. So, that is why I am posing the question of how the Department would handle that sort of thing?

Mr. Davis: I will try if you like, Mrs. McGuire, to answer this in two ways. One, you started off by asking, how do we handle complaints. The practice of the Department is, first of all, that we should handle complaints. If the complaint comes from an individual or a group and we know who the individual or the group is, we try to handle it at the most personal level that we can. We talk directly with the individual, meet with the individual, and go over the problem. That is not possible by telephoning or by writing; the emphasis and the message given to staff is, try to handle it at a personal level. Try not to send a bureaucratic letter or that kind of thing, try to approach it honestly, listen to the person when you investigate the thing, and always investigate it; do not take for granted that the complaint is right or wrong. When you investigate it, let the people know the results of the investigation, and what you have done and what you intend to do to remedy it if you do find that the problem exists. That is the general practice that I hope occurs 100 per cent of the time within the Department.

It is awfully difficult to talk here about the case that you have mentioned. You have given a beautiful illustration of the kinds of paradoxical situations that staff find themselves in. On the one hand, if you do not give the assistance, you will cause trouble and harm for the children within the family. If you do give it, you are contributing, to some degree, to the drinking pattern. The truth is that I do not know how to say whether the action is right or wrong, at this point in time, except that it would be the worker's obligation to try to deal with all aspects of the problem.

It is quite true that we will not remove children from people just because they drink. That factor alone would not be enough. If the couple you mentioned are having their kids cared for to an adequate standard, we, in terms of the philosophy under which we work, would feel that, though there is a problem there, it is still important that the children remain with the family, as opposed to being removed.

But neither should we be neglecting the fact that people are using public funds to drink. We would also expect that other agencies deal with things. We would expect, for example, that the owner of the bar where they drink would try to see that they do not become drunk in that place, because there are laws that say that you should not. There are laws that say that, at a certain point, somebody can be cut off by the owner of the bar.

We would also think that the effort towards that family should be a concerted one: that the key community people should know what they are going to do about certain things. The R.C.M.P. should know what they do, if the couple goes over the score. The teacher should know what to do, if the children appear neglected. We expect our social worker would co-ordinate that activity and help instill a community knowledge among key people about how to handle the total problem.

Excuse me if I am rambling a bit, but it is difficult, in a case like that, just to be too precise.

Mr. Chairman: The prime focus on the issue of this hypothetical question, it seems to me, is that perhaps it is not so hypothetical; however, we will treat it as such. In a case such as the one that Mrs. McGuire cited, does the social worker have the authority to make abstinence a condition of continued Social Assistance for the parents of that family?

Mr. Davis: I could answer that and say, yes, you could set up a situation where abstinence is a necessary requirement for you to receive Social Assistance. The problem then becomes, how do you monitor that? Does that mean you cut them off if somebody sees them having a drink? If you cut them off when

they are seen having a drink, does that mean you take their children into care? The answer, Mr. Penikett, is yes, you could make it a condition.

Mr. Chairman: Could I ask you to deal with another type of hypothetical case concerning the administration of social welfare? I want to emphasize two things when asking the questions: that this is not a hypothetical case but nor does it involve your Department; I only want to understand something about the practices.

A young single parent approaches the Department for Social Assistance. Is it the practice of the case worker or of the person taking the application to inquire as to whether or not that single parent might be in a common-law situation?

Mr. Dudding: Yes, it would be.

Mr. Chairman: And if she were, if I understand what you said yesterday, that might affect her eligibility for Social Assistance.

Mr. Dudding: Yes it would.

Mr. Chairman: It might, or it almost certainly would?

Mr. Dudding: It certainly would.

Mr. Chairman: Is it automatically the practice of your Department to define the male person of such a hypothetical household as the head of household?

Mr. Dudding: That is correct.

Mr. Chairman: What is the reason for defining, automatically, the male in that category?

Mr. Dudding: It is found within the regulations, where it is defined as that, Mr. Penikett.

Mr. Chairman: So we have a somewhat archaic regulation in that respect?

Mr. Dudding: We have a regulation, yes.

Mr. Chairman: I tried to give you an example in which, from my point of view, clearly the head of household was the woman who was the single parent.

Let me then ask: having made an inquiry as to the social or home situation and with the claimant's emphasis that she was not in a common-law relationship, what investigation might ensue, to either establish or confirm the facts?

Mr. Dudding: Let me just be sure I understand your question correctly. The single parent comes into the Department and says that she is not in a common-law relationship; how do we confirm that fact.

The first way that we confirm that fact, of course, is that she is making a statutory declaration to that effect, under penalty of law if she lies. The second way that we look at that situation is that we often do and will do home visits to people. It is most routine, I might mention, that those visits are predictable and pre-planned. In some circumstances, though, where we do have suspicions about the accuracy of the information, there may be a surprise visit.

Mr. Chairman: If you received perhaps even an anonymous complaint, that the single parent in question — and it might be a malicious complaint — was living with some person other than who she claimed she was, would it be the practice of your offices to attempt to confirm her present living situation by means of the landlord or a third party?

Mr. Dudding: We, with the knowledge of the client, would certainly want to try and confirm that.

Mr. Chairman: But not without knowledge of the client.

Let me ask you then, having built this picture, would it ever be the business of your case worker to inquire as to the identity of the father of the child?

Mr. Dudding: Yes, it would be.

Mr. Chairman: For what purposes?

Mr. Dudding: For the purpose of determining eligibility for maintenance payments.

Mr. Chairman: From that natural father?

Mr. Dudding: Yes.

Mr. Chairman: In what way would that affect the claim for Social Assistance?

Mr. Dudding: Maintenance would be considered as income

to the family, so that, when we got down to doing a budget deficit, then the amount of maintenance actually paid to that family unit by the spouse would be considered as income and deducted from the budget deficit.

Mr. Chairman: Would the Department then in such a case initiate a claim against a natural father that may not have been undertaken by the mother?

Mr. Dudding: No, we would not undertake that ourselves, but we would, as a requirement for the application to Social Assistance, require that the spouse do so.

Mr. Chairman: So you would require the person to make a claim against the spouse?

Mr. Dudding: Yes, a maintenance claim.

Mr. Falle: Just coming back to a question that Mrs. McGuire stated: I heard on the radio a little while ago of a decision handed down in Alberta, which charged the Government with a criminal charge, when in fact they were just carrying out their job. It was alleged that a social worker, and therefore the Government, returned the child prematurely to a parent, and I guess the child got hurt or killed — I did not follow it right up.

I realize that our system is to return the child to their rightful parents as soon as possible, whether the parents have a problem with alcoholism or child beating or whatever: that whenever it is deemed possible to return the child to the parent, then that is what we do. In this particular case, however, I understand that the child, I do not know whether it died or had a severe beating or what, but it definitely was neglected, and there are charges pending on the social worker and the Government.

Would this reflect any change in policy? It is a situation where, if you return a child to a parent and the child subsequently gets beaten to death or battered around, then the Government is liable for a charge.

Mr. Davie: In recent years, the position of the child care social worker has become a particularly precarious one. In a number of provinces, the Director of Child Welfare has been charged with a neglectful performance of his duties; some cases have gone right to the Supreme Court in recent years.

The basis of these charges is that, when a child comes into care, the Director of Child Welfare, through his staff and through the order of the Court, becomes the guardian of that child. Therefore, any decisions made regarding that child's future, whether it be to return home or whatever it might be, even the school he attends or what job he is going to, are considered in law to be the responsibility of that Director of Child Welfare.

It has not happened in Yukon that a Director of Child Welfare has been charged. It has happened in a neighbouring Territory where a Director of Child Welfare has been charged. It has happened in B.C., it has happened in Alberta, it has happened in Ontario, and perhaps other places that I do not even know about.

The question you are asking is a very basic one. The philosophy — for right or wrong, although there is research galore to back it up — is that under most circumstances any child is better off with his own family, in his own environment, and in his own culture, than in a strange one.

There are exceptions, of course. When the situation is an extremely neglectful one: when the child is being emotionally damaged, physically damaged, or whatever, in such a case a judgement has to be made that, in the best interests of that child, he should be removed from his parents.

When that decision is made, it should also be part of the plan to replicate, as best you can, the kind of cultural environment that the child came from. You cannot give them the same parents, but you can maybe give him much of the same kind of situation. To put it another way: if a child was brought up on a farm, you would try to find a farm placement, as opposed to a city placement, and so on. That is what we try to do.

But, what is obviously basic to the thing is to try and get the

child back to his family. Hopefully, we do not do that without good reason, and remember we have to have a court process.

This is something awfully important to remember with Child Welfare: the social worker does not make all the decisions. If the child is a ward, the court has made that decision; the social worker had to give evidence and the judge had to come to a decision. Often the judge disagrees with us and does not give wardship, or he gives temporary wardship when we want permanent wardship, and so on. So, when a child is placed back with parents, it should be as part of the plan.

Under most circumstances we would never place a child back with his parents, unless it was a definite plan and unless there were to be some follow-up visits. Nevertheless, I can tell you that something bad could happen any time, as it can happen in a normal family, and we could be up on charges of being neglectful.

Mr. Chairman: Well, to my utter astonishment we have finished before the time allocated. I want to thank you then, Mr. Davie, Mr. Roger Graham, and Mr. Peter Dudding, for having spent this large amount of time with us. Please do not be surprised if you are invited back next year for some brief follow-ups on some of the commitments and undertakings that were made here. I thank you for being frank and forthright witnesses and we appreciate your being here.

We will now recess until 11:00, when our next witness is due to appear. Thank you.

Recess

Mr. Chairman: The Committee will come to order. The business before us now is the subject of Internal Audit: specifically, we want to follow up on the 1981 Committee Report and the reference in the Auditor General's Report on Any Other Matter, this morning.

I welcome as our witness Mr. Ken Sherwood, the Director of Internal Audit. Mr. Sherwood, we have just a few brief questions to go through first, and then there may be supplementaries from other members of the Committee. You are going to begin with an opening statement, I understand.

Mr. Sherwood: Yes, Mr. Chairman.

I would like to preface my opening statement by offering my congratulations to the Committee, on being recognized as one of the forerunners in involving the political element in the accountability of government.

Last year, I provided the Committee with a long range work plan, position descriptions, and the objectives of the Internal Audit.

I would like to follow this up by providing a brief description of our activities during this past year, and to disclose the future direction of the Internal Audit Office.

Internal Audit has been operational since May of 1980. With a staff of two auditors we have devoted our efforts to establishing the role of Internal Audit as a staff function in the government's management system. We have also been implementing familiarization and documentation audits on those financial and management reporting systems which are central to the operations of the Government. We have been carrying out special purpose audits on annual financial statements submitted to the Government of Canada, in accordance with cost-shared agreements. We have been involved in establishing appropriate distribution channels for audit reports and in providing advisory services to those managers responsible for financial and management systems. We have also been involved in liaising with the External Auditors on annual audits, preparation of the Territorial Accounts, and audit reports which are tabled in the Legislature.

In the upcoming year, Internal Audit will continue to devote its energies to these areas, as well as towards setting up the ground work to incorporate in its mandate value-for-money audits. While the concept of value-for-money auditing is fairly new within the private and public sector, my office is currently involved with its development, through membership and parti-

APPENDIX 1



think that is the difference. We know who is in every camp now, day by day, but not who was there eight years ago.

Mr. Hanson: That is what we wanted. It seems that I have been remiss in not reading out the recommendations of the Committee for the transcripts, so I will have to do that in future.

Mr. Blackman: I had the request right here in front of me.

Mr. Hanson: Recommendation Number 5: "The Department should be more accountable to the Legislative Assembly for the purchase and replacement of road equipment by providing details of the equipment to be purchased or replaced."

Now, I have your answer here. We also have a letter from the Deputy Minister of Finance. Has any more been done since the last correspondence we had on it? We realize that you have been away, but have you come up with any more to this recommendation?

Mr. Blackman: I think in the Main Estimates for this current year, that is last spring, we met the recommendation of the Committee. In the Estimates for this coming year — and this has not been finalized — I have proposed that we will report on what actually happened. In other words, a year ago we forecast what we hoped to purchase; we now hope to be able to tell you, within reasonable limits, what we did purchase.

One of the problems and one of the great values in this fund is that it is not tied to fiscal years and we can bring equipment in to meet the seasonal requirements. There is not a hard line drawn on March 30th of each year, so we would hope to go beyond the recommendation of the Committee this coming year.

I can also say that the Internal Auditor, the former Acting Deputy Minister of Finance and I have taken the first steps in sitting down to review the legislative position on the account.

If I can give my interpretation of the general feeling, everybody agrees that it is a very valuable tool and should be maintained. What we are now looking for are better ways of presenting the information.

I referred to the former Acting Deputy Minister. As you know, the new Deputy Minister arrived while I was on holiday, so I have not yet talked to him about this particular account.

Mr. Hanson: So, you have nothing further to add to it at this time except what you have already stated.

We will now go to Number Six, Maintenance and Reconstruction Criteria. "Criteria for Maintenance and Reconstruction should be the same since maintenance standards are based on reconstruction standards."

In the light of the Road Classification and Standards submitted by you, the impact would be on Recommendation Number Two, and Number Six would be really related then. Could you briefly explain the Construction and Maintenance Standards?

Mr. Blackman: I wrote this paper and then wondered if it had clarified anything, quite frankly. The great problem here is that maintenance standards are established to meet the condition today on a given section of road; you establish a standard to meet traffic, safety and so forth. The standard to which you attempt to maintain the road is similar, regardless of which road you are working with.

Now, obviously you cannot produce, by maintenance, the equivalent of the Alaska Highway out of Whitehorse on the Tagish Road, for example; the structure is just not there. However, the effort that goes into maintaining equivalent roads of the same classification is similar. I have to be careful here: the effort to maintain an established level is the same; the financial input may vary because of snow zoning, for example, and winter maintenance. You may have to spend a lot more money and have a lot more resources dedicated to the portion of the Haines Road that is being rebuilt, for example, because of snow fall, as compared to a section of the Alaska Highway which is the same class but in a different snow zone.

The same thing applies with surface maintenance, depending on your soil types, availability of aggregates and so on.

The input will vary depending upon the location, but the effort is to maintain the same level of service to the public.

In construction, the standard is based on projected need for the next 15 to 20 years. You attempt to design and build to a predetermined geometric standard which is basically accepted throughout Canada to meet those requirements. So in one case you are dealing with today's conditions, probably in many instances a substandard roadway; in the other case you are projecting the future and building for the future.

Now, the difficulty that comes in here is that the main factors in both traffic and safety standards, the level of service that you attempt to provide in maintenance, is reflected when you go to rebuild the road in the design, but they are completely different things. This is the difficulty we are having, I think. Does that clarify anything?

I think the important point is that you are dealing with two separate and distinctly different things. One is keeping the traffic moving safely today and the other is building for the future; they are different.

Mr. Chairman: I gathered from your written answer that the majority of the elements, in terms of both standards, are in common.

Mr. Blackman: They have a similar impact on the two standards, yes.

Let me refer to this previous information. I referred to geometric standards in classification for reconstruction. The Alaska Highway is RAU100, which means Rural Arterial Undivided 100; that is the highest arterial standard. The Alaska Highway receives the highest design standards in reconstruction, which Public Works is doing.

In the maintenance classification, the Alaska Highway is also in the highest maintenance classification. We have been doing some work on the Mount Freegold Road to a very low construction standard and it is also the lowest maintenance standard. I do not know whether that helps or not.

Mr. Hanson: With regard to the hard surfacing, the oil chip, something has been bugging us for a while. Before you use such things, are you going to do any drilling or testing to find if the road is suitable for putting it on?

Mr. Blackman: You raise a difficult question. I will exclude roads which are not funded by the Territorial Government and deal with territorially-funded roads; we have not done a lot of surface treatment on those roads yet. Before we do surface treatment, we will be doing geotechnical assessments. This was a policy that was changed over the past year. Policies and procedures were followed in the past and work was programmed, scheduled and ready to tender under the old system. We are now in the process of changing so that things might be done somewhat differently in the future, but you could not stop all the work that was under way at a given point in time; we are at a point now where some of the work in the past year was carried out under the old system.

I hope that, where we are going to do surface treatment in the future, there will be sufficient geotechnical information so that we know or have reasonable expectations of what its performance will be.

I should point out, of course, that no matter how much geotechnical work you do, you do not always get the right answers but you certainly have a much higher level of confidence in the programs.

Mr. Hanson: We will move on to Number Seven: the Maintenance Cost Identification. "The Department should develop a reporting system to identify the maintenance cost of each Yukon road by individual maintenance camp, for each class of road in that camp and for the road as a whole." Your answer was, "The Department now has a reporting system which provides expenditure records by activity, camp and road." What is the frequency of this reporting?

Mr. Blackman: You raise another problem. The system was modified before the beginning of the current fiscal year. We

are now getting some reports, but the computer systems did not perform as they were supposed to and we have not got the reports as we should have. It has created a great number of problems, as a matter of fact, for the Department as far as management is concerned. Hopefully in the coming year, we will receive reports by period, in other words every four weeks, reporting the actual work carried out, expenditures, et cetera, by each activity, road and camp.

I should explain the one variation in that all of the trunk or main highways fall under that category. Some of the other roads are identified individually or separately; for example, Two Mile Hill and the Annie Lake Road. In some camps where there are a number of very short minor roads, referred to as recreational roads, some of these are lumped together because it just was not worth identifying them all individually; it just meant more masses of computer printout with little value.

Mr. Hanson: Taking the problem with the computer into account, this reporting system is now in place and ready to go?

Mr. Blackman: Yes. I might also add that it is very important to all of the management of the maintenance system. It is rather critical to us.

Mr. Hanson: We will go to Number Eight next, the Transfer of Funds. The recommendation was, "Clearly defined guidelines and procedures should be established with appropriate limits for the transfer of funds between activities." Your answer, of course, was the work order system. Could you explain rather briefly the work order system, as it is now, in relation to the Committee's recommendations?

Mr. Blackman: The system is not in effect; we simply have not had time to develop it. I still hope that we will be able to before the end of this fiscal year, but time is a problem. As long as we have things like the recent bridge incident, Old Crow and so on, we have to leave some of these other things aside.

The work order system would apply both to capital and to highway maintenance work. The principle behind the work order system is that money for many of the major items in the maintenance activity list, such as resurfacing, gravel crushing, surface treatments, major bridge repair and so on will be drawn out of the money allocated to area superintendents and foremen. It will be for specific work in these areas — which accounts for quite a large percentage of our budget — that has been recommended by the Chief Highway Superintendent and approved by myself.

In other words, the allocation of these larger, more expensive elements of work will be authorized by me.

Mrs. McGuire: I have a supplementary. I would just like to go back and add a supplementary to Number 6.

I believe a question was asked by Mr. Hanson about road testing. I would like to ask a question on the testing of the surface substances that are put on roads. Are there test areas where road substance is tested, say over a number of years, to see if it stands up to the wear and tear of public roads; for instance, the chip gravel that you are putting on the roads now?

Mr. Blackman: I am not sure that I understand the thrust of your question. Are you asking if there is a method of testing the quality of materials that are used on the surface treatment? Yes, the aggregates are specified and there are test procedures to determine that the aggregates meet those requirements.

The Department has a limited capability of carrying out geotechnical or materials testing. Soil analysis and so on is done within the Department, but we have to hire consultants for laboratory work. If there is any question, there are such things as the Rockwell Hardness Test, Los Angeles Rattler Test, I could go on and on, all of which are measurements of the quality of aggregates. The asphaltic material used to surface is specified.

Now, in the past, the Government has not generally tested the materials, to my knowledge at least. They have relied on some confidence in the supplier, that he will supply materials as specified. One of the things that we are looking at right now

is whether or not we should hire a testing firm to carry out tests of various materials, such as calcium chloride, emulsions and so on, at the factory or the plant where it is made, but that can become expensive. To my knowledge, there has been no real problem with materials of that type.

Mrs. McGuire: Testing a material, for instance the calcium chloride or the chip, I am not sure of the name of that substance, at a factory does not actually tell you anything as far as building a road and surfacing the road with this substance. What I am getting at is does your Department actually test a piece of road after this surfacing has been done to see if it is standing up under the wear and tear, or do you look at the safety factor? For instance, calcium chloride, to my knowledge, has been a very, very dangerous substance to put on a road, especially during rainy weather.

Mr. Blackman: That is sort of a multi-barrelled question. If I can go to what you were referring to first: the suitability of the materials specified and did they perform at the time? There are two measurements there, of course. The first one is: does the surface placed last as long as it had been expected to last? Of course, that is readily available. You assess the condition of the given section of roadway year-by-year and determine what the deterioration rate is.

When you are talking about surface treatment, you are talking about a skin on the surface of the road and the durability of that skin. Its failure occurs in two ways. One is by simple wearing out by ravelling, where the road stays in place but the surface comes off. That is one aspect.

The other aspect is by failure, which is normally the sub-grade. We are now monitoring the performance of the total roadway with Benkelman Bean Testing, which was instituted last year. We are doing a considerable amount of that, particularly during spring break-up, and then monitoring periodically through the seasons so that we find out how the design of the roads is performing.

Finally, with calcium chloride, I recognize that you have a slippery surface. I think that is what you are referring to in rain. There are certain benefits in using calcium chloride, mainly the reduction of dust and reduction of the loss of surface material. The slipperiness of the surface material is not a function of the calcium chloride; it is a function of the moisture which the calcium holds in the road and it is one of the penalties you accept when you use calcium chloride. There is nothing in the calcium that can change that. Either you have a road which is a little bit slippery when it is wet and relatively dust free when it is dry, or you leave it without the calcium and you have a less slippery surface when it is wet but a lot of dust when it is dry. It is a trade-off.

Mr. Graham: One of the questions that springs to mind is that when new materials come on the market, do you actually take a section of road somewhere in the Territory and apply that surface and actually study it to see if it is an economical surface or if it is a good surface for Yukon conditions?

I realize that you have data on the four types of road we have in the Territory, natural, calcium, oil chip and paving, but say another type of surface covering comes in tomorrow. Do you actually put that surface on a section of Yukon road somewhere and study it and do a cost benefit analysis on it?

Mr. Blackman: Over the last 20 years there have been very few, almost no new materials come on the market. There are developments and improvements on existing materials, such as the surface treatment that is being done now. The emulsion used, which is called HF350S, I believe, is a great deal different to the emulsions that were used 10 or 15 years ago and perform excellently up here, whereas I would expect that the old SS emulsions, for example, would not perform very well. But this is a new material which was developed over the past ten years, let's say, which works.

Mr. Graham: Let us take that particular surface material for an example. Did you just go out and apply it to 150 or 200

miles of Yukon roads and take your chances, or did you test it before?

Mr. Blackman: When it was first used, and this comes before I was up here, there were some short sections laid to find out how it worked and it performed very, very well.

I could go to another new material that has been used occasionally, the new sulphur add mix in asphalt for continuous concrete. They are trying it in Ontario and really working on it in Alberta, but I think that because of the cost of these things, we would prefer to wait until all the reports are in. Let other people make the mistakes and then we could move into testing. But, again, you would want to test a section. I think your point is well taken.

Mr. Chairman: I just want to clarify one thing arising out of your answer to Mr. Hanson's question and follow up on Mrs. McGuire's. Did I understand you to say that geotechnical surveys did not take place on territorial roads, up until now?

Mr. Blackman: I did not say that they did not. There were less than I feel should be taken. We are stepping that up. There were some done, but there is a cut-off somewhere where it becomes uneconomic to do more, but, generally speaking, more is cheaper than less, I think.

Mr. Chairman: So, just to clarify, there was an inadequate number done up until recently.

Mr. Blackman: In my opinion, yes.

Mr. Falle: Mr. Blackman, we will go on to Recommendation Nine, Construction Program Co-ordination, and Number 10, Facility Construction Responsibility.

You stated last year, "I think that rather than the Department looking at the problem, the Minister in charge should take them forward and address these two problems or concerns." Has anything been done?

Mr. Blackman: No, I can add nothing to what I said there. This is a matter of Government policy and I do not think that it is within my right, it would not be appropriate for me to pass comment on them. I have not been instructed as to any changes at this point in time.

Mr. Falle: Do you agree on some sort of long range planning?

Mr. Blackman: Can I answer that by saying in Highways, which does come under our jurisdiction, we believe that planning is important.

Mr. Falle: You stated in a letter to us that the Highways Department was working on a five year plan. Do you anticipate trying to project a longer range plan?

Mr. Blackman: I would think, in time, that would occur, yes. At this point in time, however, we have a five year plan which calls for funding and, at current levels, it would probably take ten years to accomplish what we have put in our five year plan.

So, in effect, when we set priorities for work, we have said five years but, at current levels, it is going to stretch a lot more than five years. Until there is some change in funds available and, secondly, until there is some catch-up on immediate and critical problems, there does not appear to be a great deal of value in going beyond that.

Again, we have to balance how much effort we put into planning beyond a period where there is little likelihood of getting funding against all these other items, such as improving our data base for planning, testing new materials, and on and on and on.

Mr. Falle: I realize that, but I also think some sort of long range planning or projectory in your Department would provide very valuable information for the Minister, as well as for your own Department, to base some sort of a program on. Do you agree with this?

Mr. Blackman: I have found, using generally accepted levels and standards, that I can project that over the next 20 years the Yukon will require roughly 30 to 35 million dollars a year in highway capital. We are getting about a third or a quarter of that.

As far as developing a need for funding, that can be very easily done in rough terms. In other words, to maintain a system, you need about 30 million dollars a year in capital which would be, again, in very rough figures what would be required to replace the system over 20 years.

Mr. Falle: What I am trying to get at is, strictly speaking on management's part, it would be advantageous to you to have a long range plan, strictly in the management part of the Department. It seems to me, at this point, without a long range plan we face matters on a day-by-day basis.

Mr. Blackman: Well, not really. A program that stretches somewhere between five and ten years can hardly be referred to as "a day-to-day basis".

Mr. Falle: You have a program?

Mr. Blackman: If you have a five year program, as I say, with the funding available, it is going to be a ten year program. I am speaking in very general terms, but this is basically the way it works.

Mr. Falle: That answers my question.

Mr. Chairman: I have just one supplementary, Mr. Blackman. You have given a rough estimate which, in terms of capital investment to maintain the system right now, would be about 30 million dollars annually. If you fail to achieve or receive that capital, and you talked about a level of receiving about a third, what is the impact of that failure on maintenance costs?

Mr. Blackman: It would be high.

Mr. Chairman: Could you give an estimate in terms of dollars? If you need 30 million dollars and you get 10 million dollars, at some point is that going to cost you 20 million dollars plus?

Mr. Blackman: It depends on Government priorities, really. The Alaska Highway is being reconstructed and the Klondike Highway is being reconstructed to Carmacks. Say 15 to 20 years down the road when you need major improvements, an option is going to appear to Government and that is to continue improving the roads, let us say the Klondike Highway between Carmacks and Dawson, or the Robert Campbell or another highway. We are going to be faced with the question: do we improve that road beyond present standards or similar present standards, or do we spend major funds for up-grading the Class 1 highways, if I can use that term?

We are then faced with continuing a lower level of service on other roads or very high maintenance costs on the higher volume roads, so it is always a trade-off.

One thing that many people forget is that the highways wear out and you have an on-going replacement of them. A highway which has very low maintenance costs now is maintained in good standard, each year it keeps creeping up. It is just like your car. You buy a new car, you have a high capital cost and low maintenance —

Mr. Chairman: Excuse me for a moment. I can, based on the information available to me from manufacturers, or the experience of my friends, make some kind of estimate about the point in the lifetime of my car when it becomes a better financial decision to buy a new one than, in fact, continue maintenance, because the maintenance cost curve starts to escalate.

In your planning, to the extent that you have five and ten year plans now, can you make those projections in terms of each of the highways in Yukon? I mean, can you say seven years from now that it is going to start to cost us more to maintain this road than to reconstruction, or 15 years, in the case of that road, or eight years in terms of another road?

Mr. Blackman: There are two major factors in highway replacement. One is a traffic build-up to the point where we do not have enough capacity. That is, it is physically dangerous to move down the road because the vehicles are too close together, or too wide, lack of shoulders, and so on. The other one is the wearing out of the surface and very, very heavy maintenance replacing surface on a patching basis.

I do not think that there is enough knowledge available now in traffic information and projections in the Yukon system to project. If you design a pavement with a known quality of basement soils or sub-soils, sub-base, base cores of pavement, known qualities, you can project on a theoretical basis which averages out the number of axle loads of a given weight that that road will carry and the rate it will deteriorate and when it should be replaced. This becomes theoretical, but it does give you a guideline, but you have to know and to be able to project those axle loads.

Mr. Chairman: You pave a road and you say that this is going to last 20 years at this standard, but one of the realities of paving that road is the effect of doing that increases traffic volumes and, at some point down the road, then, you are going to be in a position, with the data you are developing, to be able to say that this paving is only going to last 15 years. It is that data — you described it as being “in peoples heads” or “being in their back pockets” — which you are now developing. Is that an accurate description?

Mr. Blackman: In general, yes. In the case of traffic, no. There is traffic information available in a very-difficult-to-analyze sort of way. The traffic patterns in Yukon are not similar to other jurisdictions, in any area that I have worked in before, where, if you plot it, you can see a specific curve, you can project pretty accurately.

If you look at traffic volumes here, they go this way: you have a boom year, the mines are all working hard, the traffic is up, the tourist volumes are up and the next year they are down. In other words, I personally believe there are two things that are quite different here. The economy of the Yukon is tied into two specific industries: tourism and mining. Those types of vehicle form such a large percentage of the total vehicles on the road system that a variation in either of those industries has a major impact on traffic volumes. Whereas, if I may just continue, in the more developed areas, any given industry is only a small part so you do not get the zig-zag.

Mr. Chairman: Given the underdeveloped state of our economy and even annual fluctuations, you are still able to perceive, with the information that you have, long-term trends. “Long-term” being longer than one year or two years? You are not even sure about that yet. How many years does it take to plot that?

Mr. Blackman: You should have at least five. The problem is that even if you had accurate track footing information for the past ten years, I have some doubt that you could plot any trend from it. It is amazingly random, quite startling so.

Mr. Falle: Just picking up where Mr. Penikett left off, for instance the road going into Mayo was probably constructed about ten years ago and constructed for 24,000 pound single axle units. Today, they are hauling 120,000 and so on over that road that was designed for maybe 24,000 to 48,000 pounds. What I am getting is: is the maintenance some place where the capacity of the road is increased but the design of the road is for a lesser traffic, lesser weight? Does a maintenance cost, at a point, reached where it is cheaper to redesign and build a new road?

Mr. Blackman: Most of these questions are multi-barrelled.

In the theory of highway surface design, it does not matter if you have a single axle, tandem axle or repetitive tandem axles. They are still doing research on this and there is a major project starting on some of these things, but, in the generally accepted approach design, you have specified maximum single axle, dual axle, tandem axle, and some jurisdictions allow triples. Theoretically, they all apply the same stress to the highway. Again theoretically, there is probably less damage to the highway if you have one semi-trailer, that is a five axle rig, go over the road as compared to the equivalent tonnage hauled in two single axle or dual wheeled trucks, but is the number of times that this happens.

Mr. Falle: You have answered Nine and Ten. Number Eleven is the Evaluation of Project Proposals. I would like to know if you have the status of the Dawson Water and Sewer System, for this is what we talked about in the report before. Are there any updates on that system?

Mr. Blackman: No. I think I indicated that I had intended to have a review made; this has been on some time. It is a massive project and I have an individual assigned to this who has worked some weekends and evenings; there is not time within the normal work day. It simply is not complete. There is not enough information available now to come up with final results.

The objective, for my own personal information, was to review the stages that the development of the project went through and decisions made as this developed. It was a very unusual project and there is a lot of work being done which is not yet completed.

As far as the physical status of the system, consultants are still analyzing, testing and so on.

Mr. Falle: You will be evaluating that system. I take it that you have an on-going program.

Mr. Blackman: It is just a question of time to get it done.

Mr. Chairman: I will just reiterate. You will understand our interest in the Dawson Sewer and Water Project, and we spent some time on it last year. Would it be appropriate to ask when some kind of summary of the findings will be available to the Committee?

Mr. Blackman: I am reluctant to give a definite date. I am rather anxious to get this, too.

Mr. Chairman: You cannot give us a date?

Mr. Blackman: No.

Mr. Chairman: Last year you made a commitment to give us some kind of review of it. You have now indicated that it might be massive. As five little people here who may not have a capacity to digest massive amounts of information like that, I am asking you now if, when you have the review completed, we might be able to get a summary?

Mr. Blackman: I would think this would be up to my Minister, but, personally, I have no objection.

When I say “massive” — I think I indicated last year there are some six feet of files that have to be reviewed in detail, along with reports and proposals, et cetera. What I am looking for is the summary that you are referring to for myself, because I certainly do not have time to review them in detail.

Mr. Chairman: I have just a couple of wrap-up questions, if I could.

Last year, as a witness, you gave us some introductory remarks where you talked about the Department of Highways and Public Works being responsible for construction and maintenance of buildings and for the provision of office accommodation, mechanical services, and so forth. Can I just get you to confirm that Public Works is responsible for construction?

Mr. Blackman: That is right.

Mr. Chairman: After funding has been granted, is the Department responsible for overseeing the project?

Mr. Blackman: The Department is responsible for the physical management of the program. That is not fiscal, but physical. There is a split responsibility, I think, between the client agency or Department and Highways and Public Works as to physical management.

Mr. Chairman: Let me ask this question: would it be reasonable to state that your Department is responsible for co-ordinating the project, the elements that have to bring the project to completion?

Mr. Blackman: In general, yes, entirely, no. For example, we are not involved with furnishings. Well, it depends on the project. Normally the Department of Education will look after furnishings in a school.

It is our responsibility to carry the project from the time of the conceptual design. From the time the conceptual design is

done, it is agreed to in principle by Education. Detail design is developed and that is approved by the client agency.

I might also say that it has to go to the Protective Services, Fire Marshall, Electrical Inspectors, et cetera. They review code requirements, et cetera. We carry it through from there.

Mr. Chairman: It is the responsibility of your Department to synthesize the plans and co-ordinate from that point.

You gave the example of a school and the role of the Department of Education in a school. In terms of your responsibility for co-ordinating construction, would it not assist the Department, in terms of developing the resource requirements for the project, if your responsibility for co-ordination were more clear? I ask you that as a management question, not as a policy question.

Mr. Blackman: From the point of view of a manager, developing, designing and building, any public work, whether it be a highway, a school or whatever, the most desirable approach would be for us to be aware if the project was to proceed for, say, roughly three years before you start breaking sod, so to speak, so that you could co-ordinate your total programs all the way through, you would have enough manpower, you could schedule your work and so on. Unfortunately, that does not happen. I think one of the problems in this area is that all the projects are not provided in a very formalized way, such as the development of offices for the Members, for example. We expect that to crop up but we do not know precisely when or where. All of a sudden, that is going to be an emergency and you have to defer or divert effort and resources into doing that.

Mr. Chairman: Very briefly, you said three years would be ideal. What is the more likely usual term now?

Mr. Blackman: Three years, or, in the case of Old Crow, 24 hours.

Mr. Chairman: Let me just tell you that the Members of the Committee and the Members of the House look forward, with some anxiety, to your Supplementary Estimates on those two subjects: Old Crow and some bridge repairs which, I understand, are necessary.

Mr. Falle: Mr. Blackman, do we have the in-house engineering capability to evaluate new proposals and roads, buildings, any of your projects that your Department is responsible for?

Mr. Blackman: Again, that is a very broad question. Generally, yes, but I would suggest that it depends on what level you are looking at. If you are going to approve a project down to checking of calculations and so on, then the answer is no. If we are looking at the concept and the viability, or the fact that it is a logical concept approach, then, yes.

I would suggest that there are very few jurisdictions that can carry this sort of thing to the ultimate. The Federal Government still brings in consultants for very specialized works.

Mr. Falle: I understand the need of the consultant engineering, but what I am asking is that when we do have to, for instance, build a new bridge, you would call for a design. Do we have the engineering capability of evaluating the design and saying, yes, this is going to be okay for our situation?

Mr. Blackman: In precisely those terms, yes. What I am trying to say is, if you expect an evaluation, going back to check the stress on that cord member, no. That is what you hire a consultant for. I think, in the professional field, when you hire consultants to do that sort of work, you have to accept their results.

Mr. Falle: They are responsible for their advice.

Mr. Blackman: Yes.

Mr. Chairman: Thank you very much, Mr. Blackman for being with us again. If we do find that we have some fine point that we want to pursue with you, we shall probably do that in writing. Thank you for coming back again. We may or may not want to speak to you again next year. We will see. Thank you for being here.

We will take a thirty second break and then we will call the officials for the Department of Renewable Resources.

We wish to speak to Mr. McKay on matters arising from the 1981 Report of this Committee. I would like to welcome you, Mr. McKay, since this is your first appearance before us. We have had a number of your predecessors before us, but you are relatively new in the office. Let me ask you, before you begin, if you have any opening remarks that you wanted to make. If not, we will go into questions.

Mr. McKay: No remarks, Mr. Chairman.

Mr. Chairman: You understand that because of the loquaciousness of some of the previous witnesses this morning, we may not be able to complete the round with you. I hope that you may be available first thing tomorrow morning if we are not finished when we come to the time of adjournment.

Mrs. McGuire: I refer now to the Committee's Recommendations Twelve and Thirteen which ask your Department to define its goals and objectives and to which we received a lengthy and fairly well-put document.

I would like to ask you, Mr. McKay, if this particular mandate here now serves as the Department's goal and objectives? Will this be the document that will do the trick? It differs somewhat from what the Renewable Resource witness, Deputy Minister Lynn Chambers, had said in April. In other documents throughout the meetings, I have noticed that they have differed somewhat from this piece of paper. Is this now the mandate that your Department will be using?

Mr. McKay: Yes, it is.

Mrs. McGuire: Your Department's objectives, in planning those objectives, do they tie in with the 1981-82 Estimates?

Mr. McKay: Not directly. This exercise has been undertaken since the establishment of the 1981-82 Budget.

Mrs. McGuire: Not directly. They were not taken into consideration in planning these objectives? It appears to me that to reach one's objectives, of course, you have to take the factor of funds into account. Are you saying that it did not?

Mr. McKay: I guess it is a fine distinction here that we are dealing with. Certainly, the goal of the Department and its objectives and the Budget are closely linked and tied together.

Mr. Graham: I am kind of curious if you consider hydro energy a renewable resource?

Mr. McKay: Yes.

Mr. Graham: I just could not help but notice that we have a renewable energy scheme under the Tourism and Economic Development Budget. Is that a conflict in terms of what your Department's goal is and who is managing the renewable resource? I realize that the Government of Yukon does not have control over renewable energy sources, as such, and yet, if we are budgeting for a renewable energy program, then should that program not be in your Department?

Mr. McKay: That is a political decision in terms of where programs are housed.

Mr. Graham: I guess what I get back to, then, is your Department's goal. Does it really mean a whole lot if political decisions can be made, or are made, that can conflict with the goal that has been set out by your Department?

Mr. McKay: I suppose that that is the prerogative of any government at any point in time, as to how they organize their various departments to deliver programming.

If you want to house all of the renewable resources types of activities in a department, then that is one way to go. Those can be split into different departments, or agencies or corporations. It is an organizational function.

Mr. Chairman: Mr. McKay, very briefly, when we had officials from your Department here last year, we noted from the Annual Reports and from the budget documents and so forth that there had been a fairly continuous evolution of the stated goals and objectives of the Department. There were also a number of things we noticed that seemed to be beyond the legislative powers of the Department that had been taken on.

Let me ask you, though, the real question. We now have the stated goals and objectives you have tabled before the Committee. Could it be our understanding that, until further notice,

anyway, that is the basic planning document for the Department?

Mr. McKay: Yes

Mrs. McGuire: I will go on to Recommendation Fifteen, which states that the Department should renew its hunting license fees with a view to ensuring a reasonable economic return to the public purse.

We have found, in the answers which Mr. Hawkes supplied to this Recommendation, a comparison chart of provincial fees which we felt were quite in line with Yukon fees. The fact remains that hunting license revenues work out to a fee/operating cost ratio of approximately one to five point five, as compared to other jurisdiction ratios of approximately one to four. Of course, a simple explanation of the difference would be a higher number of licenses sold in other jurisdictions.

My question, Mr. McKay, would be has your Department considered placing a trophy fee on resident hunters for certain animals, for instance, grizzly bears and mountain goats?

Mr. McKay: No, we have not considered placing a fee. An item such as that has been discussed but it has not been recommended to our Minister.

Mr. Graham: When was the last review done of hunting license fees in the Territory?

Mr. McKay: I could not answer that.

Mr. Chairman: Could I just pursue Mr. Graham's supplementary, then, that, in terms of the recommendations of the Committee from last year, a review has not been done in the last year but, instead, a comparison with other provincial jurisdictions has been carried out? Would that be accurate?

Mr. McKay: That is what we have tabled here.

Mr. Chairman: It is just a comparison that has been done?

Mr. McKay: That is right.

Mrs. McGuire: I refer back to placing trophy fees on resident hunters. Would you agree that that would be one method of increasing the revenue?

Mr. McKay: Certainly, it is one method. Whether it is a desirable one or not is another question.

Mrs. McGuire: Would you agree that it would cut down on the hunting of trophy animals by resident sport hunters, which, of course, is related to game management?

Mr. McKay: It may or may not. I do not think there is any way that you could prejudge whether a trophy fee on resident hunters would have a positive or a negative impact.

Mrs. McGuire: I would like to ask you, Mr. McKay, if you are aware that there is a sale of black market trophies going on in the Yukon and that it has been going on for several years? Are you aware of that?

Mr. McKay: We are certainly aware of black marketing of various kinds, yes.

Mrs. McGuire: Would you agree, then, that by placing a huge or a large trophy license fee on resident hunters, that would perhaps cut down on the black market sales by resident to non-resident?

Mr. McKay: I am not sure whether it would or not. If you look across the world in terms of the different fees, et cetera, the black marketing of trophies has increased and escalated, it has not decreased. I could not answer you specifically in terms of whether a trophy fee would act as a deterrent. I am not sure whether it would or not. It may operate in the other dimension.

To increase the value of a product and trophy fees is one means of doing it; you are enhancing the value. It may act in the other way, in terms of making it a more desirable product.

Mr. Chairman: Let us just change the subject a little bit and go back to your answer to Recommendation Thirteen, in terms of the objectives. Our recommendation, in some way, Mr. McKay, encouraged the Department to define the objectives in terms of measurable activities. Could you just elaborate for a moment on how you will do this, in view of the new stated statement of goals and objectives?

Mr. McKay: As we have indicated here, these are departmental, the departmental goals and departmental objectives.

Our next exercise, which we are presently involved with and will be dealing with, will be getting down to our branch objectives and targets. Those will be tied to our budgets and will then be the elements against which we will be able to monitor and measure our performance.

Mr. Chairman: So, maybe in the next Estimates, for example, we could look forward to those Estimates being tied into the new objectives?

Mr. McKay: Hopefully, the next set of Estimates will be a bit more refined than they are now and then subsequent Estimates should be much more closely tied to targets.

Mr. Chairman: You do not expect to see performance indicators developed in time for the next Estimates, but for a year hence. You would expect to see them then, would you?

Mr. McKay: Yes

Mrs. McGuire: I have just a quick question in reference to the Resource Planning and Management Branch chart. I believe that you prepared this.

There were two sections here. The second one is the proposed Wildlife and Parks Service Branch Organizational Chart. I am just wondering, is that a separate branch all on its own and would it be manned? Are these actually additional positions or are those positions replacements of the first chart?

Mr. McKay: We undertook a fairly major reorganization of the Department during the past few months and there were no new staff man years added to the Department. The reorganization, which these charts display to you, of the three branches that now exist in the Department utilized the existing staff and positions that we had in the Department.

Mr. Chairman: Mr. McKay, we have reached our time for adjournment. There are still the matters arising out of Recommendation Number Fourteen and perhaps I could give you notice that that is what I would like to begin with tomorrow morning and that there may be matters and supplementaries arising from the other questions asked here today.

Thank you for being here this morning and we look forward to seeing you tomorrow morning with whatever other officials and assistants you decide to bring along.

The Committee will adjourn now and reconvene in Executive Session.

The Committee adjourned at 11:30 a.m.



The Dukon Legislative Assembly

Issue No. 2 (Third Sitting)

24th Legislature

PUBLIC ACCOUNTS COMMITTEE

Formal Hearings: Evidence

Wednesday, January 20, 1982
9:30 a.m.

Chairman: Tony Penikett, M.L.A.

Standing Committee on Public Accounts

Chairman: Tony Penikett, M.L.A.

Vice-Chairman: Peter Hanson, M.L.A.

Members: Al Falle, M.L.A.

Doug Graham, M.L.A. (absent)

Alice McGuire, M.L.A.

Missy Follwell

Clerk to Committee

Expert Advisors from the Office of the Auditor General:

Raymond Dubois, Deputy Auditor General

Harold Hayes, Principal

Witnesses:

Department of Renewable Resources

Mr. Merv McKay, Deputy Minister

Department of Consumer and Corporate Affairs

Mr. Doug Spray

Mr. John Lawson

EVIDENCE

Wednesday, January 20th, 1982 — 9:30 a.m.

Mr. Chairman: The Third Sitting of the Formal Hearings of the Public Accounts Committee will now come to order.

We welcome back again this morning, Mr. Merv McKay, Deputy Minister, for the Department of Renewable Resources. We will be continuing questions from where we left off in yesterday's hearings. Good morning, Mr. McKay. I am now going to turn you over to the tender mercies of Mr. Hanson.

Mr. Hanson: Committee Recommendation Number Fourteen from last year's session reads that, "...The Department should develop a solid wildlife data base." The response to the Recommendation was that the summary agrees with it, but notes that it is a status quo reflecting priorities for wildlife data needs. Now, what do you mean by this statement?

Mr. McKay: Well, in terms of this fiscal year's Budget, we have made no changes to the Budget. The Budget was established prior to the Public Accounts' Recommendation, and there have been no changes to that Budget during the year. That is what I mean by it.

Mr. Hanson: In other words, in light of what you just told us, you have done nothing since the Recommendation last year. You have done nothing about increasing this data for setting up a data base, as recommended. You have done nothing at all, then.

Mr. McKay: No, that is not quite right. If you go back to this year's Budget, in terms of Wildlife Management, and this is the biological technical section which gathers the information relative to our wildlife populations, and which forms our data base for management decisions, there was \$675,900 allocated through the Budget for that purpose. The \$675,900 was allocated to the biological, technical section of our Wildlife Branch, which is the unit that gathers information relative to our wildlife populations.

Now, that was the money that was allocated to us through the Legislature and that is the money that we are expending during this fiscal year for the purposes of gathering the data base. That is the money we have to work with.

That is the money we have to work with in the Territory on a daily basis, in terms of wildlife population.

Mr. Hanson: Then this money that you are talking about goes into the sheep and goat, 70 percent? That is where your money was spent?

Mr. McKay: Yes. I gave you a breakdown of how that money is expended, based on our projections at this point in the year. It includes the salaries of the 11 people involved here, which is \$306,300, and projected expenditures for field costs, which is \$369,600. The allocation to each of these units, if you can jot these figures down beside the 70, 95 and so on are: opposite sheep and goats, there is \$36,800 allocated there, with 70 per cent of it being expended for purposes of inventory and monitoring; it equates then to \$25,800. That is what has been spent there in terms of inventory and monitoring.

In terms of moose, there was \$77,200 allocated, with 95 per cent of that being spent on inventory and monitoring; that equates to \$73,400.

In terms of birds, there was \$68,000 allocated, with 85 per cent of that spent on inventory and monitoring; that equates to \$57,800.

In fur, there was \$34,100 allocated, with 20 per cent towards inventory and monitoring; that equates to \$6,800. In caribou, \$77,500 was allocated; 85 per cent will be expended on inventory and monitoring, and that equates to \$65,800. With bears, \$76,000 was allocated, with 75 per cent being expended on inventory; that equates to \$57,000.

So, those are the expenditures, by species, to improve and

gather information to improve our data base relative to those populations.

Mr. Hanson: You say, at the bottom of your recommendations, "...For various reasons it is not possible to launch a detailed inventory project for much less than \$50,000." Yet here, for sheep and goat, it is \$36,000 and on fur, it is \$34,000. So, that is two that you have done, coming in under the \$50,000 you recommended you could not do it for.

Mr. McKay: I am not saying we cannot do it; for any amount of money you can always get some information.

Mr. Chairman: I would ask, if I could: those figures that you just gave us, what year are those for?

Mr. McKay: What year are they for?

Mr. Chairman: Yes.

Mr. McKay: This is for this year's fiscal Budget, the 1981-82 Budget.

Mr. Chairman: In the previous information you gave us, the total operational budget was \$350,000. In this statement that we have, dated January 4th, the figures that you gave us now come to considerably more than that.

Mr. McKay: I am being precise, now, in terms of our projections. As I mentioned, there is \$675,900 — that is our total budget for the Wildlife and Management section.

Mr. Chairman: That is \$675,900.

Mr. McKay: Yes. Based on our examination of our cash flows and expenditures, it appears at this point in time as though we are going to spend the \$306,300 on the salaries associated with staff, and \$369,600 on other expenditures. Now, that \$369,600 and the \$350,000 here are the differences we are talking about.

Mr. Chairman: I am sorry about being slow on this; I am not nearly as well acquainted with the subject as Mr. Hanson.

The Committee was given a document, which included the things we were talking about yesterday, the hunting fees and so forth. In it there was something which referred to a statement regarding wildlife inventory efforts, this year and in the future. It talked about the 1981-82 budget allocation to inventory and monitoring, and it listed some percentages in terms of sheep, goat, moose, birds, fur, caribou, bears. Then there is this statement here, "The total operational budget for Wildlife Management projects in 1981-82, \$350,000."

Mr. McKay: That is what I have been trying to explain.

Mr. Chairman: I am getting confused by the numbers here. What is this \$350,000? Where does that fit into the \$675,000?

Mr. McKay: There are two components to our Budget. One is the salaries of staff, and the other is the field expenditures incurred by staff, in the gathering of information or in carrying out their inventory work. The \$350,000 is that field expenditure.

Mr. Chairman: That is what was budgeted.

Mr. McKay: Yes, and what I am saying now is that, based on our examination of our expenditure pattern, it looks like we will actually be spending \$369,600.

Mr. Chairman: Okay, that is clear; that is what I wanted to find out, thank you.

Let me ask one question here. You will understand, Mr. McKay, that our problem last year was that we were trying to track and follow trends, and look for some kind of performance indicators in the Department. It was very hard, because of the continually changing goals and objectives, and — we are not going to say "frequent" reorganization — but a number of re-organizations as the Department has grown and evolved over a very short period of time.

It is very hard, the way the accounts are now, for us to track relative expenditures year to year. Can you give us some idea of the trend, going back over the previous couple of years, in terms of this Budget? Has it substantially increased over the previous year, and substantially increased again over the year prior to that? Is it possible for you to give us some indication?

What I can do, Mr. Chairman, is to go back to the Budget book and refer you to the figures contained there.

In 1979-80, it indicates that there is \$849,200 actually expended on Wildlife Management. The projected figure shown for 1980-81 is \$934,900. The Budget they were allocated in this fiscal year was \$675,900.

Mr. Chairman: I want to be absolutely clear about that, Mr. McKay. There is no problem of comparing apples and oranges here; we are comparing identical items there?

Mr. McKay: *inaudible*

Mr. Chairman: So, in effect, reorganization in the Department and any change or impact on your budgeting will not cause us to misread those figures or the implications of those figures at all?

Mr. McKay: I appreciate what you are indicating: that because of some of the shifting and so on, and some additional staff added and some other duties taken on, it is difficult to make a direct comparison year by year, because there has been some program changing and some staff changing.

Mr. Chairman: Things that might previously have been charged to wildlife management are no longer being budgeted under that category?

Mr. McKay: That is right.

Mr. Chairman: So, it would not be a correct conclusion, just from looking at those figures, that the money allocated to Wildlife Management was decreasing?

Mr. McKay: It has not increased; yes, that is true.

Mr. Chairman: ...decreased, or budgeted decrease, anyway.

Mr. McKay: If you were to add in the other line, the two get closely tied together — that is the information/educational section. If we were to project those across, it gives you a little closer picture, perhaps.

If you add those two together and go back to 1979-80, the actual expenditure was \$896,200. The projected 1980-81 is \$992,300, and the budgeted figure for 1981-82 is \$894,400. So, if you look at that in a trend basis, then this year we are at about the same level as we were two years ago, and there was a bump last year.

Mr. Chairman: Just to relate back then to this Committee's Recommendation: it would be fair to say, then, if we take into account inflation, that not only has there not been an increase in terms of expenditures and budget expenditures in this amount, but, in terms of real dollars, there probably was a decrease?

Mr. McKay: That is a fair analysis, yes.

Mr. Hanson: In light of the recommendations of the Committee last year and your response here; based on your response alone, we could say that you have achieved nothing, just based on what you have got on your paper.

So, I must ask the question: what did you actually achieve with the resources made available to you last year, as far as your following the Recommendation of the Committee is concerned?

Mr. McKay: What we have achieved with the money that we are expending this year: is that the question?

Mr. Hanson: Yes, the 1981 allocation.

Mr. McKay: Well, our efforts, Mr. Hanson, are directed toward adding information relative to our wildlife populations. In other words, adding to our data base; it is an incremental process. Each year we gather more information and add that to previous information. So it is an incremental process depending on the monies allocated to us, of adding to our data base, and over time we gather more information about our wildlife populations.

So, in a brief response, then, we are adding more information to our data base during this fiscal year, with respect to our various species and their populations.

Mr. Hanson: Do you not think it might be better to allocate the funds available to one species, and utilize the funds to the best advantage? Instead of doing half a dozen projects, to get

one, at least, off the ground? Would it not be better to do one all at one time and then go on to another one? You seem to be spending two bits here and two bits there.

Mr. McKay: That is a very real problem, in the sense that our users relate to all species; we have to provide guidelines and regulations and information relative to all of the species that we are responsible for managing.

I suppose you could say that in one year we could allocate all of the funds to taking inventory on one species, but then what happens the following year? You would allocate to another. If you follow that sequence, over time, which one of the species gets dealt with six or eight years from now? That is the problem that we are up against. If you were to allocate all of your funds to one species, in any one year, then you run short of information on others. It is a real challenge to us, in terms of gathering the information — trying to balance the expenditures toward the various species.

What we have been attempting to do, up to the present, is to carry out some inventory on all species and to add to our data base. Our expenditure pattern, at the present time, has the tendency to equate all of our species somewhat equally, as opposed to focussing on one particular species.

That is something that we are examining, at this point in time, in terms of preparing the Budget for 1982-83. It is a hard decision to make. Do you allocate all of your funds to one species, and drop others? It is a difficult decision to make.

Mr. Hanson: Caribou you have listed as \$77,500 spent on inventory. Is that totally Government money, or does that include projects like the pipeline or a mining company? Is that Government money there, plus the money that is given by these other groups?

Mr. McKay: The monies here are monies voted by this Legislature.

In some project areas, with some species, yes, we do enter into arrangements with other companies or other jurisdictions for special studies in special areas, but that is over and above what is voted here. These are the voted monies by this Legislature.

Mr. Hanson: So that \$77,500 is spent on caribou. It would seem to me, sitting here, that over the years we have spent so much more money on caribou. As the old saying goes, "we die then we come back to this world again". We want to come back as caribou, because they are better looked after than anybody else.

It would indicate that there are two projects going besides the Government contribution to caribou, when actually in this part of the country the moose is the main meat for the table. You wonder why so much is done on caribou.

Mr. Falle: I have been listening to the debate here, and it seems to me that your Department is putting a lot of emphasis on counting the animals; trying to procure data; but, just looking one step further, it is a renewable resource. The inventory, I understand, is a very essential part of being able to manage your stock. Is there anything being done, for instance, towards increasing the stocks, increasing the grazing of the stocks?

I have read articles in various types of magazines where, for example, if you happen to have a burn, the animals increase dramatically in the area where it has been burnt over. I was just wondering if your Department is looking towards anything like that: trying to stabilize the stock not just by counting them? If they die off, well, the count is going to go down, but are you actually trying to increase the stock by increasing the grazing range, or something along those lines?

Mr. McKay: Yes, there are other activities that we do carry out related to the areas you are describing; all our monies are not spent just on counting animals.

We are examining the habitat to ascertain the value of that habitat to various species. We have examined, and are still examining, this matter of burning to improve range, particularly in the case of sheep. We have not mounted a project as

yet, but we are examining that as a possibility. We are examining the impact of burning one moose range, and we have been carrying out some investigations in that area.

So, yes, we are looking at these other dimensions which could enhance at least the habitat dimension of the wildlife.

Mr. Falle: You mean that, with any animal, when you increase the habitat you increase the feed capability, and you increase the number of animals? Basically, I would like to see a little more emphasis put on that, but that is a matter of policy, anyway.

I just wanted to know whether you people were spending some of your resources in the area of increased grazing. You have answered my question; thanks a lot.

Mr. Chairman: Mr. McKay, I wonder if I could return to the numbers that we were talking about a moment ago.

In the 1981-82 allocations, the ... allocation is \$369,600, and \$286,000 of that is what the totals come to when you add the list of percentages beside that. I just want to ask if the \$286,000 is what you expect to spend in 1981-82?

Mr. McKay: Yes, it is the the projected expenditures to the end of this fiscal year.

Mr. Chairman: Could you explain to me the reason why, in terms of the percentages you gave respecting species, they range from 20 percent to 95 percent? That puzzles me. The difference is very large.

Mr. McKay: The 85 or 90 is large, yes. In the 75, 85, or 95 there is not very much of a variance.

I suppose the one here that really shows up in this context of being low, in terms of inventory and monitoring, is in the fur; the 20 percent one.

Mr. Chairman: You are talking about that in the second paragraph, where you are talking about the Fur Management budget being cut by 50 percent. What are you talking about in terms of dollars there — 50 per cent from what?

Mr. McKay: The project has been cut by 50 percent. Our Budget this year is \$34,100; if there were a 50 percent cut, then we would probably be looking at roughly \$85,000 last year in that area.

I think that I should point out, too, that maybe the word "cut" is the wrong word to use here.

Mr. Chairman: That was your word from this morning.

Mr. McKay: There were some transfers, in terms of programming, relating to the fur industry.

In previous years, we had money in our Budget relating to the trappers, for equipment and training. That money was taken from our Budget in this fiscal year, and is being expended by the Department of Economic Development, through the Special ARDA Agreement, to the Yukon Trappers' Association.

So, as far as the trapper is concerned, he has not received less service. It has been a case of our Department expending fewer dollars in this fiscal year; however, in terms of total dollars, the expenditure has probably gone up. I am not sure exactly what has been expended through the Special ARDA Agreement to the trappers, but there was that type of a shift there.

Mr. Chairman: Let me ask you a question about the inventories. It touches on the question that Mr. Hanson asked earlier. I think we all noticed the \$50,000 minimum, and then related that to the actual expenditures in some areas.

To state the obvious, when you are dealing with these wildlife species — a renewable resource — presumably there would be natural fluctuations in the populations, even were there no humans here to impact on them. Therefore, it would take quite a long time, presumably, to develop enough of an information bank about them to be able to project what would happen, based on certain kinds of impacts or assumptions or given new impacts in an area. I recognize that it is still an imprecise science.

Given the fragmented approach that you have outlined and the reasons that you gave for it, how long do you think it will

take for the Department to develop what you would call an adequate data base?

Mr. McKay: In terms of response, that is very subjective.

Mr. Chairman: As the person responsible for managing the resource, and in terms of your feeling absolutely confident that you are managing a resource in the public interest, how long do you think it will take you to develop the information that you will need to properly manage it?

Mr. McKay: That is related back to the amount of dollars we have available. You have got to blend time and dollars.

Mr. Chairman: Let us assume the present level of funding.

Mr. McKay: With the present level of funding, I would not feel very comfortable about the data base ten years hence.

Mr. Chairman: Does not that, with you being the administrator responsible for management of this resource, cause you some grave concern?

Mr. McKay: Yes, it does.

Mrs. McGuire: I would like to refer to Recommendation Number Twelve, Mr. McKay.

Yesterday, the Committee was not entirely satisfied with your answer on questions raised about the goals and objectives of Renewable Resources — actually, questions as to the use of the Department's goals and objectives, which were approved by the Minister on December 22, 1981. I would like to ask the question: have these goals and objectives been used by the Department in its preparations of its 1982-83 Estimates?

Mr. McKay: Yes.

Mrs. McGuire: I would like to refer back to a question that was asked yesterday concerning the black marketing of trophy animals to non-residents. Mr. McKay, yesterday you clarified that you and your Department were aware that this business was going on. I would like to ask you: what are the conservation officers of your Department doing to retard this practice?

Mr. McKay: I think you can appreciate that that is a difficult area to get a handle on. When our conservation officers gain information that a particular transaction may be taking place, they move in and try to get a handle on it. But I think you have to appreciate that this black marketing is done very "capably" by those involved. They are very difficult to apprehend. I would like to give you a better answer than that, but it is a difficult area to deal with.

Mrs. McGuire: Have there been any arrests made in that area, in the past year, that you are aware of?

Mr. McKay: I could not answer that, at this point in time. I would have to go back through the records.

Mrs. McGuire: To the best of my knowledge, the bulk of the sale of black market trophies goes to Alaska, and the States. Is there no possible way that that sort of thing can be retarded, since we do have to cross borders? One would think that the conservation officer could perhaps get a pretty good handle on it through the monitoring of border crossings.

Mr. McKay: You are talking about smuggling and this sort of thing. We do not have someone stationed at the border 24 hours a day to check every vehicle and this sort of thing.

I suspect a good many of these transactions do not necessarily go along the highways. They are done in ways and means which are awfully difficult to apprehend. They may be flown across; they may be walked across. It is a difficult area to apprehend.

I would appreciate any suggestions that you have or ideas or information that you may have, relative to those who may be committing this type of offense, and we will certainly investigate.

Mr. Falle: I would just like to touch on smuggling. As the Department head, do you really see the smuggling of trophy animals as a major problem?

Mr. McKay: We are not positive how much smuggling goes on in the black marketing of trophy animals. The information that we have at this point in time is that we do not think, with respect to our animals, that it is a big problem, but we are really not sure just how many animals are killed and their trophies smuggled out. We really do not have a good handle on

that. We do not think that it is a large number, in total, in the Territory.

But in a specific area, such as Mrs. McGuire was referring to, if our populations are being harvested for that purpose in a discrete area of the Territory, it may have a very important impact on our populations in that specific area. But we do not have very good information in that dimension at all.

As I say, it is a very difficult one to get a handle on and I would certainly appreciate, and I am sure our staff would appreciate, any information or any leads to be provided to us concerning these types of activities taking place.

Mr. Falle: Your enforcement staff, I take it, are well aware of the problem and are going to do whatever they can.

Mr. McKay: I think that you can appreciate, too, that our enforcement staff are very limited in numbers, when you consider the size of the Territory. In the area that Mrs. McGuire is referring to, Haines Junction, we have one conservation officer stationed. He is responsible for a huge area in the Territory, and he cannot remain at any particular point for very long to carry out surveillance or whatever. He is there to respond to a large number of calls, and he is all over that territory.

We have limited capability, too, in terms of carrying out surveillance, and that is really what is required in this dimension: you need a fairly major effort in terms of surveillance when you have a suspect.

Mr. Falle: So, you do depend very strongly on the public in helping you with this matter?

Mr. McKay: We certainly have to depend on the public, exactly.

Mr. Chairman: May I just ask you, Mr. McKay, just one very brief question about the location of the field staff or the game officers? I heard some suggestion, during the recent reorganization, that one of the effects was that there were relatively more people in the branch in a supervisory capacity and relatively less in the field. Can you confirm if that is or is not the case?

Mr. McKay: No. At this point in time, they are practically all one-person offices that we have. What we plan to do in our restructuring and reorganization is combine our parks officers and our conservation officers into one unit. What we hope to achieve by that, through our four regional offices, is that, in a number of the communities, we will be able to establish two- or three-person offices. What that means is that we will have to transfer some people out of the Whitehorse area to some of our regional offices.

Mr. Chairman: Can you define those four regions, very briefly, for the Committee?

Mr. McKay: The regions are Whitehorse, Watson Lake, Haines Junction and Dawson City.

Mr. Chairman: What you are saying is that, in addition to the conservation officer who may previously have been located there, there will now be another person located in each of those three rural regions?

Mr. McKay: Yes.

Mr. Chairman: One of those people, then, will be in some kind of supervisory capacity over the other one?

Mr. McKay: I suppose, in that context.

Mr. Chairman: It is not that much of a difference; one is just the lead hand or something?

Mr. McKay: Yes. If we have a two-person office, and depending on our classification of who is there, one may be a Conservation Office III and another one may be a II. In that sense, there would be that type of relationship. If they both happen to be classified as III's, then.....

Mr. Chairman: How many do you have in the field presently?

Mr. McKay: I would have to go back and count them up in my office, but, outside of Whitehorse, I guess, we have seven people.

Mr. Chairman: With reorganization, how many will there be?

Mr. McKay: We would hope to have 10 or 11.

Mr. Chairman: It is your hope that that increased staffing in rural Yukon will improve the management?

Mr. McKay: It would be our hope that there would be people closer to the areas where the need is. At this point in time, we have been servicing a lot of the calls and requests from Whitehorse itself. Hopefully, if we move some of our people out into the regional offices, we can gain some improved services; that is part of our intent. We would get our people closer to the citizens out there.

Mr. Chairman: Okay, Mr. McKay, thank you for being here. There may be one or two matters we may want to pursue with you in writing, and maybe a follow-up letter or two arising out of yesterday's or this morning's hearings. In any event, I would like to thank you for being here. We appreciate your taking the time; who knows, our successors or whomever may invite you back next year. Thank you.

The Committee will take a ten minute recess and then we will be hearing from officials from the Department of Consumer and Corporate Affairs. The Committee stands recessed.

Recess

Mr. Chairman: We will come back to order. We are going to be dealing this morning with the Department of Consumer and Corporate Affairs. I would welcome before the Committee, Mr. Doug Spray and Mr. John Lawson, who are, respectively, the Deputy Minister and the Director of Policy and Planning.

Gentlemen, since this is your first appearance before us, perhaps, in case you do not know anyone, I will briefly introduce the members of the Committee. On my left, Mr. Hanson, the Member for Mayo; on my right, Mrs. McGuire, the Member for Kluane. Joining us later will be Mr. Falle and Mr. Graham. At the table you will find the Clerk of our Committee, Missy Follwell, the Deputy Auditor General, Mr. Raymond Dubois, and Harold Hayes, the Principal from the Auditor General's office.

I understand, Mr. Spray, you have a statement to begin the hearing this morning.

Mr. Spray: Yes, Mr. Chairman, just a brief presentation, if I may.

To Mr. Chairman and Committee Members: You have been provided with copies of the organizational chart of the Department of Consumer and Corporate Affairs. Included with your copy of this presentation is a listing of the Ordinances which were administered by the Department during the year under review, 1980-81. With the exception of the *Motion Pictures Ordinance* and *Saw Logs Driving Ordinance*, which have been repealed, and the *Scientists and Explorers Ordinance* and the *Archaeological Sites Regulations*, which have been transferred to the Heritage and Cultural Resources Department, the listing represents the Legislation now administered by the Department.

As the Committee is aware, the Department underwent dramatic reorganization, effective April 1, 1978, at which time all legislative and administrative responsibility directly related to other departments of the Government was transferred. At that time the Department was renamed, from that of Territorial Secretary and Registrar General, to the present Consumer and Corporate Affairs.

The departmental objective: to monitor and research the needs of Yukon residents, to promote the development of an equitable and stable marketplace, regulated by Government guidelines in which all residents are aware of their respective rights and responsibilities, is attained through an organization consisting of five sections. The legislation administered by each section is detailed on the listing to which I have previously referred.

The Motor Vehicles section, administered by Deputy Registrar R. Iwanicki, is concerned with registration of the vehicles and operators utilizing Yukon highways and, in the process, works closely with the Department of Highways and Public Works and the R.C.M. Police.

The responsibilities of the Public Utilities administration were, during the year under review, assigned to the Motor Vehicles and Consumer Services sections. These responsibilities consist of administration of the *Transport Public Utilities Ordinance* and *Electrical Public Utilities Ordinance*, through support services provided to the appointed boards by Public Utilities' Administrator Mr. R. Wilson.

The Consumer Services section, under the direction of Consumer Services' Administrator, V. Hancock, is responsible, in addition to administration of Ordinances respecting the licensing of various professions, for direct consumer legislation in the form of consumer protection, landlord and tenant, real estate agent's licensing, and insurance ordinances. As Superintendent of Insurance, the Deputy Minister is a Member of the Association of Superintendents of Insurance; he meets regularly with the provincial Superintendents, as well as the federal Superintendent, to prepare guidelines for the industry.

Very close contact is maintained by this section with comparable administrators of Consumer Services in the provinces.

The Corporate Affairs section, headed by Corporate Affairs Administrator, P. Lackowicz, is primarily concerned with the companies and securities ordinances, the administration of which must be closely related to the requirements of Yukon-related businesses as they are affected by the provinces of Alberta and British Columbia.

The Department, through this section, meets regularly with the provincial corporate administrators and the administrators of securities legislation. The new *Personal Property Security Ordinance*, enacted at the 1980 Second Session by the Assembly, will be brought into force for operation in June of this year. This program will be run through the Government's data centre and is similar to those in effect in Ontario, Saskatchewan, and Manitoba. We will be the most modern and will have the first on-line system in Canada.

The Manpower and Labour section, under Director D. Sinclair, which is being reorganized this year, consists of the Labour Unit, which has been the responsibility of the Department for many years, and the Manpower Unit, which was transferred from the Department of Education late in 1980. Occupational Health and Safety, a shared responsibility with the Workers' Compensation Board, is in the developmental stages, dependent on new Legislation.

It is considered very necessary, for the effective administration of consumer and corporate-related legislation, to maintain a close working relationship with our provincial colleagues. For this reason, we associate ourselves with various interprovincial and federal/provincial organizations. A partial listing of these organizations and conferences is attached for the information of Committee Members.

The foregoing is a brief overview of the activities of the Department. Details, of course, could be included; however, I trust this provides sufficient information to form a basis for further discussion.

Mr. Chairman: Mr. Hanson will lead off the questions this morning.

Mr. Hanson: As stated in the second paragraph of your presentation, why was it found necessary to have this dramatic reorganization?

Mr. Spray: The Department of Territorial Secretary and Registrar General dates back many years. It predates the move of this Government from Dawson City to Whitehorse and virtually became a catch-all for the legislation for which there was no other Department. We had such legislation as the public administrators responsibilities, the *Coroner's Ordinance*, Vital Statistics, and Land Titles in this Department. These are more closely related to the Department of Justice, Department of Health, whatever.

In order to align the departments and the Executive Council Members with their provincial colleagues, the Department stripped off all of these pieces of legislation and administrative

duties, coroners, public administrators, land titles, more closely related to the Department of Justice.

Of course, in 1978, the whole Government underwent a fairly major reorganization and realignment of departments. We went from a staff of 84 man-years, or thereabouts, down to about 23. The Government emphasized the need for a Department of Consumer and Corporate Affairs and we tried to bring it in line with that mandate. Motor Vehicles, Transport Public Utilities, Electrical Public Utilities, do not necessarily closely relate to Consumer and Corporate Affairs in provinces; however, they are licensing functions in some respects and, therefore, fall into our Department at this time.

Mr. Hanson: What specific benefits did the reorganization give to the Department?

Mr. Spray: The benefit was that we were able to start concentrating on the legislation which does relate to Consumer and Corporate Affairs. We have undergone, since that time, some major changes in our legislation. We have updated the *Insurance Ordinance*, just prior to that time the *Motor Vehicles Ordinance*. The *Insurance Ordinance* was very, very much out of date. We have put in the *Real Estate Licensing Ordinance* since that time, a new *Medical Profession Ordinance*. We are currently working, of course, on updating the *Consumer Protection Ordinance* and the *Landlord and Tenant Ordinance*.

In all of our Ordinances, and the listing will show you that we have some 40 to 50 pieces of legislation, we were unable to handle all of the legislation that we had. It was virtually becoming impossible for the management to be able to switch from one subject area to another, you were going from Land Titles to Vital Statistics to consumer legislation. We were dealing in generalities and we were not able to concentrate our efforts on specific legislation.

Mr. Hanson: What specific benefits did the reorganization give to the public?

Mr. Spray: At that point in time, prior to the reorganization, virtually no attention was paid to the consumer-related legislation. Consumer complaints were handled by anyone who happened to pick up the telephone at that time. There was no policy, no general guidelines for the staff on how to deal with consumer complaints. There was no history of the problems that consumers were facing in the Territory. By consumers, of course, we mean all consumers, not only those who are dealing with the retailer businesses, but the businesses who are dealing with other suppliers.

As a result of the reorganization and being able to concentrate more on these areas we have a better handle on the problems that are being faced in the type of legislation or guidelines that are required.

Mr. Hanson: The departmental objective reads, "To monitor and research the needs of Yukon residents to promote the development of an equitable and stable marketplace, regulated by government guidelines, in which all residents are aware of their respective rights and responsibilities and is attained through an organization consisting of five sections and the legislation administered by each section as detailed on the listing to which I have previously referred."

Now, how does the Motor Vehicle section help in reaching the Department's objectives?

Mr. Spray: The Motor Vehicle section, at the time that this objective was established was responsible for the *Transport Public Utilities Ordinance*. This Ordinance, which regulates the public carriers in the Territory, is necessary for the establishment of a stable market place in order to ensure that the goods may be moved in the Territory rather than being totally dependent on outside agencies.

Mr. Chairman: Let me put in a question here, Mr. Spray. I have been fascinated by the first of the objectives, "...to monitor and research the needs of Yukon residents." This strikes me as a rather global objective. Someone who was very aggressive could almost, no doubt, gather unto himself most of the

functions of Government to fulfill that objective. Could you give me some kind of idea of the programs and activities that fall under that objective, specifically the monitoring and researching of needs?

Mr. Spray: It is deliberately a very global type objective. In fact, Mr. Chairman, we do extend ourselves, in some respects, into other departments of the Government.

Because of the very nature of the name of the Department, Consumer and Corporate Affairs, we receive information, we receive inquiries from the public on matters that are really not directly under our administration. We find that we gather information or points that we can pass on to other departments. The effect of other departmental legislation, be it Tourism, Economic Development or Municipal and Community Affairs, has an effect on the Consumer and Corporate related legislation.

Mr. Chairman: But there are no specific programs and activities under that objective that would not relate to any others?

Mr. Spray: There are four primary pieces of legislation that very definitely fall under this. They are the Consumer Protection and Landlord and Tenant legislation and they are the *Companies Ordinance* and *Securities Ordinance*.

Mr. Chairman: I am sorry, they did seem to, in some ways, relate to the other stated objectives, as well. I was looking for something that might be exclusive. You have no, for example, independent research function?

Mr. Spray: No, Mr. Chairman.

Mr. Chairman: Part of your statement and subsequent documentation deals with the relationship and information you gather on the activities in other jurisdictions. I would be interested in the ways in which that activity is done in co-operation with the Department of Intergovernmental Affairs or if, perhaps, you could tell me if Intergovernmental Affairs has superseded, in some way, your role in this area?

Mr. Spray: At this point in time, there has been relatively little interaction with the Department of Intergovernmental Relations, as it is now structured.

We are in contact, for example, with the Ottawa representative of that Department, the Associate Deputy Minister, in arranging for a major federal/provincial conference here in 1982.

It is our expectation, as we progress in this area, that when we are involved in meetings of a federal/provincial or inter-provincial nature, where it is possible to have a representative of Intergovernmental Affairs present at the meeting, we would desire to do so in order that any items that come out of the discussions at these conferences that may relate to other policies or other departments of this Government that we are not aware of, Intergovernmental Affairs would certainly pick up on.

I would consider that Department and that function to be a supplement to our activities in this area.

Mr. Chairman: You indicated that contact or co-ordination had been limited. We are a small government with fairly limited resources, both human and financial. How can you be sure that these functions that you are carrying out are not, in some way, being duplicated by this new department, which, I might say, by its very definite objectives has an enormous potential for, let me say, even cancerous growth.

Mr. Spray: The areas that we deal in with the provinces are technical in nature, Mr. Chairman. At this point, I can not see conflict with the other departments. We are dealing with corporate administrators, we are dealing with the chairmen of the Securities commissions across the country and the administrators of Securities legislation where there is no commission. We are dealing with the superintendents of insurance, who have very specific roles. We are dealing, to some extent, with the real estate and the consumer related people. All meetings are of a technical nature and require the attendance of someone from our Department who is aware of our legislation,

aware of the problems and the unique situations which we may have in Yukon and cannot adequately be represented by another Department.

Mr. Chairman: That is not really the question I am concerned about, in terms of adequacy of the relative competence of officials.

To state the obvious, there are enormous volumes of paper generated by governments at all levels and all jurisdictions in this country. Even to have a crude survey of what is happening in the rest of the country requires a fair amount of work. As I understand it, that has become a function of the new Department of Intergovernmental Affairs.

All I want to know, Mr. Spray, is how you can be certain that some of the work you are doing is not being duplicated in part or in some measure by that new Department? Have you a way of ascertaining that?

Mr. Spray: By communication, by direct communication with the Department, Mr. Chairman.

Mr. Chairman: You are reasonably certain that there has been no duplication at this point.

Mr. Spray: At this point, I am not aware of any duplication, no.

Mr. Chairman: Let me ask you, just to go back to the global objective, when we talk about researching needs, by implication one might see some kind of policy development or policy advisor role that would logically flow from that. For example, if your Department has defined some public need, presumably you would then feel obliged to advise your Minister and, ultimately, the Cabinet and the Government of that need. Is that an activity which is defined in your operation or segregated or assigned to any officials?

Mr. Spray: It is now, under the present organization, assigned to Mr. Lawson as Director of Policy and Planning. That position is a staff position in the Department.

The only line responsibilities that Mr. Lawson has are for our administrative functions and our financial controls, but he is to be aware of and have an overall view of the Department and the points that are raised through each section of the Department. We then refer any matters that we have determined as being a need or a problem with the residents to the Permanent Advisory Committees, at which time we have inter-departmental consultation. We have input from other departments and we are able to pass the information we have obtained to the other departments that are concerned.

Mr. Chairman: There are several other departments that have planning functions and some may even have a planning objective, the Economic Research Planning Unit comes to mind. Is the policy planning done by your Department largely, or even exclusively, in the area of your responsibility or does some of it extend beyond that?

Mr. Spray: It is exclusively within the area of our responsibility, Mr. Chairman, even to the point where it may be our responsibility in another Department, such as the Economic Research Planning Unit or the Department of Tourism and Economic Development. If they are able or better suited to do in-depth research, the project would be passed to them with a request that they produce the statistics and the backup.

Mr. Chairman: Let me give you an example and see if you could tell me how you would function. Your officials have become aware of some need that is not within the legislative framework or the jurisdiction of your Department, it may be a social need or some kind of policy need. Do you then just pass that through the system or do you, in fact, not take an interest in it if it is not within your area of responsibility?

Mr. Spray: Well, we treat this the same as any other department would, Mr. Chairman. We do not ignore it. If there is a need or what we consider a possible need or requirement or a problem and it is not within our area of responsibility, then it would be passed, depending on the severity of it, either to directly to a department that we feel would be capable of handling it or, if it is what we would consider of relatively great

importance, it would be passed through to our Minister, drawing it to his attention. He could then pass it to one of his colleagues.

Mr. Chairman: I am particularly interested in the question because you described the evolution of your Department, at one time, as being a catch-all; it may well have been in the position to have assumed new responsibilities almost without obtaining a new mandate. It is now clearly possible for you to identify a new need for which no department may have a clear responsibility and so I am particularly curious about your operation that way.

Mr. Spray: If I may interrupt for a minute, there is a particular function that is not traditionally in the area of Consumer and Corporate Affairs and that is the labour-related legislation. We have a piece of legislation in the books, the *Labour Standards Ordinance*, which could be classified as consumer related legislation. As the needs of the Territory expand into the possibility of the fields of industrial relations or whatever, an expanded labour type legislation, we would draw this to the attention of our Minister for decisions by Cabinet. We may develop and do research and develop a unit which, at the discretion of the Government, would be spun off into a separate department or into another department.

Because of the size of the Government, yes, we do fall into areas that are not normally under our mandate. If there is no other home for them, to put it in better words than "the Government", we will hold them, we will develop them, but we keep them as a separate and viable unit that can be spun off at any time.

Mrs. McGuire: I would like to ask a question regarding the bottom paragraph on page two. It says, "...The new *Personal Properties Securities Ordinance*, enacted at the 1980 Second Session by the Assembly, will be brought into force for operation in June of this year. This program will be run through the Government's Data Centre as similar to those in effect in Ontario, Saskatchewan and Manitoba."

I would like to ask you, Mr. Spray, is this program now developed and has it been tested?

Mr. Spray: The legislation is in place. It is now in the process of being developed in consultation with the Data Centre personnel. It is in operation in these other provinces, in Ontario, Saskatchewan and Manitoba. Our system follows very closely the system used in Saskatchewan.

We have the advantage of learning from the problems that they have encountered. Our regulations to back up this legislation, which will consist primarily of forms, are based on the Saskatchewan models, as they have had to amend them in order to operate the system.

Mrs. McGuire: You say this system is in effect in Ontario and Saskatchewan?

Mr. Spray: Yes.

Mrs. McGuire: Why do you say, then, in the bottom sentence, "We will be the most modern and will have the first on-line system in Canada."?

Mr. Spray: I will pass this particular question to Mr. Lawson, who has worked very closely with this system and can maybe give you more specific details.

Mr. Lawson: The personal properties legislation was first enacted in Ontario, going back, let us say, seven years ago and was subsequently enacted in Manitoba. When Manitoba enacted similar legislation, they brought in some types of documents that were not covered under Ontario legislation.

Following that, the Province of British Columbia was the next to start working on it. They introduced further modernizations, including further documents that were not included, again, in Ontario, basically improvements to the system. Saskatchewan, then, enacted their legislation, I believe in 1980, and they, again, simply improved the system.

None of those systems, however, are on-line. They are computerized systems, but they operate in a batch mode. The fact

that we are as small as we are allows us, through one facility, to operate on an on-line basis. In Ontario, just by comparison, I do not know the number of offices, but every land registry office in the province is also a registry office for personal properties security.

One of the main reasons for personal properties security is to establish priorities of various claims, with respect to an individual piece of property. It is very difficult for them to operate an on-line system with remote terminals. Here we have one registry office, one terminal and our volumes are low enough that we can operate on-line.

The modernization really refers to gradual improvements that have been made in this system, as it has been developed by each province in succession. For example, in Saskatchewan, having passed their legislation and enacted it a year or so ago, they are already looking at amendments to their legislation. They have found certain problems that should be corrected. We have the advantage of taking those corrections and possibly implementing them before we even enact ours.

Mr. Chairman: I want to pursue some items in your statement, Mr. Spray, but perhaps before I do, I could ask Mr. Lawson if he could just explain what is meant, for the record, by on-line?

Mr. Lawson: If I can use an example, Mr. Chairman. When a person finances a vehicle, they go to the bank and they borrow money and they, in effect, give a mortgage on that car back to the bank. The bank then comes in and registers that document to establish their claim, or their lien, on that vehicle. Under the batch system, the documents come in and they are received by our office, but they do not go into the actual terminal right at the time. Under our system, if you, as the banker, bring that document in, we will immediately enter it into the terminal and it is in the computer system. Your priority is established from the time that you bring that document into the office.

Mr. Falle: If I decided to buy a piece of equipment, then, I could come into your Department, give you the name of the person that I bought it from and the serial number and registration and then it is computerized.

The basic question that I am asking is can I, as an individual, have a lien search done on that and make sure that there is no liens or anything on it? I remember the old system with the book.

Mr. Lawson: Yes, you would be able to search by serial number, which is, as you point out, one of the deficiencies in our present legislation. We have no capability for that.

You will be able to come in, immediately following the bank or whoever the registrant of the particular document is, and retrieve that information from the computer immediately, whereas, under batch-type systems, they are not updated. They may possibly be updated every day but, from a certain point, you are forced to use a manual search system, which we hope to avoid.

Mr. Spray: Therefore, Mr. Chairman, the computer terminal will be in the Department of Consumer and Corporate Affairs. The input will be from our staff and the searches will be done off that terminal by either our staff or the public themselves.

Mr. Falle: Basically, it is going to be a lot more private, I take it. When I come in, I am not particularly interested in what you or what everybody else owes in the country and I would just be looking for that individual serial number or that individual company's name or whatever. That is the only information that I would be privy to, I would imagine, not everybody else's, like it is now.

Mr. Spray: You may accidentally come across other information, Mr. Falle. You could obtain the other information, if you wish to do so, but you would be coming in, you would be asking for information on a specific vehicle or unit, or specific person and that is what would come up on the screen, yes.

Mr. Chairman: Let me just go back to your statement, Mr. Spray. I am going to ask you about a number of pieces of legislation that you mentioned in your statement and how they relate to the Department's objectives. Specifically, if you could tell me, first off, how you see the Motor Vehicle section helping in achieving the Department's objectives?

Mr. Spray: The Motor Vehicle section, Mr. Chairman, as it is presently constituted, identifies the owners of all motor vehicles operating on Yukon highways and the operators of those vehicles. It maintains a record of offenses and accidents in which operators are involved and, therefore, you are able to identify the owner or the responsible agent for any vehicle with which you were involved in an accident. The enforcement agencies are able to identify the driving record of any operator which has an effect on the type of penalty that is imposed. Suspended drivers from another province are reported back to us and, therefore, their operator licenses here could be classed under suspension.

We are in line with the other jurisdictions in the country and, therefore, when a Yukon resident moves from Yukon to B.C. or Alberta or wherever, or where a resident of that jurisdiction moves here, their operator licenses are recognized and their records go with them. Our standards are comparable to those of the other provinces.

It is the protection of the personal rights and responsibilities of the individuals. The records are restricted, in some respects; in particular, driving records are restricted to very specific individuals. Theoretically, you can be assured that the vehicles that are on the road are adequately insured and, if they are involved in an accident with you, they have public liability and property damage insurance coverage.

Mr. Falle: You said that you could be reasonably sure that the personal security of that person would be protected, that that information would be protected and only certain people would be privy to that information. I take it that that would be an insurance agent, R.C.M.P., or one of the staff?

Mr. Spray: The driving records of the operators are restricted to anyone who has a reason to look at them, and that includes the enforcement agencies and the individual, but an individual can release his records to a prospective employer, if he so wishes.

Children's records are open to their parents. An under-age driver, under the age of majority, does not have the right to restrict his own record from his guardian.

If you, Mr. Falle, as a matter of course, walked into a Motor Vehicles office and asked to have an abstract of my driving records produced for you, you have no need to know that. If you have cause to go to court, the court certainly has the right to subpoena, or you have the right, through your solicitor, to subpoena my driving record to go into court.

Mr. Chairman: Let me ask you the same general question, in terms of achieving the Department's objectives, in respect to the Public Utilities section.

Mr. Spray: If we could deal with the transfer of public utilities first, Mr. Chairman, one of the primary reasons for that is to try and attempt to establish a stability in the marketplace.

This Territory, particularly, is very dependent on the public carriers to transport goods throughout the Territory since we do not have rail systems. It is to ensure that there is not an overabundance of a particular type of carrier operating in any region of the Territory. It is to attempt to ensure that there is competition, in order to protect the consumer, but that there is not an excessive number of them. It is there to ensure that the larger carriers from outside who may wish to have an operating authority in the Territory during a period of high economic activity, do not come in, take over the field, and, at such time as the economic activity drops off, move back out and leave the Territory with no carriers at all.

There are certain rights and responsibilities of that carrier that are established by legislation and there are certain rights and responsibilities of the people who use those carriers. I

think, in terms of the cargo insurance that a carrier must have, the C.O.D. insurance that must be carried, that, if it is a scheduled run, that that scheduled run is adhered to in order that the consumer is able to rely on that carrier.

The Electrical Public Utilities legislation is a review mechanism that is available to any consumer to question the increase that a public utility is putting through. The Board can hold a public hearing and it is a full disclosure by the public utility, in the public forum, of their reasons for putting through an increase, or for the rates that they do charge, or for the type of service that they provide and for the consuming public, be they business or private, to question as to whether or not that utility is fulfilling their service to their customers.

I would say that in an equitable and stable marketplace, both these pieces of legislation work in that regard and the rights and responsibilities of both the supplier and consumer are brought out.

Mr. Falle: Consumer Services seems to be a very interesting area and, again, is an area that could possibly involve the entire Government and all the people. I would really like you to explain that particular piece of legislation to me and how you see your role.

Mr. Spray: Well, Mr. Chairman, personally, of course, I assume that all legislation services of any Government are consumer-related because I have a very broad definition of the word "consumer".

Very particularly, we attempt, under the legislation that we administer, to ensure that the consuming public, at whatever level, is not only aware of their rights and how they may ensure that their rights are granted to them, but that they are aware of their responsibilities in the marketplace. To this end, we use the consumer protection legislation, the landlord and tenant, the insurance and real estate legislation.

Some of the corporate legislation is also very closely related to consumerism. When you are dealing with a real estate agent in the Territory, you must be assured that that real estate agent is handling his trust funds in an adequate and proper manner. The real estate agent must have guidelines to protect him in the handling of those funds. You must be able to go in to our other records and determine who is the real estate agent, who you are actually dealing with, not just the company or partnership but who the individuals are in that agency; they must be a responsible person.

I think it is a very difficult question for me to answer, Mr. Falle, and I may have been able to get it across to you.

Mr. Falle: Let me zero in on one particular item. As you know, we are converting to the metric system and is it your Department's responsibility to monitor the change?

I remember, when the oil companies went from quarts to litres, the price of the can remained the same from the quart, but it was still a litre, which is a heck of a lot less. I complained personally about it, but, what can you do, it is an oil company. That was a great response. I mean, a litre is not a quart and the price is different. Likewise, we are going to see these changes coming about in other areas into the metric system.

What I am saying is, do you see your Department in that role, sort of monitoring the changes so that you are not getting ripped off? There is no other explanation with the oil companies, you were just simply ripped off and nothing and nobody could do anything about it, because a quart is not a litre, yet the price was still the same and it was the same oil. Call it what you want, I call it a rip-off. I would like to know if it is the mandate of your Department to be able to monitor things like this?

Mr. Spray: There is a very short answer to that, Mr. Falle, and the answer is, no. That is not the responsibility of our Department; however, there may be very many reasons why it went on to conversion, especially in the metric, the price is the same for a litre as it is for a quart.

If there is any question of this being improperly priced or improperly handled, we would refer that complaint to Consumer and Corporate Affairs Canada for action. We do not attempt,

in any way, to monitor or interfere with the pricing system in effect in the private sector. We can mediate, we can attempt to obtain the reasons for the complaining consumer, for the concerned consumer, but, no, we cannot do anything directly to affect that.

Mr. Falle: The words "Consumer Services", to me, means that with the data base that you people have accumulated. You are telling me that it is not your mandate to be able to point out inequities or rip-offs. I mean, even to the point of pointing them out, would be great. I just do not know if you have the mandate.

For instance, something comes up the road and a consumer comes into your Department and says, "Listen, I have been ripped-off. I was charged twenty cents a pound to come up the Highway and the price is ten cents a pound." Is the advice of your Department to the individual to just not use that fellow again, or what?

Mr. Spray: This runs into very many areas and I can give you some examples. If you enter into a contract with a carrier to bring goods up the Highway at twenty cents a pound and you subsequently find that there was a carrier that would have only charged you ten cents a pound, there is, of course, not anything that anyone can do for you.

If you come to us and say, "I intend to bring some goods up the Highway, how do I determine the best and most efficient and economical way of doing this?" If we do not have the information in our Department, and it may or may not be our mandate, we would be able to refer you to those agencies or those documentations that would give you that information and allow you to make your own assessment as to how you are going to do it.

We do go in to what you might call rip-offs to some degree and an example of that are transient traders. If we are aware that a door-to-door service type of business is coming into the Territory, if we have any doubts at all in our minds, we will check with the home jurisdiction of that business, we will check with the Better Business Bureau, we will check with the police forces and we will check with the provincial Department of Consumer Affairs to determine whether there is any knowledge that they have of that business not being a reputable business. If all reports come back that there have been no problems in the business' home jurisdiction or any other jurisdiction, that information will be made available to anybody on request. We would not publicize that fact, we would not guarantee that it is a reputable business. We would simply say that all of our information is that it has no problems.

If we have information that would indicate that it is not a reputable business or that there is a particular problem with this type of service, we would be prepared to publicize, and we do publicize that sort of thing, warning consumers to watch out for door-to-door salesmen who are selling diamond rings for \$5 a set or whatever.

We have not, to date, gone as far as many of the provinces, in that we do not name the particular business. Some of the provinces are doing this, "Do not buy from A.B.C. Company because they are not a good company."

Mr. Falle: Like you said in the beginning, the words "consumer services" do not mean consumer protection.

When you find a rip-off, when you find somebody doing something that is against all legislation, where is the enforcement part? What do you do with the salesman that comes in from Ontario selling the \$5.00 watch? Do you just tell him, "Do not do that any more", or can you do something about it?

Mr. Spray: Depending on what it is. With door-to-door salesman using contracts, they must put into their contract those portions of our Ordinance which give warning to the person purchasing that they have certain rescission rights on that contract, whether it is the sale of meat or encyclopedias or whatever, on a door-to-door basis. If they do not, they are in non-compliance with our Ordinance and the matter would be turned over to whatever enforcement agency is able to deal with it.

If you are having diamond rings coming in, we work very closely with the RCMP. Now, to be quite honest with you, Mr. Falle, we have had no cases of this nature.

Mr. Falle: This seems to be my slight little problem with the whole thing. You have lots of legislation and you have to be sort of the godfather of that legislation, but where are the teeth?

Mr. Spray: Mr. Falle, we can have all the legislation we want and it is not the answer.

When we say "consumer services", we are in tune with our colleagues across the country. We have determined and they have determined that the best way to avoid the problems that the consumer has is not to enter into this type of contract in the first place. Therefore, we are emphasizing more and more what we would call a consumer information education program.

Admitted, there are very few teeth in the existing legislation, which is why it is under review right now, but a lot of the teeth in the legislation is federal, unfair trade practices and this sort of thing.

Mr. Falle: The next area I would like to enter into is the Corporate Affairs section. I would like you to explain to me your role in that endeavour.

Mr. Spray: I will answer it in part, Mr. Falle, and then I would ask that I be able to refer the other part of it over to Mr. Lawson who, up until this year, was the Corporate Affairs Administrator and has a very in-depth knowledge of it. Perhaps I should refer the whole question to him and get myself off the hot seat for a minute.

Mr. Lawson: I presume, Mr. Falle, you are speaking with respect to how Corporate Affairs relates to the departmental objectives?

Mr. Falle: That is right.

Mr. Lawson: As Mr. Spray indicated earlier, the two main items of legislation are companies and securities. The primary piece of legislation is the *Companies Ordinance*.

Companies legislation, or corporate legislation as it is now being called, is fairly standard across Canada and it is basically enabling legislation, it is not regulatory legislation. There are regulatory sections to it, but, basically, it is legislation that will allow you to incorporate and carry on business as an entity other than yourself for various reasons, tax reasons, liability reasons, et cetera. There are financing implications and so on.

For that reason, whether we want to or not, in some cases we are required to maintain relative uniformity with other jurisdictions. It would essentially be impossible, in my opinion, for the Yukon Territory not to have a *Companies Ordinance*.

So, our role there is really simply to provide the registration-system and the mechanism for people to carry on business under various forms.

The *Partnership Ordinance* is another example of that, where our role is simply to register the fact that a partnership exists. Now that provides the mechanism or whatever for the business to operate.

From the consumers' side, our role is to provide the information so that you, as an individual, can find out, when you are dealing with the ABC Company and you feel that you may have been ripped-off or whatever, that you can find out who the ABC Company is and deal with them accordingly. Partnerships, business names, we have them throughout the Territory.

Our role there is primarily one of being the receptacle of the information.

We make it available to you on request.

Mr. Falle: I will probably come back on Corporate Affairs, but I would like to look into another area that you are into, Manpower and Labour. I would like to know, again, what you see your role as there. Also, there is that new legislation in the making, or talk of it, that might turn this into a fairly interesting area in your Department.

Mr. Spray: As I prepared this presentation, I almost thought of leaving out that particular paragraph rather than leading into it, hoping that everybody would forget about it.

It is a very, very difficult area. If I may deal on the Labour section of it first, Mr. Falle, the Labour section, as I stated in the presentation, has been with the Department for many, many years, with the main piece of legislation being the *Labour Standards Ordinance*. The *Fair Practices Ordinance* is also administered by that section and, until this year, has been relatively inactive. It is now surfacing, as well, and it is a very interesting unit in many ways.

The *Labour Standards Ordinance* is very specific in what it regulates. It is geared in many ways for the protection of the unorganized worker. It is there also for the protection of the employer; it gives him very specific guidelines as far as hours of work, overtime payments that must be made, and benefit payments that must be made. It is enforced upon complaint only. At one point in time, the Department actually went out and inspected the payroll records and the books of various businesses. It was beyond our capabilities to keep up with that. We were unable to do it effectively; it would take a tremendously large staff.

We operate upon complaint and the complaints, of course, come in from the employees. In consultation with the worker and the employer, it is determined whether or not there is a claim. If there is a claim, we assist the worker or the employee in obtaining his rightful due.

There is a green paper, tabled at the last Session of the Assembly, which is going to the Select Committee on Employment Standards and that, of course, is something that is under discussion, as you state, which could be an expansion of that.

The Manpower unit of the section was transferred from the Department of Education late in 1980 and is a resource unit, a research unit. It is a co-ordinating unit, working with all of the other departments of this Government and, in particular, with Tourism and Economic Development, with the Department of Education, with Intergovernmental Relations, which encompasses the whole Pipeline Branch.

In any proposal for major economic development in the Territory, the Manpower unit comes into play to try and determine the manpower requirements, to do some research in that field and to pass the information back through to the Department of Education in case they are able to provide the training required in order to develop the labour market.

The manpower portion of that unit is not really reflected very effectively in our departmental objective. I would say that the objective of the Manpower unit is to attempt to establish a stable work force in the Yukon Territory and to ensure that the residents of the Territory have access to the work force required for any particular project or any on-going, economic development in the Territory.

Mr. Chairman: Mr. Spray, we have reached our time for adjournment. As you will be aware, we have only just begun to ask the questions.

I thank you and Mr. Lawson for being here this morning and look forward to seeing you again.

At this time, the Committee will stand adjourned and will reconvene in Executive Session.

The Committee adjourned at 11:30 a.m.



The Yukon Legislative Assembly

Issue No. 3 (Third Sitting)

24th Legislature

PUBLIC ACCOUNTS COMMITTEE

Formal Hearings: Evidence

Thursday, January 21, 1982
9:30 a.m.

Chairman: Tony Penikett, M.L.A.

Standing Committee on Public Accounts

Chairman: Tony Penikett, M.L.A. *

Vice-Chairman: Peter Hanson, M.L.A.

Members: Al Falle, M.L.A.
Doug Graham, M.L.A.
Alice McGuire, M.L.A.

Missy Follwell
Clerk to Committee

- * Pursuant to Standing Order 46.(3)
Mr. Byblow substituted for Mr. Penikett

Expert Advisors from the Office of the Auditor General:

Raymond Dubois, Deputy Auditor General

Harold Hayes, Principal

Witnesses:

Department of Consumer and Corporate Affairs

Mr. Doug Spray, Deputy Minister

Mr. John Lawson, Director of Policy Planning

EVIDENCE

Thursday, January 21, 1982 — 9:30 a.m.

Mr. Vice-Chairman: Good morning, Mr. Spray and Mr. Lawson. This is Meeting Three of the Third Sitting of the Standing Committee on Public Accounts and the second day that you are in front of us, Mr. Spray.

I would like to introduce to you Mr. Byblow; he is going to lead off for us today.

Mr. Byblow: Mr. Spray, I have several questions in the area of administration and enforcement. Yesterday, you outlined to the Committee, in general terms, the administrative function of your Department, relative to the administration of Ordinances. I would like to refine your answer as to the nature of that responsibility.

My first question would be: could you explain what you understand the administration of ordinances to mean? What does the expression "administration of ordinances" really mean?

Mr. Spray: We take the term "administration of an ordinance" to mean total responsibility for carrying out the provisions of that ordinance, with respect to statutory requirements that are laid down on this Government and on the individuals, companies, or professions who are regulated by that piece of legislation; this includes the responsibility for the enforcement.

Now, the enforcement itself may be undertaken by other agencies, such as the R.C.M. Police, but on interpretation of the legislation, it is our responsibility to ensure that adequate interpretation and the full meaning of that legislation is passed on to the enforcement agency.

If I may use an example such as the *Insurance Ordinance*, there are very specific responsibilities laid on the Superintendent of Insurance; these must be fully carried out, and are the responsibility of the Department to ensure that the Superintendent of Insurance carries out those statutory conditions.

It is total responsibility for the legislation; it is the responsibility to ensure that, if there are any Government policies required with respect to that legislation, those government policies are requested and obtained from Cabinet. It has the responsibility to ensure that that ordinance is reviewed, on a regular basis, for requests for amendment to the legislation to be passed through to the Assembly, also that the ordinance is meaningful and meets the needs of the people of the Territory and of the Government of the Territory.

Mr. Byblow: You say that enforcement is included in the administration of ordinances. Is that correct?

Mr. Spray: If the administration of that ordinance is totally assigned to the Department of Consumer and Corporate Affairs, yes. There are some ordinances where we have a shared responsibility with other departments; at that point, if the enforcement is the responsibility of another department, then we are only concerned with certain assigned aspects.

In the case of the *Marriage Ordinance*, which is assigned in part to our Department, we only have responsibility for one very minor section of that Ordinance. The balance of the Ordinance is assigned to the Department of Health and Human Resources; enforcement therefore falls under that Department, not under our Department.

Mr. Byblow: I would like to pursue the degree to which your Department is involved in the enforcement aspect of ordinances. If a specific ordinance outlines a particular procedure, wherein a person who feels he is being aggrieved has a procedure laid out in the ordinance for him to follow, how far do you assist that individual in the understanding, the interpretation, and the possible enforcement of an offense under that ordinance?

Mr. Spray: It varies from ordinance to ordinance, Mr.

Chairman, and the *Labour Standards Ordinance* is an example. We will carry the enforcement aspects through a period of mediation and we will assist the individual in preparing a case — indeed, we take some of the cases to court ourselves. We will, as in some very recent cases, assist the individual in preparing lien applications under the *Miner's Lien Ordinance*. So, it is a matter of assistance, in some cases; it is a matter of carrying it through to the courts ourselves, in some cases; it is a matter of advising an individual, under the *Consumer Protection Ordinance*, that he may go through Small Debts Court and that, at that point, it is his responsibility to carry from there. It is a matter of government policy and departmental policy on each individual ordinance as to how we treat them, and they are all treated differently.

Mr. Byblow: I suppose, to summarize what you are saying, one could say that insofar as enforcement goes, you see your role as interpreting the ordinance and assisting the individual in the event of a grievance committed.

Mr. Spray: Generally speaking, Mr. Byblow, that is the case. There are individual cases we do take to court ourselves.

Mr. Byblow: Do you frequently proceed through to court on a complaint?

Mr. Spray: Under the *Labour Standards Ordinance* it is very frequent; it is very common.

Mr. Byblow: I recall an instance where a number of constituents had some concerns about the safety of a public transport vehicle: specifically buses. As I recall, when they inquired with your Department, it became apparent that your Department did not want to touch this issue, either from an inspection aspect or in the form of investigation. In fact, when I inquired, I was told that the matter was the responsibility of the R.C.M.P.

To me, this raises the spectre of just what consumer service you provide. In the area of consumer complaints, how would you describe your responsibility of the service provided to the consumer?

Mr. Spray: The only legislation we have directly for consumers is the *Consumer Protection Ordinance*; we mediate on the basis of the *Consumer Protection Ordinance*. If there is a specific legal action that the consumer must take, it is, generally speaking, taken in Small Debts Court. We then simply advise him that that is the action that may be taken, and explain to him how he proceeds with that action. He then proceeds if he wishes. It is the individual's concern.

When it comes to a matter where the R.C.M.P. have a mandate under contract to enforce a piece of legislation of this Government, for an example the *Motor Vehicles Ordinance*, and there is a difficulty in having that administered or enforced, we then proceed either directly in consultation with the R.C.M.P. to request that they take action, or through the Department of Justice, who administers the contract with the R.C.M. Police.

A recent incident, and a very common one, is the non-licensing of vehicles under Yukon laws; for example, vehicles brought into the Territory from British Columbia are very common in the Watson Lake area. The R.C.M.P. have a direct responsibility for enforcing that provision of the *Motor Vehicles Ordinance*.

I had a recent complaint that they are not enforcing it to the satisfaction of some residents of the Watson Lake area, so I have directly communicated with the R.C.M.P. in Watson Lake, asking that they enforce that provisional Ordinance, or that they advise why it may not be enforced; at which time, if there is a problem with the legislation itself, we would move if necessary to make recommendations that the legislation be amended. If there is no problem with the legislation, if it is an administrative problem, we would refer it to the Department of Justice, for further dealings with the R.C.M. Police.

Mr. Byblow: If a consumer complaint is brought to your Department and an ordinance respecting that area is silent on

the matter, what is your policy then?

Mr. Spray: A point of mediation: we directly mediate between the consumer and the supplier against whom the consumer is complaining, and try to arrange a satisfactory solution to the problem.

Mr. Byblow: I recall another instance, also with a constituent, where he went to your Department to be assisted in the formation or incorporation of a company. He was told, unfortunately, that he would be better off getting a lawyer. I believe he persisted, got a copy of the *Companies Ordinance*, and proceeded.

I guess what I am making note of is that we often have situations where, in the area of consumer and corporate problems, your service to the public is not always perceived as being very generous or helpful. I detect that often your Department tends to pass off the problems, again, to either other departments or other agencies. To that sort of general assessment, could you respond?

Mr. Spray: Very certainly, Mr. Byblow. We have a staff of 27 man-years. If we are to provide a service, under Corporate Affairs, to assist an individual in preparing his incorporation papers, and if we are to assist people in preparing all of these aspects of their request under the ordinances, our staff would have to be doubled, or perhaps tripled. There is no way, in my estimation, that this Government can afford this type of service.

We can explain to the individual what the requirements of the legislation are, concerning an incorporation. We can point him in the right direction; we can certainly provide him copies of the legislation. He can draft his own incorporation papers. We will examine them, as we would examine those coming in from a law firm. We will point out the errors in the papers, if there are errors, but we cannot do the drafting for them.

First of all, we do not provide legal service, and when it comes down to giving legal opinions, we do not provide legal opinions on any of our pieces of legislation, because we are not lawyers and there is an area beyond which we may not go.

There has to be a cut-off point as to how much work we do for the consuming public; we do not have the staff, and I do not think that it would be reasonable to expect us to have the staff, to provide all of this service.

In effect, we do provide some services that would not be given in many of the provincial departments, owing to the size of the Territory and the direct contact we have with people. We provide guides; beyond that we really cannot go.

Mr. Byblow: When I look through the annual reports, I see the citation of "x" number of complaints being handled by your personnel in the various branches of your Department. You mention that your policy varies according to the ordinance under which the complaints fall. Could I ask, more specifically, what the policy is respecting the different ordinances? Can you give an example of some of the different policy procedures that you use to handle the different nature of complaints?

Mr. Spray: Under the *Real Estate Agents' Licensing Ordinance*, which is an area where we could receive complaints, there are very specific statutory requirements for real estate agents to follow. We do periodic audits of the real estate agents' books; to ensure that the trust funds have been properly managed, to ensure that the listing agreements have been properly taken and are kept on file, and that the commission is paid.

If we have a case where the agent and the customer have a difference of opinion, we will undertake mediation, to a point. We will then insist, if we are convinced that the agent is in error, that he rectify the situation, because he stands a chance of having his license withdrawn.

In the case of the *Insurance Ordinance*, we do not have the statutory powers beyond either actually refusing a license or holding this as a possible disciplinary action. We take direct complaints; we mediate between the insurer and the insured, and, in all cases to date, we have been successful in having either the agency or the company pick up and accept the re-

sponsibility and reimburse the client.

It is a matter of the companies and the professional people realizing that ultimately they must comply with the statutes or stand a chance of not having those licenses renewed.

In the *Medical Profession Ordinance*, the complaints are directly held by a medical council. We do not become involved in those types of complaints, because the statute is quite specific that the medical council is responsible for dealing with the complaints.

With the *Transport Public Utilities Ordinance*, the complaints are directly referred to the Transport Public Utilities Board. Again, the ultimate disciplinary action there is that the authority will not be renewed, or may indeed be revoked on an individual, if he has not complied with the legislation.

The *Consumer Protection Ordinance* is, admittedly, a very weak piece of legislation at this time, which is why it is under review by the Department right now.

The *Landlord and Tenant Ordinance* and the *Consumer Protection Ordinance* are really matters of mediation — unless the complaint falls more within the line of federal legislation, at which time we will assist the individual in sending the complaint on to the appropriate federal section of the Department and Consumer Affairs. The *Landlord and Tenant Ordinance* has been a mediation operation to this point.

Those are just some of the examples. There are other specific ordinances, such as the *Engineering Profession Ordinance*, in which our administration is very minor, because the profession itself handles disciplinary action.

With the *Legal Profession Ordinance*, there is a disciplinary committee established under the Ordinance, and all complaints are referred to that Committee. We would assist the consumer in determining how his complaint should be handled; how it should be forwarded to a discipline committee, because another agency handles the enforcement of that Ordinance.

Mr. Byblow: During the course of receiving numerous complaints and in light of your earlier stated responsibility, that of reviewing ordinances from time to time, does your Department make amendment suggestions to Cabinet, or through the channels of your hierarchy?

Mr. Spray: Very definitely, Mr. Byblow, very many of them.

Mr. Byblow: In those suggested amendments and from conversation with the Committee yesterday, do you emphasize that the legislation have more enforcement teeth?

Mr. Spray: If it is considered advisable, if it is considered that it would be of assistance to the consumer — we must be very careful that we are not dealing with isolated instances. If we have a complaint, and we may receive one complaint of that type a year, I would doubt very much if we would push the panic button and request very, very stringent enforcement and disciplinary action in a piece of legislation.

We look at the nature of the complaint and determine if there is some other way that we can avoid this type of problem arising in the marketplace; this, to us, is preferable to the system of enforcement procedures.

The concept we approach first is determining how, through legislation or through policy or through educational programs, we can have the consumer avoid having this type of problem, either because of the nature of his action or of the action of the supplier. If we determine that there is probably no way that we can think of doing it, then, yes, we would recommend more stringent enforcement measures.

Mr. Byblow: What priority do you give in your Department to the front-end public service aspect of responsibility, aside from ordinance review, relationships with other departments across the country, and so on?

Mr. Spray: We believe the priorities are to front-end dealings with the public. The Department is an open Department. We very seldom deal on an appointment basis with the consumer. If it is a problem that has to be referred to a specific

individual, and it appears that he should do some research or that it may be a very difficult problem to solve, we may have to ask an individual to make an appointment and come in. Generally speaking, though, if any individual walks in off the street, they can immediately see someone from Motor Vehicles; they can immediately see a Labour Standards Officer; they can immediately see a Consumer Services Officer; they can immediately see someone from Companies or whomever they require. The priority is dealing with the public; that is the whole basis of our Department.

Mr. Graham: I have a couple of questions resulting from answers that you have given, Mr. Spray.

You said at one time that your Department will interpret the ordinance for somebody coming in off the street, shall we say, that is curious about some specific aspect. Can you explain that a little bit more to me, because you said, after that, that you are not lawyers and you do not have any lawyers in your Department? It seems like a conflict in statements to me, possibly. Can you explain this a little more?

Mr. Spray: It is not meant to be a conflict of statements, Mr. Graham.

When I say interpretation of the legislation, we have discussed a section of the ordinance with the Department of Justice and the solicitors in that Department. We have an interpretation laid down; we have a legal opinion, if necessary, on file. Or we stand ready to take that particular problem to the Department of Justice, obtain the interpretation, and then give it out as our interpretation.

When we say that we interpret the legislation, it is either a point of the legislation that can be handled by policy of the Department — and we do have internal policies on how we administer — or we refer then to the Department of Justice and obtain assistance. We do not ask the individual to go and find his own solicitor to give an opinion. That is always open to the individual, but we do it through discussions with the Department of Justice. We do it through review of the discussions in the House, when the ordinance is first enacted.

Mr. Graham: The reason I am curious about this one is because, recently, it has come to my attention that a constituent came to the Department of Consumer and Corporate Affairs with what he believed was a valid problem. He understood that a skidoo was a motor vehicle under the *Motor Vehicles Ordinance*. Is that correct?

Mr. Spray: Yes, it is, Mr. Graham.

Mr. Graham: He also believed that, under the *Motor Vehicles Ordinance*, he had certain duties and obligations to fulfill, as the owner of a motor vehicle: to drive it on streets and highways in the Territory. He felt that he had fulfilled those obligations, from the Territorial point of view, and yet the City was insisting that he purchase a city license before he could operate that motor vehicle on streets in the City.

He got an opinion from your Department, which basically stated, I suppose, that the City had the power to require licenses. He did not believe that that opinion was a legitimate opinion, so he has now gone to a lawyer.

I am curious whether that was an opinion of the Department of Justice, or was that an opinion of the person that he happened to talk to in the Consumer and Corporate Affairs Department?

Mr. Spray: I could not answer that question, Mr. Graham, without knowing the individual to whom he spoke, and being able to interview that individual in our Department to determine whether he picked up the telephone to one of the solicitors or whether he wrote a memorandum and got an opinion. I think I probably would have given the same type of answer.

We are perfectly ready and willing and able to license a skidoo; however, if the individual stated that he wanted to license it to drive it on the city streets, we would indicate to him that it is our understanding that he requires a municipal license in order to do so, if he is operating it within the City of Whitehorse.

Before he went to the expense of purchasing one of our licences, we would refer him to the City to ensure that he is able to get a licence or to drive that skidoo in the area of the City that he wished to.

It is a matter of assisting the individual and pointing out to him that there are other laws, there are other agencies, that may regulate his operation.

Mr. Graham: I understand, yesterday — and I apologize for not being here to listen to the answers — that you were asked about the reorganization in the Department. Again, I apologize for not being here to listen to the answers, and perhaps what I should do is read yesterday's minutes to see if these answers to my questions are in. So Mr. Vice-Chairman I will do that then, if I can reserve the right to ask those questions later. Is that all right?

Mr. Vice-Chairman: Yes.

Mr. Vice-Chairman: I have a couple of questions I would like some answers for. Do you have, anywhere in your organization, an inspector for doing physical inspections of school buses or other buses in Yukon?

Mr. Spray: No, Mr. Chairman, we do not.

Mr. Vice-Chairman: Is there any organization in Yukon that has that responsibility?

Mr. Spray: The Department of Education, who enters into and administers the contract with the suppliers of school buses, may very well require certain standards to be met, with inspection certificates, before the contract is issued. I would have to refer that question to that Department.

We do have the provision in the legislation for inspection of motor vehicles, Mr. Chairman. We do not have an inspection staff. We are currently looking at the possibilities of some sort of inspection certificate being required for certain vehicles on the highways. As to how it would be established, we have not considered that, but we are looking at it.

Mr. Vice-Chairman: Do you have any legislation that covers, say, the driving of a fire truck? I am talking specifically of rural areas: who should drive a fire truck or an ambulance, or whether they should have a health certificate or not.

Mr. Spray: No, Mr. Chairman, we do not.

Mr. Vice-Chairman: You have no standards, then. Anybody can drive an ambulance, whether he has a bad heart or takes epileptic fits; there are no restrictions on any person like this?

Mr. Spray: There are restrictions on various classes of licenses, but without the *Motor Vehicles Ordinance* right at my hand, I am afraid I cannot give you all the details. Certain classes of licenses require periodical medical certificates. These are ones where there are passengers involved — passenger vehicles, certain classes of heavy equipment, truck stop operation. It may or may not include fire trucks and ambulances; I really could not say off-hand.

Where there is the consideration of the same medical standards to be applied across the country, then a medical certificate is required before that class of operator's license may be obtained. In the case of an ambulance, we are only concerned with the physical capability of the individual to operate that vehicle. If it is a class of vehicle which requires an annual medical, then we would be concerned with that.

As to his qualifications or capabilities for performing the services, over and above the driving of the vehicle that would be required of an ambulance driver or a fire truck operator, that is not within our jurisdiction.

Mr. Byblow: With respect to the matter of inspections on public transport vehicles, you say that you do not have testing facilities for these units, but that it is something you are looking into. From the example I gave earlier, the matter is referred to the R.C.M.P. Does your Department, in a case like that, or like any other one where you refer the matter to another agency, follow up, to see that the enforcement on an alleged infraction has actually taken place?

Mr. Spray: Not specifically, Mr. Byblow, no.

There are certain safety standards outlined in the *Motor*

Vehicles Ordinance and in the Regulations, which are issued pursuant to that Ordinance. Those standards are those that must be met by any vehicle on the road; that is why this particular incident, which I am aware of, was referred to the R.C.M. Police. But we do not directly follow up on them, no. We may in isolated incidents, but not as a general rule. I could not say that we do.

Mr. Byblow: Would that also be correct in other referred matters? For example, under the *Companies Ordinance*, where the matter was turned over to the R.C.M.P. for possible prosecution, is there any follow-up by your Department on that case or in that area, respecting the Ordinance?

Mr. Spray: I cannot off-hand, Mr. Byblow, think of any items under the *Companies Ordinance* that would be directly referred to the R.C.M.P.. Under the disciplinary and enforcement matters of the *Companies Ordinance*, a company must comply with certain provisions of the statute, and if they do not comply they are struck from the register. That is our own action that we take on that.

If we are dealing with a case of commercial crime, under a companies or securities ordinance, and it is a matter for investigation and follow-up by the R.C.M. Police, yes, we do follow up on that, because we are in consultation with them during the investigation.

The ultimate disposition of that case is not within our area of responsibility. We cannot control the investigation. We cannot control the ultimate disposition of that case. We do follow it through to the end from an interested point of view, because, if it has not been able to proceed successfully, we are very concerned with the provisions of our legislation, to determine whether or not they were inadequate.

In consumer protection legislation, where we refer a good many cases to the federal Department, we assist the individual either by offering to send the complaint directly ourselves or by telling the individual where to send it. However, at that point, we are out of the picture; we have no right to demand further information. We have no right, if we suggest to an individual that he refer the matter to another department. We ask him to please advise us whether or not he did refer it to that department, and what the outcome was. In most cases, the consumer does not come back to us with that information. We must, therefore, assume that he does not want us to know whether or not he is successful. We do ask for follow-up, but very rarely do we get it from the individual.

Mrs. McGuire: I would like to call the witness's attention to Motor Vehicles. I will read out the figures in Motor Vehicles' Main Estimates of Revenue so you can deal with them. The 1978-79 revenues were reported as \$1,349,107; 1979-80, \$1,207,255; and 1980-81, \$1,444,404. I would like to ask Mr. Spray if he could explain the decrease in revenues for the year 1979-80; it appears much lower than the previous year and the proceeding year.

Mr. Spray: In 1980-81, the Department of Finance began a system of deferring Motor Vehicles' revenue. To that point in time, motor vehicle licenses sold between February 1 and March 31 of each year — and as you know, the new year's licenses go on sale on February 1st — that revenue had been quoted to that particular fiscal year.

In 1980, the revenue was coded to the 1980-81 fiscal year, rather than to the 1979-80 fiscal year: the revenue for those two months. In effect, 1979-80 revenue went over into 1980-81 and 1979-80 went down.

We had a ten-month year in 1979-80, and a twelve-month year in 1980-81. So, a portion of the \$1,400,000 shown as revenue in 1980-81 was revenue derived from the sale of licenses in the fiscal year 1979-80, but those licenses were actually for the calendar year 1980.

Mrs. McGuire: Did the same procedure take place in 1978-79, with a portion of that falling into the 1979-80 year?

Mr. Spray: No, that should reflect a twelve-month revenue figure.

If you look at 1978-79, with a revenue of \$1,300,000, then if you look at 1979-80, you would probably assume a direct revenue on the old basis of \$1,400,000, or \$350,000 as almost comparable revenue, because the sales were very close to the same: the total number of licenses of vehicles registered.

Mrs. McGuire: I will take you over, then, to the Annual Report, which shows registered motor vehicles in total. The fiscal year 1978-79 reported 20,910; 1979-80 reported 27,579; 1980-81 reported 22,884. Could you explain the significant rise in the registrations in 1979-80, as compared to the previous year and the preceding year?

Mr. Spray: The only explanation I could give on that, Mrs. McGuire, is that there may have been a typing error. There is, to the best of my knowledge, no way that we had 27,579 vehicles registered in the Territory. Our statistics for those same years, 1978-79, show 19,942; 1979-80 showed 21,678, and 1980-81 showed 22,879.

Now, it must be understood that the statistics on Motor Vehicles are going to vary from report to report, because what you will have in the Annual Report — and you are referring to the Commissioner's Annual Report, I am assuming — are the total sales of licenses. The statistics that we maintain in it come off our computer printouts in the Data Centre, and refer to vehicles licensed.

If I have a vehicle, I may register that vehicle on the 1st of April. I may, during the course of that year, if I were unfortunate enough, buy two or three more sets of plates, were I to lose the plates and have to buy duplicates. The statistics reflected in the Commissioner's Annual Report, because of the timing of putting those statistics out, may very well just simply reflect the number of license plates sold, whereas we are concerned with the number of vehicles registered; duplicate plates do not constitute, in our estimation, a new registration. They are replacement plates only, and the initial registration stands.

We are not able to give accurate figures on the number of plates sold until well into the following fiscal year. Unsold plates are gathered in from the Territorial agents' offices, where they are sold, back to our own office, and they are then audited by the Department of Finance. Until that final audit is done, and a disposal is made of those old plates, there is no way of even determining the number of plates sold. The number of vehicles registered comes off the computer printout from the Data Centre.

I would suggest that the number of plates sold in 1979-80 shown in the Commissioner's Annual Report, is in error. It has to be a typing error. It perhaps should have read 21,579, not 27,000.

Mrs. McGuire: I refer now to Persons Licensed, as reported in the Annual Report. It listed 5,673 for the year 1978-79; 4,712 in the year 1979-80; 16,178 in the year 1980-81. In the year 1980-81, I see it changed to Operators Licensed.

Could you explain the significant increase in 1980-81, and also the reason for the change of the title? They were called Persons Licensed the previous two years, but, in 1980-81, Operators Licensed. Is there a difference there, as well?

Mr. Spray: Yes, Mrs. McGuire. The Persons Licensed would be the number of individuals who had received operator's licences during that fiscal year, not the total number of operator's licences valid in the Yukon Territory. The 1980-81 figures would indicate an approximation of the number of valid operator's licences in effect.

As we have three-year licences in this Territory, we may license 5,000 or 4,000 people in any one given year, but we may still have 12,000, 13,000 or 14,000 valid licences in effect. So it is a change in the manner of reporting.

Mrs. McGuire: So, the 1978-79 and 1979-80 Annual Report only reported the people who were licensed during that year, not the total number of licences let in Yukon.

Mr. Spray: That is correct.

If I may elaborate, Mrs. McGuire, in 1977-78 and 1978-79 we

were running approximately 12,000 valid operator's licences. In 1980-81, we were estimating just over 15,000; however, it would take us up to three years to purge our records. If an individual obtains an operator's licence in the Yukon Territory, a three-year licence, and six months after obtaining that licence he moves from the Territory to another jurisdiction and does not notify us of his move or does not turn his licence in, we do not know that until the three-year period has expired, at which time it would be up for renewal. If the licence is not renewed, it is then purged from our files.

Mr. Graham: The obvious question then is: how valid are the statistics and numbers quoted in the Annual Report? We see here that there is possibly a typing error in one; we see another set of figures that are very confusing even to MLA's, who should be a little more in the know than the normal public. So, the question springs to mind: should you not be checking your numbers to make sure that they are all correct, and possibly explaining a little bit more what those numbers mean? If we do not understand them, I am very certain that, to many of the general public out there, these numbers are Greek and are totally confusing.

Mr. Spray: That comment is very valid, Mr. Graham, but the only statistics that we may give on motor vehicle registrations are those that come out from the Data Centre. Those vary from time to time because —

Mr. Graham: Would it not be reasonable to suggest that you should have explained in that Annual Report the change in statistics, because it is not only in the Motor Vehicles' section that changes were made in the 1980-81 year. I know from reading that Report that there were several other changes made in several other areas; in reading and comparing those reports to previous years, it is almost impossible to compare statistics.

Mr. Spray: You are quite correct, and yes, there should be. Whenever the system of keeping these statistics is changed, there should be an explanation provided for it.

Mrs. McGuire: Are Annual Reports used as the basis of reporting the statistics of your Department to the public?

Mr. Spray: In Motor Vehicles, particularly, our statistics are reported to Statistics Canada, and those reports are the statistics taken off the computer printouts. Therefore, that is the reporting that is going to the public. The timing of the Commissioner's Report is such that we do not have the specific information available; therefore we are giving an estimation.

It would probably be preferable not to have any statistics from our Department in the Commissioner's Annual Report, except those that we could verify as being absolutely accurate.

Mrs. McGuire: I am inclined to agree with you on that.

Then we could say that the Annual Report is not a reliable document and that it actually should not even be out publicly, should it?

Mr. Spray: The Annual Report is an indicator of the activity in our Department, which, in some respects, reflects the economic activity in the Territory. As an indicator — if it were simply to be pointed out in the Annual Report that these are not accurate statistics but are indicators of the number of vehicles licensed, and the number of operators, the number of companies, et cetera — then it would be of valuable assistance to the public.

I might point out, in explanation of some of the variances of the statistics in our Department, that during December of 1977, if the Committee will indulge me, the Yukon experienced what could be considered pre-pipeline speculative activity, and this continued during 1978-79. In 1979-80, there was a drop-off in this activity. You will notice that our statistics show a decrease in corporate registrations in 1979-80, with an increase in document registrations, which could reflect, and does reflect, some sort of economic situation.

The motor vehicle registrations, particularly the operator's licences, indicate a flow of people into the Territory, even on a temporary basis. As indicators, they are very useful; they do describe an historical type of situation that we have had.

Mrs. McGuire: You have pointed out that the Annual Report figures are not accurate. In fact, if we want to go over to Consumer Services, I do not think I can come up with one figure here that jibes with the Main Estimates for the year 1979-80. right, the Optometrist one does work out.

I have noticed that, for 1979-80, though the Annual Report shows that there were twelve clergymen licensed, yet that does not show in the Main Estimates. That is sort of a different twist there. Could you explain what happened there?

Mr. Spray: In the Main Estimates for 1980-81, Mrs. McGuire? Are you asking about revenue for specific areas of concern?

Mrs. McGuire: Yes.

Mr. Spray: These are grouped together under licensing fees; registrations. We do not break these down. We can accurately report the number of clergymen that we have licensed for a particular function, and all we do there is the registration of marriages.

We can report the number of pharmacists that were licensed during the year, or those who were currently licensed at the end of a fiscal year. We can report the number of doctors, the number of lawyers; these are accurate.

However, they could be taken two ways. They can either be those who were licensed during the year, or those who were actively practising at the end of that particular year. It depends on the profession, as to whether or not we have that information available.

All of these licences flow through General Professional licensing; the statistics can be accurate, but to a large extent they are not really meaningful. We report the number of medical doctors; we publish a listing of the medical doctors. Our registers are advertised, through our legislation, as being open to public inspection.

Mr. Vice-Chairman: If there are no further questions now, we will break for a coffee break. I am sure everybody could use one.

Recess

Mr. Vice Chairman: The Committee will come to order.

Mrs. McGuire: I would just to pursue this issue on the annual reporting just a bit further. Mr. Spray, if estimates or projections are being used in the annual reporting, would it not be better to disclose that they are estimates or projections?

Mr. Spray: It would be preferable, Mrs. McGuire, to disclose that they are indicators rather than accurate statistics. The accurate statistics are used in preparation of the annual Estimates of the Department and we do have the accurate statistics on motor vehicles.

But, yes, you are quite correct. In the Annual Report, we should indicate that these are estimated statistics only and are to be used as indicators and that the final statistics would be available at the time of the annual Estimates or later in the year.

Mrs. McGuire: Or, perhaps, would it be better to provide statistics, say, in a summary form over several years so that, when the actual statistics are known, they could be sort of comparative? They now appear to the public eye as the actual statistics taken from your Department.

Mr. Spray: Yes, I think that the suggestion is quite valid. If it was a table form showing the accurate statistics from previous years and an estimate of that current year, and shown as being an estimate only, then it would be more useful to the readers of the Annual Report.

Mrs. McGuire: Could you just clarify your answer to a question I asked previously? Where else are the Annual Report statistics, as they are now written, used, other than in the Commissioner's Report?

Mr. Spray: The figures that are used in the Commissioner's Report are not used elsewhere by our Department. The final statistics, the accurate statistics, are used in the preparation of our budgets, our annual Estimates and our program forecasts. To the best of my knowledge, the Government would not

use those statistics elsewhere than in the Annual Report.

Mrs. McGuire: So, they are only used in the Commissioner's Report?

Mr. Spray: To the best of my knowledge.

Mr. Vice Chairman: Mr. Spray, I have a couple of questions here for you. how do you measure performance within the Department?

Mr. Spray: The departmental performance, because of the nature of our programs and the nature of the positions and the staff of our Department, we do not use performance evaluation, as such.

We are concerned more with the management of the legislation and the management of the programs to ensure that they are most effectively and efficiently managed with the staff and the dollars that are available to us. Any indications of problem areas are recognized and corrected in legislation or policy changes. An example would be the reason that we moved, in our Companies Branch, to a personal property securities form of legislation and registry rather than the existing registry. Because of the problems that we, and the public, have encountered over the years in being able to do effective searches of our registries, it was decided that the only way we could effectively manage that without a tremendous increase in staff would be to go to a one-registry computerized system.

We had been unable to provide the service that is provided in many of the provinces on searches and we recognized that fact. As I say, management of the program requires a change in that particular program.

Mrs. McGuire: I am not quite sure I understand that answer. If you do not use performance indicators in managing your Department, how then do you control performance? For instance, how do you monitor the measurement of performance, say, in a safety inspector's work? Is there a way of controlling the number of inspections that he has to make, the amount of times he does inspections? How do you monitor the follow-up on the procedures?

Mr. Spray: The very fact that the inspections carried out by the Occupational Health and Safety Officer are not controllable by himself, or by the Department, creates a problem in that area. His work would depend a great deal on the amount of construction, the amount of economic activity that is going on. He is going to be required, and is required, to inspect ongoing construction projects. He is required to investigate accidents. There is no way of indicating to him that he must inspect 20 construction sites during a six-month period in the summer time or that he must investigate "x" number of accidents, because there is no way of indicating that there are going to be that number of accidents.

On every inspection he makes or on every accident he investigates, there is a written report put in which is reviewed by his supervisor.

We can move to other inspection areas in the same way. Reports are monitored by the immediate supervisor to ensure that all aspects of the investigation, audit or inspection were carried out. If there were problem areas encountered in an inspection, confirmation must be received from the individual that it would be corrected, or even that the necessary orders were issued. On orders issued for correction, they are followed up and a subsequent report is put in.

Mrs. McGuire: The inspector, then, is not an inspector of public buildings, only of construction and that sort of thing?

Mr. Spray: It is safety in the workplace and he is confined to those areas that are not within the jurisdiction of the *Mining Safety Ordinance*. Therefore, he is on public works, works in the public sector rather than in the mining sector.

Mrs. McGuire: Giving another example of controlling performance, for instance, how long does it take to process an application, say, to incorporate a company? Are there some types of measurement that you use to process any application that comes into your Department? Is there a way of controlling the turn-around time when an application reaches your office?

Mr. Spray: If an application for incorporation, or an application for a license of any form, is brought in and is accurate and complete, the turn-around time, dependent on the time of year, can be 24 hours or it can be one week or two weeks.

With a corporate registration, if it comes in totally accurate and there is not a requirement for a name search on the company, if it is a numbered company no name search is required, the turn-around time is going to be within two to three working days. If it is towards the month of December, towards the end of the tax year, that turn-around time is necessarily speeded up, but only to the point of basic registration of the company, because we have a great many more registrations in that two-week period than we have at any other time during the year.

With an insurance or real estate license, the turn-around time is generally 24 hours. But, in February, March and April, the turn-around time on the licenses may be three weeks because of the number of licenses that are coming in at a renewal point in time.

Another indication would be the filing of a prospectus under the *Real Estate Agents Licensing Ordinance*. A prospectus can take approximately three weeks to four or five weeks to clear our office because they are brought in on an initial basis. We examine that prospectus, we advise the applicant of the areas where the prospectus is incorrect, and without exception they are incorrect, and they are sent back to the applicant. It is then out of our hands as to how long it takes the applicant to correct that document; he may require affidavits from individuals involved in the corporation that are not within Canada. When it comes back, the examination takes place again and the turn-around time is probably a matter of days. Each one is an individual type of item. Incorporation is relatively simple in many cases.

The documents are very, very often exactly the same, they are all basic formats. A name search depending on how long the turn around time is on that name search on a company.

Mr. Byblow: I think the fundamental issue here is the style of management and the basic question is the measuring of performance in your Department. Now, you indicate that, firstly, you do not have a concise method by which to determine that performance. A question was raised about whether or not performance indicators are being used. The example was given with respect to the Inspections Branch under Occupational Health and Safety.

I would like to raise with you the question of whether or not it is possible, in fact, to determine whether an inspection can be measured as having been done efficiently. You report that there were 105 inspections in the last fiscal year and it seems to me that if you have some way of measuring the time it takes an inspector to do certain specific duties, then you have some method by which to determine estimates of time for future considerations. Therefore the question is, why can you not use some indicators to measure performance?

Mr. Spray: You are dealing in a multitude of different areas, Mr. Byblow.

If we are dealing with companies, or if we are dealing with real estate, or if we are dealing with insurance, the performance indicator is accuracy. Management or the examiners are concerned with accuracy and, with spot checks on the documentation, obviously we are aware of whether or not it is being effectively performed.

When you are dealing with Occupational Health and Safety or when you are dealing with Labour Standards, there is no accuracy, there is no time framing. There is no way of determining how long it takes to inspect an open excavation for laying pipeline. It depends on the size of the operation. There is no way of determining whether or not that inspection covered absolutely every aspect of that construction. We are dealing with the possibility that, although the inspector may look at the scaffolding, he may miss something that is behind him at that particular point in time.

There is, to my knowledge and to the best of the knowledge of

the people that we have been dealing with, no accurate way of measuring that, other than to ensure that if there are no accidents on that site that our inspector has been on and inspected or if he can indicate, through his reports, that because he has drawn to the attention of the construction foreman that a certain aspect of their operation could cause an accident, then that is a performance indicator. It is not something you can show, that by saying that that scaffolding was not properly constructed, we have saved an accident. That accident may not have occurred even with unsafe scaffolding.

It is just not something that you can physically measure.

Mr. Byblow: How do you measure performance in your Department? Are you saying that it is an arbitrary judgemental call on your part to determine the efficiency of performance?

Mr. Spray: The management of the existing program, the fact that no program, no piece of legislation, no policy, is the final piece of legislation finally correct for the situations that we meet. It is an ongoing, living operation.

I measure performance by the fact that it is reported to us and that we are constantly working on resolving the problems that have come to us on a daily basis. It is an ongoing performance thing.

The other thing that we do do is examine the program itself, examine the piece of legislation itself to determine whether it is something that we have inherited or has grown out of custom and whether or not it is justifiable, whether or not it is necessary. We do this, again, by the number of inquiries, the number of concerns that are brought to our attention, the number of problems that we see arise, and the effect that we are having on the marketplace or on industry.

We are turning around and we are looking at the program and we are justifying why we should retain that program; not how we should or why we should expand the program, but, initially, why we should retain the program. If we are going to retain the program, then what is the most effective way of altering that program or administering that program for the current concerns of the Territory.

Mr. Byblow: You are saying that the philosophical approach is to examine the program and the nature of the problems related to the ordinance as opposed to examining it the other way around from the person administering it.

Mr. Spray: The person administering is brought into this whole process.

The management of the Department under the five units, together with the policy and planning, is done on an ongoing basis with the individual managing that particular aspect of the program. These individuals report directly to my office and they have a system whereby they bring these new policy areas to me for discussion and for establishment of the new policy. They bring the problems with the proposed solutions. We work out whether or not there is a problem, whether or not there is a requirement for a proposed solution.

It is effective, accurate administration of the program, but, with the type of programs that we run there is no concrete way. I cannot tell the Motor Vehicle Deputy Registrar that I want to see 20,000 vehicles registered this particular year and, if he only registers 15,000, I want to know why. He is not controlled, this is not a controllable program. It is dependent on outside activity.

Mr. Byblow: But if there were 20,000 registrations of vehicles, could you ask the question "could I do it with less staff?"

Mr. Spray: Yes, we ask the question of, if we have 20,000 vehicles and we anticipate an increase in the demand on the unit because of an increase in population to 25,000, how are we going to or are we able to handle an extra 5,000 vehicles or must we change the system? Or must we, as we are doing this year because of projected increases, change the numbering system on the license plates?

It is based on the demands being placed on the Government or on the Department. We do try to stay one step ahead of the demand.

Mr. Byblow: Would it be fair to conclude, then, that you are saying that there is no definitive way to determine what your Department is capable of doing in problem areas, there is no way to measure capability? What you are saying is that it is a regular, ongoing thing, it is handling what comes?

Mr. Spray: And handling it accurately and effectively. If we find that we are not able to handle consumer complaints effectively, we look at the staff, we look at the legislation, we look at the programs available and we attempt to devise a system whereby we can retrain the staff with additional training for the staff, if necessary, and change the program.

Mr. Graham: I have got a few questions, raised by some of the answers you gave yesterday, about the Personal Properties Securities legislation which was passed last year. In your opening address you say, "...The program should be ready in June and it will be the most modern in Canada...", which, if everything goes as it should, I suppose it will be.

I am kind of curious. In order to bring this *Personal Property Securities Ordinance* into effect and to have it on-line, from what you said yesterday, you are going to need some terminals in the Department. Is that not correct?

Mr. Spray: That is correct. A terminal.

Mr. Graham: Just one.

Mr. Spray: Yes.

Mr. Graham: I just went through this year's Budget and I do not see anywhere in there where you have identified that as a necessity. Is that coming up in the next one?

Mr. Lawson: The actual terminal is paid by Data Processing or Computer Services.

Mr. Graham: (inaudible) That is why I was curious.

Mr. Lawson: I think they are ordering more than one and they may have some terminals of that type here now. My understanding is that when we have ours in place, there will be backup available within the Government. They may have a terminal of that capability sitting here now in some other function.

Mr. Graham: How close is that program to being completed?

Mr. Lawson: It varies with the part of the program, I suppose, that we are dealing with. The Ordinance, as you know, is sitting there, it is ready to be enacted. The regulations are in the drafting stage right now. We are working with Computer Services; they are programming. The forms have been basically designed. I cannot tell you exactly where they are at with the system. There have been, as you are aware, delays in the Data Services unit for various reasons, staff turnover and problems with the conversion, I understand, onto the new system, this summer.

Our expectation is that we will have the system complete and the regulations fully in force, hopefully by March or April, to allow us about two months lead time to get forms, instruction brochures and other materials out to our major users. We would also, then, be able to provide some training to our own people and to local legal staff, banks, et cetera.

Mr. Graham: You say that in two months it should be ready to go.

Mr. Lawson: It should be ready for the regulations to go through.

Mr. Graham: The reason I want to ask this is that I am kind of curious. What kind of testing are you going to be doing to ensure that the program does what you want it to do or to ensure that the system does what you want it to do?

Mr. Lawson: I cannot answer that specifically. The testing is basically a function and a responsibility of Computer Services. We do not have computer data specialists within the Department, so, to a certain extent, we rely on them. If they say that they will provide service, we have to take that assurance.

We do have an advantage in copying, largely, the Saskatchewan system and we know that the data processing people have worked with Saskatchewan, so we are not developing a

totally new system. We have people in contact with Saskatchewan even now, finding out about little things that Saskatchewan found out was wrong with their system. We can learn through their mistakes and, hopefully, avoid the same ones.

We have been assured by Computer Services that testing is a major component of their program design.

Mr. Graham: That is kind of reassuring because, in many cases, we deal with a person's livelihood in these registrations and it kind of concerns me that, when we bring this system into place, it is as effective as it possibly can be.

As far as I understand it, the Department of Consumer and Corporate Affairs will no longer handle any actual document registration. You will only register on this computer the fact that such a document exists and you will no longer handle any other documents. It will be up to the person registering the lien or the chattel mortgage rate or whatever to control their own documents. Is that correct?

Mr. Lawson: That is correct. We are moving, basically, from a system where the document itself is filed to simply a notice system. The actual chattel mortgage or whatever document is used to create a lien remains—

Mr. Graham: How many people to you have in document registration in the registry?

Mr. Lawson: There is basically one person who operates the registry full-time. Now, that is a little bit misleading because document registration is included in the Corporate Affairs unit. There are six people in that unit: the Administrator, the Deputy Registrar of Companies and the four clerical people. Amongst those four clerical people, the duties are divided in general terms. We have one girl who works primarily with document registration, but we have another who spends anywhere from 10 to 50 per cent of her time there, depending on time of year and so on.

I do not expect that that will change. We may, once the system has been in place for sometime, hopefully, show some reductions in staff time there. We cannot reduce below one because we have to maintain the registry, but we should be able to avoid any further increases. Now that, to a certain extent, remains to be seen. We have to wait for the system to be in place and see whether or not the change will be translated into a reduction in hours required to operate the system.

Mr. Graham: You have kind of answered my next question, but possibly you could expand on your "answer". What kind of an education program do you intend to carry out in the Territory, especially with the major users of the document registration system that we now have? As we all know, having sat through the debate of the Personal Property Securities legislation, it is very complex and I think we found that very few people in the Territory did understand it even when it was passed. Have you done any education up until now or do you plan to do any before the program and the new legislation is enacted?

Mr. Lawson: We do plan to do some. The only course that I am aware of, that was given to this point, was a familiarization type of seminar that was run with staff from the local offices about a year ago. It was basically for information purposes and so on; it was far too early on the scene to provide any kind of actual definitive training.

The training that we will provide will be restricted primarily to the staff of the law offices, banks, finance companies and a few industrial companies who actually come down and use the system on a regular basis. I suppose that if the public wants to take advantage of that, certainly we would have no objection, but, frankly, I do not think that they will or that they would benefit a lot from it. The courses will be designed to teach you how to register a document and how to obtain a search on an item.

The legal part of the system we do not intend to teach. That is something that, because of the complexity of the legislation, we are probably not capable of teaching. Too, it is not terribly important to most people. What is important is that there is a

mortgage on the car that they wish to buy from someone else or, conversely, that there is not. It is important that they can find out that information. But, as to all the legal ramifications of that, in a situation where, as under the existing system, it becomes a legal problem, they would have to go to their solicitor.

So, the training will be limited to how to use the system, how to put information into it, how to get information back out of it.

Mr. Graham: I also noticed that Mr. Falle asked you some questions about the privacy of the records kept in the system. As we all realize, there is no privacy whatsoever, for a person borrowing money, if a chattel mortgage is issued in the Territory at the present time.

He was kind of informed that the privacy would be there, protection of personal rights would be there; however, I am still concerned about that fact; an answer was given that only persons who should use the system will be allowed to use that system. I know at the present time if I, as a man off the street, wandered into the Registry and did a search for a specific item, that if I also made notes of everybody else who happened to be in there, that that was perfectly all right. How are you going to prevent me from doing that with this system?

Mr. Lawson: I am not sure what you mean.

Mr. Graham: For example, if I am purchasing an automobile from Mr. Falle and I want to find out if there is a lien against his automobile.

Mr. Spray: Mr. Graham, if I may, we may have confused the issue slightly.

The Personal Property Securities terminal is accessible for a search. What we explained, or attempted to explain, yesterday was that under the present system, as you are doing a search, you are running through the whole register and, if you recognize a name, you can look across and see what it is.

On the new system, you will be asking the computer for information on a particular vehicle or particular individual. That is what will appear on the screen. There would be no accidental access to other information. However, if you chose to, you could call up that other information that you wanted. If you wanted, out of curiosity, to know what kind of liens were held against my property, you could do so.

The controlled information that we were talking about yesterday, as well, was motor vehicle information, the items of information that are on an individual's driving file. That is restricted on a need-to-know basis.

There were two questions yesterday: one on the Personal Property Security system and one on Motor Vehicles.

Mr. Graham: You will still be filing chattel mortgages, liens, et cetera, based on individual names instead of on the security held. Is that correct?

Mr. Lawson: I am not sure of the distinction. I think it would help if I could go back and answer it a slightly different way.

Under the existing system, because we file the actual document, when you go through the Register you not only come across the individual name you are searching, but you come across everyone else's name, as well. Then, when you wish to see any details of the transaction that is referred to in the ledger, you pull the document. The document tells you not only that there is a lien on the car that you are interested in, but that the loan was for \$19,000 or whatever.

Under the notice system which we will be moving to, all that is registered is notice of the fact that a lien exists on an automobile. If you come in and wish to search, my understanding of it is that, if you were interested in the automobile, we will have the capability of searching for it by serial number. If you give us the serial number of a vehicle, we can search that and tell you if there is a lien on it.

Also, say that you knew I owned the car but you were not sure of the serial number, you could ask and have my name brought up on the screen and it might list a number of transactions. But, then you would have to go into a subsequent search, a more detailed search, to find out if, in fact, there was a car there

that had a lien on it. However, all of the loans and the amounts of money and so on and what my neighbor or the next fellow in the alphabet owned, will not be there.

Mr. Graham: I am still concerned about the privacy of the information. The privacy issue has become such a big issue. I would like you to check and see just exactly what safeguards are going to be built into the system to protect the rights of the individual, to protect the individual from having every transaction he makes being made public. I would like to pursue it, at a later date or, if we are finished with you today, possibly at a subsequent meeting between this Committee and yourselves.

Mr. Lawson: Certainly, we can do that. I think that the trade-off comes, I suppose, between the right of the individual to privacy and the right of you, the consumer, to know what you are buying. That is a problem. I do not know, at this point, of any way to establish, when an individual comes in and says "I wish to search to see if there is a lien on a particular piece of property or a chattel", whether or not their request or their reason is legitimate.

Mr. Graham: I guess that that is one of the things that I am concerned about. In fact, that was one of the questions that I was going to ask you. Is there any way that I, as a person coming off the street, can be checked out to see if actually I am trying to buy Mr. Hanson's automobile?

Mr. Lawson: If you tell me that you are considering buying it, then you have a legitimate interest in it.

Mr. Graham: Only if he is considering selling it.

Mr. Spray: Mr. Graham, you may, perhaps, compare this system to that of Operating and Land Titles, where all mortgages, all caveats, all encumbrances against a piece of property, are registered and are totally accessible to anyone off the street, whether or not they have an interest in purchasing that property or otherwise encumbering that property. This is a comparable system. We are dealing here with personal property rather than with real property, but, basically, it is the same type of system.

Perhaps one type of restriction that could be placed on it would be that searches would be done only by our staff. Therefore, you could come in and say "I am interested in a particular automobile." We can call up that automobile and, if you are doing it by name, we could call up six transactions and we pin it down until we find the automobile that you are interested in; you would not be looking at the other transactions. But that would indicate that our staff would be doing all of the work, all the searching.

Or, if you came in and said, "I simply want a statement on that automobile that there is or is not a lien." Again, we would give you, perhaps, a statement. But this is going to be very restrictive and, as Mr. Lawson has pointed out, if someone is even remotely interested in purchasing your automobile and has not proceeded with the final transactions, it is considered they should have the right to determine whether or not there is a lien on that before they make the final decision. It is just like when you purchase a house or a piece of land, you have the right to know whether or not there is a mortgage or some other encumbrance on the property. If that has not been disclosed to them, it is a very grave problem.

Mr. Graham: Is it reasonable to ask that the person coming in to request the search have permission from the current owner of the vehicle, if we are talking about vehicles?

Mr. Spray: Mr. Graham, we are looking at consumer protection, as well. Say, for example, I am going to, being an average consumer, go to purchase a vehicle from somebody. What happens if I have to obtain his permission in order to search for a lien or mortgage on that vehicle and he says, "No, you may not have my permission because there is no lien" and I go ahead and purchase it and subsequently find that there is a lien?

Mr. Graham: Consumer education. If he does not want you to search the title of that car then, obviously, you should not be

buying that car.

Mr. Spray: That is quite correct. However, in order to ensure that every consumer is educated in this way is virtually impossible.

We will re-examine this. I might also point out, on this particular program, that we will be asking the Department of Government Services for a firm confirmation that the program will be ready to run on June 1st. Once we move to bring forward the regulations, it is not a type of decision that can be reversed, once it is done, it is done, and we must be ready to go on June 1st.

If they are unable, for any reason, technical or otherwise, to do it, we might be faced with a further delay, which I do not expect at this time. However, we must have six to eight weeks' lead time for education, for them to ensure us that the system has been tested and for us to print the forms and have them all available. So, we will be going for confirmation by the end of this month.

Mr. Graham: Currently, if a person borrows money from a bank, the bank takes a chattel mortgage on your automobile and it is registered with the Consumer and Corporate Affairs Department. After three years you have paid off the money and yet the lien is never released and I, as the consumer owner of that car, even though I paid off the money to the bank, do not have the ability to come in and tell you to make sure that that lien is released, it is up to the bank. In some cases I have heard of, individuals have been having a great deal of problems with banks, not so much banks as finance companies, in having that lien released and, subsequently, being able to sell the car. Is there anything being done to try and alleviate that problem or is it still going to remain the same?

Mr. Lawson: No, it has changed to a certain extent. Under most of the registration ordinances right now, the registration expires after three years so, if an individual pays out his loan or whatever, that lien will, in fact, disappear from the registry sometime within the three year period.

Mr. Graham: I guess that is what I am asking you. Is there going to be an automatic expiry on the computer records at the end of that lien, unless another lien is registered by the bank, trust company, finance company or whatever? Or is it going to be the same as the present system, that that lien stays on file in the Registry time until it is physically pulled?

Mr. Lawson: No, there is a misunderstanding, Mr. Graham. Right now, under the existing legislation, under the *Bills of Sale Ordinance*, under the *Conditional Sales Ordinance*, documents do expire in three years and come off of the Registry.

Under the Companies legislation, Corporation Securities legislation and Assignment of Book Debt legislation, the liens may be indefinite. Under the new system, all liens will have a specific life, they can be registered for variable periods.

We are trying to tie the life of the registration into the life of the loan or whatever was taken in the first instance. So, if you arrange with your bank to buy a car and borrow the money and repay it over five years, presumably within a few months the bank will register for a five year period. If they wish to register longer, they can, but we are trying to get away from the situation where we have either three years or forever.

Mr. Vice-Chairman: It looks like we will call it a day. We would ask that you gentlemen be present before this Committee at 9:30, Tuesday morning. Thank you very much for coming.

The Committee will now adjourn to Executive Session.

The Committee adjourned at 11:30 a.m.





The Yukon Legislative Assembly

Issue No. 4 (Third Sitting)

24th Legislature

PUBLIC ACCOUNTS COMMITTEE

Formal Hearings: Evidence

Monday, January 25, 1982
9:30 a.m.

Chairman: Tony Penikett, M.L.A.

Standing Committee on Public Accounts

Chairman: Tony Penikett, M.L.A.

Vice-Chairman: Peter Hanson, M.L.A.

Members: Al Falle, M.L.A.
Doug Graham, M.L.A.
Alice McGuire, M.L.A.

Missy Follwell
Clerk to Committee

Auditor General of Canada: Kenneth Dye

Expert Advisors from the Office of the Auditor General:

Raymond Dubois, Deputy Auditor General

Harold Hayes, Principal

Witnesses:

Department of Municipal and Community Affairs

Mr. Grant Livingston, Deputy Minister

Department of Finance

Mr. Frank Fingland, Territorial Treasurer and
Deputy Minister of Finance

Mr. Don Hall, Director, Financial Management

Mr. Bruce McLennan, Director, Financial Operations.

EVIDENCE

Monday, January 25, 1982 — 9:30 a.m.

Mr. Chairman: The Standing Committee on Public Accounts, Yukon Legislative Assembly, Meeting Number 4, Third Sitting, Formal Hearings will now come to order.

Before we proceed with the business at hand, it is the singular honour of the Committee to welcome to our Table, today, Ken Dye, the Auditor General of Canada. Mr. Dye has been a previous visitor to Whitehorse; in his previous incarnation he was a professional accountant in the private sector. This is his first visit as Auditor-General. We enjoyed his company last evening; we look forward to the time that he will spend with us today and, while he may or may not learn anything during his time here, I am sure that we will, and we thank him very much for being here, with his other officials, Ray Dubois and Harold Hayes.

Let me then proceed to introduce the first witness for this morning: Mr. Grant Livingston, Deputy Minister of Municipal and Community Affairs. We are dealing with matters arising from the Auditor General's Management Letter on "any other matters" from this year's report.

Mr. Graham: Good morning, Mr. Livingston.

As Mr. Penikett has already pointed out, the subject matter will be land; land development costs; records that have been kept, and other issues arising from these questions.

I understand, Mr. Livingston, that a fair amount of work has been done, over the past year, by both the Government's Internal Audit division, and I believe by the Auditor General's Office as well, with not only the inventory but the accounting practices which have been instituted respecting land costs in the Territory.

I understand that your Department is in the process of implementing some accounting systems; I would like to know when we can expect to see the final systems in place?

Mr. Livingston: That is correct, Mr. Chairman, only we are implementing basically the recommendations as outlined in these observations. The exercise should be completed and converted to this system by April 1st. The current system is based on recommendations made by the Auditor General and the Department of Finance back in 1976, but I think circumstances have warranted the change.

Mr. Graham: You say the current system is the result of a recommendation made in 1976. Is that correct? Can you expand a little on that, perhaps?

Mr. Livingston: Here are the basic differences. We do have an inventory system now; it is based, however, not on cost of development but on our sale prices. Of course, back in those days, the inventory was small; the turn-around time with land sales was rapid. Therefore, perhaps, there is a significant difference now that we are involved in a fairly healthy inventory of lands.

In addition to that, our legislation has just recently changed, which requires us in many cases, at least in classes of property, to sell land based on development costs and not on market value.

Mr. Graham: Do you have any idea, at the present time, of the true total value of developed, unsold land which the Territorial Government presently has for sale.

Mr. Livingston: I should ask whether you are referring to the actual cost of the development of land that we have in inventory, or to the market value of the land?

Mr. Graham: I am asking both the cost of the lots that are presently for sale, and, as I understand it, some development has been done on land not yet ready for sale. Is that correct?

Mr. Livingston: That is correct, Mr. Graham. We have not completely converted the inventory to the new basis, but I would suggest a figure in the range of \$14 million is probably fairly accurate.

Mr. Graham: How up to date is that figure? Does it take into consideration all the development work that has been done — shall we say, in the Hillcrest area, as well?

Mr. Livingston: Yes, I think that it would include the year up to 1980-81. Last year, 1981-82, we slowed down to a considerable degree in developing land. So perhaps you could add another million to that.

Mr. Graham: How many lots have you actually for sale in the Yukon Territory at the present time?

Mr. Livingston: I do not have the figures exactly, but the bulk of it, of course, is in Whitehorse. We would have in the range of 600 to 700 urban residential lots, which includes some mobile home lots and some commercial, as well.

Mr. Graham: Obviously, when we are talking about 600 to 700 lots, the cost of money — the interest on these lots — is an on-going drain on the Government. When you eventually sell these lots — I suppose you do, from time to time, sell some even now, I would like to know if you include in the cost of that lot the interest paid, to that date, on the development costs of that lot?

Mr. Livingston: No, we have not been; however, we will be. Recent Government policy indicates that we would have to review the interest rates and the price of the lots, April and October, annually, and use a blended interest rate to be applied against those lots.

It is rather difficult to implement that, at this stage, until we get the inventory based on cost as opposed to sale value, because I assume the interest should be based on the amount of money that we have used, which is development cost.

In the past, however, again it was a situation where the inventory was small and the turn-around time was good. Therefore, if we had an inventory on an existing urban subdivision in Whitehorse, and we were opening another urban subdivision a year later in Whitehorse, and those costs in that new area had increased, we would raise the price of those remaining in the inventory in the similar urban subdivision, up to that new value.

So, there was some adjustment for those left in inventory, but it was not based, necessarily, on the amount of the cost to borrow.

Mr. Graham: You say that in 1976 the system changed a bit. Can you tell me, then, with the lots sold from 1976 to present, whether or not this Government has taken a loss on those lots, or whether or not we have actually recovered the costs that we have incurred?

Mr. Livingston: Certainly we have recovered the costs, and then some.

Mr. Graham: How many people actually work in the Lands Department? How many man-years would you say are —

Mr. Livingston: *inaudible*

Mr. Graham: ...would be attributed to the Lands Department? Now, are the costs of those salaries, as well as the administrative costs, the building costs, et cetera, all calculated when you are judging the price of a lot?

Mr. Livingston: The salaries are not included, nor the administration. We include in the price of the lot an administration fee of \$100 per lot.

Mr. Graham: You mean that covers the costs of the Lands Department?

Mr. Livingston: It is very difficult to judge. The Lands Department does more than just look after the development land; they are into zoning proposals, development agreements, and all sorts of other things. It does not reflect it, necessarily, but it is difficult to sort out exactly the costs attributed to the development of land, as opposed to other matters.

Especially since you are going to change the present accounting practices, do not you believe that it would be a good practice to calculate, roughly, how many man-years, or how much money in total, is spent in administrative fees in the Department, and charge that, on a per lot basis, on the lots that you are selling?

Mr. Livingston: It certainly could be done, and it is practised.

We have another branch, called Municipal Engineering, which looks after a lot of the inspection work, the engineering design, et cetera; all of their costs except for one man-year are included in the price of the lot. So, it certainly can be done. That is actually why we took the approach of just a flat fee of \$100 per lot. Whether or not that recovers all of the costs, I cannot determine right now.

Mr. Graham: When you have completed this change-over from the present accounting system to the new accounting system, will you actually know what the accumulated development cost of each lot presently on the market is?

Mr. Livingston: Yes.

Mr. Graham: As I understand it, then, you will adjust that price on a bi-annual basis, such as April 1st and October 1st of each year?

Mr. Livingston: That is correct.

Mr. Graham: That will start when, this April?

Mr. Livingston: Hopefully, this April.

Mr. Graham: I guess one of the logical questions that follows is this: are you telling us that the accounts are finally reconciled by April 1st?

Mr. Livingston: Yes they will be, based on cost. We reconcile them now, but on a different basis.

Mr. Graham: Then they will be reconciled on cost on April 1st. When they are finally reconciled, would you bring to this Committee the final accounting figures, so we will have these figures for our own use? Could you also give us an idea of the costs that have been incurred by these lots?

What I am trying to get at, I guess, is to ensure that the Government is not taking a loss on the lots which have already been sold, and also to more or less keep an eye on what is going to happen in the future.

Mr. Livingston: Certainly.

Mr. Graham: Have you developed some kind of a system for regular reporting, on the development activities that are going on in your Department? I understand from your answer to the Auditor General's Report that you have implemented something. I was just wondering if you could tell us about it.

Mr. Livingston: I should say we will be implementing something. We would intend to make monthly or quarterly reports to the Minister; to the Cabinet.

Mr. Chairman: When you say "monthly or quarterly", is that not yet decided?

Mr. Livingston: No, it has not been.

Mr. Graham: Are you or the Department of Government Services developing some kind of computer program to maintain up-to-date records in land sales?

Mr. Livingston: Their dream plan seems like it; computer systems are behind in some areas. That certainly is an objective, but I do not see it for a couple of years yet, for sure.

Mr. Chairman: Mr. Livingston, thank you. I should mention, before we dismiss you, that if we do have any questions of a detailed and very particular nature, we may follow them up in writing; and, in order to expedite the writing of our Report, we would appreciate it, if that happens, if you could respond as expeditiously as you can.

Mr. Livingston: Certainly. Thank you very much.

Mr. Chairman: I think we will recess for six minutes, and then call the witness from the Department of Finance. Is that agreeable?

The Committee will recess for six minutes.

Recess

Mr. Chairman: I would like to call the Public Accounts Committee back to order. This morning we are going to be dealing initially with matters arising from the Recommendations from the Public Accounts Committee of last year, and principally the Status Report on the FMS Projects underway, which has been provided to us in writing. Following that, we will deal with questions concerning the Department of Finance, arising

from the Auditor General's Letter on "any other matter" of this year.

For the purposes of this hearing, I would like to welcome before us Mr. Bruce McLennan, Director of Financial Operations; Mr. Don Hall, Director of Financial Management; and to welcome back, especially, Mr. Frank Fingland, the new Territorial Treasurer and Deputy Minister of Finance.

I must say in passing, Mr. Fingland, that I never thought, in these days of responsible government, we would ever see a Commissioner back in control of the Territory's finances, but you have achieved that unlikely prospect.

Perhaps, if I could then turn directly to some questions I have, arising from the written reply, dated the 13th of January of this year, on the Status Report on FMS projects; concerning that reply, I would like to give notice of motion for tabling.

In the answers of that letter, there is a section dealing with revenue and recovery, recording and collection procedures. I wonder if I might ask you a couple of questions about that — particularly, what project has been referred to the Systems Priorities Committee for consideration?

Mr. McLennan: What has gone on in that area is that we have asked the Systems Priorities Committee to look at a software package to be implemented with regards to accounts receivable.

Mr. Chairman: Is this the software package, referred to in last year's Status Report, that has been referred to the Committee?

Mr. McLennan: Well, essentially, it is a two-step process in which we are going to have to first look at the whole accounts receivable procedures — the way they are handled now — and then incorporate that into a requirement under a computerized system.

Mr. Chairman: In the light of the updating comment, has the computerization of revenue and recovery, recording and collection procedures system been deferred?

Mr. McLennan: It has essentially been deferred, because right now we are working on a payroll project and there is really no time or manpower to look into that area at the present.

Mr. Chairman: Mr. McLennan, when will the review of the existing manual for the accounts receivable system be completed?

Mr. McLennan: That is a good question. We are actually looking at it now; there is a fellow who is reviewing the whole area. It would probably be a project that, hopefully, we could have completely reviewed by late next summer. Now, that does not mean that we will be going to a computerized system at that time, but at least we will know what our requirements are by that time.

Mr. Chairman: That late summer date: would you regard that as a commitment of some kind?

Mr. McLennan: I do not like to make commitments. They have been made before in the House, and they are not always that easy to meet; it depends on your manpower at the time, whether or not you can. It certainly is my wish that we will have had it reviewed by that time.

Mr. Graham: At the present time do you charge interest on overdue accounts receivable?

Mr. McLennan: We have the authority to do so, but we do not. In property tax we do, yes, but that is the only one we charge interest on.

Mr. Chairman: Could I ask you why you go to the Systems Priorities Committee for consideration of one project, when it is likely that the review of the existing manual accounts receivable system could lead to a totally different project?

Mr. McLennan: I am not quite sure whether I follow your question.

Mr. Chairman: Let me repeat the question; I understand it is complicated. If it is complicated for you, you can imagine how immensely complicated it is for us.

Why would you go to the Systems Priorities Committee for

consideration of a single project, of one project, when it is likely or possible that the review of the existing manual accounts receivable system could lead, logically, to the need for a totally different project.

Mr. McLennan: At this time, all we have done with the Systems Priorities Committee is put our request in there; it does not specify how large a project, or what areas we are actually going to be touching on. So that will be up to the Finance personnel, along with somebody from Systems, their Systems Analyst, to review what our requirements are. We do not really know how large the total project could be, at this time; just what areas it could encompass would be looked at in total, at that time. So, the actual requirement that we put towards the Systems Priorities Committee only gives them an idea of what is coming up; it does not give them an idea of what the total requirement will be.

Mr. England: I wonder if I might comment on that for a moment. I think that one has to look at the over-all context here.

The purpose of the Systems Priorities Committee is to look at all the requirements for computerization, and this is really only one of those requirements. One of the difficulties with tying ourselves down to a specific commitment for the completion of a particular project is the fact that, if it turns out that there are other priorities established by this Committee, we have to be very careful not to devote an awful lot of time and effort to creating a system which may, in fact, be lower down on the list.

Mr. Graham: It just seems odd to me that you would tell the Systems Priorities Committee that you have a project here that you would like to have put on the computer, yet you do not really know what the project entails; you do not really know what you want to do in this project — you only know that you have this project here. I am just kind of curious, but maybe I have the wrong impression. Can you expand on that a little bit?

Mr. McLennan: I guess that essentially when we refer to the Systems Priorities Committee, all that they do is, at their discretion, rank the projects by priority. It also gives the Systems people an opportunity to decide what their manual requirements will be at that time, but it does not go into the full requirements of a particular project. They do have experience in the systems area, as to knowing approximately what the requirements would be, in, for instance, implementing an accounts receivable package or payroll package like we are working on now.

Mr. Graham: You say that you will be undertaking a thorough review of existing manual accounts receivable systems, in order to make recommendations to the Committee. Well, are these recommendations for the package that should be developed?

I have a great deal of trouble, in my own mind, in understanding what you mean when you say that you are going to submit a project to the Systems Priorities Committee, without knowing what the project is.

Mr. McLennan: You are correct. Really all that we will be establishing in this review is what our requirements are. We have not established what will actually be encompassed in that accounts receivable system, if indeed a computerized accounts receivable system is even required.

Mr. Graham: Well, I would think that in order for a Systems Priorities Committee to even consider such a package, you would have to give them some kind of guidelines. Do you feel that you are losing a lot of money with the present accounts receivable system? Do you feel that with the — I do not know, if you have a huge number of overdue bills, or whatever the problem is, do you think that that is a problem that the Government should not be facing? I guess I have some problems determining how the Systems Priorities Committee is going to make their value judgement based on that information.

Mr. McLennan: I am going to refer that to Mr. Hall, because he has been involved with the Systems Priorities Com-

mittee; I have never been directly involved with it.

Mr. Hall: The Systems Priorities Committee makes up a shopping list for the entire Government; by doing that, they may have projects relating to inventory control, to transportation, to health services, the financial package that is on there now, the payroll they are working on, and looking ahead to try and plan their work to maximize the use of their resources: the number of systems analysts they have now, the number of programmers, and so on.

In order to computerize this, they have to make up a work plan for the coming year. In order to construct that work plan, the various departments submit lists of any projects they anticipate may be coming up. It does not have to be a detailed list at this time, but an indication of something that may be planned for 1982, maybe for 1983, maybe for 1984. As these plans become more definitive, following feasibility studies in various areas, including accounts receivable and accounts payable, then if this project does go on-stream for computerization, further information will be processed at that time. It will then be determined as to the specific need for the number of days, or hours, for systems analysts to develop, from a manual system into a computerized system. Once that has been done, then they have to consider the utilization of programmers to actually code this material to put it on the computers.

At this time, the system is not specifically designated for computerization, though it is a very distinct possibility; however once this decision has been made, if it is a "go" situation, then this additional information will be forwarded in further detail and will be expanded into part of the work-load. At the moment, it is merely notification to the Systems Priorities Committee that this project may come up, and will certainly require some resources if it does go on. So it is a planning type of function. Does that answer your question?

Mr. Chairman: In your view, what is the decision point, or the date of the decision point?

Mr. Hall: Whether the accounts payable could be handled in 1982?

Mr. Chairman: When this decision will be made: you refer to that. What is your timetable for that decision to be made?

Mr. Hall: The Systems Priorities Committee does a review on a monthly basis, so that it can consider further input, to consider the shift in the work-load that will be necessary to bring this on phase. So, the sooner the information is in, the better are they able to schedule their work-load. They are shifting work-loads all the time, to accommodate the urgency of requests by prioritization.

Mr. Graham: It seems to me — and maybe I am being harsh — that the Systems Priorities Committee is not really doing the job they should be doing, based on the information that I have heard today. Again, I say I might be a little harsh, but it seems to me that, to ask them to make a decision on what projects should be computerized in this Government, based on a "wish list" composed by a department, just simply does not seem right.

I guess that is a personal opinion but I just do not see it; I have a great deal of problems with that. I believe that if an accounts receivable system is going to save this Government money, or if it is going to free up some people in the Finance Department for other jobs or something like that, it should be a higher priority than, say, a liquor control system or something, which is not possibly going to have the same benefits an accounts receivable system should have. I believe that they should be making decisions based on which system will save this Government money, and which system is going to do the most good for the Government as a whole.

Mr. Chairman: Before we conclude that, perhaps I could just ask if there are any comments on Mr. Graham's remark?

Mr. Hall: The points that were made are a number of the factors taken into consideration when setting priorities; I think all of those items are fully addressed by this Committee as a coordinating committee. This is the reason that we have a

Systems Priorities Committee: for coordinating that and for considering these factors.

Mr. Fingland: There is one further dimension that I think should be brought out and it is rather interesting; it is exactly the same problem that I had when I looked at this last week.

It seems to me that the Systems Priorities Committee can examine this "wish list", if that is what you would like to call it, in relation to the available resources, because the available resources for computerization are fixed at any given point in time. This does not preclude, nor should it preclude, I think, a review by Cabinet, if it should turn out that the priorities established by the Committee, in relation to the resources, should differ.

If, for example, it turns out that the over-all requirements for the territorial Government exceed the computer resources of the Government, and it appears as though there are certain areas for computerization which should be done but for which there is no capability, then, clearly, you are into a situation where the matter has to be referred to the Cabinet and to the Legislature, for the appropriation of additional resources.

So, there is a further sequence of events that has to be looked at. The Systems Priorities Committee is not a sort of autonomous entity. It has to work within the totality of the decision-making and the financial appropriation system of the Government and the Legislature.

Mr. Chairman: Let me move on, then, Mr. Fingland, to the matter of internal charge-backs. In last year's Status Report, the Committee was advised that a work order system would be developed in the fiscal year 1981-82. Was this system developed?

Mr. McLennan: I believe Highways is working on that work order system currently. They have not established a complete work order system, although that is an internal work order system. I believe there is an external work order system.

Mr. Chairman: Let me ask, was there any deferral on such a decision, as a result of Cabinet direction in March 1981 to undertake further reviews of charge-backs?

Mr. McLennan: I am really not sure on that.

Mr. Hall: Yes, considerable work has been done on this; one of the major improvements that has been made in charge-backs, for instance, is the property management. Instead of more of a decentralized situation, it has been brought under one particular department, which provides a much greater control on the management — I should emphasize, on the process of property management.

At the same time, the information that flows through by way of work orders now comes under much tighter scrutiny and control, in one department, rather than being an item in which all 16 departments would like to look at specific work orders.

I think that this particular move has resolved any issues that may have arisen because of work orders, and at the same time very substantially improved, as I say, both the management and the control of this system.

Mr. Chairman: Could you indicate the time frame in which reviews of the departmental submissions, regarding departmental charge-back systems in use, will be completed?

Mr. Hall: Well, the major one that I believe I mentioned has been finalized and is in process right now. This work has been done and is in effect.

Mr. Chairman: But in terms of wrapping this up completely...

Mr. Hall: The major charge-back areas have been finalized. There are some minor ones that will be reviewed on a continuous basis. For instance, we have not made a list of every particular facet. This is in the process, as a follow on from the major ones, and will be worked on progressively to determine whether there is any need for change or whether there should be charge-backs put in some areas or removed from the other areas. We have done the big ones and have got those under control; the others are on a on-going basis right now.

Mr. Chairman: What was the completion date of "the big ones", as you call them?

Mr. Hall: One was finalized in December; the next one is being finalized right now. They are tied in with the introduction of the 1982-83 Estimates, so they have to be done for that time. I believe that they will probably be done either this week or next week, to tie into that schedule.

Mr. Chairman: Let me move then, if I may, to Preparation of Variance Reports and just ask you some questions by way of follow-up. This, as Members of the Committee will recall and Officials of the Department of Finance will know, goes back to the very first hearing of this Committee. At what intervals are variance reports now received from the departments?

Mr. Hall: Mr. Chairman, they are received on a quarterly basis from the reports that are provided to the departments. There are 13 reports provided during the year and every quarter they submit a variance report.

Mr. Graham: I am just kind of curious. From the time that I have spent in government, I noticed, from time to time, that these variance reports are either not done, or are extremely late. Is that a problem that you currently have or has that problem been overcome to a certain extent?

Mr. Hall: I believe that the preparation of variance reports was identified fairly well by the previous Committee and, at the present time, they are on time and being prepared properly. However, this can fluctuate as noted here, because it is a relationship that is tied in with the personnel in the departments and the time required to complete them. The departments are on-stream at this time; I am not sure what has occurred in the past. I would hope that they would be adequately staffed and trained so that they will be able to continue to put out the variance reports that we are now receiving.

Mr. Graham: Do you actually use these variance reports, when you do receive them?

Mr. Hall: Yes, they are used to determine levels of budget adjustments that are required. I guess it is very similar to a household budget; you know what funds you have available, or coming in on a monthly basis. This gives you the opportunity to see where you are in your level of expenditures, against what you have planned to do for that particular year. They are used on a continuous basis to determine the cash flow and the cash position at that time, yes.

Mr. Graham: If, in one of these variance reports, you find that a department is severely over-expenditure in an area, what do you do about it?

Mr. Hall: What the department does with the variance reports is that, if there is an over-expenditure, we are able, with the variance report, to identify the specific reasons for it. They enable you to examine that reason; to see if there is going to be continuing expenses there; they give you the opportunity to examine the other areas, within the same department, which may have under-expenditures from which you are able to offset this situation. If that cannot be done within a department, then you have to look at the other departments to find out how you are going to balance this out; perhaps make some transfers between departments to keep your budget in balance.

Mr. Graham: The reason I am asking these questions is that, as you probably know, tomorrow we start with the Department of Health and Human Resources. As I understand, they have had some problems in the past, with over-expenditures in a couple of areas. I will probably be asking them many of the same questions, you know: when these over-expenditures were noticed, and that kind of thing. I am kind of curious as to what help you give them, to either overcome the problem or to resolve the problem before it reaches one of major proportions.

Mr. Hall: The first thing is that we try to get the information together with the timely variance reports, then we work with the departments on trying to resolve the matter from within their department. Secondly, we have to look at the other de-

partments; if we have difficulties there, it may have to come out of working capital and reduction of working capital. So, it gives us the opportunity to work it out in a structured manner.

Mr. Chairman: That does lead me, logically, to my question, which is by way of asking for an undertaking, if I could.

Mr. Fingland: Could the Committee be provided with copies of variance reports received from the following departments, covering the period April 1, 1980, to December 31, 1980, namely: Renewable Resources, Consumer and Corporate Affairs, and Health and Human Resources? Given the agenda of this Committee, you will understand our interest in these reports.

Mr. Fingland: This was 1980, was it? Am I clear about the year, 1980?

Mr. Chairman: 1981.

Mr. Fingland: 1981; yes, I will do that.

Mr. Chairman: Let me move to the question of the Internal Audit Committee. We are going to be talking later on to the Internal Auditor, so I do not want to get into too elaborate a discussion at this point, but I note the comment about the role of the Internal Audit Committee being explored, "to determine whether it is the most effective method of evaluating and implementing audit recommendations". I wonder if I could ask exactly what is meant by that?

Mr. Fingland: Yes, I think that the question that is being raised is pertinent to the role of the Internal Auditor, and particularly the way in which the Internal Auditor relates to the Government as a whole.

One of the rather interesting things about this Committee is that it is relatively dormant — dormant to the point where, as I understand it, at this point it has never met.

I think that the difficulty we are having is that there should be some kind of mechanism whereby the Internal Auditor can deal with some part of the territorial Government, independent of the departments that it is actually looking at. This is why we wanted to take a look at the Internal Audit Committee; we were concerned that it was not operating.

I think it is, of course, entirely appropriate for the Internal Auditor to deal with the individual Deputy Ministers as he sees fit, but there should be this further avenue for him.

What we would like to do is to see whether it is the Internal Audit Committee, as such, or some other kind of structure that would be more effective. I think that there has to be political representation on the Committee. Our concern is to pinpoint exactly why it is not working, and whether this is because it is not considered effective, or whether there is some other mechanism that would be more effective.

Mr. Chairman: You used the royal "we". Could I ask you exactly who is doing the exploring in this case?

Mr. Fingland: In this case, it is myself, my officers, Mr. Pearson, and the Internal Auditor, Mr. Sherwood.

Mr. Chairman: So, essentially, it is Mr. Sherwood, the officials from Finance, and your Minister. We may pursue that matter, you will understand, with the Internal Auditor.

I want to ask, now, about the delegation of authority comment. You will recall the recommendation of this Committee that Ministers should be responsible for all delegations of financial signing authority within their departments. You will know, Mr. Fingland, probably better than any of us, the extent to which that recommendation probably reflects the experience in Ottawa and a number of the other provinces.

I would like to ask you if your Department, as an administrative matter, agrees with the position that Ministers should be responsible for delegating all financial signing authorities within their departments, rather than the present system defined in the Manual, which seems to provide for deputy heads to delegate this authority?

Mr. Fingland: I think what we would hope to be able to accomplish is a system whereby the authority was properly established at the administrative level. Our difficulty is somewhat of a constitutional one, in that the — well, first of all, a

non-constitutional matter: the *Financial Administration Ordinance* deals with deputy heads, it does not deal with Ministers. The constitutional issue arises because the term "minister", by definition under the federal *Interpretation Act*, refers only to a federal minister.

What we have to do, I guess, is to see if there is some way in which we can define minister, other than by calling him a minister.

Mr. Chairman: I know that you are perfectly capable of entertaining the policy question for hours, Mr. Fingland, but let me see if I can narrow the scope of my question to a matter of administrative policy, and pursue the constitutional issue that you raise.

Is it not true that, under the present system, deputy heads are not, for the reasons you stated, technically and legally accountable to the ministers, who are, in turn, accountable to the Legislature?

Mr. Fingland: No, Mr. Chairman, they are accountable to the ministers, and they are accountable to the ministers by virtue of a directive from the Minister of Indian and Northern Affairs to the Commissioner.

Mr. Chairman: You are referring to the Minister's directive letter?

Mr. Fingland: Yes.

Mr. Chairman: From a financial administrative point of view, I would imagine that that letter would not have the same status as the *Yukon Act* or the *Financial Administration Act* or the *Interpretation Act* or those other documents. Would I be correct in saying that?

Mr. Fingland: It has the status of a ministerial directive, under the *Yukon Act*, and is therefore a valid exercise of the powers bestowed upon the Minister by the Act.

Mr. Chairman: Would it be your position, then, that it would be impossible to bring the administrative procedures, in terms of the delegation of authority, in line with other jurisdictions, until such time as the more substantial constitutional issue is resolved?

Mr. Fingland: No, I do not think that I would go quite that far, Mr. Chairman. I think that there may be ways and means of doing that by territorial legislation.

In my own view, the matter is really a question of legal terminology, and I think that it is quite possible to do it, if we can overcome this problem of terminology.

Mr. Graham: Is one of the problems of terminology the fact that ministers want to be referred to as "Minister", instead of "Executive Council Member"? As I understand Mr. Epp's letter, he indicated in that letter that Executive Council Members had these various and sundry authorities. If the people who we refer to now as "ministers" were called "Executive Council Members", does that not overcome some of the problems with signing authority that you mentioned?

Mr. Fingland: Well, Mr. Chairman, I think that I would want to have legal advice as to whether or not that particular terminology overcame the problem. I think something along those lines might be a way of doing it, yes.

Mr. Chairman: Well, we are not really in a position to deal with a nice legal question, so we will go on to the next matter.

I would like, Mr. Fingland, to turn to the section, in the Auditor-General's management letter of this year, dealing with the Main Estimates.

If I could, I would like to read into the record the pertinent introductory paragraphs. That section says, "Main Estimates. The Public Accounts Committee had expressed concerns about lack of narrative detail, lack of clarity in objectives and lack of information against which performance could be measured and had recommended that the Department of Finance, in consultation with the Auditor General, undertake a review of the form and content of the Estimates with a view to providing more narrative descriptions, consistent with the recommendations made by the Auditor General in Chapter 6 of his 1978 Report to the House of Commons. Accordingly, the

Main Estimates of the Government for 1981-82 were presented in a revised format which moved the focus from the details of proposed expenditures by classification to details by program with some explanation of changes in activity, output and statistical data. The revised presentation also included statements of departmental and program objectives and illustrated the relationship between each department's organization and program responsibilities.

Considerable progress was made in a short time. With our assistance, the Department of Finance prepared a revised presentation which allowed some scope for individual departments to explain specifically what they hoped to accomplish with the money they requested in the Estimates. These new, more informative Estimates were presented to Council in March, 1981. This was a significant achievement, but we believe further improvements along the lines suggested below would be useful."

What I would like to do, Mr. Fingland, is go through, one-by-one, those specific suggested improvements and ask you for commitments in connection with those suggestions. Is that clear?

Mr. Fingland: Yes.

Mr. Chairman: The first one says: "...an introductory statement of the government's overall spending strategy, key objectives and any changes therein; the introductory statement should also describe sources of funding and any changes therein;". Any comment or commitment on that one, Mr. Fingland?

Mr. Fingland: Sorry, Mr. Chairman. You are looking for one-by-one commitments on these as an extension of the form that we put the previous Estimates...?

Mr. Chairman: The whole project and the Estimates are well underway, but, in terms of taking it to the next development stage.

Mr. Hall: Well, Mr. Chairman, the first one you mentioned here will be further expanded and reflected in the 1982-83 Estimates that are being prepared right now.

Mr. Chairman: You expect to see that specific recommendation implemented in the terms that it is suggested?

Mr. Hall: In a general way, Mr. Chairman. I believe that it is reflected, more so in the departmental levels at this particular time, to roll this into a introductory statement. I would say possibly, we may have that.

Mr. Chairman: Let me go through them one-by-one and then other Members of the Committee may have supplementaries on the specifics. The next item is: "identification of procedures used in developing the Main Estimates."

Mr. Hall: I believe, Mr. Chairman, that this was reflected in the prior document. I suppose the answer to that depends to what extent you would like to have that expanded. The narrative and the information that we have included in there now, I think, primarily reflects to the program that is being carried out and to the volumes of workload that are reflected within that program.

The specific procedures, I believe, will relate to the extent of the program and the amount of dollars that are being requested to carry on within that program or to seek enhancements or, in some cases, to reduce the program.

Mr. Chairman: Let me ask you about the next one, which says, "...improve statements of program directives so as to establish accountability; also appropriate references should be made to pertinent legislation and any changes therein;...".

Mr. Hall: This may be a little bit more difficult in the initial stages, Mr. Chairman. The program objectives to establish accountability, I believe, as you mentioned in the opening statement, had very substantial improvements made in the document presented last year. Further improvements will be made at this particular time.

The departments have been alerted as to the desirability of indicating this and I think it will be reflected in the workload. Then, in relation to that, the accountability for that, it depends

how you would like to assess that accountability, as to whether you would like to assess it in terms of the expenditure levels and the cost units per level or whether you would like to express it in the effectiveness of the program.

I believe these measures will gradually develop as we improve that information. As to what form that should take, I believe this will be a developing process.

Mr. Chairman: Let me just give you an example of the kind of problem I think the Committee had with some of the objectives.

Earlier in these hearings, we had a deputy come to us and give us a statement of objectives. I am not sure if it was the first objective on the list, but it was pretty close to the first one and it stated something like the following: "...to research the needs of the people of Yukon...". When we pursued the matter, there were no programs under that objective, there were no activities under that objective, there was no legislation under that objective. The deputy was very eloquent on the subject of that objective, but it was a little hard for us, in the terms of pursuing accountability, to perceive, frankly, what it meant.

Mr. Hall: Understood, Mr. Chairman.

This is the type of information that I am sure is in the Budget document. In developing an expenditure pattern for that type of thing, I believe it is something that we all try to pin down to determine specifically whether it is an initial study to determine what should go further. Then, perhaps, your measure of accountability would be your initial study of whatever magnitude that was, consulting area, \$50,000 to \$100,000, whatever. You would then determine as to where you should go on your objectives from there and, in order to carry out those objectives, what kind of a program needs to be instituted and what the cost would be.

Once that activity is put into place, then you have something to measure it against. But, in a general way, I am sure the concern you express is valid as far as measurement is concerned.

Mr. Chairman: I am sure there may be supplementaries coming up on some of your comments. Let me ask you about the next one first, though, the "...clearer relationship between changes in funding requested and statistical indicators of performance;...". Do you perceive that as something that you will be able to achieve in the near future?

Mr. Hall: That is already initially in place with the original document. For instance, to use schools as an example, it is indicated over the last number of years, let us say a five-year pattern, as to how many students are attending a school; how many are estimated, for instance, in 1982-83, 1983-84. So, there is a statistical indicator there now, with actual data in it and projected data. We would hope to tie this data into the Economic Research and Planning Unit reports, which provide demographic information to substantiate this.

Mr. Chairman: The next one is: "...continued improvement in summary narrative information to provide rationale for programs and activities and to highlight key changes therein;...". Any comment on that one?

Mr. Hall: None, Mr. Chairman, other than the departments that have started this and are continuing to improve this information; I think that you have to appreciate the effort that the departments put in to developing this information last time and the magnitude of putting this information together.

The work that they started last year is being improved, again and I would hope that this will provide this rationale and a description of the programs in 1982-83. I understand that it was received very well last year. I would hope that, in addition to that, there will be further improvements which will, hopefully, completely cover this area in 1982-83.

Mr. Chairman: We are all very proud of the baby, Mr. Hall; we just want to see it reach full maturity.

To go back to something you touched on before, the suggestion here is for "...more performance indicators relating to effectiveness, efficiency and level of service to the public;...".

Mr. Hall: Some of those were included before. Because of staffing turnover and changes, it probably will not be developed much further, other than in some of the departments which have readily available information at this time. So, there will be some improvements in this area, but it is an area that will probably develop more slowly than the other ones.

Mr. Chairman: The next specific is: "...provision of historical summaries covering a five-year period (the last two years, the Estimates year and projecting the Estimates for the next two years;..."

Mr. Hall: I think I partially answered this question before. We may change that format very slightly, in that we may not show the next two years projected on this first go-around. Developing that information is a little slower, as you will appreciate; however, what we will probably show is the last three years, which would be actual experience, the Estimates year and one more. I think this would provide you with better data at this particular time.

We have not made a firm decision on that one yet, but I think that either way it will provide most of the information you require.

Mr. Chairman: Will that detail be in the next Estimates, 1982-83?

Mr. Hall: Yes.

Mr. Chairman: The last specific was the "...use of graphic material instead of tabular presentations where the grouping and use of data do not require accounting precision."

Mr. Hall: I believe, Mr. Chairman, that the graphics material is very beneficial in providing a description of the services and, particularly, in comparing it with previous years. However, the graphics are a little bit of a window dressing and we really do not intend to do that this year; it is just not feasible. The information will be there, but instead of being dressed up in pictures, I am afraid that it will have to be in statistical tables.

Mr. Chairman: Does any office of this government have the means to do graphics of the kind that you see in provincial and federal government reports?

Mr. Hall: I think, Mr. Chairman, that we can provide the graphics from within Finance. We have the knowledge of how to do it, we just do not have the time within the resources available to be able to present them this year.

Mr. Chairman: Do you think that you will be in a position to do that two years from now, five years, ten years from now?

Mr. Hall: It would be difficult for me to comment on availability of resources. There are other priorities at this time which should be addressed before we get into graphics.

Mr. Chairman: The final recommendation here is: "Consideration should be given to developing an action plan to effect these improvements to further enhance the accountability base being established through the Revised Estimates."

The Government's comments said, "Main Estimates enhancements planned for the 1982-83 Estimates include the first seven points. Graphic presentation is being deferred until approximately 1983-84. Focus at this time is on data collection and procedural development and setting program priorities."

Since you have elaborated a little, Mr. Hall, let me ask you whether there is anything else you wish to add to that comment?

Mr. Hall: I think the specific areas are covered in there, Mr. Chairman. I believe that, with the direction of moving on those first seven points and including the eighth, the graphics, we would like to be able to do that. I think that we will have to be optimistic in considering that the format of the Estimates will continue to improve along these lines and, with the recommendations that are provided, they will present a very informative document for legislation.

Mr. Graham: Mr. Hall, I would not have been too disappointed if you had told us, on point number one, to listen to the Minister of Finance's speech and he would give us a statement of the Government's overall spending strategy. Also, I

would not have been too disappointed if you would have told us to get our own account books on point number seven; it would have saved you a certain amount of work.

However, be that as it may, I am kind of curious about what kind of influence the Department of Finance can wield over other departments in the Government that do not wish to or do not have the time, or believe they do not have the time or the ability to give you the information for the accounts that you feel you require? What kind of a club can you use on those, shall we say, delinquent departments?

Mr. Hall: I would have to say that the co-operation that we have received from the other departments has been very good. We have emphasized the format, along with the points mentioned here, in an outline to the departments. They are operating under some constraints on staff training and turnover, the same as we are experiencing; however, we have not had any difficulty in obtaining the information, it is just a case of obtaining it as soon as resources permit. So, it is just a matter of time.

Mr. Graham: What you are basically saying is that the information you have said will be in this Budget, will be in the Budget and it would be the Department of Finance's fault if it was not? Is that a fair statement?

Mr. Hall: *Laughter*

Mr. Chairman: Mr. Hall, you may, if you have read the previous transcripts, know that the Department of Finance has done relatively better before this Committee than some others that I could mention, but I will not.

I would like to turn now to the question of the Capital Estimates, as raised in the Auditor General's letter. I would just, by way of introducing the topic, read into the record the pertinent introductory paragraph.

"Capital Estimates: The Capital Estimates presentation for 1981-82 was not changed and development of a revised presentation originally scheduled for 1982-83 has been deferred by the Government for another year due to staff and time constraints. To assist the Department of Finance we have provided a number of recommendations for their consideration, as follows:"

Now, I want to ask about these one by one. The first one is "...an introductory statement of Government long-term capital spending strategy and basis of funding;..." If I may, I would like to ask for some kind of general comment on this recommendation and then I would like to use a specific example and ask for comment. Is there a general comment or commitment, initially, in terms of this first note?

Mr. Fingland: I think that, in principle, it is a highly desirable objective.

One of our difficulties, of course, is that we are funded on a year to year basis for capital purposes and, in the absence of an overall capital plan, which we would very much like to have, all we are doing now is working on a year-to-year basis, both as to a source of the financing and, of course, that predetermines the way in which we spend it.

So, there are some very serious constraints in the way we get our money which predetermine how much forward planning we can do in this area.

We are looking at how we can manage to get a capital plan in place. For a number of years, we have promised the federal government that we would prepare such a plan, but it never materializes. In my very short association with the territorial Government, I have come tentatively to the conclusion that we just are not going to manage it with the present resources. We have to find some other way of overcoming this problem. Once we do overcome that problem, if we do, then I would think that we could comply with this kind of request.

Mr. Chairman: Mr. Fingland, let me give you notice of question. I would like, when we conclude this round, to ask you what kinds of other ways you would be contemplating?

Let me pick up on the matter, you talked about serious restraints in terms of the kinds of funding and the way in which we deal with both our Capital and O and M Budgets. Last week, we

had back before us the Deputy Minister of Highways and Public Works and we were trying to unravel the confusion in the minds of Committee members about the spending on maintenance and reconstruction in the Highways systems and the planning that would be involved in those expenditures. We were fascinated to hear from the Deputy Minister that he could project over the next 20 years that Yukon would require, roughly, \$30,000,000 to \$35,000,000 per year in Highways capital, but that he was getting only about a third of that. That money that he was talking about was just talking about replacing the present system, not planned growth.

We were asking him about the implications of failing to realize his capital needs on maintenance costs. He had previously indicated to us the kind of curve that he had to face, that, at some point, a piece of highway would deteriorate to the point where maintenance costs would start to escalate rather rapidly.

Given that specific example, from a financial management point of view, how can we resolve that problem of not getting into a situation where a maintenance cost, in some aspects, is not escalating extraordinarily because we have not, somehow, been able to integrate our capital financing needs and our ongoing spending? Have I put the question clear enough that you understand my concern?

Mr. Fingland: Yes, I understand completely.

Of course, the Government can make the conscious choice, at least to a degree, between whether they are going to spend their money on maintenance or whether they are going to spend it on capital.

You are living on borrowed time, in the sense, if you let your capital plan depreciate just in order to make up money in other areas. I do not know whether that has happened without looking at that specific case, but the example you quote is not unfamiliar to me because this was brought to my attention in the past week for the 1982-83 Budget.

I come back to this need for a capital plan because I feel very strongly that, if we could develop the right kind of capital plan, the choices then would be immediately apparent, that we were going to switch preferences away from capital expenditure and so on. There should be a plan which would not only just forecast the amount of capital monies required, but also the kinds of standards that one would want to maintain; not only construction standards but also program standards.

Mr. Chairman: Does the plan you have just stated include ongoing operation and maintenance costs of any new capital project?

Mr. Fingland: That would be a natural by-product, if you will, of a properly developed capital plan. It should be immediately evident that failure to spend capital money in a particular area will have certain Operation and Maintenance consequences. Or indeed, that a choice between one project, as compared with another, will produce certain Operation and Maintenance consequences. I would think that that would be a logical consequence of a proper plan.

If we could develop such a plan on a five year basis, or even on a three year basis if we wanted to, at least, get something in hand, I would think we would go a long way to overcoming some of those problems.

Mr. Chairman: Let me be perfectly frank, Mr. Fingland. I am, of course, profoundly conscious of the presence here today of the Auditor General. I am also keenly aware of your experience at both levels of government.

Let me ask you about the problem of integrating federal plans in respect to both our Operation and Maintenance Budget and our Capital Budget. I have heard, but I am not sure that it is true, that the decision-makers, in respect to those two different kinds of budgets, are different people, or different offices, or different persons. Now, you may be able to confirm or not if that is the case.

If it is the case, do we have a problem in the Territory, in terms of financial planning, caused by a structural reality at

the federal level? In other words, if this integration that you were talking about in your plan is not done here and it is not done there, then we could make some very serious financial errors because of the structure.

Mr. Fingland: I do not know how far one could say that it is a structural problem, as such. I do think that there is a necessity to make the planning cycle of the territorial Government compatible with that of the federal Government. In other words, the two cycles have to mesh, to some degree.

In the Department of Indian and Northern Affairs' budget are the funds, the capital grant and the operating grant, appropriated for the Territory. The Department has a cycle which is imposed upon it, of course, like other federal departments, and it must meet the requirements of the Treasury Board.

Now what is happening, and, in fact, this has implications for us in it, is that we are finding that the due dates are being advanced. This is why we have a very serious problem in this particular year, in that we are compelled to prepare our 1982-83 Budget and our 1983-84 financial requirements at the same time.

Now, I feel that in order to overcome that, we are probably going to have to advance our own cycle somewhat and perhaps ask the Legislature to consider the Operation and Maintenance Budget at the same time that it considers the Capital Budget, that is, during the Fall Session.

Mr. Chairman: By implication you answered my question, but I am still curious. Are there different mechanisms for considering, in Ottawa, the Territory's Operation and Maintenance Budget and its Capital Budget? Are there different review processes? Do they have to jump through different hoops? Who are the integrators of our plans that way? Is it done by you here or done by them?

Let me give you a specific example. If we applied, in a given year, for a \$30 million capital in our Highways system but they only give us \$10,000,000, that surely has implications — and, at the same time, we have applied for an Operation and Maintenance Budget. That decision to reduce the request by \$20 million in our capital request surely has implications in terms of our Operation and Maintenance Budget, in respect to the maintenance cost of the highways.

Do you, in making the representation to Ottawa, have the flexibility to make those adjustments at the table, as it were, or is there some kind of process in Ottawa where they will consciously or unconsciously make those adjustments? Or, to use a third option, do you just sort of have to over-compensate everywhere or make assumptions about how they will respond to your request?

Mr. Fingland: Normally there is not that sort of trade-off between Operation and Maintenance and Capital. Usually, the two requirements are dealt with, not completely independently of each other, naturally, but usually in terms of fairly discrete packages.

The process is rather an odd one in that we are obliged, by virtue of our constitutional position, to deal with mechanisms for negotiation different from those which are in place for negotiations between the federal Government and the provinces. As you probably know, the process heretofore has been an Intergovernmental Committee, which is really a federal Interdepartmental Committee on which the Territory has representation.

Now, the principle focal point for the negotiations which take place between the federal and the territorial governments. The conclusions of that Committee then go forward as a recommendation to the Minister of Indian and Northern Affairs, who then must put it forward, as part of his departmental requirements, through the normal decision-making process in Ottawa, ultimately for decision by Treasury Board and inclusion in federal Estimates.

So, there is a rather unique wrinkle to the way in which we have to proceed.



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APPENDIX I

Our File: 7000-1
Your File:

OFFICE OF THE DEPUTY MINISTER

1981 12 23

TO: Mr. T. Penikett
Chairman
Standing Committee on Public Accounts
Legislative Assembly

RE: FMS Projects Status Report

In response to a request from the Public Accounts Committee, as tabled in the House in April 1981, the Department of Government Services is pleased to provide a status report on the FMS projects underway or deferred.

The projects underway are:

1. Asset Control - computerization of all government assets during the fiscal year 1981/82. This project has been presented to the Systems Priorities Committee for review and scheduling.
2. Central Shipping and Receiving - The Director of Supply Services has prepared a memorandum to Cabinet relative to the subject. The implementation of a Central Shipping and Receiving System depends upon Cabinet's direction and/or approval.

It is anticipated that a clear policy will be forthcoming within 1982/83 fiscal year at which time I will be able to make a comprehensive report on the government's position for the establishment of a system to cover the concerns relative to this area.

3. Electronic Data Processing Policy Manual - Due to lack of resources and funding, this project had to be deferred. This requirement will again be identified in our projected main estimates for 1982/83, and if approved, work will start on this project early in 1982.

I will endeavour to make sure that myself and/or my officers are available for further discussion should your committee feel that additional information is required.

A. Vantell
Deputy Minister



APPENDIX 2A
& 2B





Department of Highways
and Public Works

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APPENDIX 2A

Our File:
Your File:

1981 12 04

STANDING COMMITTEE ON PUBLIC ACCOUNTS
LEGISLATIVE ASSEMBLY

Attention: Missy Follwell

Dear Ms. Follwell:

The following is submitted to the Committee in response to your letter of November 9, 1981.

I have some difficulty responding to some of the recommendations since they fall into the area of policy which is outside my jurisdiction. Some items are indeed desirable however with the resources available certain choices must be made as to where those resources should be applied for the maximum return on the taxpayers' money.

Comments by recommendation are as follows:

2. Long-Term Planning - Highways

The Department should undertake a cost/benefit analysis on the feasibility of developing longer term planning with regard to the construction and reconstruction of Yukon highways.

Planning is now carried out on a 5 year term. The plan will be modified and refined as our data base is improved. There is no argument with the value of "long term" planning as long as the term is within a time span within which predictions will be reasonably valid. We would like to extend beyond the 5 year term after we are satisfied with source data. A cost/benefit study would be of minimal benefit where resources are not available to implement possible findings.

3. Accident Plotting System

The Department should develop an accident plotting system for all Yukon roads.

Accident statistics for the past 5 years have been collated and itemized by highway location. We hope to be in a position to update (i.e. maintain this statistics base) on an annual basis. This is a factor which relates to No. 2 preceeding.

.../2

4. Personnel Data - Highways

The Department should further break out its manpower planning and personnel data to show the work-base location of departmental employees.

We have not been advised as to the value of such a break out. This information is available for many of our sections. The field stations are variable and will change as the road system develops, and surface types and technology change.

5. Road Equipment Replacement Accountability

The Department should be more accountable to the Legislative Assembly for the purchase and replacement of road equipment by providing details of the equipment to be purchased or replaced.

The Department presented details with 1981/82 O & M budget. This was referred to by the Minister in the Legislature. We are currently reviewing the account to determine what additional information may be of use.

6. Maintenance and Reconstruction Criteria

Criteria for maintenance and for reconstruction should be the same since maintenance standards are based on reconstruction standards.

I submitted additional information on this topic and there is little else that can be said.

7. Maintenance Cost Identification

The Department should develop a reporting system to identify the maintenance cost of each Yukon road both by individual maintenance camp for each class of road in that camp and for the road as a whole.

The Department now has a reporting system which provides expenditure records by activity, camp and road.

8. Transfer of Funds

Clearly defined guidelines and procedures should be established with appropriate limits for the transfer of funds between activities.

It is assumed this refers to highway maintenance. The information flow both up and down which will result from item 7 preceeding will allow monitoring of each activity by camp and road each accounting period. This should allow closer control of each activity. Activities with larger dollar values such as crushing, resurfacing, BST and major bridge works control will rest entirely in Head Office. We propose introducing a Work Order System whereby major allocations in these areas will be authorized by the Deputy Minister on recommendation of the Chief Highway Superintendent.

9 & 10. Construction Program Coordination

The Department of Highways and Public Works should be responsible for the coordination of the Government's construction program.

Facility Construction Responsibility

If funding is granted to any department contemplating the construction of a facility, the Department of Highways and Public Works should be responsible for the planning, development and delivery of that facility.

As stated in the Legislature by the Minister, this is an area of Government policy on which I can make no comment.

11. Evaluation of Project Proposals

The Department of Highways and Public Works should ensure that it has the expertise to analyze and evaluate fully and effectively project proposals.

This recommendation is difficult to respond to since it is a question of degree. The Department has the capacity to evaluate most projects as to overall concept and viability. We do not have the capacity or expertise to review in detail all calculations. To carry out the latter our professional and technical staff would have to be tripled at the very least, major computer hardware and software would be required. The extra staff would be employed only part time. Much of the staff required would fall into the \$40,000 to \$50,000 range and some would not be available within Government pay scales.

It is respectfully suggested that such use of resources would not be cost effective. It is a luxury we would enjoy but could not recommend. The Department will be proposing expansion of staff to increase technical competence but this must be a staged plan as work loads justify such staffing.

It is difficult to answer and/or respond to all aspects of such recommendations. I would be pleased to discuss any of them informally with the Committee or the Chairman should additional detail be required or the response considered inadequate.

Yours truly,

L.W. Blackman, P.Eng.
Deputy Minister
Department of Highways
and Public Works

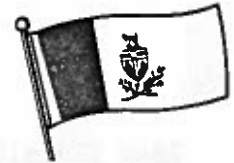


Government of Yukon

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OUR FILE 2035-10
YOUR FILE

1981 05 25

Missy Follwell
Clerk
Public Accounts Committee

I am enclosing a statement on road classification systems as requested in your letter of May 5, 1981.

I trust this will clarify the topic. I would be pleased to meet informally with any Members of the Committee should they desire further clarification.

L.W. Blackman, P.Eng.
Deputy Minister
Department of Highways
and Public Works

Attach.

RECEIVED
MAY 28 1981

Road Classification & Standards

Roads are classified for construction on the basis of their purpose. The most widely accepted system used in Canada is that developed by RTAC (Roads & Transportation Association of Canada). This system has 8 major divisions:

RURAL

Local
Collector
Arterial
Freeway

URBAN

Local
Collector
Arterial
Freeway

Each division is subdivided on the basis of "design" speed and cross section; thus the Alaska Highway is classified as "RAU 100" which indicates it is rural arterial undivided with design speed of 100 km/hr.

The RTAC manual, "Geometric Design Standards for Canadian Roads and Streets", lays out the design criteria for each classification which includes minimum radii, sight distance, stopping distances, cross section elements etc. The manual does not specify structural standards since they are a function of axle loadings and frequency. This aspect of road construction is covered by various engineering principles and does not, or should not, affect classification.

The surfacing of a road is often considered a "standard" but really is not, but more properly a policy matter defining the level of service which includes cost balanced against public service and safety. Another approach might be what can be afforded in total, balanced against the greatest service to the most users.

Many road sections are not to the geometric standard specified for their classification; if they were then there would be little need for reconstruction. The amount each section falls below the specified geometric standard is a factor in establishing its priority for reconstruction. The greater the shortfall, the higher the priority. (Traffic volumes, accident records, cost of reconstruction and maintenance costs are other factors taken into account.)

Local roads have access to land as a principal purpose, traffic movement is secondary. Arterials have traffic movement as a principal purpose, land access is secondary. In Canada about 75% of roads are local, 5 to 10% arterial; of these roads, locals carry from 2 to 15% of vehicle-km and arterials carry 40 to 70%.

Maintenance forces must deal with roads as they are now, thus a road may be Maintenance Class I, but geometrically or structurally of very low standard (could be RAU 100 geometric design standard). The maintenance classification is based on road usage, including traffic volume, truck frequency and loadings, safety, etc. YTG roads are divided into five classes for maintenance budgeting and programming. In most cases a high maintenance classification road would fall into a high "geometric design" classification since many of the factors affecting the classification systems are common to both. This includes volumes, safety etc.


Another factor in the different systems is that maintenance must deal with today's conditions; design for reconstruction should be based on projected need since what is built now should serve for say 20 years.

A major problem in the YTG is the lack of a sound statistical data base and the major impact one resource development decision can have on the system. For example, if in one of the Provinces a new development generated 200 v/d (vehicles/day) which entered a highway with an a.a.d.t. (average annual daily traffic) of say 3,000 there may not be significant impact; however, in the Yukon such an increase into a road which carried an a.a.d.t. of 150 would have a very great impact.

In dealing with maintenance, total budgets are based on the road inventory and classification. Funding must however be adjusted between roads within a given classification to meet daily or seasonal conditions. As data is collected by road section, budgeting can be adjusted to more accurately reflect average costs within a section rather than for the class as a whole.

Classification for maintenance is thus a system to define the budget requirements to provide an acceptable level of service under existing conditions.

Classification for construction (more correctly geometric design construction) defines the standard to which a road should be built.


L.W. Blackman, P.Eng.
Deputy Minister
Department of Highways
and Public Works



APPENDIX 3





Department of Finance

Box 2703, Whitehorse, Yukon Y1A 2C6
(403) 667-5811 Telex 036-8-260

APPENDIX 3

Our File: 4190-3-1

Your File:

1982 01 13

Rec'd 22-01-14

MEMORANDUM TO: Missy Follwell
Legislative Assembly Office

Further to our conversation of January 11, 1982, it was recognized that the responses in the "status report" for the P.A.C. were not in the same order and format as listed in the P.A.C. report of 1981. This was caused because some of the observations were completed and therefore not covered in our working papers.

To facilitate review, a full response is provided in the attached paper which is coordinated to match the numbers on the observations.

A handwritten signature in black ink, appearing to read "F. Fingland".

Frank Fingland
Deputy Minister of Finance

BM:jn

Attach.

Status Report: Financial Management Systems projects.

Task: The Committee requests the Department of Finance to provide the Committee by December 31, 1981 with a status report in the F.M.S. projects underway.

Projects Completed

Financial Administration and Accounting Control Manual.

Project Underway

New Payroll System

The Management Science of America financial software package for payroll has been purchased and is currently being installed and tested by the Department of Finance and Government Services (Data Services). The system purchased is being enhanced in order to accommodate additional management, personnel and payroll requirements. The target date for full implementation is April 1, 1982.

Revenue and Recovery Recording and Collection Procedures

This project has been referred to the Systems Priorities Committee for consideration. It is not anticipated this project will receive early attention; therefore, in the interim the manual system will continue to service this area. Finance staff will be undertaking a thorough review of existing manual accounts receivable systems in order to make recommendations to the committee.

Internal Chargebacks

In March 1981 Cabinet directed the Chairman of the Internal Management Committee to study the question of "chargebacks to departments". A subcommittee consisting of one representative from the Department of Finance and one from the Department of Government Services was formed to conduct a study of the issue and prepare a report to the Internal Management Committee.

In July 1981 the subcommittee presented its report, recommending the abolition of all inter-departmental chargebacks within the Government of Yukon while at the same time suggesting that intra-departmental chargebacks be retained where required.

The Internal Management Committee, in seeking additional information, decided that a study of the practice in other jurisdictions be carried out.

As a result of these studies and subsequent recommendations from the Finance Department it was concluded that each departmental situation should be considered individually.

The Internal Management Committee are requesting Departments to describe chargeback systems now in effect for the Committees' review and recommendations to Cabinet. The Finance Department has requested that these submissions be routed via the Department for review to ensure that financial management and administrative principles are adequately addressed.

Commitment Accounting

A report is being prepared by the office of the Controller General of Canada. Work will commence on this project when the report is available for review. It is expected that the report will be issued by late spring.

Account Verification and Pre-Audit

The issue of pre-audit and account verification was addressed in a standardized policy contained in the Financial Administration Manual.

Compliance with the policy is reviewed by Internal Audit, during their departmental reviews.

Invoice Processing - Centralized or Decentralized

It was noted that in last years P.A.C. reference was made to a new payroll system requirement. This is covered under "New Projects".

RECOMMENDATIONS NOT FULLY IMPLEMENTED

ITEM #5

PREPARATION OF VARIANCE REPORTS

Recommendations: The Government should require its departments to prepare timely, regular, and adequate variance reports.

Status as at December 31, 1981:

Variance reports are received from departments at regular intervals during the fiscal year. It has been found that these reports when received from departments are on time and accurate.

ITEM #6

TRAINING PROGRAMS

Recommendations: While training in the systems now being implemented is being provided by the Department of Finance, it should not be used as a substitute for sound training programs to provide the level of skills necessary to provide an appropriate and effective financial function in each government department.

Status as at December 31, 1981:

This is an ongoing concern. The Public Service Commission continues to support the concept of financial training programs within the government as well as encouraging employees to participate in professional accounting degree programs.

In the past year the Department of Finance has presented a number of training and financial information seminars to government departments.

ITEM #8

INTERNAL AUDIT COMMITTEE

Recommendations: The Government should activate the Internal Audit Committee and appoint an elected member to chair it.

ITEM #8

INTERNAL AUDIT COMMITTEE Cont'd

Recommendations: Until the Government has recruited its own Internal Audit staff, the Audit Service Bureau should be directed to report to the Internal Audit Committee.

Cont'd. . .

The Treasurer should advise on the scope and coverage of the work of the Audit Services Bureau only through the Internal Audit Committee.

Status as at December 31, 1981:

Since the recruitment of Internal Audit staff a number of audit reports have been issued to various government departments. In addition Internal Audit worked closely with the Auditor General of Canada during their annual review.

The role of the Internal Audit Committee is being explored to determine whether the Committee is the most effective method of evaluating and implementing audit recommendations.

ITEM #9

ROAD EQUIPMENT REPLACEMENT ACCOUNT

Recommendations: If ways can be found to replace the cost control and funding function previously served by this accounting mechanism, then this type of account should be closed in order to bring expenditures under legislative control. The excess would be transferred to the general revenues of the Government.

Status as at December 31, 1981:

The current system is under joint review by Highways and Public Works, Internal Audit and Finance.

The first step taken to tighten legislative control of expenditures while retaining its usefulness as a management costing system was initiated in the 1981-82 Main Estimates. A schedule of planned expenditures for equipment replacement was included, and a report of actual expenditures will be made at the end of the year.

ITEM #10

FORM AND CONTENT OF THE ESTIMATES

Recommendations:

The Department of Finance, in consultation with the Auditor General, should undertake a review of the form and content of the Estimates with a view to providing more narrative descriptions, consistent with the recommendations made by the Auditor General in chapter six of his 1978 Report to the House of Commons.

Status as at December 31, 1981:

The 1981 - 1982 Operations and Maintenance Main Estimates as tabled in the House during the March, 1981 session of the Legislative Assembly were in a new format consistent with the above recommendation. This new format relies heavily upon narratives as to departmental, program and activity objectives and upon statistical data related to the dollar figures presented for each program/activity.

Changes to the Estimates are viewed as a major improvement over the old format and this would appear to be confirmed by the favourable comments that have been received from all quarters. A considerable amount of interest outside of Yukon has been expressed in the new format as evidenced by the greater than average number of requests received for copies to be sent to various governments, agencies and other organizations accross Canada.

Plans were also made to have the 1982-1983 Capital Main Estimates tabled in the November, 1981 session of the Assembly in a new format. Discussions were held with representatives of the Auditor General on this matter and a draft format was developed. While subject to change, the thrust of the revisions is to provide more narrative on capital projects, especially those of major size, including statistical information when relevant. Due to time and manpower constraints the 1982-83 Capital Main Estimates were not prepared in this new format as available resources permitted only minor changes in presentation.

ITEM #10

Form and Content of the Estimates Continued.

Status as at
December 31, 1981:
Continued.

The revised format will require a great deal of work by both Finance and the departments requesting funds. For this reason it is now planned to introduce the new format for Capital Estimates in 1983-84.



APPENDIX 4





Department of Health and
Human Resources

Box 2703, Whitehorse, Yukon Y1A 2C6
(403) 667-5811 Telex 036-8-260

APPENDIX 4

Our File:

Your File:

1982 01 25

Mr. Tony Penikett
Chairman
Public Accounts Committee
Yukon Legislative Assembly
Box 2703
WHITEHORSE, Yukon

Dear Mr. Penikett:

Attached you will find the detailed responses to questions raised by one of the Committee Members.

I trust that this will provide sufficient background information for the Member to pursue during the Hearings.

Thank you for your co-operation.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "Jim Davie". The signature is written over a horizontal line and has a stylized, cursive-like appearance.

Jim Davie
Deputy Minister
Health and Human Resources

DETAILED RESPONSES TO QUESTIONS RAISED BY A MEMBER OF THE
PUBLIC ACCOUNTS COMMITTEE - FISCAL YEAR 1980/81

1. The Social Assistance expenditures to the end of period 13B 1980/81 were \$1,574,718. The main estimate for the year 1980/81 was \$1,274,500. The differential between the main estimate and the actual expenditures can be attributed to the following factors:
 - a) Increases in caseload size - the formula used for predicting caseload size, is that of using historical data with respect to caseload changes in previous years and projecting this pattern using growth/decline rates into the next fiscal year. Other economic indicators such as the rate of employment/unemployment, the number of persons in receipt of unemployment insurance, as well as any other relevant economic & demographic factors are taken into account. This formula does not allow high construct validity as it cannot account entirely for the range of unpredicted economic, social or other factors which may impinge upon people. For example, unexpected increases in unemployment, economic recession, changes of UIC policy or industrial action which are not forecast do affect caseload size dramatically. Social Assistance is a non-discretionary statutory program with clearly-defined eligibility criteria related to financial need, so that persons in need are eligible irrespective of predetermined caseload size. During the year 1980/81 the Social Assistance program did show a caseload growth pattern discontinuous with respect to previous years experience. That is, during the year 1980/81, the growth in terms of the number of cases carried forward and the number of cases opened during this year was 41% higher than during 1979/80. There were 37% more cases opened during 1980/81 than were opened during 1979/80. At the end of the fiscal year 1980/81, there were 19% more cases open than there had been at the year end of 1979/80 (See Table A). Therefore, during the year 1980/81, all measures of caseload activity including the number of cases opened, the number of cases closed and the number of cases carried forward to 1981/82 were up substantially over previous years experiences. The main estimates for the year 1980/81 were based upon an anticipated 5% increase in the caseload totals.

In order to address the increasing number of persons applying for Social Assistance, particularly in the employable and available categories, the Department has been developing specific policy and program initiatives. The transient policy has been made more discretionary, as well as the policy regarding wage earners or self-employed persons engaged in full-time employment have been re-defined to place greater responsibility on the employee and employer. Further, the Department has been working on the development of an alternatives for single parents on Social Assistance program to be implemented at the Yukon Vocational and Technical Training Centre in March, 1982, and as well the development of more coherent and well-developed employment placement and training referral procedures, making better use of the existing employment and training opportunities available through the private sector, government agencies and educational facilities. To this end, a program proposal is being put forward to Cabinet.

- b) Average cost per case factors - There has been a significant trend with respect to the average cost per case, indicating a decline in the average cost per case since the peak year of 1979/80. From 1975-76 there had been a gradual increase in the average cost per case to a high of \$851.90 during 1979/80. However, during the year 1980/81 the average cost per case declined to \$797.33, and current projections to period 10 1981/82 indicate a further decline to \$779.03 per case (See Table B). This factor is significant during 1980/81 in having offset even greater over-expenditures than actually occurred. The decline in the average cost per case since 1979/80 is indicative of better cost control measures and policies within the Department. It is also particularly significant in the context of an inflationary economy where the costs of goods and services such as food, clothing, shelter, utilities, day care, etc., have been increasing and where Social Assistance rates were increased during 1980/81 by 10%. Although increases in actual expenditures for budget items such as food, clothing, shelter, utilities have been at or above the rate of inflation, cost control measures such as the requirement for prior supervisory approval of all Schedule "B" items, re-definition of special dietary allowances, allowable medical and drug expenses, shelter policy, rental advances, transients in Yukon have had an impact in better determination of recipient entitlement and closer scrutiny of special needs situations, resulting in declining average costs per case.
- c) Preparation of Main Estimates process - Another significant factor in understanding the over main estimate expenditures is the process of preparing main estimates themselves. The procedure of setting allowable target increases for program expenditures irrespective of the actual price/volume increases anticipated, creates a circumstance whereby the main estimate base forecast may be quite unrealistic and can only result in situations of curtailment of programs or over-expenditures. The only discretionary elements of the Social Assistance program are some of the items of special need found in Schedule "B". During the year 1980/81 the main estimate for Social Assistance was \$1,274,500 based on a 5% increase in caseload and a 10% increase in rates. Therefore, the overall projected increase in Social Assistance expenditures for 1980/81 over 1979/80 was 6.6%.

This projection is inconsistent with the expenditure trends, as Social Assistance expenditures had increased by 31.9% in 1978-79 over 1977-78 and by 25.4% in 1979-80 over 1978-79 (See Table C).

The reason for such a highly optimistic projection of 6.6% for 1980/81 was based upon the necessity of submitting main estimates within allowance Government targets, irrespective of actual anticipated increases. The result, of course, was overtarget expenditure during 1980/81. It is likely that since this practice of only allowing main estimate submissions within predetermined targets continues, that over-expenditures will continue to occur, irrespective of cost control measures and policy changes.

During 1980/81 a complete Social Assistance manual was drafted, completed and implemented. This Social Assistance Manual represented a major undertaking in pulling together Social Assistance legislation, regulations, policy, rates, and procedures into a single reference document. This Social Assistance Manual has been in place for over one year, and is now available as a continually updated reference document for both every day use as well as the training of social welfare officers. During 1981/82 the second phase of this exercise has commenced in the detailed re-drafting of Schedule B - Items of Special Need -

in order to update this schedule, eliminate problem areas, develop new schedule items and rate structures as appropriate.

In 1980/81 the new Social Assistance budget form was introduced along with new financial coding systems for each item of expenditure of Social Assistance. The introduction of this form enables a much greater detailing and accounting of expenditure, therefore improving the accountability structure for social welfare officers as described later. Further, the new budget form is part of a computer system which has provided much more detailed financial report breaking down expenditure by item, client category and area office. This improved financial reporting enables better expenditure control and financial forecasting.

2. When estimating costs of programs, there is no "normal" amount to be "over" or "under". The process of estimating costs is based upon the concepts of considering historical costs and trends, anticipated price/volume increases, necessary program changes to arrive at main estimates which are reflective of actual anticipated costs. As is noted in the response to the previous question, this financial process is seriously undermined by the necessity of submitting main estimates that are within allowable government targets irrespective of all the factors described above. This fact is particularly evident in a program such as Social Assistance which has only limited areas of discretionary expenditure.
3. It should be first clearly understood that social welfare officers do not handle any money in the common use of the term denoting the use of cash. Rather, the methods of disbursement of Social Assistance funds are controlled through the use of cheque requisitions, authorization orders, and on occasion travel warrants. Cash funds are specifically not used by social welfare officers due to the inordinate problems created in monitoring and fully accounting for these disbursements as well as the obvious security problems posed by the possession of cash funds by these staff members.

When disbursing Social Assistance funds to recipients, the following checks and balances are in place, both with respect to the use of cheques and authorization orders:

- (1) Items of basic need are pre-calculated so that recipient entitlement is clearly set forth in the rates for both the officer and recipient;
- (2) In order for an initial cheque or authorization order to be issued, a Social Assistance application including a complete statement of income, assets, and demonstration of a budget deficit must be completed and notarized. It is necessary to repeat this process of complete application at least once per year or whenever the officer deems necessary within one year, in order to meet eligibility requirements. Clearly indicated on the form is a warning regarding Section 122 of the Criminal Code of Canada regarding making false statements, as well as the information about the right to appeal. This form is reviewed by the supervisor.

- (3) In order for any cheque to be issued to a Social Assistance recipient by an officer, a Social Assistance budget form must be completed by the officer in detail, identifying the recipient, detailing the allowable expenditures of both basic and special needs, the amount of income, and the amount of payment.
- (4) The Social Assistance budget form requires three signatures in order to be processed, the social welfare officer who has prepared the form, the Social Assistance clerk who certifies the form, and a senior administrative officer who requisitions payment.
- (5) The authorization order form requires four signatures in order to be processed. The social welfare officer prepares the authorization order including the details identifying the recipient, detailing the allowable expenditures of both basic and special needs, the allowable time limit for use, the business where the goods and services are to be purchased. The authorization order must initially be signed by the officer and the recipient, and then by the Social Assistance clerk and a senior administrative officer who requisitions payment.
- (6) On occasion when travel warrants are issued to recipients by a social welfare officer, prior supervisory approval and signature is required before the warrant may be processed. In the regional services operation prior verbal authority by a supervisor is required, and the supervisor must sign this warrant upon its arrival in Whitehorse.
- (7) All items of special need - Schedule "B" - require prior supervisory authorization before they can be granted by a social welfare officer to a recipient.
- (8) Any cumulative expenditures of items of special need over \$500 require the authorization of the Regional Manager or Director and Canada Assistance Plan officials.
- (9) Social welfare officers may authorize only up to \$100 for necessary dental treatment performed on a Social Assistance recipient. Any dental treatment over \$100 requires prior authorization by a supervisor.
- (10) Social welfare officers may authorize only up to \$55 for the cost of optical frames required by a Social Assistance recipient.
- (11) Social welfare officers may only issue social assistance drug cards with prior approval of the supervisor.
- (12) All social assistance payments made to or on behalf of a Social Assistance recipient must be recorded and dated on the Social Assistance grant sheet kept on the recipient file with the application form, copies of the Social Assistance budget form, authorization order forms, dental, optical authorization forms, etc. The Social Assistance grant sheet must be maintained by the social welfare officer, signed by the officer and supervisor and the Social Assistance clerk. The Social Assistance grant sheet constitutes the summary record of all disbursements to or on behalf of recipients as well as all recoveries from recipients. Any new entry, special needs, or request for continuing cheques must be signed by a supervisor. The Social Assistance clerk ensures that what is recorded on the client grant sheet and what is actually disbursed are reconciled in detail.

- (13) All new or re-opened applications for Social Assistance must include an application for Social Assistance signed by the applicant and notarized by the officer, an intake form providing related information about the applicant, client grant sheet, Social Assistance budget form, authorization order copies, and a case service report indicating what action is to be taken. This package of information must be reviewed and signed by the supervisor, in order to ensure that the applicant meets eligibility requirements, regulations and policy have been accurately applied, the Social Assistance entitlement is correct, Social Assistance grant sheet complete, and the case assigned or closed as is appropriate.
 - (14) All Social Assistance cases to be transferred or closed must be reviewed and signed by the supervisor, in order to ensure the client grant sheet is up-to-date, the relevant closing or transfer summary is complete, and that any outstanding issues such as outstanding agreements to repay are resolved satisfactorily.
 - (15) All requests for continuing social assistance must complete a Social Assistance budget form in detail and the request for continued assistance form in detail, and the officer must enter the Social Assistance provided on to the client grant sheet to be reviewed and signed by the supervisor.
 - (16) All agreements to repay taken by a social welfare officer from a social assistance recipient must be completed with one original copy and two copies (one copy for the client file, the other for the Financial Officer). If payment is not received on the agreed-upon date, the social welfare officer will initiate contact with the recipient. If no repayment to the consolidated revenue fund is received within 30 days, then the Financial Officer will contact the officer and supervisor to review the collection process and circumstances.
 - (17) A very important element in ensuring the humane and prudent administration of the Social Assistance program is the provision of adequate training, supervision and information to social welfare officers. Specific training programs to orient new staff to the policy and procedures is offered, on-going supervision as well as the provision of up-to-date Social Assistance Manuals in each work station and area office.
4. Although there is no specific provision regarding Canadian citizenship contained in the Social Assistance Ordinance or Regulations, this matter is dealt with by policy in the following manner:
- (A) Both Canadian citizens and landed immigrants in Canada may be considered to be eligible for Social Assistance benefits.
 - (B) Persons who are visitors to Canada or are illegally in Canada are normally not eligible for Social Assistance benefits and are referred to the closest Canada Immigration office for assistance. In some cases, emergency assistance may be considered dependent upon the unique circumstances after Canada Immigration has been involved, all other resources have been explored and prior approval of an available supervisor has been granted.

TABLE A

PUBLIC ACCOUNTS COMMITTEE HEARINGS

FOR 1980-81 FISCAL YEAR

SOCIAL ASSISTANCE CASELOAD DATA

	<u>1975/76</u>	<u>1976/77</u>	<u>1977/78</u>	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>
Number of Cases open as April 1st	400	396	449	416	* 491	521
Number of Cases opened during year	1,387	1,405	950	833	913	1,454
Sub-Total	1,787	1,801	1,399	1,249	1,404	1,975
Number of Cases closed during year	1,391	1,352	983	758	883	1,355
Number of Cases open as of March 31st	396	449	416	491	521	620

* has been shown as 460 but is in fact
corrected to 491.

TABLE B

PUBLIC ACCOUNTS COMMITTEE HEARINGS

FOR 1980-81 FISCAL YEAR

SOCIAL ASSISTANCE - AVERAGE COST PER CASE

	<u>1975/76</u>	<u>1976/77</u>	<u>1977/78</u>	<u>1978/79</u>	<u>1979/80</u>	<u>1980/81</u>	<u>Period 10 1981/82</u>
Average Cost Per Case \$	274.43	346.11	517.03	763.71	851.90	797.33	779.03

TABLE C

PUBLIC ACCOUNTS COMMITTEE HEARINGS

FOR 1980-81 FISCAL YEAR

SOCIAL ASSISTANCE EXPENDITURES

<u>Year</u>	<u>Amount</u>	<u>\$Increase/Decrease Previous Year</u>	<u>%Increase/Decrease Previous Year</u>
1977/78	\$ 723,321	\$ 99,968	16 %
1978/79	\$ 953,872	\$230,551	31.9%
1979/80	\$1,196,073	\$242,201	25.4%
1980/81	\$1,574,718	\$378,645	31.6%



APPENDIX 5





Department of Health and
Human Resources

Box 2703, Whitehorse, Yukon Y1A 2C6
(403) 667-5811 Telex 036-8-260

APPENDIX 5

Our File:
Your File:

1982 01 28

TO: PUBLIC ACCOUNTS COMMITTEE

RE: SOCIAL ASSISTANCE STATISTICS 1980/81

- 1) During 1980/81 the total amount of recoveries made from persons on social assistance was \$69,300.
- 2) It has been observed by Committee members that the reporting of average cost per case statistics appears discrepant and conflicting between what has been reported in the 1981/82 Main Estimates package and the more recent information provided for the Committee by this Department. The reason for this discrepancy and apparent conflict can be accounted for by the two different methodologies used in calculating the average cost per case.

For the purposes of the 81/82 Main Estimates package as well as previous Main Estimates, the average cost per case was determined as follows:

$$\frac{\text{Social Assistance Expenditures (\$)}}{\text{No. of cases open at year end}} = \text{Average cost per case (\$)}$$

This method of calculation is misleading as it does not account for the number of cases opened during the year, nor the number of cases carried into the current fiscal year accurately.

Therefore, the above method has been replaced by a more accurate calculation for the purposes of the 1982/83 Main Estimate preparations and the submission provided to the Public Accounts Committee. The method of calculation currently employed is:

$$\frac{\text{Social Assistance Expenditures (\$)}}{\text{No. of cases open at beginning of year and No. of cases opened during year}} = \text{Average cost per case (\$)}$$

This method of calculation provides greater accuracy in that it does not just employ a "static" figure, represented by the number of cases opened at year end. It calculates the average cost per case as a result of the number of cases carried forward into the fiscal year and the number of cases opened during the fiscal year. This gives an accurate measure of caseload activity during the year and the number of recipient cases who actually received social assistance during the year in order to achieve the average cost per case.

In the submission provided to the Public Accounts Committee, the average cost per case shows a decline since the fiscal year 1979/80 as indicated in Table B.

- 3) Committee members have also raised questions regarding discrepancies in the statistical information reported in the Public Accounts Committee submission and the information contained in two other documents, the Main Estimates package for 1981/82 and the Annual Report for 1980/81.

a) 1979/80 information recorded in the 1981/82 Main Estimates:

The 1979/80 caseload statistics used in the 81/82 Main Estimates are in fact the actual caseload statistics as recorded to March 31, 1980. These statistics are contained in the "Social Assistance Caseload Statistics" summary for March 1980. The caseload statistics provided to the Public Accounts Committee in our submission inadvertently used the background work sheets of caseload statistics which contained projections to the year end 1979/80 based on February 1980 accumulated statistics and were not based on actual caseload statistics. Therefore, the statistical information provided in our Public Accounts submission should be amended as follows:

<u>TABLE A</u>	<u>1979/80</u>
No. of cases open as of April 1	491
No. of cases opened during year	998
Sub total	1,489
No. of cases closed during year	968
No. of cases open as of March 31	521

<u>TABLE B</u>	<u>1979/80</u>
Average cost per case	\$803.27

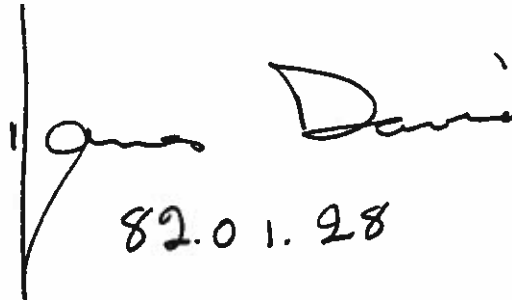
b) 1980/81 information recorded in the 1981/82 Main Estimates:

The 1980/81 caseload statistics found in the 1981/82 Main Estimates are forecasts only and therefore should not be regarded as absolutely accurate. The 1980/81 caseload statistics contained in our submission to the Public Accounts Committee reflect the actual caseload statistics as recorded to March 31, 1981, and revised during April, 1981.

c) 1980/81 Information recorded in the 1980/81 Annual Report:

The figures contained in the 1980/81 Annual Report are incorrect by a total of ten cases through administrative error. During April 1981 the caseload statistics for 1980/81 were revised to reflect actual caseload statistics based on statistical information recorded to March 31, 1981. The statistics as reported in the 1980/81 Annual Report and the 1980/81 April revisions differ as follows:

	<u>1980/81 Annual Report</u>	<u>Revised 1980/81</u>
No. of cases open as of April 1, 1980	521	521
No. of cases opened during 1980/81	1,464	1,454
Sub-total	1,985	1,975
No. of cases closed during 1980/81	1,375	1,355
No. of cases open as of March 31, 1981	610	620


82.01.28



