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# Standing Committee on Public Safety and National Security

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EVIDENCE

**Thursday, February 17, 2011**

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**Chair**

**Mr. Kevin Sorenson**



## Standing Committee on Public Safety and National Security

Thursday, February 17, 2011

• (0850)

[English]

**The Chair (Mr. Kevin Sorenson (Crowfoot, CPC)):** Good morning, everyone. This is meeting number 56 of the Standing Committee on Public Safety and National Security, of Thursday, February 17, 2011.

Today we are commencing a study of the expansion of penitentiaries. We will hear from the Minister of Public Safety and from Correctional Services of Canada a little later on this morning, but in our first hour we will hear from the Library of Parliament.

We welcome Kevin Page, the Parliamentary Budget Officer. He is accompanied by his officials, including Mostafa Askari, assistant parliamentary budget officer for economic and fiscal analysis; Sahir Khan, assistant parliamentary budget officer for expenditure and revenue analysis; also, I believe Ashutosh Rajekar, financial advisor, will be here as well.

Our committee wants to thank you for appearing before us today. I understand that the Parliamentary Budget Officer has some opening statements. Then we will proceed into a round or two rounds of questioning.

Mr. Page, welcome. The floor is yours.

**Mr. Kevin Page (Parliamentary Budget Officer, Library of Parliament):** Thank you, Mr. Chair.

[Translation]

Good morning, Mr. Chair, Vice-chairs and members of the committee.

[English]

Thank you for inviting me and my colleagues to speak to you today about estimating the funding impacts on the federal corrections system from changes to crime legislation, notably PBO work with respect to the TSA, the Truth in Sentencing Act, or in French *la Loi sur l'adéquation de la peine et du crime, la LAPC*.

I will structure my opening remarks in four parts: key messages, the PBO approach, a framework for analysis, and questions for the Minister of Public Safety that committee members may wish to ask.

I have a few messages.

The first message is that significant amendments to the Criminal Code that impact Canada's correctional system, such as TSA, the Truth in Sentencing Act, carry significant fiscal costs. PBO's estimate of the cost for TSA at the federal level is about \$1 billion a year over the next five years, assuming status quo occupancy ratios:

approximately \$620 million a year for additional operating and maintenance and capital expenditures, and \$360 million per year or \$1.8 billion over five years for new construction.

The second point is that parliamentarians have not been provided with sufficient fiscal transparency to carry out their fiduciary responsibilities with respect to changes in crime legislation. In the case of the TSA, parliamentarians were advised by the government during review of the draft legislation that estimated costs were a cabinet confidence. Estimated costs were revealed by the government only after the draft legislation became law, and the estimate did not include disclosure with respect to methodology and key assumptions.

Parliamentarians do not know whether the fiscal planning framework fully reflects the cost pressures generated by changes in crime legislation. Neither Budget 2010 nor the fall economic and fiscal update highlighted the fiscal impacts. The 2010-11 report on plans and priorities of Correctional Service Canada indicated double-digit growth in its reference level over the next three years and the additional requirements of 4,000 more employees, but only referenced the Truth in Sentencing Act as a risk of funding pressure to be managed.

Point number three is that changes to the Criminal Code such as those in the Truth in Sentencing Act will have significant operational and cost impacts on correctional institutions and services in provincial and territorial jurisdictions. The federal government may wish to inform other jurisdictions of the estimated fiscal impacts.

[Translation]

The PBO approach to estimating funding requirements and impacts is to build costing methodologies and models. In the case of the TSA, we examined changes to stays, flows, headcounts and costs (operations and maintenance, life cycle capital costs and new construction costs). Like the Department of Finance, the PBO focuses on static costing—we extend current realities like occupancy ratios and do not examine potential behaviour type changes.

PBO uses peer review and assistance. In the case of the TSA, the panel consisted of nine experts from the corrections system, facility management and financial and statistical modeling.

For the TSA, PBO built and utilized two models. A simple financial model is used to respond to the question: “what if the Act was in place in 2007-2008?” Using existing data, we know that about 8,600 inmates were admitted with an average stay of 560 days in custody. We estimate that the TSA would add about 30%, or 160 days to the average stay. This translates into an increase of 3,800 average headcounts (a number similar to the estimate provided by the Commissioner of Correctional Services Canada). Using public numbers to calculate operating and maintenance and capital per inmate and construction costs per cell, we can quickly come to fiscal impacts of about 1 billion dollars per year (operating and construction) over the next five years, assuming a continuation of existing occupancy rates.

PBO also built a three-phase probabilistic simulation flow model to estimate the financial impact from increased sentence length and number of people incarcerated that detailed inmate profile and operational implications. This model highlighted similar financial implications as well as a requirement to build as many as 13 new buildings with traditional cell capacities.

• (0855)

[English]

PBO has a small team. We need to pick our priorities carefully so that our work can be relevant and authoritative; PBO cannot be the first data point on costing all new legislation from the federal government. In response to a request from a member of Parliament, PBO focused on TSA because there was systemic risk, as Parliament was not provided financial analysis, and there was material risk, as significant changes to crime legislation can have significant fiscal impact. While the PBO is prepared to provide original methodologies and estimates, it is better placed, given the size of the office, to examine methodologies and to provide tests of reasonableness and risk assessment around government estimates. In analyzing the impact of new crime legislation, parliamentarians may find it helpful to utilize a simple framework for analysis, as follows.

One, parliamentarians may wish to know the estimated impact of any crime bill on the daily head count in correctional facilities. This head count is proportional to the inflow and outflow rates of inmates in and out of facilities and the amount of time they spend within.

Two, parliamentarians may wish to know the estimated impact of any crime bill on ongoing per-inmate costs. These costs vary by inmate status—for example, incarcerated, day parole, etc.—and by security classification, such as, for example, low, medium, high, and women. Using public documents over preceding years, the average cost of an inmate is about \$160,000 per year, but these costs vary significantly from about \$40,000 for an inmate on parole to about \$220,000 per year for a man in maximum security.

Three, parliamentarians may wish to know the estimated impact of any crime bill on the increased requirement to build new cells. These costs vary by a number of factors: prevailing market construction costs, security type, land, site development, procurement costs, etc. CSC Commissioner Don Head has indicated in Senate testimony that the cost of constructing new accommodations amounts to \$200,000 for a low-security cell, \$400,000 for a medium-security cell, and \$600,000 for a maximum-security cell.

Four, parliamentarians may wish to know the impact of any crime bill on the affected population: remanded versus sentenced, low versus high security profile, specific age groups, regional occupancy situation, federal versus provincial/territorial situation, and also the impact on administrative caseload. All of these can have an impact on financial cost and create risk relative to correctional objectives.

Concerning some questions for the Minister of Public Safety in closing, I wish to reiterate that for parliamentarians to carry out their fiduciary responsibilities with respect to the approval of financial authorities, it is essential that government provide adequate and timely financial information and analysis on the fiscal impacts of new legislation before the legislation becomes law. For all new crime legislation, parliamentarians may wish to ask the Minister of Public Safety what the impact will be on daily head counts, on ongoing per-inmate costs, on requirements to build new cells, and on the affected population, and also, if required, on provincial and territorial costs.

• (0900)

[Translation]

Thank you for the opportunity to serve this committee. We would be honoured to address your questions. Thank you, Mr. Chair.

[English]

**The Chair:** We'll now proceed to the first round of questioning.

Mr. Holland, please; you have seven minutes.

**Mr. Mark Holland (Ajax—Pickering, Lib.):** Thank you, Mr. Chair.

Mr. Page, to you and your office I have to say a tremendous thank you. I don't think we would have a debate in this country over the legislation that's in front of us, were it not for your work in creating a debate around the costs.

I'm particularly concerned about this. I'm going to go over this just to illustrate the point.

On February 15, 2010, the public safety minister said, referring to Bill C-25, with its two-for-one remand credit:

We're not exactly sure how much it will cost us. There are some low estimates, and some that would see more spent—not more than \$90 million.

Now, as you know, some two days later, on February 17, news stories broke that your office would be undertaking a study, at my request, of Bill C-25, and overnight the minister said, well, it's not really \$90 million; it's \$2 billion. Then, of course, your report some eight months later came out and said it's not \$2 billion, but \$5 billion federally and maybe \$5 billion to \$8 billion provincially.

We have 24 bills in front of us right now, and I can go through all the numbers, but I think that would take too much of my seven minutes. How imperative do you think it is for Parliament, in weighing its decisions, to have the costing information on each of those bills and particularly to see the background information to assess the veracity of it, particularly given the experience with Bill C-25?

**Mr. Kevin Page:** The short answer to the question is that it's always imperative for parliamentarians to have access to financial information and analysis before they approve new financial authorities. Specifically, in cases where we know the costs are going to be material, parliamentarians need to see it when they're looking at new legislation, and I think it also needs to be highlighted in budgets or fiscal updates as we adjust the fiscal framework for these higher fiscal costs.

**Mr. Mark Holland:** To get to those costs, my understanding was it took about eight months and about one-third of your office resources to go after that. If there had been cooperation when you requested documents, if the government had responded when you requested information that it had available, and if you didn't have to build statistical models to re-create it, how long do you think that would have taken, and how much less work would it have been?

**Mr. Kevin Page:** If we have access to departmental methodologies, assumptions, and data that's not cabinet confidence or personal in nature, I think it would cut the cost down. It would be a fraction of the cost. It would certainly take less than half as much time.

When we don't have access to these methodologies or even to departmental expertise, we have to go elsewhere. In this case, we went elsewhere. We went to the provinces, or we went to people who are experts in facility management or experts in building these types of operational models.

**Mr. Mark Holland:** The Minister of Public Safety has repeatedly attacked your figures publicly and in the House, but I have not seen him forward any substantive information to challenge those numbers.

Has there ever been a discussion in which the minister has said "Here's our data set and here's why we disagree with you; this is the information and assumptions we're using, and here's where you made your mistakes"? Have they ever done anything like that?

• (0905)

**Mr. Kevin Page:** No, sir, we have not seen any paper that actually lays out their methodology and assumptions. Again, differences in assumptions can mean very different rates in these costing numbers. We highlighted with great effort in our paper the list of assumptions we're making.

For example, assuming static status—for instance, the continuation of current occupancy ratios in prisons when we do our costing, or no behavioural impacts with respect to other aspects of the

system—can have a big impact on the ranges of cost. But we have not seen that type of information.

**Mr. Mark Holland:** Has there ever been an instance in which either the minister or someone in the department pointed to one of your assumptions and said that you were way off base because of *x*, *y*, *z*? Have they ever pointed to anything specific in their criticism, or has all the criticism you've heard just sort of been at 30,000 feet—we don't like your numbers, but we're not going to tell you why?

**Mr. Kevin Page:** We've seen public statements with respect to, as you've said, gross numbers—\$2 billion over five years—and public statements from the minister and the Commissioner of Correctional Services Canada with respect to the additional number of head counts, which actually aren't that far off from what we're suggesting. Again, we've not seen any analysis underneath it.

We've also heard public statements with respect to policy on what we would call "occupancy ratios". We assumed in our calculations a continuation of roughly a 90% occupancy ratio, which we've seen in federal-provincial facilities over the past ten years. If the government is willing to tolerate or adjust and go to a much higher double-bunking or triple-bunking, which does exist in some cases in the provinces for different security situations, that has an impact on the cost. It's more operational and less construction.

**Mr. Mark Holland:** Is it fair to say that now, after many months have passed since you tabled the report on Bill C-25, you stand by the numbers you presented at that point in time, and Parliament should still consider the numbers you presented to be, to the best of your office's ability, accurate?

**Mr. Kevin Page:** I think the report that Ashutosh Rajekar, Ramnarayanan Mathilakath, and Sahir Khan have prepared is still our best effort at what we can do with respect to that specific legislation, in terms of both building models and peer-reviewing these models.

Again, what's really important are those assumptions. If we had more transparency, if methodologies were not a cabinet confidence, if assumptions were not a cabinet confidence, then we could reconcile our numbers. We would still be lacking the overall paper, but we could provide better reconciliations for you—for example, why the budget office has this number and why Correctional Services Canada is saying a different number.

**Mr. Mark Holland:** I understand there's a range, because the government is stonewalling you and trying to block you from getting information just as it's trying to block both Parliament and Canadians. Would it be fair to say that the range you provided, which is \$5 billion for the federal government, \$5 billion to \$8 billion for the provinces, and a cumulative figure of \$10 billion to \$13 billion, would make it almost impossible to believe the number the minister is purporting of \$2 billion in total? Do you see any way that number could be remotely feasible?

**Mr. Kevin Page:** Again, in the context of a number that could be as low as \$2 billion over the next five years, I think it would be based on an assumption that occupancy ratios would be allowed to rise dramatically from where they are right now. We would be putting multiple people into these cells.

I think our analysis would suggest that Correctional Services Canada, as we move through the meetings, will be under significant operational fiscal pressure.

**The Chair:** Thank you, Mr. Page.

We'll now move to Madam Mourani. Madam Mourani, go ahead for seven minutes, please.

[Translation]

**Mrs. Maria Mourani (Ahuntsic, BQ):** Thank you, Mr. Chair.

Thank you to all our witnesses today. Mr. Page, I have a few questions for you.

You say that the estimated cost—you are not quite sure of the exact figure, and I understand full well that you are dealing with approximate data—is 1 billion dollars per year over five years. Does that 1-billion-dollar figure per year represent the cost of all bills? Did I understand correctly?

**Mr. Kevin Page:** We mentioned the 1-billion-dollar per year amount, but in this context, there is an operating cost and a construction cost. And when you calculate the amounts over five years, that comes out to over 5 billion dollars, including 3 billion dollars over five years in operating costs and close to 2 billion dollars in new construction over the same period.

**Mrs. Maria Mourani:** Very well.

Yes, go ahead, Mr. Khan.

• (0910)

**Mr. Sahir Khan (Assistant Parliamentary Budget Officer, Expenditure and Revenue Analysis, Office of the Parliamentary Budget Officer, Library of Parliament):** I simply want to add that these costs are simply those related to Bill C-25. The 3 to 5 billion dollars in costs only cover Bill C-25.

**Mrs. Maria Mourani:** Therefore, you say that it will cost 1 billion dollars a year. Correct?

**Mr. Sahir Khan:** We are talking about 1 billion dollars per year.

**Mrs. Maria Mourani:** What is the CSC's current budget?

**Mr. Ashutosh Rajekar (Financial Advisor, Office of the Parliamentary Budget Officer, Library of Parliament):** This year, it has a budget of close to 2.4 billion dollars.

**Mrs. Maria Mourani:** Is the budget approximately the same from year to year?

**Mr. Ashutosh Rajekar:** We have noted an increase every year.

**Mrs. Maria Mourani:** Do you have figures to show that increase? Could you provide us with the budget figures for the past 10 years, please?

**Mr. Kevin Page:** You would like to know by how much the budget has increased?

**Mrs. Maria Mourani:** Yes.

**Mr. Ashutosh Rajekar:** We have figures in our report on Bill C-25. It's on page 102 of the English version.

**Mrs. Maria Mourani:** What are the figures?

**Mr. Ashutosh Rajekar:** In 2001 the budget was 1.4 billion dollars. In 2009-2010, it was 2.2 billion dollars. In 2010-2011, it is close to 2.4 billion dollars.

**Mrs. Maria Mourani:** Do you have the figures for other bills? Do you have figures for Bill C-59, for instance?

**Mr. Kevin Page:** The government has not provided a cost estimate on other bills.

**Mrs. Maria Mourani:** Have you done this estimate?

**Mr. Kevin Page:** No. We started examining the costs of Bill C-39 but we have not yet completed our analysis.

**Mrs. Maria Mourani:** So, you do not have figures for Bill C-59, nor Bill C-39.

**Mr. Kevin Page:** That is correct.

**Mrs. Maria Mourani:** So, the only thing you can show us today are the figures for Bill C-25.

**Mr. Kevin Page:** That's correct.

**Mrs. Maria Mourani:** Could you table before the committee a document providing figures for Bill C-25? I would appreciate that.

**Mr. Ashutosh Rajekar:** We can provide copies to the clerk.

**Mrs. Maria Mourani:** Thank you.

I'd like to address another subject, that of the costs for the provinces. Based on my understanding, you estimate the costs to the provinces will increase by 56% in 2015-2016. We are still dealing with Bill C-25, is that right?

**Mr. Kevin Page:** Yes.

**Mrs. Maria Mourani:** So, the entire presentation you made today deals strictly with Bill C-25.

**Mr. Kevin Page:** That is correct.

**Mrs. Maria Mourani:** You say this: "the provincial and territorial share of total funding requirements will rise to 56% in 2015-2016 from 49% in 2009-2010 [...]". Can you explain to me in simple terms which clause in this bill will cause the increase in the provincial share?

**Mr. Kevin Page:** The same type of impact will be felt on the correctional system of the provincial and territorial governments. I believe table IV establishes a comparison between the federal, provincial and territorial orders of government. I will find the page where this is indicated in French.

**Mrs. Maria Mourani:** I understand. My question is more specific than that. You assess the costs of Bill C-25 to be approximately 1 billion dollars per year.

**Mr. Kevin Page:** Yes.

**Mrs. Maria Mourani:** What specific measures are to be found in this bill that lead you to believe it will cost this amount? What is it precisely?

**Mr. Sahir Khan:** It is due to the higher number of incarcerated offenders in provincial jails. The flow is 10 times greater, excluding people on remand. It really is relative to the number of people. In general, the system will expand. That is why the impact on the provinces and territories will be comparable to that at the federal level.

Our analysis deals with the direction costs are going in. We did not assess a specific cost for the provinces. It is up to them...

• (0915)

**Mrs. Maria Mourani:** ... to assess their costs...

**Mr. Sahir Khan:** ... to estimate their own costs. The provinces have access to their own highly detailed data. Our purpose is to indicate a direction because the member who asked us to produce this work wanted to know the national impact of these costs.

**Mrs. Maria Mourani:** Very well. Could you tell me about this new influx of people into provincial jails? We realize it is for sentences of 2 years less a day. Currently, there is a given flow of inmates in these jails. What impact will C-25 have on this flow of inmates? If I understand correctly, there will be new inmates?

[English]

**The Chair:** Thank you, Madam Mourani.

[Translation]

**Mrs. Maria Mourani:** What is the flow you are referring to?

[English]

**The Chair:** Thank you, Madam Mourani. You're way over your time.

Could we have a very quick answer, please?

[Translation]

**Mr. Kevin Page:** Perhaps after the meeting, we can spend some time with you to explain to you exactly how we calculate the financial needs of various provinces and the impact of Bill C-25. That may be a better way to proceed.

[English]

**The Chair:** Thank you, Mr. Page.

[Translation]

**Mrs. Maria Mourani:** I would like to obtain the other documents, Mr. Chairman.

[English]

**The Chair:** We do have the document right here, and it has already been circulated, I believe.

[Translation]

**Mrs. Maria Mourani:** I personally have nothing here before me.

[English]

**The Chair:** Mr. Davies, go ahead, please.

**Mr. Don Davies (Vancouver Kingsway, NDP):** Thank you, Mr. Chairman.

Mr. Page, your position as Parliamentary Budget Officer was a position created by the Conservative government under so-called accountability legislation. Is that correct?

**Mr. Kevin Page:** That's correct.

**Mr. Don Davies:** Would it be fair to say that your mandate as originally or initially conceived by the government was to bring a transparency and accountability to the cost of governing?

**Mr. Kevin Page:** That's correct. Our mandate is legislated in the Parliament of Canada Act.

**Mr. Don Davies:** Could you briefly describe your mandate to us, please?

**Mr. Kevin Page:** The Parliament of Canada Act says the Parliamentary Budget Officer will provide independent analysis on economic trends, on the nation's finances, and on estimates, and will provide support for parliamentarians on costing.

**Mr. Don Davies:** Now, you've said, I think, some very profound words. You said that parliamentarians have not been provided with sufficient information to carry out their fiduciary duties, and that parliamentarians have not been given timely and adequate information before legislation becomes law.

Given the way this government has been handling the crime agenda, do you feel that you've been able to carry out your mandate as prescribed by law?

**Mr. Kevin Page:** Sir, we don't actually look at this on a partisan basis. We support all parliamentarians, so actually when we provide this analysis, we're providing it to all members of Parliament, all different parties. It's our analysis to everybody, Conservatives—

**Mr. Don Davies:** It's not a partisan question, Mr. Page.

Do you feel that you are able to carry out your mandate if the government's not giving you the cost assumptions and the methodology they're using in order to cost legislation and providing that information to parliamentarians?

**Mr. Kevin Page:** Sir, it makes it very difficult for us to support your work. I think it's your mandate that holds the government to account. We try to provide you financial information so you can do your job.

**Mr. Don Davies:** Are you able to give us comprehensive financial information on the government's crime agenda?

**Mr. Kevin Page:** Again, as I explained previously to a member, it takes us months to develop an original methodology, to come together with assumptions, to provide something that's authoritative that you can use in committee discussions or when you're voting on supply. So for us it's a timeliness issue. We can provide this type of information, but it takes us a long time.

**Mr. Don Davies:** Right.

How would you describe the cooperation there has been from the public safety ministry and the RCMP in terms of providing your office with the information you need to give parliamentarians the cost information that we require?

**Mr. Kevin Page:** Well, sir, we've been told and we understand that once these issues are deemed to be cabinet confidence by the people who make that decision, it's very difficult for us to have a relationship with a public servant, because they must follow the advice they've been given.

Again, we support the work of all the public service officials and Correctional Services Canada and the RCMP. They have very difficult jobs. But once they're told it's a cabinet confidence, then it's very difficult for us to have a relationship.

**Mr. Don Davies:** I'm holding in my hand, Mr. Page, a document prepared by Correctional Services Canada called "Strategic Plan for Human Resource Management". I understand you've received a copy of this document in the last two weeks or so.

**Mr. Kevin Page:** We did, and that document, I believe, is posted on the Correctional Services Canada website.

**Mr. Don Davies:** It is now.

I'm going to quote from it. It says:

Over the past year, legislative changes have occurred, namely the passage of Bill C-2 and Bill C-25, for which preliminary forecasts show the CSC inmate population growing to about 4,000 in the next two to three years.

Now, that's for two bills. Can you give me a ballpark estimate of the assumption you would make for the cost of one position in CSC? So if we add a position to CSC, what ballpark full-time equivalent figure would you use?

• (0920)

**Mr. Ashutosh Rajekar:** Do you mean a cost per employee of CSC?

**Mr. Don Davies:** Yes.

**Mr. Ashutosh Rajekar:** Actually, we do have a cost for an inmate. I'm not sure we have a calculation for the cost of an FTE in our report, but historically, we have seen that the number of FTEs at CSC is almost the same as the number of inmates. So you can roughly assume that the cost for an FTE will be the cost for an inmate.

**Mr. Don Davies:** Right. In fact, that's where I was going next. This document also contains, as you've seen, charts with CSC's estimates of precisely how many positions they're going to have to create, broken down by classification—guards, administrators, etc. I've added these up. Over 3,300 new staff will have to be created over the next two to three years to deal with those 4,000 new inmates projected by these two bills alone in the next three years.

So if I'm trying to guess how much 3,300 new positions will cost, have you figured out an FTE cost for an average position so I could multiply by 3,300 positions?

**Mr. Kevin Page:** Well, sir, I think in today's discussion and in our document, we've provided an operational plus capital replacement cost per inmate. So as Ashutosh Rajekar explained, we kind of look at it as a per inmate cost. We could do a reverse calculation and look at how much on average it would be for salary and benefits, and do it

that way, but we did it per inmate, and I think our per inmate cost is \$160,000 per year.

**Mr. Don Davies:** Could you break down for this committee what a good fair assumption would be for an average FTE? If we're creating 3,300 positions, what's that going to cost us? Is that something I can ask you to do?

**Mr. Kevin Page:** Yes.

**Mr. Don Davies:** Thanks.

Now, we've talked about two bills here, Bill C-25, and I think it was S-2. Can you tell this committee what the total cost of the government crime agenda comprehensively is, for both capital and operating, to date?

**Mr. Kevin Page:** Sir, I'm not in a position to answer that question. We've only focused on Bill C-25, the Truth in Sentencing Act.

**Mr. Don Davies:** Right. And your estimate is that this one bill alone will cost us a billion dollars a year over the next five years. Is that correct?

**Mr. Kevin Page:** It's an estimate that includes both operational and new construction costs, based on a number of assumptions, including status quo occupancy rates.

**Mr. Don Davies:** Do you know approximately how many crime bills there are before this Parliament that may have cost implications?

**Mr. Kevin Page:** We actually haven't gone through to say all these have costs. Some are more material than others. We're now focusing on Bill C-39.

**Mr. Don Davies:** You don't know that yet.

Last night this government, with the support of the Bloc, passed Bill C-59, which eliminates accelerated parole, meaning that about a thousand people a year who would be coming out of prison and going to halfway houses at one-sixth of their sentence will now be unable to do that until they have reached one-third. That will obviously create a cost factor in our prison system too, won't it?

**Mr. Kevin Page:** It will absolutely, sir. If you're changing the length of stay, if you're changing inflow and outflow, if you're changing the number of head counts, it's going to have a cost—an operation cost and potentially a cell cost as well.

**Mr. Don Davies:** And once again, when we asked yesterday what that cost would be—

**The Chair:** Go very quickly, please.

**Mr. Don Davies:**—the government wouldn't tell us, because they said it was a cabinet confidence, so we had to vote at third reading last night to pass a bill for which we didn't know the cost. Is that the kind of problem or breach of fiduciary duty that you're concerned about, Mr. Page?

**Mr. Kevin Page:** Certainly I'm concerned about it, and we'll do our best as the Parliamentary Budget Office to make sure you have the information you need to do the costing. But in this case, no, that's not the way a system should work.

**The Chair:** We'll now move to Mr. Lobb.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Thanks, Mr. Chair, and everybody attending here today.

In your modelling, what did your numbers uncover? What would be normalized replacement of building versus new building to the—

**Mr. Kevin Page:** Actually, sir, I'm going to ask either Sahir or Ash to talk a bit about our analysis of how the capital replacement is being dealt with in the present system.

**Mr. Sahir Khan:** In annex 1 and annex 2 of Mr. Page's presentation we provided some metrics that may be helpful to committee members and that we can source through public sources, like the department itself. This could help you look at things like capital asset replacement and recapitalization. One of the things we note is the historical rate of these factors for CSC. But we also look at benchmark rates. When we did our study working with B.C. Housing, Partnerships B.C., and other institutions involved in capital asset management, we used benchmark rates. This is a normative view; that is, what ought to be the amount of money set aside to ensure that these institutions are usable to the end of their useful life and that there are sufficient resources to replace them afterwards.

• (0925)

**The Chair:** Go ahead, sir.

**Mr. Kevin Page:** I think one of the issues over the past ten years is whether or not the Government of Canada, Correctional Services Canada, has been putting aside enough money each year to eventually replace these assets, and we think there seems to be a shortfall.

**Mr. Ben Lobb:** So how many years did your research go back to look at the recapitalization? In your annex 2, it's 1% to 2%. Your suggestion would be in the range of 4%.

How many years does that go back, the 1% recapitalization setback?

**Mr. Ashutosh Rajekar:** I must mention that the number that we have in this annex was actually sourced from the Correctional Services Canada website. We have not had the authority to go ourselves and do an investigation into these investments in correctional facilities.

**Mr. Ben Lobb:** How many years, sir? Is it ten years?

**Mr. Ashutosh Rajekar:** I believe this report was written in the year 2007, and they have done the analysis over the last couple of years, although I would have to refer to the report for accurate information.

**Mr. Ben Lobb:** So part of this cost is that there is some catch-up to do, and that would be a normal cost of business.

In your modelling, were you able to identify the differences in cost savings of maintaining the existing older buildings versus the maintenance savings resulting from new builds or additions to a building? Were those identified?

**Mr. Ashutosh Rajekar:** In terms of capital facility management, if the investments are not made in recapitalization and replacement, it is a deferred liability in the books of the government. It's easy to explain with an example. For example, if a window in your house is broken and you don't fix it in one year, you're going to have to spend a lot more money the next year.

**Mr. Ben Lobb:** I think we'd all agree with that. But does your modelling identify the obvious savings that a new build would provide?

**Mr. Ashutosh Rajekar:** The model would be pretty neutral in respect of how the money is spent in that sense. If there is less funding in one particular year, it will account for the lower FCI for that particular area, and the next year there would be increased expenditures.

**Mr. Ben Lobb:** So one could argue that there could be significant savings found in a new build.

Did the model identify or take into consideration recidivism rates? We know that recidivism is a significant issue that CSC would deal with. There are associated costs to society or the taxpayer in the form of policing costs, fire department costs, and EMS costs. We hear from community leaders all the time that people are in and out of the system and there's a huge cost that the taxpayer doesn't see. Does that take into consideration any savings to be had by keeping individuals incarcerated to serve their true sentence versus the indirect cost? Does it take that into consideration?

**Mr. Kevin Page:** No, sir, we've not taken that into consideration, and to be fair, with respect to the assumptions that are laid out in our report, we've assumed status quo costing, constant occupancy ratios, and no changes in behaviour in terms of the system in order to produce these numbers.

So if a strong case could be made that you could significantly reduce recidivism and that there could be a cost saving at the same time, others might argue that if you moved to double-bunking or triple-bunking, that could have an offset. We basically held our assumptions as neutral going forward.

**Mr. Ben Lobb:** That's fine.

I do know that in a past study I was involved in with our human resources committee, we looked at poverty, and many community leaders from coast to coast identified these huge costs that aren't in bold letters when we look at crime.

On our team here we have a former police chief and a former OPP officer who could attest to some of the issues concerning recidivism.

Also in your modelling, you looked at Mr. Head's three price quotes: \$200,000, \$400,000, and \$600,000. In your modelling, did you go out and look at a third party to have that analyzed or evaluated, and if so, who did you have analyse those costs?

● (0930)

**Mr. Ashutosh Rajekar:** Sir, in terms of those costs, there are actually three sources you can use to verify. The first source would be the Deloitte and Touche study, which was the annex to the Sampson panel report that also identifies these costs. The second source we double-checked was the Don facility in Toronto, the new 1,600-bed centre that was built. So we do have publicly available data in terms of the value-for-money costing for that particular project. Third, we also looked at Corrections B.C.'s new projects in terms of project expansion for the Surrey facility, I believe it was. So we do have three different sources for verification of those numbers.

**The Chair:** Thank you very much, Mr. Lobb.

We'll now go to Madam Mendes.

**Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.):** Thank you, Mr. Chair.

Good morning, and thank you all for being here.

Mr. Page, you said three days ago that Parliament is at risk of losing control of its responsibility as gatekeeper of public spending because MPs are in the dark when they rubber-stamp government policies and plans. I would like to ask you if you could expand on that. Beyond simply criminal justice bills, in all the other aspects of legislation we're dealing with, how have we lost control of the spending that we're approving?

**Mr. Kevin Page:** According to my reading of the Constitution, the Financial Administration Act, and other documents produced by House of Commons officials, it is clear that when we collect money as a Parliament, it goes into a consolidated revenue fund. When we appropriate money or when we change taxes for Canadians, again, that's a decision, and the authorities are provided by all parliamentarians, not just the government.

We want to make sure that when parliamentarians are making these decisions, not only the government but in fact all parliamentarians have access to this information so they understand these costs. Specifically, with the comments we've related today, in terms of crime legislation, I think when you get down to various crime legislation like Bill C-25, again, we're talking about head counts, inmate costs, new construction costs, and the impacts on the system. You need that richness of discussion, and I think as well that information needs to be in the budget, so we need to know how the fiscal framework is being adjusted.

We've talked about crime legislation in my office, but we've also raised issues around operational restraint and some of the analysis that we think is fundamentally necessary to make sure we have a sustainable fiscal structure going forward. Again, all that type of analysis is provided in other countries. We want Canada to have the best system.

**Mrs. Alexandra Mendes:** Thank you—and so do we.

To go to what Mr. Lobb was saying about recidivism and risks of recidivism, if I can quote the correctional investigator, he believes that double-bunking or triple-bunking or however much overcrowding we put into prisons actually increases the chances of recidivism. Have you taken that into account in analyzing possible extrapolated costs?

**Mr. Kevin Page:** No, as noted, in terms of most of these assumptions, which, again, are identified in pages of our reports—and that's a key one—we're holding things constant.

**Mrs. Alexandra Mendes:** So you're saying no change whatsoever in—

**Mr. Kevin Page:** That's with no changes whatsoever in recidivism up or down, whether it's with double-bunking or whether it's by keeping prisoners in longer they're not committing other crimes—

**Mrs. Alexandra Mendes:** Can we assume that there would be a great chance that it would increase costs?

**Mr. Kevin Page:** Actually, we're neutral on that aspect. If there's evidence that's out there, if parliamentarians want us to look at the model implications, we could adjust our estimates. Again, it's important for us to be clear in our assumptions.

**Mrs. Alexandra Mendes:** Can I share the rest of my time?

**The Chair:** You can share with anyone you want, Madam Mendes.

**Mr. Mark Holland:** I think it's a very important point that Mr. Lobb made. His assumption was that if rates of recidivism were lower, the costs would be lower. But we've heard from the correctional investigator and from countless witnesses that these policies lead to higher rates of recidivism. The correctional investigator, who is an independent officer of Parliament, has said that the overcrowding, the double-bunking, is going to lead to much higher rates of recidivism.

Would it be correct to assume that the costs you've given to Parliament, which I think are illustrative of the caution we have to exercise with all bills, could be significantly higher if we started seeing much higher rates of recidivism?

● (0935)

**Mr. Kevin Page:** We could adjust a model up or down based on whether or not there's sufficient evidence to say recidivism is going up or down. We had access to these experts on our panel. I think as budget officers we feel more comfortable, in terms of the fiscal framework, just holding the concepts constant. But we have built these models and we can adjust those recidivism rates.

**Mr. Mark Holland:** I understand that, and I think it's a prudent thing to do. If you were to assume as a hypothetical that the correctional investigator is correct and that other witnesses are correct and that the experience of every jurisdiction in the world that has tried this thing is correct and that we're going to see higher rates of recidivism, if you were to plug into your model higher rates of recidivism, would that result in a significantly higher cost figure?

**The Chair:** Be brief, Mr. Page.

**Mr. Kevin Page:** Yes, we would get higher inflow, higher head counts, and so you'd be dealing with higher costs, if you assume recidivism is moving in that direction.

**The Chair:** Thank you, Mr. Page.

We'll now move to Mr. Norlock.

**Mr. Rick Norlock (Northumberland—Quinte West, CPC):** Thank you.

My thanks to the witnesses for appearing. It's always good to have these ebbs and flows and cut and thrusts, because there are many opinions, and you deal with dollars and cents. I think what we have here is a combination of many things. We're dealing with some socio-economic issues. So there are costs that are sometimes hidden. You make assumptions. The Prime Minister is an economist, and you know the old economist joke about the can and developing a new can opener. The engineer looks at the mechanics of a can opener. They go to the economist and the economist says, "Well, that's assuming we have a can".

What I'm trying to get at here is that we need people like you. We need economists. We need people to do estimates. But there are also other costs that are borne, and there cannot be a dollar value placed on them, and that's the cost to victims, the pain and suffering they go through when a crime is committed, and the lifelong need for both medical and psychological help, which, although it isn't attributed to prisons, is part of the cost of crime.

So governments have to look at that. There is a cost to society, and sometimes you have to put bad people in jail. For most people in our society, there's an assumption that if you commit certain kinds of crimes, you're going to jail. If people don't have a system that metes out justice, then they lose faith in that system. I think that's what the government is trying to do, and there is a cost to it.

Did any of you read the report commissioned by former Minister of Public Safety Stockwell Day, "A Roadmap to Strengthening Public Safety"? That panel, because of the time constraints and some of the issues they dealt with, hired Deloitte & Touche to do a study very close to some of the questions Mr. Lobb was asking. This caused a lot of consternation in my riding, because they made some assumptions, as economists do. Without even going to an institution, they talked about closing down institutions, building new institutions, the costs involved, and the pros and cons.

Mr. Rajekar, did you in your analysis use the Deloitte & Touche study for some of your assumptions in your estimates?

**Mr. Ashutosh Rajekar:** Sir, as I mentioned before, we used it as a verification check for the numbers that had been provided to us by the Senate committee and were sourced back to the commissioner of CSC. But we have not used any statistics from that report.

**Mr. Rick Norlock:** Did you use any Deloitte Touche statistics? You looked at it. Deloitte Touche, being a world-class organization, with its many economists and auditors, is used quite extensively in our society, both by government and private industry. What was it about their information that you were not able to use it?

● (0940)

**Mr. Sahir Khan:** I am glad to hear about Deloitte Touche. That's my former employer. I worked for their New York office.

Given that we had the figures sourced directly to the commissioner, and that was through testimony to a parliamentary committee, our sense was that we could treat that as authoritative costing. So the Deloitte Touche material was then a way to check on the reasonableness of that statement, but we did not have any reason to doubt Mr. Head in his testimony to the committee.

**The Chair:** Mr. Page, go ahead.

**Mr. Kevin Page:** When we look at the type of analysis, while we didn't draw specifically from their statistics, I think there were aspects that were raised in the report, like recapitalization in the prison system and whether enough money had been set aside to deal with this. Those facts threw flags up for us in respect of our model-building.

**The Chair:** Mr. Norlock, please be brief.

**Mr. Rick Norlock:** We appreciate the work you do for Parliament. It keeps people on their toes. I think the public is aware that it is our government that created your position, with the realization that from time to time there might be some disagreement over the accuracy, one way or the other, from your side or our side.

I think it's necessary to reiterate that there's a cost. I'm thinking of the California model, where they've opened their doors and let people out because they can't afford to keep them in jail. I guess we're not in that position in this country.

**The Chair:** Thank you, Mr. Norlock. That sounds like a good place to end.

Madam Mourani, please.

[*Translation*]

**Mrs. Maria Mourani:** Mr. Page, earlier on, in regard to a question on Bill C-59, you said that you had not done a cost assessment.

**Mr. Kevin Page:** That is true.

**Mrs. Maria Mourani:** However, in response to a question by my colleague Mr. Davies, you said that there would be an effect. What do you base that statement on?

**Mr. Kevin Page:** He was asking a hypothetical question.

**Mrs. Maria Mourani:** Hypothetical. All right. Continue.

**Mr. Kevin Page:** He was asking whether it was possible for there to be additional costs. I believe there certainly is a risk of additional costs.

**Mrs. Maria Mourani:** How do you conduct your analysis? What is it based on? What are the facts that allow you to say that there may be an effect?

**Mr. Sahir Khan:** It is only if you accept the assumption.

**Mrs. Maria Mourani:** It is an assumption. Very well.

**Mr. Sahir Khan:** Yes, but in this case, our assumption is that it will cause an increase in the number of inmates.

**Mrs. Maria Mourani:** I understand. I also do research and when I make an assumption I have to either confirm it or reject it, and that is based on facts. You can neither confirm nor infirm this assumption of yours. You assume there could be an impact.

**Mr. Kevin Page:** We did a study on the Truth in Sentencing Act. We did not study Bill C-39 nor Bill C-59.

**Mrs. Maria Mourani:** So that is really an assumption you cannot lay to rest.

**Mr. Kevin Page:** That is true. But this is an exchange of ideas and questions are raised. For instance, if you change the rate of recidivism, is it possible to see an increase or a...

**Mrs. Maria Mourani:** That is another assumption.

**Mr. Kevin Page:** Exactly.

**Mrs. Maria Mourani:** All right. All of these are assumptions you cannot address.

**Mr. Kevin Page:** It is possible. If you design a model to assess costs, the assumptions are integrated into this model. If you change an assumption or increase the rate, it is possible to say that there will be either a positive or negative effect on costs.

**Mrs. Maria Mourani:** However, based on your assumption, you cannot say whether this impact will be positive or negative given that you have yet to prove your assumption.

**Mr. Kevin Page:** No, I am here to deal specifically with the financial costs of the Truth in Sentencing Act.

**Mrs. Maria Mourani:** We are dealing with Bill C-25. All right. Based on your experience since assuming this position, do you have knowledge of any bills that may not have cost Parliament anything? Are there bills which cost nothing?

Can you respond to my question please?

• (0945)

**Mr. Sahir Khan:** There are administrative costs connected to some bills, but they do not necessarily have a great impact on the government's budget.

**Mrs. Maria Mourani:** So, all bills costs something, whether we are talking about administrative costs or other costs.

**Mr. Sahir Khan:** It depends. That is an assumption...

**Ms. Maria Mourani:** Another assumption.

**Mr. Sahir Khan:** ... with models, considerations and revisions.

**Mrs. Maria Mourani:** Very well. Thank you very much for your honesty.

[English]

**The Chair:** Thank you, Madam Mourani.

And thank you to our guests for appearing in this first hour. We certainly appreciate your attendance, your testimony, and your bringing your other officials with you.

We will now suspend.

We see that the Minister of Public Safety has arrived. We will ask him to take a place at the table fairly soon.

We'll suspend for five minutes.

• (0945)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (0945)

**The Chair:** In our second hour this morning we are continuing our committee study of the expansion of penitentiaries.

Appearing in this hour, we welcome the Honourable Vic Toews, Minister of Public Safety, and also Don Head, the Commissioner of

the Correctional Service of Canada. Our committee thanks both of you for appearing before us today to help us with this study.

In my brief time as chair, I note that Minister Toews has always eagerly responded to our requests to appear. He has in fact testified three times over the last number of months.

I invite the minister to deliver his opening statement, and then we will proceed with the questions.

Welcome, Minister Toews.

**Hon. Vic Toews (Minister of Public Safety):** Thank you, Mr. Chair and committee members. It is my pleasure to be here. I am very pleased to have the opportunity to be before the committee again to assist you in your study of prison expansion.

As mentioned, I'm joined by Don Head, Commissioner of Correctional Services Canada.

I also note that in the audience we have Mr. Shawn Tupper, assistant deputy minister, community safety and partnerships. I don't know whether we'll require his services, but he is here if necessary.

Let me start by saying there is no greater responsibility and indeed no greater privilege for any government than to ensure the safety and security of its citizens. There can be no greater priority than that of ensuring our citizens can live their lives free from fear and concern over their safety and the safety of their loved ones.

As honourable committee members are aware, the safety and security of Canadians has always been and remains today one of the key priorities of our government's public safety agenda since we came to power in 2006. In order for our economy and our citizens to grow and thrive, we must take action to ensure our borders are secure, our critical infrastructure and cyber networks are resilient, and our streets and schools are safe.

That is why, Mr. Chairman, our government has taken a multi-sided approach to preventing and responding to criminal activity. We have introduced a host of initiatives that help to strengthen victims' rights, that give our police the tools and resources they need to prevent and investigate crime, and that improve the judicial and correctional institutions.

We have also introduced measures to make sure that offenders, particularly those who commit dangerous and violent crimes, pay the full debt they owe to society. They can no longer receive two-for-one credit for time served in custody prior to sentencing, and mandatory minimum sentences for serious crimes such as using a gun are now in place to reflect the severity of those crimes. These activities and others reflect our government's commitment to strengthening the rights of victims, increasing the responsibility of offenders, and making our communities safer.

Mr. Chairman, I have paid close attention to the debates and comments from honourable committee members who suggest that spending money to improve and expand our federal prison facilities is expensive and not worth the price. Mr. Chair, our government has been very clear and up front on this issue. We agree that our efforts to tackle crime and keep Canadians safe come at a cost. We understand there is a cost to keeping dangerous criminals behind bars. It is, however, a price we are willing to pay. Action has a cost. It is a cost we are willing to pay, because the cost to society is so much more, and not just in dollars: the cost of fear and insecurity, the cost of physical and property damage, and the cost of threats, intimidation, and loss of spirit in communities from coast to coast to coast.

That's why we have put forward an ambitious program to enhance our offender-accommodation strategy, and that is why we are here today to talk about our efforts to expand and improve correctional institutions. As honourable committee members know, Correctional Services Canada plays a key role in contributing to public safety. Its over 16,000 employees work around the clock at 57 correctional institutions, 16 community correctional centres, and 84 parole offices across the country to help keep Canadians safe. Keeping these federal corrections institutions efficient and effective will help CSC staff to continue their important work.

We need to ensure that our methods and our infrastructure keep up with and indeed get ahead of new forms of criminality. Mr. Chair, our government is aware of the realities, and this is why we have moved forward with concrete measures to ensure that Correctional Services Canada has the proper facilities to keep dangerous offenders off our streets. To this end, our government has made several funding announcements to expand and improve our existing federal prisons. On January 20 of this year, our government announced funding for renewal of infrastructure in the amount of \$601 million. This will allow for an additional 2,552 beds at federal prisons across the country.

As honourable committee members will know, we have told Canadians that we are taking a measured approach to these expansions. Yes, we are providing funding to expand prisons, but we are doing so in a thoughtful, fiscally sound manner.

● (0950)

Our first step has been to examine how we can expand and improve our existing federal prisons before we consider building new facilities. One way to expand capacity within our existing infrastructures is to extend and increase temporary accommodation measures such as double occupancy in cells, or double-bunking as it's commonly referred to. I've heard honourable members say that double-bunking will lead to increased violence in our prisons. In fact, double-bunking is a reasonable and responsible measure for holding inmates in correctional institutions. The CSC has proper policies in place to ensure the appropriate use of this housing method. We are also moving ahead with plans to construct new living units within many of CSC's existing men's institutions and at each of its women's institutions.

The question has been asked many times, and indeed it is why we are here today: What is the price of strengthening our corrections system and expanding our prison facility? While I'm happy to repeat

the funding amount, as I have done on so many occasions to honourable members, and for all Canadians, I would like to quote the head of the Correctional Service of Canada, who appeared before the Standing Committee on Government Operations and Estimates last October, and said: "Our current estimates are approximately \$2 billion over five years in order to provide sufficient resources to address the additional double-bunking that will occur, and to get the new units up and running. This also includes funds to ensure that we continue to provide offenders under our supervision with access to programs."

I would also like to point out a figure of \$90 million that has been consistently used in an erroneous fashion by members in the House and by the media. The \$90 million that I quoted initially was the capital cost for essentially the first year. The first year was \$2 million, and then \$88 million for the second year, but that was the initial appropriation. Nowhere does the record indicate that this was the extent of our capital initiatives. My comments and those of the head of corrections have been consistent in this from the beginning: \$2 billion over five years. I know that members will continue to mislead both the committee and the House in that respect, but I want to put that on the record once again.

As honourable committee members can see, we have been straightforward on the price of expanding and improving our corrections system. As you heard from the head of the CSC, this figure includes ensuring that offenders can continue to access rehabilitation programs. I'm confident that the costs of our legislative program will be no more than the amounts that I and Mr. Head have set out on many occasions. I say this because when I became the Minister of Public Safety last year I was provided with forecasts of the impact of the government's legislation upon the offender population. Those forecasts are important because they are the basis upon which we determine whether new facilities are needed.

In February 2010, CSC forecast that the offender population as of March 31, 2011, would be 15,038 men and 573 women, a total of 15,611 inmates in custody. Those forecasts took into account normal growth and the impact of our Tackling Violent Crime Act and our Truth in Sentencing Act. The total forecast inmate population increase for the fiscal year ending March 31, 2011, was 1,280. That was the total forecast of increase: 1,280. Our government has proceeded with construction plans based upon those forecasts. However, I would note that by March 31 of this year, the inmate population will have increased by only 390 inmates, less than one-third the number forecast by CSC. So they forecast 1,280; the actual increase for the remainder of this fiscal year will be 390.

•(0955)

The difference between the actual and forecast numbers suggests that the costs associated with our legislation may not be as large as expected. We will continue to monitor this, and if the trend continues, our construction plans will provide the government with the opportunity to shut down a number of our older, more expensive and less safe facilities in favour of modern correctional institutions.

Mr. Chairman, our government believes this is a small price to pay to ensure that dangerous offenders who are convicted of breaking the law receive the proper sentence and are incarcerated for an appropriate amount of time. By taking a tough stance on crime, our government is making good on its pledge to keep Canadians safe on our streets.

By expanding existing capacity within the federal prison system, we can ensure that offenders have the proper space and facilities in which to serve sentences that better reflect the severity of their crimes. We are, first and foremost, committed to protecting Canadians. We must ensure that violent offenders are kept off our streets. Canadians have told us they want to keep our vulnerable—particularly our children—safe, and this is what we are doing.

Mr. Chairman, in conclusion, our government believes that sentences and time served should adequately reflect the seriousness and consequences of a crime. By strengthening our correctional system, we can ensure that offenders are held accountable for their criminal actions. Yes, there is a financial cost for combatting crime, but we must also weigh the social cost to victims and society. We will not apologize for spending money on our correctional system to ensure that Canadians are safe. The protection of Canadians must come first, and that's why we remain firmly committed to investing in prison expansion and in stronger rehabilitation programs. These investments will help ensure that dangerous offenders serve a sentence that reflects the severity of their crime.

Our government is proud to be on the right side of this issue, the side of law-abiding Canadians, the side of victims who want justice, and the side that understands that it is worth paying the price for a safe, secure, and just society.

Thank you. I will be happy to take any questions.

•(1000)

**The Chair:** Thank you very much, Minister Toews.

Mr. Holland, go ahead, please, for seven minutes.

**Mr. Mark Holland:** Thank you, Mr. Chair.

Thank you, Minister, for appearing today.

Minister, I'm sure you appreciate that my time is brief. I'm going to ask a number of questions. If you could be as concise as you could, that would be appreciated.

Mr. Minister, as you're aware, your government engaged the services of the Parliamentary Budget Officer. You gave the Parliamentary Budget Officer a mandate to allow Parliament to see clearly into the nation's finances, to make sure that when Parliament made decisions, it had accurate and clear information.

That same Parliamentary Budget Officer has said, and I quote, "There is genuine concern that Parliament is losing control of its fiduciary responsibilities". He's made it very clear that his own office finds it impossible to get information and that he was stonewalled on Bill C-25 for some eight months and forced to make statistical models to go after information that he couldn't otherwise get. And after eight months, the Parliamentary Budget Officer on just one bill—and I will remind you, Minister, that we have 24 before the House—the Truth in Sentencing Act, said that the cost was going to be \$5 billion over five years for the federal government and some \$5 billion to \$8 billion for the provinces.

You had said there would be virtually no cost to the provinces. Initially, your quote, when you were asked on February 15, was, "We're not exactly sure how much it will cost us.... There are some low estimates, and some that would see more spent—not more than \$90 million." That's where the \$90 million comes from.

Now, Minister, you've subsequently said it will be \$2 billion for the whole shooting match, so here's the question: if the Parliamentary Budget Officer is wrong, how is he wrong, and where is your data to back that up?

**Hon. Vic Toews:** Let me deal with the \$90 million first of all. That came up in a discussion in the course of a scrum. They were asking me about an appropriation, and I confirmed that the \$90 million was in fact appropriated for that particular fiscal year.

**Mr. Mark Holland:** Okay, but let's take that and move along, and say my question with respect to the PBO—

**Hon. Vic Toews:** Let me just finish that.

**Mr. Mark Holland:** Well, no, if I could—

**Hon. Vic Toews:** It's an issue you continue to raise, and you do it in a deliberate, erroneous manner, and I've indicated this over and over again. You continue to mislead members of the public. You continue to mislead the House. And quite frankly, I will continue to repeat that answer until you finally understand the context of that \$90-million quote and the fact that I have never been offside from what the correctional head has indicated in respect of the cost, \$2.1 billion.

**Mr. Mark Holland:** Minister, I will happily, if you can provide us with any background information.... Here is the PBO report, which is some 120 pages long. He goes into detailed analysis for one bill. It costs many, many billions more than even the estimate you're providing today, and that's for one bill. Your \$2 billion is in total. There are 24 other bills. So my question very simply is why can you not provide a contrary opinion to this so that we can look at your assumptions and his assumptions and see who is right?

**Hon. Vic Toews:** To the extent that figures can be released, I'll have Commissioner Head address that issue. But I do want to indicate that from what we've seen here, for example, today, in terms of the forecast of new prisoners or additional prisoners, there seems to be an assumption—and you've repeated this consistently in the House—that there are somehow going to be thousands of new prisoners coming into the system.

What these acts do is deal with sentencing; they don't deal with creating new crimes.

• (1005)

**Mr. Mark Holland:** Minister, if I could—

**Hon. Vic Toews:** No, wait. Let me finish.

It doesn't deal with the issue of thousands of new prisoners. What it does is ensure that instead of prisoners taking a vacation for a short period of time between sentences to commit more offences, they stay in prison, and they do not commit crimes during the time they are in prison. This essentially eliminates the vacation that they receive—

**Mr. Mark Holland:** Minister, with respect, that is not my question.

**Hon. Vic Toews:** No, it is.

**Mr. Mark Holland:** Minister, it's not my question. What you're talking about—

**The Chair:** Let him finish here. You have asked the question. We'll give him a minute to answer.

**Mr. Mark Holland:** Minister, I'm trying to get an answer to the questions. Minister, with respect—

**Hon. Vic Toews:** It's very pertinent to your question, because the estimates now, for example—and I took Correctional Service of Canada's estimates—

**Mr. Mark Holland:** I'm sorry, Mr. Chair. I only have four minutes. I'm going to have to interrupt. I'm sorry.

Minister, let me be very direct. First of all, this stuff was tried in California and it was a disaster. Let's not even go there. I want numbers—

**Hon. Vic Toews:** I'm not familiar.... What are you meaning? Let's talk about California.

**Mr. Mark Holland:** I'm asking on Bill C-4, Bill C-5, Bill C-16, Bill C-17, Bill C-21, Bill C-22, Bill C-23B, Bill C-30, Bill C-35, Bill C-37, Bill C-38, Bill C-39, Bill C-43, Bill C-48, Bill C-49, Bill C-50, Bill C-51, Bill C-52, Bill C-53C-54, Bill C-59, Bill SS-6, Bill S-7, Bill S-10.

What are the costs? What are the head counts? What are the implications? Why won't you give them to Parliament?

**Hon. Vic Toews:** There it is. Now let me finish the answer.

You ask what the head counts are. These are the bases upon which we make our estimates.

**Mr. Mark Holland:** So what are they, Minister? Let's go through the bills. Let's start with Bill C-4—

**Hon. Vic Toews:** Wait, wait, wait. I've told you. I've told you.

**Mr. Mark Holland:** What's the head count and what's the estimated cost implication?

**The Chair:** Let the minister answer the question. I've given you time, Mr. Holland, to ask the question. We'll now give the minister time to answer the question.

**Hon. Vic Toews:** I've told you that the estimates were 1,280 additional offenders on the basis of the legislation as passed on February of last year.

**Mr. Mark Holland:** Minister, I am asking about the legislation that is in front of us. I am asking about Bill C-4. Let's start with Bill C-4. What is the head count for Bill C-4? What is the projected cost? It is something you are asking Parliament to pass. What about Bill C-5, Bill C-16? You take your choice. There are 24 bills.

Give me any bill, Minister. Give me projected head counts, projected costs on any bill of your choosing—just one. Why don't you give it to me on Bill C-59? It just passed—

**Hon. Vic Toews:** That simplistic question is exactly why you're so far off base on your whole crime and justice—

**Mr. Mark Holland:** Minister, are you telling me that Parliament should vote with a blindfold on? Should we have no information, Minister?

**Hon. Vic Toews:** Let me finish. No, that's not.... Let me continue with my answer.

I don't set the rules here in terms of how much time you have to answer, but I am entitled to answer the question on the basis of the facts that I have. So the facts are that there was an estimate that there would be an increase of prisoners of 1,280. The reality is that it is less than one-third.

You asked about head counts; I'm giving you the head counts.

**Mr. Mark Holland:** Minister, I asked about the 24 bills going forward—

**The Chair:** Your time is up, Mr. Holland.

Madam Mourani, we'll move to you, and you have seven minutes, please.

[*Translation*]

**Mrs. Maria Mourani:** Thank you, Mr. Chairman.

Thank you, Mr. Toews for being here. Mr. Head, welcome to the committee.

I have a question for you, Minister. Are you listening to me, Minister?

[English]

**Hon. Vic Toews:** I have to listen to the translation.

[Translation]

**Mrs. Maria Mourani:** Can you tell me how much Bill C-59 will cost?

We know that you have the precise figures. The day before yesterday, Ms. Campbell, who appeared before the Standing Committee on Public Safety and National Security, which was considering this bill, told us that she had the figures, which means you also have them.

How much will Bill C-59 cost?

[English]

**Mr. Don Head (Commissioner, Correctional Service of Canada):** I'll answer on behalf of the minister.

Because of the change in Bill C-59 in relation to the issue of retrospective, we are still finalizing the costing. That's a recent change, and it has required us to go back and revisit our assumptions. We hope to have that in the next few days, but as of this moment we don't have it.

• (1010)

[Translation]

**Mrs. Maria Mourani:** When you have the figure, I would like it to be forwarded to the committee, if possible. Please send us this information.

Can you tell me what the cost estimate was before adding the retroactivity provision you referred to?

[English]

**Mr. Don Head:** The estimate for Bill C-59 prospectively was an ongoing cost of about \$40 million a year.

[Translation]

**Mrs. Maria Mourani:** Per a year? Very well.

I have other questions for you, Mr. Head. I know that you have an excellent knowledge of the parole system and the length of sentences. Do you believe that Bill C-59 removes day parole six months before a third of the sentence has been served?

[English]

**Mr. Don Head:** I'm sorry, I don't quite understand your question. I understand the bill—

**Hon. Vic Toews:** The bill itself, as I understand it, eliminates all accelerated parole.

[Translation]

**Mrs. Maria Mourani:** They could be granted expeditiously. Yes.

[English]

**Hon. Vic Toews:** It eliminates all accelerated parole, not simply day parole.

[Translation]

**Mrs. Maria Mourani:** That is correct. Quite right. But could an inmate who has committed a non-violent offence be released six

months before a third of his sentence has been served if the risk can be managed by society?

[English]

**Mr. Don Head:** The rules for day parole and full parole will still apply to offender sentences, so there's no change there. What's affected are the provisions for how that's reviewed and assessed by the parole board.

[Translation]

**Mrs. Maria Mourani:** Thank you. Many falsehoods were reported yesterday by the New Democrats and the Liberals and I wanted to mention it today. On the other hand, for sentences under three-years, the impact is nil with respect to wait times. It amounts to early release. If you calculate over a three year period, a third of the sentence is 12 months. You can also remove six months from the sentence, because the inmate is eligible for release six months before a third of the sentence is served, which will be six months. That amounts to practically a sixth of the sentence, except that, from now on, board members will have to meet with people. It will no longer be based on a case assessment. Moreover, officers will have to assess the risk of re-offending not in terms of violent offences, but in terms of the global risk of recidivism. Is that correct?

[English]

**Mr. Don Head:** That's right, there will be a more general overall risk assessment of the individual. Our prediction is that individuals who were previously receiving grants for accelerated parole will not be staying in for huge periods of time. They're going to stay in for a little longer time.

In our calculations we add up those additional offender days and turn them into the equivalent of 360 offender days, as one additional bed that we would require. That's how we do our calculations. But we're not talking about significant periods of time for individuals who were previously being granted accelerated parole.

[Translation]

**Mrs. Maria Mourani:** Thank you. I understand the \$40 million figure and it seems to me that that is a cost society can bear. Further, I have done some calculations regarding sentences. For four-year sentences, I expect the wait to be approximately two additional months. For five-years sentence, it would be about four months. The period increases for longer sentences of eight, nine, ten or eleven years. Those are the sentences people like Vincent Lacroix and Earl Jones get, people who have committed serious financial crimes and people who may take part in organized crime. But let's set aside the Vincent Lacroix's of this world.

As an officer, I have in the past been compelled to recommend early release in the case of leaders or mafia members, simply because they had not committed violent crimes, because their crimes were carried out by henchmen.

As you know, based on the way in which criminal organizations work, when you are at the top of the pyramid, you do not necessarily pull the trigger. Those people were therefore freed following an expeditious review. Am I wrong in saying that?

•(1015)

[English]

**Mr. Don Head:** Again, if the offence they were sentenced for was deemed to be in the category of non-violent, then yes, they would be eligible under the accelerated parole review. Now they would be subjected to the same kinds of reviews as all other offenders would.

[Translation]

**Mrs. Maria Mourani:** Thank you very much, Mr. Head. This gives us an opportunity to set the record straight because the NDP speeches heard yesterday were in the realm of demagoguery. I'm extremely disappointed to hear personal attacks on me and to hear people casting doubt on my credibility as a former parole officer and criminologist with experience in this field. I do not usually talk about what I've done, but it is important for me to set the record straight, as what happened yesterday was unacceptable. Thank you very much.

[English]

**The Chair:** Thank you, Madam Mourani. You're ten seconds over.

We'll now move to Mr. Davies, please.

**Mr. Don Davies:** Thank you, Mr. Chairman.

Thank you, Minister Toews and Mr. Head, for being here.

Two days ago, when we were asking for the cost implications of Bill C-59, Ms. Campbell said it was a cabinet secret. So we couldn't know the cost of Bill C-59 before we voted on it.

Mr. Minister, you said that your government—and these are your words—is clear and up front, and you said that your projections are fiscally sound. Why won't your government tell parliamentarians how much your bill is going to cost before we vote on it at second and third reading and it passes in the House of Commons?

**Hon. Vic Toews:** To the extent that we can make accurate disclosures of costs, we do.

What I was trying to demonstrate in my prior comments to Mr. Holland is that it's sometimes very difficult to make meaningful projections, as diligent as people are at Correctional Services Canada. In this particular case, they had projected 1,280. That was a realistic assumption.

I think that given some of the other factors—we're not creating new criminals when we're passing this legislation, but we're dealing with the same individuals over and over again—the 390 seems to be what it is. There might be a wave coming a little later. We don't know.

**Mr. Don Davies:** Mr. Minister, you do have the right to fulsome answers, but my question is on Bill C-59 and on telling us when the budgeting is.

Mr. Head just told us, the day after we voted, that Bill C-59 cost \$40 million. Is it not a cabinet secret today?

**Hon. Vic Toews:** I'm not sure why it was said that it was a cabinet secret. I don't know. I can say that in respect of whether or not it was disclosable, Mr. Head has the information, and he has provided that information to you.

**Mr. Don Davies:** Two days before parliamentarians are going to vote on a bill, your government will not tell us what it will cost. Mr. Minister, you have seen the media. Your government has repeatedly said that the cost of these programs is a matter of cabinet secrecy.

I have never seen you come to the media and say, "No, that's not the case. Canadian taxpayers can know how much it's going to cost. It's going to cost \$40 million." You didn't say that before we voted.

**Hon. Vic Toews:** I can tell you one thing, Mr. Davies. I don't go and seek out the media on these issues.

**Mr. Don Davies:** My question is not about seeking out, it's about disclosing to taxpayers.

Mr. Minister, your position is that these costs are justified. If I can fairly characterize your position, it's that the costs to society of crime, the social costs, are—and I agree with you—serious and in some cases justify your program. Well, if that's the case, why don't you tell Canadian taxpayers what the full costs of your crime agenda are, if you believe they're justified?

**Hon. Vic Toews:** We will disclose that as soon as we can give you accurate figures. Again, as I've indicated, the accuracy of figures is sometimes very difficult to forecast. So we give figures when they are accurate.

You can see what Mr. Holland has tried to do—

**Mr. Don Davies:** I prefer to stay out of Mr. Holland's—

**Hon. Vic Toews:** —in respect of the \$90 million and the \$2 billion. That kind of inappropriate use of figures goes on constantly. So we're very careful, before we release figures, to ensure that they bear some resemblance to reality.

**Mr. Don Davies:** But surely, Mr. Minister, before you introduce legislation in the House that is going to impact our prison population, you estimate how much that's going to cost, do you not? Are you passing legislation when you don't know what it's going to cost?

**Hon. Vic Toews:** Well, what we do know is that the cost of crime to Canadians on an annual basis is at least \$70 billion. That's a Department of Justice figure. I look at the figure, \$70 billion, and the initiatives we are taking are well worth addressing that issue.

Now, as for how many additional prisoners there are going to be—and that's one of the best ways to figure out what the cost is in a government sense—look at those forecasts. Had I come to you and said our estimates are 1,290, and therefore the cost is  $x$ , and then I came back later and I said it was actually only 390, and therefore our cost is...then you would have said that I had misled the House.

• (1020)

**Mr. Don Davies:** No, I wouldn't have—

**Hon. Vic Toews:** Well, you're essentially saying exactly that.

**Mr. Don Davies:** Minister, tell Canadians right now, based on what you know, the total cost of your crime agenda in prison costs for the next year or the next five years. Tell us what the total costs are of all of your bills as you know it today.

**Hon. Vic Toews:** Part of that will be disclosed in the budget process. I'm not going to release it prior—

**Mr. Don Davies:** That's a secret too, is it? I'm giving you the opportunity to level with Canadians. Tell Canadians now how much.

**Hon. Vic Toews:** Wait. Part of that is in the budget process. Is the budget a secret before it's released? Absolutely. You know what happens when you release information in a budget before it's released? You know what happens to ministers. Given that, I will ask Mr. Head to advise you in respect of any figures that we can release without compromising the budget.

**Mr. Don Davies:** I'm not getting an answer, so I'll just move to Mr. Head.

With respect to double-bunking, the minister said that double-bunking was a “reasonable and responsible measure of housing inmates”. Yet I've seen a directive from your office that says double-bunking is not an appropriate way to house inmates. Is that correct, Mr. Head?

**Mr. Don Head:** Let's put it in perspective. Our ideal situation from a correctional perspective is one offender per cell. The reality is that at times we have to house more people than we have cells. If we set out the rules that govern how we manage double-bunking, then there's nothing unreasonable about it, as long as we stay on top of it and try to move to a more ideal state.

**Mr. Don Davies:** Minister, an internal document, “Strategic Plan for Human Resource Management from Correctional Services”, says that following legislative changes preliminary forecasts show the CSC inmate population growing by up to 4,000 in the next two to three years. Do you dispute that number, sir?

**Hon. Vic Toews:** As I said, the estimate for this last year was 1,290; the actual is 390.

**Mr. Don Davies:** So what about this figure for the next two to three years?

**Hon. Vic Toews:** What is that figure in respect of? What years?

**Mr. Don Davies:** Two bills, Bill S-2 and Bill C-25.

**Hon. Vic Toews:** What years?

**Mr. Don Davies:** Well, it's dated 2010-11 to 2012-13. So it's for the next two to three years.

**Hon. Vic Toews:** So it's also last year from the beginning.

**Mr. Don Davies:** Whatever. Is it correct?

**Hon. Vic Toews:** Well, it's not correct on the basis of the actual numbers we have at the end of the first fiscal year, which that assessment purports to deal with. You'd have to take off the 1,290 minus the 390 and say that it is the estimate at that time. Whether they're going to have to take down the numbers, given what has happened in this past year, I don't know.

**The Chair:** We'll now move to Mr. MacKenzie.

**Mr. Dave MacKenzie (Oxford, CPC):** Thank you, Mr. Chair, and my thanks to the witnesses for being here today.

Mr. Holland was pretty loud about head counts, and I have some records from the House on June 8, 2009, where there are head counts on the passing of a particular bill. I think we all understand that this is a minority government. My friends across the table scream about the government passing bills, but the government doesn't pass bills without having support from people on the other side or without their failing to stand up and vote against it.

It happens that on June 8, 2009, Bill C-25, the bill they're making most of the noise about, passed on division in the House. What that really means, as you understand, Minister, is that the opposition did not stand to oppose it.

**Hon. Vic Toews:** That's right.

**Mr. Dave MacKenzie:** Had they done so, they could have defeated the bill.

**Hon. Vic Toews:** That's correct.

**Mr. Dave MacKenzie:** We are now a year and a half or more past that date, and now they seem to have problems with what was passed on June 8, 2009.

Another thing Mr. Davies doesn't seem to understand is that victims are also taxpayers. We had witnesses here on Bill C-59, and one of them was asked by Mr. Davies about the cost of the bill. The witness told this committee that the additional cost, whatever it was, was small compared with the cost that he and others are paying as a result of some of these criminal acts. He also related one of those costs in detail: two people he knew who had been victimized had committed suicide. Somehow, those costs get lost on the side.

When we look at these costs, and it's fair to look at them, there is also another cost to society that the victims suffer as a result of criminal acts. I don't know if we've ever heard the other side talk about that. Have you ever heard those questions?

●(1025)

**Hon. Vic Toews:** I certainly have heard the concerns of many victims about the cost of crime.

We can roughly guess what crime costs Canada, on the basis of the Department of Justice study that said the cost of crime is \$70 billion. I've never gone into what that includes in terms of the finances.

**Mr. Dave MacKenzie:** Seventy billion dollars?

**Hon. Vic Toews:** Seventy billion. Now, I've never gone into determining what makes up this cost, whether it's mental health services, hospitalization, police services, all of these things, but that's generally the number that was accepted. I believe that report could be dated by now; I can't remember the exact date of it. But that was the analysis that was done.

The other cost I mentioned is the psychological damage to individuals who are frightened to go outside of their houses at night—not only at night, but during the day. You have heard stories, and most of us MPs have heard them. There are the older seniors living in poor neighbourhoods who have to walk down the street to buy their groceries; they are worried about making it to the store with the money and, just as importantly, making it home with the groceries. These are tremendous costs that can't even begin to be calculated.

When people talk about a break and enter into a dwelling house as a non-violent crime, that is the most serious misrepresentation of a crime there could ever be. The psychological damage to someone who has had their house broken into in that fashion is irreparable. There's a constant fear in your own house that your privacy, your person, has been violated. There is no way of placing a cost on that. What we can do is to put people away who choose to break into people's houses. We know that during the course of time that they are not out on the street, they aren't committing break and enters.

Most of the break and enters are committed by a very small group of the total criminal element, and if you lock up those individuals, you'll see the rate of break and enters drop dramatically. For example, when I was the Attorney General of Manitoba and we arrested the Manitoba Warriors—there were about 50, as I recall, perhaps more—in a massive swoop on that organization, the rate of break and enters during that time dropped very, very significantly. It was all attributable to a few people in that organization doing break and enters, not only in the city of Winnipeg, but in the outlying areas.

**Mr. Dave MacKenzie:** Thank you.

**The Chair:** Mr. McColeman.

**Mr. Phil McColeman (Brant, CPC):** Thank you, Chair.

Minister, first of all, thank you for being here. This week we heard the Liberal critic on public safety passionately speak in response to Bill C-59 and advocate that we should keep white-collar criminals out of jail. He says he has compassion for the victims of these crimes; however, he does not believe criminals should be accountable to their victims.

The committee would be interested in knowing your response to this, and how keeping dangerous prisoners behind bars, not on streets, increases public safety.

●(1030)

**The Chair:** Thank you, Mr. McColeman.

Minister Toews.

**Hon. Vic Toews:** Well, I think it is very important, because I believe white-collar criminals are deterred, to a very great extent, by heavy sentences. Many of these individuals are well educated and sophisticated, and they play the odds on this. And if the odds are that you're going to get a year or two in prison for stealing \$100 million, if you could get away with a good chunk of that, isn't it worth playing the odds?

In that respect, you have to be very clear. We have to understand that has a very big deterrent effect in the context of white-collar crime.

I appreciate the support the Bloc has given us on C-59. I think they see exactly the nature of what white-collar crime is.

**The Chair:** Thank you.

Thank you, Mr. Minister.

We'll now move back to the Liberals. Mr. Kania.

**Mr. Andrew Kania (Brampton West, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Minister, for being here.

I'd like to start off by saying that I feel just as strongly as you do, and as the government does, and as my colleagues on the other side do, about protecting victims and, as you would phrase it, being tough on crime. I have often challenged the government to be stronger in their legislation to protect Canadians, one example being the sex offender registry. I give you credit, as a government, for coming back and making amendments on that piece of legislation to actually make it tougher and more logical. So I give you my compliments on that.

The issue is members of Parliament have a responsibility to make sure that the legislation that goes through is logical and makes sense in comparison to the amount of money that the government asks the public, the taxpayer.... It's not my money, it's not your money, it's not the government's money. It's the taxpayers' money. So we have an obligation, all of us, to make sure that the legislation that goes through is logical and necessary, solving a problem, because we shouldn't have legislation passed just to do it. It should be addressing something and solving a problem, and we need to find out how much that will cost.

One example is Bill C-59. That's now gone through the House. We had victims testify in terms of the piece of legislation, and the victims obviously have no tolerance for persons like Earl Jones, Mr. Lacroix, and neither do I, and we all said that. We're happy that persons like that will not be able to get out early. So great. But for the victims who were here, I asked them questions about this and they agreed with me that they would have preferred if they had been before the committee discussing legislation that actually would have helped the victims, that the legislation as it was passed doesn't actually help victims. It would have been better if we had been here discussing things like increasing sentences. Rather than having the minimum they have now of 14 years, I believe, make it 20 years. Increase sentences. That was not before the committee, that was not subject to closure, and that would have been better, and they agreed.

We have victims here who have tax issues with CRA and they're paying taxes in circumstances where they never made money and in fact lost money. They would have preferred if we were here discussing how we can give them tax breaks.

So I encourage you to consider that to help them out. It's not fair that they have to pay taxes, in my view, on something they've lost money on through fraudsters.

The victims who were here agreed with me that it would have been preferable if we had been discussing mandatory restitution, so that when Mr. Jones eventually gets out he will not be able to walk away with this money. As you know, as a lawyer, as I do, there's no mandatory restitution right now. We're having a situation where people actually have to sue civilly, spend money on lawyers, go through the process. I don't know why that's logical in circumstances where the criminal justice system has a higher burden of proof.

We have other things like—

**Hon. Vic Toews:** Well, let me just—

**Mr. Andrew Kania:** Sorry, I only have five minutes.

We asked for money for investigations, and they agreed, yes, it would have been better if we were discussing money for investigations so that we could stop this in the first place, which is a better way to protect victims. We have money for enforcement, which puts money into the system for enforcement so that we stop this and we help victims in a better way.

So we have all these other suggestions, which I will say that the Liberal Party actually put forward. When we had, you will recall, the second prorogation of Parliament, we had a number of workshops—we were here working—and we had one on white-collar crime. We put all these ideas forward. It's been over a year, and nothing's come of that.

So I just want to highlight that, in terms of—

• (1035)

**Hon. Vic Toews:** Well, I am surprised. Have you not put those bills forward?

**Mr. Andrew Kania:** Sorry, I'm not being disrespectful.

**Hon. Vic Toews:** I just wondered why you haven't, if it's been over a year—

**Mr. Andrew Kania:** That's fine.

**Hon. Vic Toews:** —since you've had these workshops and these bills—

**Mr. Andrew Kania:** Sorry, Minister, I—

**The Chair:** Continue, Mr. Kania.

**Mr. Andrew Kania:** Okay.

So we have these various things, in terms of Bill C-59, once again challenging the government to be tougher on crime and to help victims in a meaningful way. I think it would have been better if that had been there.

I just bring those to your attention.

Now, going back to—

**Hon. Vic Toews:** So I can't respond to that? Because I want to say that I agree with you, especially on the issue of restitution. The party that made that restitution non-automatic was the Liberal Party in 1995, when it was government, when, instead of allowing the courts to enforce a restitution order as part of a suspended sentence, you would then have to go and sue civilly. That was a specific change that your government made in 1995, which was a terrible mistake for victims.

**Mr. Andrew Kania:** Minister, I must say that—

**The Chair:** Mr. Kania, ten seconds.

**Mr. Andrew Kania:** —when it comes to all of the responses in the House of Commons and all of this, it wears thin to speak of what happened in the past when somebody's been in government for five years. Rather than having closure on a bill that doesn't help victims, I would suggest to you that it would have been closure, if you're going to invoke that, for a piece of legislation that actually would help victims, as they agreed.

**The Chair:** Thank you, Mr. Kania.

**Hon. Vic Toews:** I'm glad that the Liberal Party of Canada has come around to seeing—

**Mr. Andrew Kania:** Are you cutting me off? Otherwise, I'm not done.

**Hon. Vic Toews:** —that the mistake they made back in 1995 in respect of restitution is a good one. And quite frankly, if you want to bring something like that forward, I will seriously consider it.

**The Chair:** Thank you, Mr. Minister.

We'll now move to Mr. Rathgeber, please.

**Mr. Brent Rathgeber (Edmonton—St. Albert, CPC):** Thank you, Mr. Chair.

Thank you, Minister Toews and Mr. Head.

Mr. Head, in the first hour of this meeting we heard from the Parliamentary Budget Officer, Mr. Page, with regard to his estimates concerning the cost of prison construction. He had some numbers, and he admitted that his analysis was based on assumptions and models.

He told us—and it's in his brief—that the average cost of an inmate is \$160,000 per year, but there are huge variances in those numbers. Annex III to his statement is called “Impact of Crime Legislation on Penitentiaries”. He assumes that the cost per woman inmate per year is \$340,000. The cost for a man in maximum security is \$220,000 per year.

You've testified before this committee a number of times, and I've heard you tell this committee what the cost of housing an inmate is. My recollection is that it is a fraction of that. I recall numbers in the \$120,000 range with respect to a male in maximum security. Can you refresh my memory on actual cost?

Second, do you have any idea where Mr. Page came up with these numbers?

**Mr. Don Head:** Thanks for the question.

To give you the latest breakdown of what we call COMO, the cost of maintaining an offender, at the maximum security level the cost is \$150,000 a year, \$150,808 to be exact; at medium security, \$98,219; in minimum security, \$95,038; for women it's \$211,093; and for exchange-of-service agreements our average cost is \$89,800. That is for when we enter into agreements with the provinces. So an average annual cost for housing in a federal penitentiary facility is \$113,974.

Based on what I've seen from the Parliamentary Budget Officer and a subsequent discussion with him, he has included capital costs, which we would not include. I think he's taken into account in his numbers buildings that we've had in place for 40, 50, or 100 years. I'm not absolutely sure, but based on some of the numbers we've seen and analyzed, that appears to be the case.

**Mr. Brent Rathgeber:** So he's amortizing the cost of construction over the short period during which the inmate is incarcerated?

**Mr. Don Head:** That would appear to be the case.

**Mr. Brent Rathgeber:** I take it that the numbers you just cited, which are significantly lower than the ones Mr. Page used in his analysis, are readily publicly available.

**Mr. Don Head:** Yes, we make them available every year.

**Mr. Brent Rathgeber:** If Mr. Page had asked for those numbers, you obviously would have provided them for him or he probably could have gotten them off the website?

**Mr. Don Head:** Yes, and they were available, as has been pointed out in previous testimony at other committees.

**Mr. Brent Rathgeber:** The minister indicated that the numbers with respect to the current increase in people incarcerated are actually lower than what was forecasted by your commission. I know you forecast for annual actual increases in your population.

Do you know what accounts for the variance and why there are actually fewer prisoners in population today than what you predicted at the beginning of the year?

• (1040)

**Mr. Don Head:** One of the assumptions we made was the rate at which the courts would pick up the changes in the legislation. At this time it does not appear that the rate at which we assumed that would occur has taken hold. We continue to analyze and modify our numbers accordingly.

As the minister has pointed out, if there are significant changes in our numbers as we go through the next year, moneys will be frozen. There will be future determinations as to whether those moneys can be invested in, for example, some of the outdated infrastructure or other programs that can be invested in or whether they can be returned to the treasury.

**Mr. Brent Rathgeber:** Minister, I've read the report from the justice department calculating the cost of crime to this country as \$70 billion. It's my recollection, and maybe you can help me, that's only the hard cost with respect to insurance costs and property losses. That doesn't include emotional toil on individuals.

**Hon. Vic Toews:** Absolutely.

**The Chair:** Thank you very much, Mr. Minister.

We'll now go back to Madam Mourani.

[Translation]

**Mrs. Maria Mourani:** Mr. Head, I need more details. I asked for some information from Correctional Service Canada. I was told that the average sentence for male inmates was three years or less in 50% of cases. For women, in approximately 60% of cases it was three years and less.

Are these figures correct?

[English]

**Mr. Don Head:** *Environ, oui.* We're just in the process of updating those figures for the past year, and I can make those available to the committee.

[Translation]

**Mrs. Maria Mourani:** That would mean that for most women Bill C-59 will have very little impact, given that women have been given sentences of under three years.

[English]

**Mr. Don Head:** When the piece around Bill C-59 was included in C-39, we only looked at one slice of it. I'm not anticipating there's going to be a significant change. But as I mentioned earlier, we have not finalized the cost on C-59 because we're still finalizing the retrospective piece.

[Translation]

**Mrs. Maria Mourani:** So, it is wrong to say that this bill will have a significant impact on women.

[English]

**Mr. Don Head:** It will have the same impact that it does for men, for those who are eligible. We house smaller numbers of women anyway.

[Translation]

**Mrs. Maria Mourani:** I understand that for men and women alike, the average length of their detention is three years and under, so, it has very little impact.

[English]

**Mr. Don Head:** Yes.

[Translation]

**Mrs. Maria Mourani:** Thank you.

So, again, we see that the Liberal Party, and specifically its leader, Mr. Ignatieff, misled the public by saying that Bill C-59 would have a considerable impact on women. I now know this to be false. Similarly, the NDP seemed to be spreading this misinformation to the public.

Did you want to say anything to this, Mr. Minister?

[*English*]

**Hon. Vic Toews:** If you're correct, as I understand it, the average sentence of a woman is much less than it is of a man, on average. Then the impact of Bill C-59 will be much less, given the way the calculations are done. On a count-to-count, individual-to-individual basis, on average it will not impact any more on women. If you're a woman who's been sentenced to ten years for a major fraud, it will impact the same way as it does on a man. There's no difference.

[*Translation*]

**Mrs. Maria Mourani:** So, men and women will be given equal treatment.

[*English*]

**Hon. Vic Toews:** That's right.

[*Translation*]

**Mrs. Maria Mourani:** What I gather from you, Mr. Head, is that in any event, with Bill C-59 day parole six months before a third of the person's sentence has been served would still apply, and the risk assessment is done globally, no longer based on re-offending for

violent crime. That is what I understood from everything you said earlier.

[*English*]

**Mr. Don Head:** Not quite.... Individuals will still be eligible to apply for day parole and full parole. It's the rules that were associated with accelerated review that would disappear.

● (1045)

[*Translation*]

**Mrs. Maria Mourani:** There are some figures here I do not understand. According to an analysis by Mr. Page, the estimate of what it costs to keep a female inmate in jail is approximately \$340,000 per year. Is that also the figure you have? That seems a little high to me.

**Mr. Don Head:** It is approximately \$211,000 per year.

**Mrs. Maria Mourani:** So, it is not \$340,000.

[*English*]

**The Chair:** Thank you very much, Madam Mourani.

Again, we want to thank Minister Toews and Commissioner Head for appearing before our committee today.

Seeing our time is up, the meeting is adjourned.

Thank you.

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