

8:30 a.m.

Wednesday, March 8, 1995

[Chairman: Mrs. Abdurahman]

THE CHAIRMAN: I'd like to call us to order, please. I would ask that no one leave, because we're just at a quorum. If anyone goes out of the Chamber, I'm afraid . . . [interjection] We would have to stop, yes.

I'd like to ask for approval of the agenda. Moved by Sine. All in favour? Carried unanimously.

At this time I'd like to extend a very warm welcome to the hon. Mr. Ady, minister of advanced education, and his staff and also congratulate our Auditor General, Peter Valentine, on his swearing-in ceremonies – I believe now at this meeting you're officially under oath the Auditor General for the province of Alberta – and Mr. Nick Shandro from the Auditor General's department as well.

Would you care to introduce your staff, please, hon. minister?

MR. ADY: Yes, thank you, Madam Chairman. I would like to say that I'm pleased to be here. I find it a challenge to come before this very challenging committee but recognize it as an opportunity to come here and discuss things that are very important to all of us, and that's the efficiency of our department, the things that we do. So without any other comments, I'll introduce the people with me and make a few opening remarks if that's . . .

THE CHAIRMAN: Before your opening remarks we'll adopt the minutes, so you could just introduce your staff now. Thank you.

MR. ADY: All right. That will be fine.

I have with me this morning on my left Lynne Duncan, our deputy minister; Fred Hemingway, the chief executive officer of the Students Finance Board; and down at the end Neil Henry, the assistant deputy minister of system funding and accountability. Left of Lynne, Ried Zittlau, assistant deputy minister of learner support; on my right, Gerry Waisman, senior director of finance, administration, and AVC support; and Shirley Dul, who is the executive director of our Apprenticeship and Industry Training Board. Madam Chairman, that's the introduction of the people with me.

THE CHAIRMAN: Thank you. Just prior to your opening remarks, if you'll bear with me, hon. minister, could I have a motion to accept the minutes as circulated? Sine. All in favour? It's carried unanimously.

I apologize for that. I got a little bit out of sync. If you'd care to make your opening remarks now, please.

MR. ADY: Okay. This is my second appearance before this committee. I have a few opening remarks that I'd like to make, and then of course we'd be happy to open it up for questions and responses. If further detailed answers are required that we're not able to deal with here, we'd be pleased to provide written responses later to members of the committee.

The overview I'll provide is made in reference to the public documents tabled by the Auditor General and the Provincial Treasurer for fiscal year 1993-1994. I'd like to deal with the priorities and objectives first. The following were the key priorities and objectives for fiscal year 1993-94. There are others, but these were the critical ones. The first one was student access to learning. We maintained the operating grants to institutions at the same level as in the previous fiscal year. You may recall that during that same period decisions were made to reduce nearly \$700 million in program expenses elsewhere in the government, but as

I said, we were able to maintain this same grant level for post-secondary education institutions.

On the subject of student assistance, the government approved a number of measures designed to improve the province's student assistance program. The student loan agreement amendment Act of 1993 was proclaimed in force, and this legislative amendment moved the authority to set the statutory limit on student loans from the Act to the Lieutenant Governor. The amendment provided the necessary flexibility for administration of the program. Academic year loan limits were increased by \$350 to accommodate increases in tuition and living costs. The responsibility for providing student assistance to social allowance recipients while in a learning situation was transferred from Alberta Family and Social Services to the Students Finance Board. Responsibility for the provision of training allowances and student support to disabled persons was formally assigned to the Students Finance Board.

We also conducted a student loan repayment review to improve the flexibility in our student loan repayment system. This was required because of rising interest costs and the rising costs of paying loan guarantees to the banks and also to make it more responsive to students. The review identified significant options for us that eventually led to our current income-sensitive loan repayment program under which loan risks are shared between taxpayers and CIBC. A substantial savings to Alberta taxpayers has resulted from that change.

We also went through a public consultation to develop some changes in our framework, and we announced that in May of 1993. It was known as Adult Learning: Access through Innovation, and more than 7,000 Albertans participated throughout the whole year-long process. A policy framework that I announced in the Legislative Assembly of Alberta last October, known as New Directions For Adult Learning in Alberta, has provided us with a new vision, a new department mission, four goals, and 22 strategies to renew the province's adult learning system.

If we examine the public accounts, volume 2, we see that the department did not use approximately \$9.9 million of its \$1,197,900,000 budget. Stated another way, we spent 99.2 percent of our allotment. The department also absorbed approximately \$2.2 million to support the costs of the separation payment for a restructuring program.

Madam Chairman, through our postsecondary institutions and through department-delivered programming, we served the needs of more adult learners than ever before. Approximately 117,720 full-time equivalent students were served in postsecondary credit programs at our public institutions in that fiscal year, an increase of 1 percent over the previous year. Part-time enrollment accounted for approximately 18 percent of the total. Approximately 500,000 registrations in noncredit courses were served by postsecondary institutions and further education councils.

In 1993-94, 65,700 students received assistance to attend postsecondary institutions and basic skills programs through the Students Finance Board. To ensure that financial need did not keep qualified and motivated students from enrolling, loan limits were increased by \$350 to accommodate tuition fee increases and student living allowances were increased by \$40 per month. The province repaid \$13.9 million in loans held by students through its remission program. This program is a debt management tool. Remission was available on total borrowing in excess of \$15,130 in the case of a university undergraduate and \$7,990 in the case of a college student. As of March 1994 approximately 8,700 Albertans had received awards totaling 12 and a half million dollars from the Alberta heritage scholarships fund. Madam Chairman, this program to reward and encourage excellence is unmatched in Canada.

On the subject of university research, the University of Alberta ranks fourth and the University of Calgary eighth among Canada's top research-intensive universities in their ability to attract competitively awarded research grants. The University of Lethbridge is among the top research institutions for its size in Canada. Alberta's universities brought into the province approximately \$73 million from federal government sources and a total of \$145 million from all sources in 1992-93. This research money contributes significantly to high-quality jobs for Albertans and advanced training for the next generation of highly qualified Albertans.

The Alberta apprenticeship system trained 21,392 apprentices in 1993-94. The career information hot line provided 29,000 Albertans with career information and referral needs.

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I find the Auditor General's observations and recommendations useful and our government takes them very seriously, in particular the 1993-94 recommendation concerning provincial contributions and accounting principles for postsecondary institutions as well as the reference to apprenticeship and industry training program performance. Our commitment to accountability is acknowledged on page 25 of the Auditor General's report, where it is reported that the department accepted all the previous year's recommendations.

For example, here is a demonstration of just how responsible my department and the government have been since we were informed as to the contents of the 1992-93 and 1993-94 reports. I draw your attention to the introductory comments on pages 2 through 5 of the Auditor General's report concerning improving the finance administration of the province. As the Auditor General points out, their priority

will be to monitor and encourage the development of management systems that deal adequately with budgeting, managing, and reporting outputs.

We took those words to heart and on February 24, 1994, released our inaugural three-year business plan. That plan focused heavily on the issues of access and responsiveness as well as affordability and accountability. We said that public institutions will be expected to inform potential students and taxpayers of how they performed according to a series of key performance indicators. This means the public institutions will have to provide evidence of the value that results from investments in both time and money made by students and taxpayers in our adult learning system.

On February 24, 1995, Madam Chairman, all the stakeholders agreed in principle to a core set of key performance indicators common to all types of institutions that would be added to their present accountability measures. The key indicators include specific program and student outcomes such as graduate satisfaction and their employment success. They also include additional financial productivity, measures such as cost per student, cost per graduate, teaching staff workload, and the basic components of institutional revenue expenditure. In addition, the universities will report on indicators related to their research and knowledge development activities. These performance data will be collected and the results will be published.

Madam Chairman, I believe our actions in fiscal 1993-94 and thereafter demonstrate that we are making every effort to improve our accountability process.

In conclusion, our vision statement for adult learning says that Alberta's adult learners will be recognized

- for the excellence of their knowledge, skills, attitudes and experiences that enable them
- to take responsibility for shaping their futures,
 - to participate in a changing economy and work force,

- to create new knowledge, and
- to enrich the quality of life in their communities.

My department tabled New Directions for Adult Learning in Alberta, which is now being used to develop future business plans and budgets. We will continue to work with Albertans to set goals, to measure results, and to be accountable to Albertans for their performance.

Madam Chairman, we're as prepared as we're going to be to answer your questions.

THE CHAIRMAN: Thank you very much, hon. minister, for those concise opening remarks.

At this time I'd like to call on Mike Percy.

DR. PERCY: Thank you, Madam Chairman. Mr. Minister, my questions relate to vote 3, financial assistance to students and the overexpenditure in adult education opportunity. I understand that was in response to the shift of clients from social services under the SFI to receive financial grants for retraining. The issue is that the government has emphasized the need for outcome measurement for a focus on accountability. So my first question is: is your department, because you have the mechanisms through the Students Finance Board, tracking the success of those individuals that came from SFI, obtained student financial assistance, and then went for retraining? The minister of social services time and time again has refused to discuss tracking.

MR. ADY: We have put in place a tracking mechanism, but please appreciate the fact that we are early in the process and are not sure we can give definitive results before 1996-97. We realize the importance of your question, that there does need to be tracking because of the amount of funding that's moving over to that program, and we have put in place a mechanism to do that.

THE CHAIRMAN: Supplementary.

DR. PERCY: Thank you. Does that tracking include private-sector technical colleges, training institutes, as well as the universities and other types of NAITs and SAITs? Is it following the students, or is it in fact tracking that depends upon institutions providing the training?

MR. ADY: It will be different, but I'll ask Fred Hemingway to respond.

MR. HEMINGWAY: Thank you, Mr. Minister. Madam Chairman, as the minister has indicated, we have and are putting in place a tracking mechanism for all students who have been referred to us for support from the Family and Social Services department. Among the things we'll be looking at for students at the upgrading level is to what degree they're successfully passing their program. We'll be tracking academic performance. We will be tracking the percentage of graduates who obtain work as they leave this training program, and that in fact will include students who go on to technical or college level courses. We'll also be looking at the type of work they do obtain and whether that work was sufficient to put these people in a position of independence, if you will.

DR. PERCY: Does the tracking also look at what other factors would enhance the success? Or is it sequential: first, you'll track, find out the failure rates, then assess why there seem to be failure rates in certain areas and the extent to which they're related to the characteristics of the individual as opposed to the program chosen?

MR. HEMINGWAY: We will be looking at all those factors, and obviously what we learn will be fed back into considerations concerning the design of the program and how improvements might be made. Yes.

DR. PERCY: I'd just like to compliment the department for doing that, because that certainly is an important first step.

THE CHAIRMAN: Well, I'm sure the minister will receive that compliment.

Pearl.

MS CALAHASEN: Thank you, Madam Chairman. Good morning, Mr. Minister, and welcome to our committee. Also, I'd like to welcome the Auditor General. I guess this is his first meeting officially. Saying that, I want to specifically focus on the Auditor General's report.

On page 28 there are some recommendations about Athabasca University, and I would like to know how Athabasca University is reacting to the recommendation concerning defining and costing outputs.

MR. ADY: Athabasca University recognizes the importance of the Auditor General's comments pertaining to them, and the university president has commissioned an internal task force which has been charged with the responsibility of developing a complete set of performance indicators for the university. These indicators will be incorporated into the university's formal reporting system once they've been approved by the governing council and the standing committee on academic planning at the institution.

THE CHAIRMAN: Supplementary, Pearl.

MS CALAHASEN: Thank you. Then what about the recommendation concerning Athabasca University amortizing its assets? Where is that?

MR. ADY: Policies are in the process of being developed by the Department of Advanced Education and Career Development in conjunction with the institutions because it's broader than just Athabasca University. Amortization is currently not a requirement under the generally accepted accounting principles, but it will be a result of these policies, and we expect implementation in the 1994-95 year.

8:50

THE CHAIRMAN: Final supplementary, Pearl.

MS CALAHASEN: Thank you. The report also states that other institutions should consider examining their own practices with respect to the recommendations made to Athabasca University. Could you tell me: are you aware of any other institutions acting on these recommendations?

MR. ADY: Your question is getting fairly broad, so I think I'll ask Neil Henry to respond to that.

MR. N. HENRY: The short answer is yes, but probably not specifically in response to Athabasca University. The recommendation about establishing the cost of outputs is being widely pursued across the whole system. The Auditor General also makes essentially the same point in his general comments and has been making that point for at least the last year or two. So there's a

major systemwide response to define costs and to define output measures and to relate the two together.

THE CHAIRMAN: Thank you, Mr. Henry.

MS CALAHASEN: Thank you.

THE CHAIRMAN: Sine Chadi.

MR. CHADI: Thank you, Madam Minister. I, too, want to welcome the minister and his staff. [interjections] Madam Chairperson. Sorry.

THE CHAIRMAN: I thought it was your cold.

MR. CHADI: Well, it is my cold. Unfortunately, I didn't take any medication to correct that. I'm probably one of the few people in Alberta that saves the health care system. So, Mr. Minister, you'll please excuse me for . . .

MR. N. TAYLOR: Look at all the business you make by giving it to everyone else though.

MR. CHADI: Yeah. I can't remember the last time I went to see a doctor. I don't think I've ever been to one in my life.

Anyway, Mr. Minister, with respect to the vocational colleges, AVCs in Calgary, Edmonton, and Lac La Biche, my questions are going to be specifically in that area. They're votes 2.2.2, 2.2.3, 2.2.5. There appear to be overexpenditures in all three of the colleges. Could you explain the nature of these overexpenditures?

MR. ADY: I'll ask my deputy to answer that.

MRS. DUNCAN: The essential explanation for all three colleges is, of course, that that was the beginning of the government's restraint program and at that point we were activating the voluntary severance allowance. A number of the colleges were offering an opportunity for staff to leave with the allowance in order to create room to reduce expenditures in subsequent years. That is the fundamental reason.

THE CHAIRMAN: Thank you.

Supplementary, Sine?

MR. CHADI: Okay. Over the past number of years I've been asked to look into allegations of budgets from the different colleges, AVCs, having been expended at the last minute prior to the year-end. I'm wondering: did any of that have any part in these overexpenditures, or is there in fact any tracking by your department to see that that doesn't happen or did happen?

MR. ADY: Well, what you're describing is more likely to happen if there is a surplus in a budget when it gets close to the end of the fiscal year, but that wasn't the case with this. Maybe the deputy could expand on it.

MRS. DUNCAN: There is no evidence of that kind of activity at the vocational colleges. Indeed, if we go back to that year, the government instituted a spending freeze across all government departments late in the year, and the vocational colleges certainly played their full role in that. However, it's difficult for them to reduce expenditures in midyear, of course, because they have students in classrooms that they have to look at. So the major unforeseen item for them was the prospect of substantially reduced

grants in the succeeding years and a need to start reducing staff in order to be ready for that.

THE CHAIRMAN: Thank you.
Final supplementary, Sine.

MR. CHADI: Yes. Let's look at the capital investment on page 45, volume 2, 2.8.3. If in fact, as Mrs. Duncan mentioned, there was a freeze on capital investment with respect to Alberta vocational colleges, how do you explain the overexpenditure of \$115,000 in that vote?

MR. ADY: That's on program 2.8.3, having to do with equipment. Lynne, can you respond to that?

MRS. DUNCAN: Well, it is overspent, but I'm not sure it's spent at the last part of the year. These are our planned expenditures. We have a central capital pool for all the vocational colleges, and I'll tell you the items we purchased during the year that we hadn't planned on purchasing. We upgraded a computer laboratory at AVC Edmonton. We purchased a data bridge for AVC Lesser Slave Lake in order to reduce telephone costs in future years. We updated computer equipment in a mobile lab and an upgrading mainframe for students at AVC Lac La Biche. The other expenditures were reductions that tended to offset those expenditures. So all of those were expenditures made for the classroom that were made during the year. They were unplanned at the beginning of the year, granted, but it wasn't a case of trying to spend at the last of the year to deal with surpluses, because in fact there weren't any. There were investments made to reduce future costs.

THE CHAIRMAN: Thank you, Mrs. Duncan.
Gary Friedel.

MR. FRIEDEL: I'm in public accounts, volume 2, page 43. First, I'd like to ask about the student loan guarantees. I know in the past we've talked a bit about the high percentage of student loan defaults, and since the province is the guarantor of those loans, of course that's a direct cost to the department. I do note that the implementation of guarantees — there was \$19 million authorized and only \$13 million spent, so I'd have to suggest something good is happening there relative to guarantees. But \$13 million is still a lot of money to be paying out in default. I'm wondering if you could explain what kind of process was put in place that has caused this reduction and maybe even delve a little bit into how this is going to reflect in future budgets.

MR. ADY: Are you dealing with program 3.0.5?

MR. FRIEDEL: I'm sorry; 3.0.5.

MR. ADY: Okay. Well, we had a real concern with the defaults of students on student loans. As you recall, they were approaching 23 or 24 percent, and there was a dramatic impact on our budget. That caused us to move to the income-sensitive loan repayment program that we entered into with the CIBC, which gave the students a lot more flexibility to work out terms with the bank for the repayment of their loans as opposed to the old system where banks were really not very flexible. As a matter of fact, they liked to have them default because that's the same day they could phone over to our department and ask for the total loan repayment. They would have had the benefit of two or four years of interest guaranteed and then all the capital coming back a hundred percent guaranteed all the way through to them. It put students in a

difficult circumstance and caused defaults to reach that 23 or 24 percent. The new program through the CIBC addresses many of those, and we are in fact finding a considerable reduction in the defaults because of that.

9:00

THE CHAIRMAN: Supplementary, Gary.

MR. FRIEDEL: Yes. Regarding that flexibility, I guess, in the CIBC program, I know that one of the issues that was a bit of a sore spot in previous discussions was that a student could just literally walk away from the loan if they didn't get a job within a specified period of time. I think it was six months after graduation. Does part of this flexibility arrangement with the bank also include more responsibility on the student and possibly the parent if they're involved in paying off that loan? Does it allow for increased time for a student to get a job after they've graduated before the guarantee clicks into place?

MR. ADY: Okay. That's a good question, because I think we need to bear in mind that in a very high percentage of the loans that will be consolidated under this new program, the government in fact will not be guaranteeing them anymore. They'll be guaranteed by CIBC, because they are paid a fee for service for accepting the guarantees. So students now will be able to sit down with the bank and work out terms that are much more flexible. For instance, they can have more time. They can pay more early or more late in the system, whatever they're able to work out with the banks, which suits their ability to repay far better than the old system we had with the banks.

I think the important thing to remember is that no longer is the government guaranteeing the vast majority of student loans. The CIBC, when they consolidate them, have the responsibility of working them out, and we anticipate they will treat students much as they would you or I. They'll set up a process that will allow them to collect the money. Under the old system they almost liked to have a system that wouldn't allow them to collect it, because they liked our guarantee and they liked us to send the cheque over at the end of the four years plus six months. So we feel this is a much better system for the taxpayers and a much more responsive system for the students.

MR. FRIEDEL: I'm glad to hear what I just heard on that second supplementary.

The next supplementary: 3.0.4, just one notch up in the book, deals with remission of loans. My understanding of this is that it is a way of ensuring that a student on graduation doesn't have a total accumulated loan exceeding some amount. Pardon me if that's not the way it works, but if that is the case, would that not allow a student to borrow the maximum they could possibly get their hands on and then have a remission which would almost be something like a bursary or grant? I would question whether that isn't a disservice to the students who go out and work part-time or are financed partly by their parents and, of course, don't end up with that kind of buildup of loan. Is that not a rather unfair system?

MR. ADY: Well, I understand the principle you're getting at, but let's bear in mind that even if a student decides they want to find a way in this system to get remission, we have the Students Finance Board and the system that's only going to award funding on a needs base. So when they submit their application for a student loan, they can't just get the maximum. Their assets and their parents' assets and a variety of other things are calculated in

there which preclude them from getting the maximum unless they actually need it, in which case they will then be awarded that amount. For the most part it stops a student from being able to accomplish what you describe. In most cases, the vast majority of cases, they don't reach the remission level, but that level is put there so that students come out of their postsecondary education with a debt they can manage.

We do pay above certain levels. If an undergraduate student at a university in that year we're talking about today had debt in excess of \$15,130 of Alberta student loans, then the taxpayers would pay the excess. For a college or technical institute debt exceeding \$7,990 for that two-year program, the government would pay the difference above that.

So we believe it's a system that's there to control debt for students. There are certainly provisions in there to keep it from being abused. I can't say there aren't instances where someone may find a way, but we believe we're controlling it as efficiently as it is possible to control it.

THE CHAIRMAN: Thank you, hon. minister.

Nick Taylor.

MR. N. TAYLOR: Thank you, Madam Chairman, and good morning to all and sundry. There are so many smiles over there. Actually I don't have any rain for your parade this morning at all.

Vote 2.2 though. With the exception of Slave Lake campus, which obviously has some good management up there – it might be because they sent the MLA out of town – all the Alberta vocational colleges ran over budget. Are they serving a lot more students? In other words, are you getting many more transfers from Mike Cardinal's department? Is Mike snowing you under with cut-off welfare people coming in and that's why the cases went up?

THE CHAIRMAN: I believe you referred to an hon. minister by their name.

MR. N. TAYLOR: The hon. minister. Okay.

I was just wondering why the overrun in the other Alberta vocational colleges.

MR. ADY: Well, I should tell you, hon. member, that your colleague asked essentially the same question. It has been answered this morning.

THE CHAIRMAN: We'll have to turn the volume up a tad.

MR. N. TAYLOR: Then we go to 3.0.6. There's almost a ten million dollar overexpenditure in adult education. That's again along the same line, responding to the number of supports for independence clients that were sent over from social services.

MR. ADY: That was certainly a great deal of it. The deficit was a direct result of the consolidation of financial assistance programs for those disadvantaged students. In previous years the grant assistance for both upgrading and postsecondary students was paid from the grant assistance element. With the consolidation, all grant support to upgrading students was paid from the adult education opportunity grant element. The approved budget was finalized before the decision was made to change the funding sources, so there was a flip there.

Madam Chairman, the deputy would like to supplement here.

MRS. DUNCAN: I'd just like to point something out. In fact we have an accounting issue here, because we run a surplus in the item 3.0.2 entitled grant assistance which virtually comes close to offsetting the deficit in 3.0.6. It's a question of the department consolidating where it was charging different grant amounts. So the deficit problem resulting from the change to supports for independence wasn't a significant problem in '93-94. It's just a question of how we accounted for them.

THE CHAIRMAN: Supplementary, Nick.

MR. N. TAYLOR: This is my last supplementary, isn't it?

THE CHAIRMAN: I was going to allow you a full three because the first question had been asked.

9:10

MR. N. TAYLOR: Okay. Thank you. [interjection] I happen to be friends with the chairman.

What I want to ask is: in the future would it be at all possible to report where your clients at AVCs in adult education come from? Whether they come back as adult students or whether they've been transferred from social services or Health or whether they're just people who decided they got tired of driving a Cat and wanted to go back, is there any way when you report to the Legislature or to the Auditor General to say where these people are coming from? They're maybe even out of province, that far. I mean, you must examine them when they come in. I'd like to see what the product is that you're working on.

MR. ADY: I'm sure we have a great deal of the information that you described. I'm not sure we quite have it all identified, but perhaps my deputy could give us what we can identify.

MRS. DUNCAN: Well, it's not particularly financial information, but in the department's annual report and certainly as part of our performance measurement exercise, that data will be available. In point of fact the vast majority of clients in the four vocational colleges are people who have been on welfare or who have been through the welfare assessment process. Something around 90, 95 percent of their students are not what we call fee-paying students; they're students who have been directed to the vocational colleges from the welfare system.

MR. N. TAYLOR: Last is vote 4.2.6.

MS CALAHASEN: No, that's five.

MR. N. TAYLOR: Nattering here. I'm going to throw some peanuts back there to keep her quiet for a minute.

What current methods are being used to ensure that social service clients are getting relevant training from the private contractors? How do you follow up on private contractors who are hired to help with the clients?

MR. ADY: In other words, what tracking mechanism do we have?

MR. N. TAYLOR: It used to be that all you needed was a blue and orange membership card to be a private contractor, but I was just wondering if you need more than that now. Do you do any follow-up to see whether they know what the hell they're talking about with any success, or what?

MR. ADY: Well, no, and it's not necessary that they wear a red tie either.

MR. N. TAYLOR: You mean you want to do it this way.

MR. ADY: Yeah.

THE CHAIRMAN: If you don't wish to answer the question, you're free not to, hon. minister.

MR. ADY: No, I think he probably has a valid question when you cut out all the other comments. Who'd like to respond to that? Ried?

MR. ZITTLAU: Yes. In terms of following up on contractors that are engaged to provide these services, there is a follow-up. They are required to report all the interventions and the different stages people are at during the course of their program delivery, and they also are asked to do a follow-up after the fact to find out what has happened to the client.

THE CHAIRMAN: Thank you.
Jocelyn Burgener.

MRS. BURGNER: Thank you, Madam Chairman, and good morning and welcome. I want to talk about the apprenticeship issue that's in front of me as a representative of citizens of this province. If I read this budget and do not understand accounting processes, under areas with respect to apprenticeship and job training, et cetera, there's a significant listing of overexpenditures, and some of that has been spoken to.

THE CHAIRMAN: Excuse me. You should refer to points so that we know which page you're on.

MRS. BURGNER: I'm referring to public accounts, everything from pages 42 to 45, with respect to items dealing with apprenticeship and job training, et cetera. My question, Mr. Minister. I'm a firm believer in the skills and the training required to bring our young people into the workforce in a productive way, but somehow when I read this, it looks like we're not managing it well. I'm wondering if you could explain to me where the industry pays its share of apprenticeship training.

MR. ADY: It doesn't show. We don't have accounting on that because that's something they pay. Industry pays their share because they take apprentices on and indenture them. While they're there, there is a scale they are paid depending on the year of their apprenticeship program, and that's their contribution and it's significant. The contribution they make is significant. The amount business does contribute and buy into that process is really the key to our very successful apprenticeship program in this province. Without it our apprenticeship program would look dramatically different and not on the benefit side.

MRS. BURGNER: Then, Peter – welcoming you to this committee – could I ask whether you would look at some ability to reflect that? When I read the comments in the Auditor General's report, we have some concerns about the fact that about 20 to 25 percent of all apprenticeship journeymen come from Alberta, and I am just concerned that if I'm looking at deficit reduction, I don't have a way to record that. I think it would be a valuable piece of information to have reflected perhaps in the

Auditor General's statement if it can't be on the books. Is that something you could look at?

MR. VALENTINE: Madam Chairman, yes, we could undertake to do something in that regard. But I'd point out that the same issue exists in co-operative education in universities, because when the co-op student is in the workplace, there's no charge on the department.

Mr. Minister, correct?

THE CHAIRMAN: Hon. minister, do you wish to . . .

MR. ADY: No, other than to concur with the Auditor General's comment.

MRS. BURGNER: I just really feel that we would be better served and the value of apprenticeship would be better served if there was some understanding of the industry component, because it looks negative. To read this, it looks like they aren't managing their funds well. The outcomes aren't necessarily tracked, and I just have to explain to somebody in my constituency who may not support this that these really aren't gross overexpenditures. We just haven't a way to reflect some of the support.

MR. ADY: I have to ask the member for the element she's referring to where the gross overexpenditure is.

THE CHAIRMAN: Could you clarify your comments, Jocelyn, so the minister can see what lines you're referring to?

MRS. BURGNER: Sure. If we look at skills development and employment services, vote 4, page 43, we have a number of overexpenditures cited there. If we look under apprenticeship and industry training secretariat, vote 4.2.5, there are again overexpenditures. If we look at 2.8.3, vocational colleges equipment, you've explained to me in this room why that's occurring. On page 45, vote 4.2.3, the registration and certification under apprenticeship and occupational training, again an overexpenditure. I'm just saying that from a visual point of view, when I look at it, it would appear to me that either the budgeting process is not correct or it's not . . . Perhaps I'm not making myself clear. I think the visual presentation of job training and all its components doesn't read well to the average Albertan.

MR. ADY: Madam Chairman, although I guess \$20,000 is a lot of money, in the picture there it's not a lot of money. When you realize that we're dealing with a budget of \$4.5 million, a \$20,000 overrun is not what we feel is terribly significant. It's significant, and we endeavour to deal with that and come out with a balance, but we're not always able to quite do that. So I hope the member can put that in the context of its relevance to the total budget.

THE CHAIRMAN: Might I suggest you may want to pursue it with the minister further, Jocelyn.

Moving on then. Peter Sekulic.

MR. SEKULIC: Thank you, Madam Chairman. I'll be referring to vote 1. I'm curious. In minister's committees we have an amount of \$75,000, I believe, that's unexpended. I'm just curious as to the explanation for that. Are there less meetings occurring in that area? Can the minister expand as to why?

9:20

MR. ADY: Yes. You've partly answered your own question. The career development advisory council and policy advisory

council were canceled, and we made an effort, in line with government policy, to reduce as many committees as we feasibly could. Also, some committees such as the Private Colleges Accreditation Board, which is a very important committee and which we retained, met less frequently than anticipated. That accounts for that cost reduction during the year.

MR. SEKULIC: Thank you.

Along the same lines, 1.0.4, the information and policy services area, you have an amount of \$482,000 that's unexpended. I'm just curious. In these times of transition when there's such dramatic change, particularly in this department and the work you do with Family and Social Services, I would have expected that more policy work, more planning would have to be undertaken and that that would be reflected in the budget. But we have the opposite here. We actually have a half million dollars unexpended. If you could just provide an explanation.

MR. ADY: Yes, I can. Some of it was due to the savings due to vacancies and leaves of absence on the part of the employees. Others were due to net savings due to employees taking the voluntary separation allowance. The management of vacation payouts was also a saving. A lower than anticipated purchase of supplies due to efforts to reduce spending. I recall that earlier in the questioning there was a question put: was there an increase in spending at the end of the fiscal year? In fact no. There was a reduction from that which was budgeted because of the freeze we put on all departments at the end of the year to prohibit that very thing, and it impacted on our department in the amount of over \$300,000. The total surplus from supplies and services was very significant. So those are some of the things that impacted to leave that \$482,000 as surplus for the year.

MR. SEKULIC: My final supplemental is with reference to vote 2.1.8. That's the adult development programs. Here we have an overexpenditure of \$82,000. Now, my understanding is that this program provides funds to organizations and groups which provide services and programs in adult education. I'm just curious. Was there an increased demand, or did you find more organizations that were interested in participating in this? How did this overexpenditure come to happen?

MR. ADY: Well, I should tell you that the department funded approximately 300 programs in that year, and we did have a net overexpenditure of \$82,000. Some examples of the overspending centred on the academic upgrading at Frog Lake. We had an increase in programs and students there. The forestry and survey technician program at Grouard and the academic upgrading at Faust and Wabasca and Calling Lake: those were areas where we seemed to have a call on the program that caused that overexpenditure. So it was an increase of students and call for the program as opposed to overspending within the budgeted programs that we anticipated.

THE CHAIRMAN: Thank you.
David Coutts.

MR. COUTTS: Thank you, Madam Chairman. Good morning, ladies and gentlemen. My questions this morning come from the Auditor General's report in section 2, in particular page 27, dealing with the costing of outputs. In that report the Auditor General's recommendations indicate that "the department does not have sufficient information on the costs of the outputs funded by the

grants and their effects." What is the department doing to remedy this situation to ensure that dollars are being spent more wisely?

MR. ADY: Your question centres around something we are involved in in this fiscal year to put in place. We've embarked on a consultation with the institutions to establish common data definitions for reporting and also to come to agreement on key performance indicators. We've talked a lot about that in recent months. We're anxious to put that in place. This is the fundamental first step in establishing an accountability framework for institutions, and these common data definitions are necessary to ensure comparability of data between institutions. As well, the department will establish a funding mechanism which will reward institutional performance in achieving the goals outlined in the department's business plan. So ultimately the funding formula for institutions will change and be impacted by these performance indicators.

MR. COUTTS: When would this funding mechanism be implemented then?

MR. ADY: We've already committed that this mechanism would be in place by 1996-97. We'll be releasing a paper by the middle of May of this year which will explore principles and funding mechanism options that could be considered in the context of what we're endeavouring to do here in Alberta.

MR. COUTTS: Thank you.

My final supplementary, Madam Chairman, is with respect to recommendation 8 on page 25 of the same report. Again the Auditor General indicated that the department should provide guidance to post-secondary educational institutions on the objective of the Province's capital funding in order to facilitate sector-wide performance measurement.

What is the department doing in this regard?

MR. ADY: The department has folded capital renewal. Now, be careful to differentiate between capital and capital renewal in my comments. They folded capital renewal funding into the base operating grants to institutions as opposed to having defined grants: one envelope of funding including their operational grant and capital renewal. This is an interim measure which allows the institution the ability to be more flexible and respond to immediate concerns. Further, to deal with capital requirements over the longer term, the department has drafted a series of policy statements dealing with expectations it has regarding planning and funding and reporting of capital expenditures. These are now in the process of being finalized, and we're doing that through consultation with the institutions and the Provincial Treasurer and our guest the Auditor General.

MR. COUTTS: Thank you very much.

THE CHAIRMAN: Thank you.
Mike Percy.

DR. PERCY: Thank you, Madam Chairman. Mr. Minister, my questions will be from volume 4 of public accounts, page 38, and they relate to the Banff Centre for Continuing Education. Could the minister explain why payroll and related expenses at the Banff Centre for Continuing Education exceeded the budget by \$450,000?

MR. ADY: I don't have that here. Can I report that to you?

DR. PERCY: In a similar vein, could you then also ask them why expenditures on vehicles and equipment exceeded the budget by \$190,000?

MR. ADY: Again, I don't have that detailed information.

DR. PERCY: A final question then. Do you think the extent to which there are these overruns, given the base budget both on payroll and related expenses and on vehicles and equipment, is indicative of the management style of the Banff Centre?

MR. ADY: Not necessarily. I have a great deal of confidence in the management at the Banff Centre. I find them to be acting very responsibly with the direction we have agreed to with them for the future of the Banff Centre, and although I don't have at hand the detailed explanation for those cost overruns, it doesn't cause me to come to that conclusion at all.

9:30

THE CHAIRMAN: Thank you, Mr. Minister.
Moe.

MR. AMERY: Thank you, Madam Chairman, and good morning, ladies and gentlemen. On page 44 of public accounts, volume 2, program reference 4.3.3, the employment alternatives program: I wonder if Mr. Minister could describe to the committee what the nature of the program is and which Albertans it's meant to help.

MR. ADY: Yes. The program is an employment readiness program for unemployed Albertans who are social assistance recipients or have exhausted their unemployment insurance benefits. The program provides funding to private and public agencies to offer life and job specific skill training, also work experience, training on the job, job search, and job maintenance skills. The program is intended to assist Albertans in returning to the workforce and to self-sufficiency. Again, it's for people who find themselves having exhausted other alternatives, and this is a way of intervening to assist them.

THE CHAIRMAN: Thank you.
Supplementary, Moe?

MR. AMERY: Yes, thank you.

I wonder if you could tell us what results were achieved by the expenditure that occurred, if you have any tangible results.

MR. ADY: Yes, we do. Over 20,000 people in Alberta were served and received training under this program, and here are some results that I think the Member for Edmonton-Whitemud would be interested in. An estimated 70 percent of them were employed or in further training within the fiscal year. To break that down, 60 percent were employed and 10 percent were in further training. So we do have something of a tracking mechanism, and those are the results we were able to put together on it.

MR. AMERY: Thank you.

Maybe you could tell us, Mr. Minister, what measures of success were used to determine the effectiveness of the program.

MR. ADY: Yes, we have some measures. We feel it's important that we know the number of participants who successfully complete the program. The number of participants who become employed is important to know; the number of participants with increased self-sufficiency or reduced social assistance payments.

Also, it's important for us to know the overall participant satisfaction with the program. With that information we're able to cause the system to be more responsive to the client, and it's of value to us and the client.

THE CHAIRMAN: Thank you, Moe.
Sine Chadi.

MR. CHADI: Thank you, Madam Chairman. I'm going to follow up on Edmonton-Whitemud's questioning with respect to the Banff Centre, Mr. Minister. It's something that struck me as being a bit odd. I am of course interested in a revenue producer as I am asking questions with respect to expenditures. So with respect to the revenues, I'm going to look at 1993 revenues versus expenditures of the Banff Centre, and there we saw a deficiency of \$900,000.

THE CHAIRMAN: Which page are you on?

MR. CHADI: I'm sorry; page 38 of volume 4.

Then looking at 1994, the actual and the budget, the actual amount of deficiency in 1994 was \$2 million, which is rather significant compared to the year previous, but what's interesting to note is that the budget appeared to allow for somewhere around a \$1.1 million surplus. Now, that is about a \$3 million turnaround. Could you explain that?

MR. ADY: No, because I don't have that financial statement with me for me to have the same document that you have. But we'll be glad to respond to it later.

MR. CHADI: I was just curious, in the context of all these overruns, with respect to things like vehicles and equipment purchased, et cetera, et cetera, that amount to this excess.

In the same vein, then, I'm going to go with volume 2, page 42. Going back to the colleges, I'm looking at revenues once again. I'm looking at 2.2.6, Mr. Minister. There is a provision there for cost recovery programs, the expenditure being in the range of about 6 and a half million dollars. Actual expenditures were around \$6 million. What does this expenditure give us in return?

MR. ADY: The last sentence, please?

MR. CHADI: What do we get in return for an expenditure of \$6 million in cost recovery programs? What is that all about?

MR. ADY: The vocational colleges do have cost recovery programs, and they are brought to them from external sources and generate revenue for the AVCs. I'll let my deputy give details that may be additional to that.

MRS. DUNCAN: Essentially that's providing, as the minister has said, programs to third parties, be they the federal government. Many of them are for aboriginal communities. Some of them are for the city of Calgary. Essentially the vocational colleges are offering programs to third parties other than students. They're typically organizations to deliver academic upgrading programs, and they charge a fee for that and that is the budget item used there. There is a commitment by the vocational colleges that they will at least cover the costs of the programs they deliver through revenues to these third parties.

THE CHAIRMAN: Thank you.
Hung Pham.

MR. CHADI: No, no. Wait a second.

THE CHAIRMAN: Sorry?

MR. CHADI: I'm allowed one more.

THE CHAIRMAN: Oh, I ticked you off as three. Sorry, Sine.

MR. CHADI: Thank you. Sorry, Hung.

Along that, knowing what we recovered is basically what I was after, in terms of: give me dollar figures as to what we actually got. We spent \$6 million on a program that says cost recovery programs. It wasn't so long ago that I was at the Grande Prairie Regional College and speaking to the president there. They're doing remarkable things with respect to cost recovery with their programs. I'm wondering: is that something we're looking at in working with industry, with the Alberta vocational colleges? Is that what we were doing here with respect to this line expenditure? So my question is: how much in actual dollars did we get for expending \$6 million, and are we looking toward expanding that?

MR. ADY: Okay. I'll let the deputy finish talking about the cost recovery program.

MRS. DUNCAN: In the end we expended \$6,090,000, and we got back at least that much in revenue and it went into the general revenue of the province. There is no taxpayer money committed for this cost recovery program. It is all self-supporting, much as at Grande Prairie. They don't use government grants in order to deliver these programs; they are fully paid for by the third party.

THE CHAIRMAN: Thank you very much.
Now Hung Pham. Sorry.

9:40

MR. PHAM: Thank you, Madam Chairman. I am looking at page 44, item 4.2.4, access initiatives. I assume that refers to the access fund that you set up, Mr. Minister. My first question to you today is: what is the role of the access fund in improving accessibility to postsecondary education?

MR. ADY: Well, certainly the access fund was put in place to increase access to our postsecondary system, and we anticipate that it will create 10,000 new spaces in the system when it's fully implemented. It has three phases. The first phase was implemented in January when the first funding was allocated to institutions, albeit there was not a great number of programs funded in that first phase because of the short time frame for people to make application and a committee to get in place and funding we had available in this year's budget. But in the fiscal year which will begin the first of April we'll start phase 2.

MR. PHAM: If the objective of the fund is simply to increase available space for the students, why don't you use the other brilliant ideas of your backbenchers or use the regular budget allocation to increase the available space?

MR. ADY: Well, because the provisions that are in the access fund are different, and it goes beyond increasing space. The fund is intended to increase places in priority areas by institution and to promote innovation in the way various programs are delivered to adult learners. So institutions are invited to make submissions which put forth proposals that will be cost effective, responsive to market needs – and when I use the word "market" I'm talking

about the needs of students, whatever they might be – and do it in a different way, using new technology perhaps. We're receiving some very interesting and exciting proposals through that program.

MR. PHAM: Can you just increase the space available by increasing the teaching load?

MR. ADY: I'm sorry. Could you repeat that?

MR. PHAM: Can you increase the available space by increasing the teaching load of the professor?

MR. ADY: Well, anything is possible, but let me say that it's not the intention or the mandate of the minister to micromanage universities to that extent. That falls under the responsibility of the board of governors and the administration of the institution, and from my perspective it probably will remain their responsibility.

THE CHAIRMAN: I think it was clearly a policy question as well, Mr. Minister. Thank you.
Moving on, Nick Taylor.

MR. N. TAYLOR: Yes. To the minister: I approve what seems to be a system of transferring more money to the students and less to the institution – in other words, letting the student control the product by where they decide to go – but I'm just wondering if at your fingertips, or maybe not, you would have the average term of the loans that are outstanding. What would be the longest term?

MR. ADY: I'm sure we have some information on that. I'll let Fred respond to that.

MR. HEMINGWAY: Perhaps a bit of clarification from the member. Do you mean the average time it takes for students to pay off the loans?

MR. N. TAYLOR: What you're projecting as the average payout for what you have loaned out now.

MR. HEMINGWAY: We have now approximately \$300 million that has been loaned. Approximately \$200 million of that is held by students who are still in school, and graduates are holding about \$100 million at the present time. I believe the average loan is paid off in four to five years. But as the minister indicated, there are some students with very high needs who have larger amounts of money, and under the old system they had up to 10 years to pay it off. Of course, with the new flexibility with the agreement with CIBC, they can extend that if required in order to assist them to manage with their individual circumstances.

MR. N. TAYLOR: Thank you. I'm surprised it's as short as it is.

Again, in philosophy, was it considered when you were devising the new transfer over to CIBC whether the repayments should be on a basis of a surcharge on their income tax? In other words, if they don't make money, they don't pay, and if they do make money . . . That way you could allow a Michelangelo to develop without breaking his back and at the same time assess this so that somebody that makes a lot of money gets it back in a hurry if it is tied to income tax.

MR. ADY: What you're talking about is the infamous, or famous, income-contingent loan repayment system. When we embarked on a review of the student finance system, we had to consult, and we

directed the consultant to evaluate income-contingent proposals. Their recommendation back to us was that they were not cost-effective to the taxpayers or to the student and recommended that we not implement an income-contingent loan system. We are now finding that those findings are being borne out.

When I was in eastern Canada just last week, I met with my counterparts from across Canada. Many of the ministers who had previously been on side with income-contingent programs and proposals are having serious second thoughts about them. They've done some cost analysis and are backing away from them, saying that they're too expensive to the taxpayer, won't work well, have some ability for abuse, all those things. There always seems to be a new model of income-contingent raising its head to be examined, but so far we haven't found one that we think would serve the students better than the system we've put in place.

MR. N. TAYLOR: Thank you.

I'm a bit disappointed because, as they say, not by bread alone does man live. The art student maybe gets discriminated against under the present system. It's the engineers and the lawyers and the doctors that can qualify to pay it off in a hurry. I'd jump a little bit tangential to it.

I've had a number of complaints from particularly welders and some of the trades that there doesn't seem to be any co-ordination between the trade schools turning out tradespeople and what may already be a surplus in the trade. Welding is one that comes to mind. In other words, do we try to have a co-ordinating body with the different technician groups to help? I know you don't want to grab a fellow, a woman, or whatever it is by the ear who wants to be a welder and say they can't, they've got to do pottery. Nevertheless, could they give some general direction on where the jobs are out there? Are we working with the private sector enough to show where it is?

MR. ADY: Well, hon. member, I have to think that you're hearing from a minority of people, the reason being . . .

MR. N. TAYLOR: Well, when you're a Liberal, you're used to that, you know.

MR. ADY: Yeah, a minority of one.

. . . that if ever we have a market-driven program, it's the apprenticeship program, because business and industry have to indenture the student, and when they do that that means they've got some space and need for people in that particular trade. More often than not the student that gets indentured as an electrician or a welder at the end of the time is able to keep employment right where he took his training. So it's sort of self-serving in that they indenture what they need, and they train what they need because of that. I'm really convinced that it's the most responsive system we have, far more than some of the other programs we have in universities and in colleges because the student may make a decision that's not based on criteria to obtain employment that's as good as this system seems to automatically provide.

9:50

THE CHAIRMAN: Thank you, hon. minister.
Julius Yankowsky.

MR. YANKOWSKY: Yes. Thank you, Madam Chairman. The hon. Member for Lesser Slave Lake so eloquently welcomed everyone that I'll just concur with her.

The hon. Member for Redwater . . .

THE CHAIRMAN: Excuse me a second, Julius. I'm having a difficult time hearing because of conversations. If you wish to talk, please keep it down. We want to hear what the minister has to say and what your colleagues have to say.

Julius.

MR. YANKOWSKY: The hon. Member for Redwater just touched on the subject of apprenticeship, and that leads very nicely into my questions because they indeed are regarding apprenticeship training. My reference is section 2, page 24 of the Auditor General's report. This last report of the Auditor General identified the number of apprentices who do not complete their entire training program. This of course is of particular concern, and there have been some recommendations put forward asking for an evaluation to get a clear indication of the potential cost to the system from these dropouts. My question is: what has the department done about this recommendation?

MR. ADY: We do need to get the answers to that. We accept that recommendation, so we're currently involved in a study which will provide us with the type of information needed to address the issues of apprenticeship dropouts. But we need to define what a dropout really is. Since some apprentices drop out of one trade and enter another, should that person really be considered a dropout? Or they may just transfer to a different program. In establishing an overall measure of costs, we'll also be factoring in the fact that most apprentices who drop out of the system do it before the first period of their tactical training, thus they don't really incur very much cost to the system. They're in it for a few months and gone and decide it's not for them. We don't find them dropping out later on in the programs; it's in that first term when they are bona fide dropouts.

THE CHAIRMAN: Thank you.
Supplementary, Julius.

MR. YANKOWSKY: Thank you, Madam Chairman and hon. minister.

You touched on the subject of a study that will be done. My question is: will this study also look at the possibility that dropouts are the result of employers being unwilling to train beyond the first or second period of apprenticeship because they use apprentices as a way to get cheap labour?

MR. ADY: Well, the data we've been able to collect so far doesn't bear that out. It doesn't show a higher number of first- and second-year apprentices and a lower number of third- and fourth-year apprentices, and that would be the case if your scenario were in fact happening. It would be the case if this claim about employers was a widespread occurrence. If the claim about employers was true, we would also expect to find a high apprenticeship contract consolation rate and a higher nonattendance in technical training in the third and fourth years. Again, our data doesn't bear that out. So it would seem that business is acting quite responsibly as it pertains to training apprentices.

THE CHAIRMAN: Final supplementary, Julius.

MR. YANKOWSKY: Thank you again, Madam Chairman and hon. minister.

The Auditor General's overall recommendation was for the department to develop and "publish key performance indicators for the Apprenticeship and Industry Training Program." My final question is: what is the department doing about this?

MR. ADY: Well, as I said earlier, we did accept the recommendation of the Auditor General. The department's business plan includes a commitment to develop performance indicators in co-operation with business and industry which will be used to ensure that apprenticeship and occupational training are relevant and that they're current and suitable to emerging needs and work as well in accomplishing just that.

THE CHAIRMAN: Thank you very much.

Because of the hour, I would now like to move on to the next item of business. At the same time, thank you for answering the questions fully. Certainly, hon. minister, where you have indicated that you would provide written responses, if you could do that through our administrative assistant Corinne so that it can be circulated, it would be greatly appreciated.

Is there anything under Other Business?

Lorne.

DR. L. TAYLOR: I was just wondering if we could consider extending the time limit of this committee. Obviously some of us have questions and we don't get a chance to ask them. I'm wondering if we could extend the time limit.

THE CHAIRMAN: Could I make a suggestion for those members who appear not to have gotten on the list? If you wish to be on the list, please indicate very early in the process. Your name was certainly on the list but at the very end.

MR. CHADI: I'd like to speak to that.

THE CHAIRMAN: Certainly.

MR. CHADI: If that's a motion on the floor, I'm all in favour of allowing an extension today. [interjections]

THE CHAIRMAN: Excuse me. Could I have some order, please, one person speaking at a time?

MR. CHADI: If my colleague wishes to have the meeting extended, by all means, Madam Chairman, I would certainly agree to that.

THE CHAIRMAN: Was that a motion then?

DR. L. TAYLOR: No, it wasn't.

THE CHAIRMAN: I beg your pardon.

DR. L. TAYLOR: No.

THE CHAIRMAN: It was not a motion.

DR. L. TAYLOR: No. I talked to my vice-chairman, and he doesn't want me to make that motion.

MR. FRIEDEL: You get disbarred from caucus for making a motion like that.

THE CHAIRMAN: Well, I'm sure no member will prevent any other member from making a motion. Do you wish to move a motion or not?

DR. L. TAYLOR: No.

THE CHAIRMAN: Okay. Thank you.

As there's no motion on the floor, I would point out that the date for the next meeting is the 15th of March, the hon. Minister of Transportation and Utilities.

I would ask for a motion to adjourn.

MR. CHADI: Madam Chairman, before we adjourn, I'd like a round of applause for the minister and his group. I think they did a fine job.

THE CHAIRMAN: Thank you very much, and thank you to the Auditor General and staff as well.

[The committee adjourned at 9:59 a.m.]

