

8:30 a.m.

Wednesday, April 26, 1995

[Chairman: Mrs. Abdurahman]

THE CHAIRMAN: I'd like to call the Public Accounts meeting to order. Could I have approval of the agenda, please? Moved by Pearl. All in favour? Any nays? Carried.

Approval of the minutes of the April 12, 1995, committee meeting. A motion to accept them? Moved by Mike Percy. All in favour? Against? It's carried unanimously.

It's with a lot of pleasure that I welcome the Hon. Robert Fischer, Minister of Public Works, Supply and Services, which interestingly is my critic area, so it's an extreme pleasure to have you appearing before Public Accounts this morning. I'd also like to acknowledge the Auditor General's presence and his assistant Nick Shandro. Welcome once again.

At this time I'd ask the hon. minister to introduce his staff and also opening remarks, please.

MR. FISCHER: Thank you very much, Madam Chairman. It's a pleasure for us to be here this morning and see the nice smiling faces across the way that we saw almost until midnight last night. I would like to first introduce some staff that I have with me here today: our deputy minister, Ed McLellan, to my left; assistant deputy minister Bob Smith; another ADM, Peter Kruselnicki; another one, Brian Black; and my executive assistant, Bard Haddrell. Another ADM, Ray Reshke, is on my right, as well as Dan Bader on my right. We hope we will be able to answer all the questions we have from our new folks.

I have just a few remarks to let you in on a few of the things we have done in the past year. To begin, the department of public works is responsible for "the provision of general purpose accommodation (whether by construction, purchase or lease)." They're responsible for

project management assistance for the design and construction of hospitals, nursing homes, health units and major surface water development projects; for the operation and maintenance of government space; and, for land acquisitions, [air] transportation services, central purchasing and supply, information and telecommunications services for government departments and various boards, agencies and commissions.

These goods and services were funded through the general revenue fund, the public works revolving fund, and the Alberta capital fund.

In '93-94 net total expenditures for public works were \$374.9 million, consisting of \$408 million in GRF expenditures for program operations and \$34 million in net revenue from public works statutory appropriations. The total '93-94 expenditure was 13 percent below the estimate of \$433 million, resulting in a savings of \$58.1 million.

The public works statutory appropriation of \$17 million provided authority for noncash transactions associated with the gross-up of land sales and nominal sum dispositions. In '93-94 the surplus of \$2.3 million was the result of fewer nominal sum dispositions than originally was anticipated.

The revolving fund provides goods and services to government departments, boards, and agencies on a charge-back basis. Each year the department conducts internal reviews and re-establishes fees and rates for its revolving fund operations which are intended to recover all costs incurred. As a result of the transfer of the government vehicle fleet to Transportation and Utilities and some major improvements in service delivery implemented during '93-94, the public works revolving fund had a net surplus of 48 and a half million dollars, \$42.5 million more than the budgeted net

recovery of \$6 million. I would like to point out that public works was able to reduce its charge-back rates by 13 percent on April 1 of '93 and by another 20 percent in December of '93.

In addition, our department spent a total of \$152 million in '93-94 for capital fund projects, a reduction of \$50.1 million from the estimate of \$202 million. Compared to the '93-94 estimate of \$635 million, the ministry achieved an overall expenditure reduction of \$108 million. This overall expenditure reduction was achieved as a result of proactive cost-cutting initiatives and innovative service delivery undertaken by this department as well as project deferrals. In '93-94 spending was restricted to the most essential requirements and to those issues involving health and safety or security concerns. All approved capital projects were reviewed to reconfirm need and scope, and many scope reductions or project deferrals were identified as a result.

Consistent with the government's expenditure restraint objectives, public works implemented additional measures such as staffing policies and expenditure controls to help ensure that funds were spent only where necessary. For the '93-94 fiscal year public works operated with a staff complement of 2,134 FTEs, a reduction of 350 from the previous fiscal year.

As a common service department, public works provides everything from office space to institutional facilities such as correctional centres and hospitals to computer and office supplies. I'd like to bring your attention to a few statistics which members may find interesting. In '93-94 the department was responsible for the operation and maintenance of a multibillion dollar physical plant which includes approximately 2,500 owned and 500 leased buildings. My department was responsible for purchasing lands for departments' program use and for the Edmonton/Calgary restricted development areas. For '93-94 close to 625,000 square metres of space was leased from the private sector for government departments and agencies. The government occupied 2.3 million square metres of owned space, of which over 40 percent was property managed by the private sector on a contract basis.

Public works operates one of the largest centralized data-processing facilities in Canada on behalf of government departments and agencies. For '93-94 these services were delivered through four data centres in Edmonton and Calgary and consisted of seven computers serving over 18,000 terminal devices across the province.

Public works acts as the central purchasing agency on behalf of all departments. Total purchases in '93-94 amounted to \$179 million. Some examples of higher dollar volume purchases in '93-94 included \$38 million on road building materials, \$25 million in gas, oil, and chemicals, and \$68 million on computer services and equipment.

Two ongoing major water development projects were included in the '93-94 budget: the Pine Coulee project in Stavely and the Little Bow project in Champion. Total expenditures for the construction of water development projects were \$3.4 million, substantially lower than budgeted, primarily due to necessary environmental impact assessments on these projects taking longer than anticipated.

In '93-94 the health care facilities expenditures included funding for 50 approved health care projects in various stages of development throughout the province: two health units in Grand Centre and Sherwood Park as well as four health unit projects in Medicine Hat, High Level, Airdrie, and Fort Chip; capital upgrading initiatives to address functional or physical deficiencies at identified health care facilities; major maintenance projects at the Foothills hospital in Calgary and the University hospital in Edmonton; hospital waste management initiatives, primarily for the installation of biomedical waste cold storage units at health

facilities throughout the province. This storage is an essential part of the government's initiative to have the private sector transport waste to new centralized disposal facilities operating at current environmental standards.

8:40

On October 4, '93, the government announced the deferral of 27 health care facility construction projects which were in the planning and design steps. This announcement was made as a result of the provincial roundtable on health in August of '93 in Red Deer. Accordingly, the government's objective in deferring these projects was to ensure that all future capital projects meet the needs of Albertans in the most cost-effective manner possible from both an operating and a capital cost perspective. We must ensure that all existing space in the health care system be utilized appropriately before any new construction is undertaken. These project deferrals resulted in a savings of \$33 million for health care facilities in '93-94. Priorities will be established based on capital plans developed by the regional health authorities, and it is anticipated that an overall provincial capital plan will be submitted to the Treasury Board by the end of the first quarter of '94-95.

Madam Chairman, that's a brief overview of my department. Now I'd be pleased to address the committee's questions.

THE CHAIRMAN: Thank you very much, hon. minister.

Before we go into questions, for the benefit of *Hansard*, I'd appreciate it if staff could identify themselves before they answer questions.

Sine.

MR. CHADI: Thank you and good morning, Mr. Minister and staff. Of course, I've had the pleasure of meeting some of the assistant deputy ministers during the past couple of years. They've helped me considerably, and I appreciate that. Thank you.

My first question, Mr. Minister. Maybe I could reference it by the Auditor General's report, page 101. The Auditor General speaks of there being at March 31, 1994, almost 200 office buildings with a usable area of 430,000 square metres that were owned by the department. For a number of years there seems to have been a trend in the private sector anyway that we would look at selling off buildings and taking back leases, and in my mind that seems to be quite an attractive way to go for the private sector. Having said that, has the department looked at doing something similar here for Albertans?

MR. FISCHER: Well, certainly we've had a policy in place the past two or three years, since '93, that we are trying to consolidate, and anything that is declared surplus is being sold off. It's not quite as easy as it would be if you were in the private sector, because certainly you have to be careful that government doesn't always compete with the private sector. In cases where we're trying to make use of our sublease or make use of our buildings, sometimes you are interfering there. But yes, we have quite an active policy. I think you probably noticed in the last year or two that we have been selling quite a bit of property.

MR. B. SMITH: Mr. Fischer – it's Bob Smith speaking – I could maybe supplement your response a little bit. Mr. Chadi is also going into basically what I refer to as a sale leaseback issue. There have been looks at that issue in the department over the last three or four years. The one primary advantage the private sector has in pursuing that kind of option is the tax benefit, and that benefit doesn't exist to government. As a result, there have been a number of conclusions. One of the primary conclusions is:

because that benefit doesn't exist, there isn't any tremendous value to the province in pursuing that option.

THE CHAIRMAN: Thank you, Mr. Smith.  
Supplementary, Sine.

MR. CHADI: Thank you. I tend to agree with you, Bob, but it seems to me that a surplus building that is about to be sold – because surplus in my mind is primarily a vacant building. Once it becomes surplus or is deemed surplus, that means that you vacated it. It would sell for substantially less dollars, being vacant, than it would sell with a tenant in place.

THE CHAIRMAN: Your question, Sine, please.

MR. CHADI: That basically was my question. Have you looked at that aspect of it to realize the best or the most possible dollars right now for those buildings?

MR. B. SMITH: Just following up on that, you're correct in terms that if you have a tenant in place, the building likely is going to sell for more. There are two issues, I guess. One is the fact that with the government downsizing over the last several years, we have properties we simply don't require. The amount of space we require is considerably less than it was even just two and three years ago. So to put a lease in place and sell it with our lease in place puts us in a situation where we're simply maintaining that occupancy, and we don't need the space.

The other thing we're doing, though, is that a lot of our downsizing is being scheduled around the termination of leases. We have a fair amount of leased space across the province, and most of our leases – not all of them, but certainly many of them – are three- to five-year leases. That has given us considerable flexibility in terms of being able to terminate a space, get rid of the liability for that space. If we still have a requirement for program purposes, we can put those people into either government-owned buildings or other leases on which we have a longer term remaining.

THE CHAIRMAN: Final supplementary, Sine.

MR. CHADI: Okay. Let's stay on page 101 of the Auditor General's report. In the second last paragraph he says that "the Department has developed a long-range accommodation plan to reduce net costs and improve space utilization." In fact that's what you're talking about when you say that we've developed this plan. He goes on to say that the "strategy of the Department's plan is to relocate tenants as leases expire or surplus buildings are sold." But on the next page, page 102, recommendation 24, having said what he did say in his initial comments, the Auditor General goes on to say:

It is recommended that the Department of Public Works, Supply and Services improve its systems for determining the accommodation requirements of the government organizations it serves in order to reduce surplus space.

So not only has he said the government has done that, but now he's recommending something quite similar. Perhaps the Auditor General can explain what they mean by recommendation 24.

THE CHAIRMAN: Who wants to lead off?

MR. VALENTINE: I think Mr. Shandro will answer this for me.

MR. SHANDRO: What we're recommending is that the department accumulate information on what surplus space exists in total.

THE CHAIRMAN: Anyone?

MR. McLELLAN: We are in the process of doing that. We have been pursuing that for the last two years. We've done audits on every owned facility in the province and determined the surplus space. We've also taken into consideration the space the departments are giving up as indicated in their business plans. Our intentions, as Bob said earlier, are to reduce the leased space as lease conclusions come up and move people into facilities where we have longer term leases and, secondly, into owned facilities where we have vacant space.

THE CHAIRMAN: Thank you.  
Gary Friedel.

8:50

MR. FRIEDEL: Thank you, Madam Chairman. It's a little bit dark in here. I see there are a couple of lights burned out, and I'm having a little trouble reading my notes. Maybe the minister might be able to do something about that.

THE CHAIRMAN: On the other hand, the minister has the sun in his face.

DR. L. TAYLOR: He's getting enlightened with the sun in his face.

THE CHAIRMAN: I'll rule him out of order totally.  
Carry on, Gary. Sorry.

MR. FRIEDEL: I'm referring to public accounts, volume 2, page 121, vote 2.3.12, wildlife habitat. I understand that Public Works, Supply and Services is responsible for land assembly, and I was a bit surprised to see this particular category, wildlife habitat. I notice there's an overexpenditure of almost \$5 million in that vote. Are these general revenue fund dollars, or does that money come from other outside sources? I'm wondering if the minister could explain what that's about.

MR. FISCHER: Yes, that money does come from general revenue. In that case the government made the decision to acquire the 525-acre Wind Valley landholding, and it was through a land exchange agreement in recognition of environmental sensitivity of these lands that this money was spent. A portion of Alberta lands used in the land exchange was held by Alberta Mortgage and Housing, and as a result, public works purchased two parcels of land from Alberta Mortgage and Housing. Their purchase price was \$4.8 million. That's where the money was spent.

THE CHAIRMAN: Supplementary, Gary.

MR. FISCHER: If I could just . . .

THE CHAIRMAN: Sorry, hon. minister.

MR. FISCHER: The land was then traded, of course, as part of the transaction with the Crown in acquiring the Wind Valley holding.

THE CHAIRMAN: Gary.

MR. FRIEDEL: Okay. Going on to the next page, 122, reference 2.5.1, repayment to land purchase fund, I notice there's a \$12.6

million unbudgeted expenditure. I'm wondering if the minister would care to explain that.

MR. FISCHER: Bob, do you want to handle that?

MR. B. SMITH: The lands in the restricted development areas in Edmonton and Calgary for the most part over about the last 15 years have been bought with funds from the land purchase fund. The intent of the Provincial Treasurer just prior to the commencement of this fiscal year was to repeal the land purchase fund basically to reduce the number of separate funds that were being used for the acquisition of land by government. The legislation didn't occur until into the '93-94 fiscal year, and as a result, public works was required to reimburse the land purchase fund from general revenue funds for lands that were being put into primary use, that were being put into the use for which they were originally purchased. That is an amount of a little over \$12 million. It came about as a result, as I said, of the fact that the legislation was in fact delayed and Treasury had previously advised us not to budget funds for those amounts of dollars in the '93-94 fiscal year. So we basically had to reallocate other funds from within the departmental allocation during that year.

THE CHAIRMAN: Thank you, Bob.  
Final supplementary, Gary.

MR. FRIEDEL: Yes. I notice that under the Environmental Protection area on page 121 and Agriculture, Food and Rural Development on 122, quite a number of items were budgeted but nothing was spent. I'm wondering: what's the logic behind that?

MR. FISCHER: Well, certainly those lands for the most part are carried out on a willing seller and buyer basis. As many of the lands required for these programs are not properties typically listed for sale, it is often difficult to precisely determine the fiscal year in which negotiations for the purchases will be concluded. Funds are budgeted for known project requirements and are not reallocated during that year on the basis of sometimes agreements and the landowners not having completed the deal in that year.

THE CHAIRMAN: Thank you, hon. minister.  
Mike Percy.

DR. PERCY: Thank you, Madam Chairman. I'm in volume 2, the revolving fund, page 172. My questions relate to the net income and surplus of the Public Works, Supply and Services revolving fund. The first question relates to the remittance to the Provincial Treasurer, the 2 and a half million dollars. Is that just a remittance back to the general revenue fund, or is that a fee for service for the various financial activities undertaken by Treasury? What exactly is that 2 and a half million dollars?

THE CHAIRMAN: You've found it, Mr. McLellan?

MR. McLELLAN: No, I haven't.

THE CHAIRMAN: The bottom of page 172, remittance to the Provincial Treasurer, \$2.4 million.

MR. McLELLAN: Yes, I've found it.

MR. FISCHER: Brian would like to answer that question.

MR. BLACK: What that is: when the revolving fund gets funds to make expenditures, those are from Treasury and the general revenue fund. So when receipts come to the revolving fund from departments, we have to make payments back to Treasury and the general revenue fund. This is a payment back.

DR. PERCY: When I look at the operating expenses of the revolving fund, then, are those actual expenditures on various construction projects undertaken by the department on behalf of other departments, in particular the manpower of 12 and a half million dollars?

MR. FISCHER: We don't do construction with the revolving fund. It's buying services for other departments, and other departments then pay back to the revolving fund. Is that not right?

MR. BLACK: That's absolutely correct. There's no construction activity here. These are services like printing services, computer services, warehousing and distribution services, and those are for the staff involved in those activities.

DR. PERCY: This would then take us back to page 124. I notice there's a significant underexpenditure in most of these items in terms of projects undertaken; for example, in education an underexpenditure of \$451,000 when it comes to the Distance Learning Centre and portable classroom facilities. Where, then, would these funds that are underexpended show up? Would they end up going back to the revolving fund, or would they just show up as part . . .

MR. FISCHER: Well, part of it went back to Treasury, I'm assuming.

DR. PERCY: Or would it be part of Education?

THE CHAIRMAN: Ed, would you like to answer, please?

MR. McLELLAN: Yes. The numbers you're talking about on page 124 are completely separate from the revolving fund. Those are direct budget items that we get through the GRF. If we don't spend it, it goes back.

DR. PERCY: Then it's not earmarked for Education, for example, since it was undertaken on behalf of the department.

MR. McLELLAN: No, it is not.

DR. PERCY: Though it ends up in part of their budget line.

MR. McLELLAN: It does not. No, it does not.

THE CHAIRMAN: Thank you.  
Moving on, Pearl Calahasen.

MS CALAHASEN: Thank you very much, Madam Chairman. On page 125 of volume 2 there is fuel dispensing systems, 4.12.56. Regarding the numbers, could you tell me what the fuel dispensing systems program is about?

MR. FISCHER: Maybe you would like to describe that for them, Dan.

9:00

MR. BADER: Sure. The Alberta Fire Code was changed in 1992, which requires that all underground fuel storage tanks be upgraded

to meet certain standards. This is part of a provincewide initiative to undertake meeting those code requirements over a period of several years. It involves cleaning up transportation sites from an environmental perspective, making sure the tanks that are in place are not leaking, that kind of thing. What we've also done – and one of the reasons for the underexpenditures on these – is initiate with the major departments that are primary fuel users a program to look at privatizing that fuel supply as opposed to having it captured on the site, so to speak.

MS CALAHASEN: Is that why when you look at that unexpended portion – you spent only \$73,000 versus the \$330,000 that was there?

MR. BADER: Right.

MS CALAHASEN: What kind of measures were taken to be able to reduce the program? Is it because of the privatization aspect?

MR. BADER: That had a lot to do with it, as well as looking at just the type of fuel usages. In a lot of installations there were gasoline storage tanks as well as diesel storage tanks. In transportation, as an example, they were used to fuel pickup trucks and that sort of stuff. We reached an agreement with transportation that it was more cost-effective, rather than spending money replacing fuel tanks, to have them go to the local service station: that kind of approach.

MS CALAHASEN: Are there any that are not being privatized, and if not, is there any kind of sharing occurring between municipal governments and schools, et cetera?

MR. BADER: We've been talking to some municipal governments, but we haven't really had a lot of success in that yet. It is an initiative that we're trying to work on to get some of that sharing working.

MS CALAHASEN: Okay. Thank you, Madam Chairman.

THE CHAIRMAN: Thank you.  
Peter Sekulic.

MR. SEKULIC: Thank you, Madam Chairman. I'm referring to the Auditor General's report, page 102. I was quite surprised to see some of the comments that were made, that "the Department lacks certain fundamental planning information." He listed two there:

- the total amount of owned and leased space which is surplus to the government's needs, and
- the numbers and locations of government staff it will be responsible for accommodating over the next three years.

That's one of the areas.

The other area the Auditor General has highlighted is that the department of public works does not accumulate cost information. In recommendation 23 he's recommending that the department "determine the cost of the accommodation it provides." Mr. Minister, I'd like an update as to what has been done since that recommendation was put to your department.

MR. FISCHER: Well, we are now giving each department what the cost of their accommodation is since that recommendation.

MR. McLELLAN: I can supplement that. With respect to costs for accommodations, we had determined the costs in the past, but

not on an individual department basis, and I believe that's what the Auditor General is after now. We're putting into place, as the minister indicated, systems that will determine the individual cost per department. They will be available, I believe, before the year is out.

THE CHAIRMAN: Thank you.  
Supplementary, Peter.

MR. SEKULIC: Yes. Another recommendation or suggestion the Auditor General has made is the potential for cost recovery. In fact, he indicated that the potential for cost recovery is significant. Has there been any action undertaken toward cost recovery?

MR. FISCHER: Certainly there has in this past year since I've been a minister. There have been a number of changes with that. As many of you know, some of our nonprofit organizations and so on have had to come up with some of the cost recovery. So yes, we have got a policy in place for that.

THE CHAIRMAN: Thank you.  
Final supplemental.

MR. SEKULIC: Yes. My final supplemental pertains to page 105 of the Auditor General's report regarding the long-distance costs. The Auditor General has identified a savings in the order of probably around \$2.2 million for both outgoing and incoming calls. Apparently this is an education issue, educating users, more than anything else. What has been undertaken in terms of an initiative, a fairly straightforward, low-cost initiative, to reduce this \$2.2 million in waste?

MR. FISCHER: I'll get Brian to answer that question for us.

MR. BLACK: As I understand it, there are two aspects to that question. First, you're right: it's an education issue. We have had people in our telecommunications division follow up with contacts in the departments to ensure that they make maximum use of the Alberta government network instead of placing direct calls, and we brought this overexpenditure to their attention. We're hopeful, and we continue to remind them that they take advantage of this.

The second aspect is in the Auditor General's report. He recommends a number of technical changes to the Alberta government network, including expanding it to localities where that service doesn't exist, and we are looking at these. This, however, is a difficult thing to address, because sometimes you have to make an expenditure in order to extend that network that's greater than the cost of direct dialing using the public system. It also depends on the location of departments. If you extend a network and a department makes a programming change or moves out of a particular location, that expenditure would be erroneously made. So we are looking at both aspects of those recommendations.

THE CHAIRMAN: I thank you. Thank you, Peter.  
Jocelyn Burgener.

MRS. BURGNER: Thank you, Madam Chairman. I just want to talk about – and there's no page reference – the Holy Cross in Calgary because of the discussions with respect to the redevelopment of the Holy Cross and the fact that we were on line and then we pulled it off with respect to public works. My question is: can

you give me an update on the status of the redevelopment of the Holy Cross project?

MR. FISCHER: Well, it was a \$30 million redevelopment project. We did put it on hold. Really they had to do a lot of the essential work to ensure safety and security and that type of thing on that hospital in order to meet the standards or the codes. The work on the hospital as of '94, any other redevelopment that was going on, had stopped. So it was put on hold, and there is a savings there.

THE CHAIRMAN: Supplementary.

MRS. BURGNER: Thank you. Could you tell me how much money was saved by stopping this work?

MR. FISCHER: There was up to \$8 million that wasn't spent out of the \$30 million on that. That was saved by stopping it.

MRS. BURGNER: Was there a cost to the stopping of the construction contract? It's common in the construction industry to have some built-in penalties or closure items. What would be the anticipated cost of the stopping of the construction contract?

MR. FISCHER: Well, certainly that is still being negotiated. But there is a fairly substantial cost when you go to that extent and then put a stop to it. They're still negotiating that, so we haven't got any actual numbers yet.

THE CHAIRMAN: Thank you.

MRS. BURGNER: It's not going to be a Pearson, eh?

THE CHAIRMAN: The minister didn't hear your comment.

MRS. BURGNER: It's not going to be a Pearson, as in the airport?

MR. FISCHER: No.

THE CHAIRMAN: Thank you, hon. minister.  
Nick Taylor.

MR. N. TAYLOR: Can I have a point of information first? By the way, good morning. Good morning to all the ADMs and the DM. The point of information: does forestry still pay the firefighters, or do you pay the firefighters?

MR. FISCHER: Forestry does.

MR. N. TAYLOR: Forestry does. Somebody had said they'd been transferred.

THE CHAIRMAN: That's for another day.

MR. N. TAYLOR: Okay.

The question is with regard to – I guess if you want the vote, it would be 3.3.2 on page 119. But that doesn't matter. You've already covered it. It's in leasing. You talk about leases. The government leases office space as well as leases out. Can you table with the Legislature the Olympia & York lease that you have? It doesn't have to be specific because you mentioned it in your speech, but if you want, it would be covered under 3.3.2, page 119, volume 2. I just want to know if the minister would

table the Olympia & York lease. That's one of our biggest office leases.

9:10

MR. FISCHER: Well, as you know, that lease has never been tabled.

MR. N. TAYLOR: But as a new minister, you have a new broom.

THE CHAIRMAN: Allow the minister to answer, please.

MR. FISCHER: There have been some confidential reasons why not, so I don't know if we can do it. Maybe Ed would like to . . .

MR. McLELLAN: If I could just make a comment on that. I realize the lease has not been tabled, but my understanding is that it's out there.

MR. N. TAYLOR: Do you mean by "out there" that it's going to land sometime?

MR. McLELLAN: Your leader right now has a copy.

THE CHAIRMAN: Did you hear the answer?

MR. N. TAYLOR: I didn't understand it when he said it was out there.

THE CHAIRMAN: No, he had a further comment. Ed, if you'd like to repeat it, please. He stated that your leader has a copy. Supplementary, Nick.

MR. N. TAYLOR: I'm sorry; I was talking at the same time. Did you say that our leader has a copy of the lease?

THE CHAIRMAN: I'm repeating what Mr. McLellan said.

MR. N. TAYLOR: He has a copy. I see. Okay.

Secondly, then, in the sale of farmland, for instance, around Edmonton or any other - this would be under volume 2 again, page 128. You've got the sale of land. There are now 28 of 50 states south of the border that separate development rights from farming rights. They retain development rights around the cities. Now, a few years ago you were studying that. Has a study been completed on that, or is there one ongoing? This is government lands that are close to cities where the government retains the development rights when they sell the land; therefore, the land only has farming rights when it's sold. This is in an effort to control development around cities. It's a good free enterprise system of control and development.

THE CHAIRMAN: There are about four or five questions in his question, but could you answer, hon. minister? Ed?

MR. McLELLAN: As far as I know, public works is not involved in that type of thing. Now, I can't speak for other departments.

MR. N. TAYLOR: When you sell land, you sell the whole works?

MR. McLELLAN: Yes.

MR. N. TAYLOR: You don't make any effort to retain development rights or split the title?

MR. McLELLAN: No.

MR. N. TAYLOR: Okay. And there's no study ongoing?

THE CHAIRMAN: Nick, you're getting into about your fourth or fifth question.

MR. N. TAYLOR: Well, no. I just don't find him as forthcoming maybe as he should be, or maybe my questions aren't. Okay. The third one . . .

THE CHAIRMAN: Your final supplementary.

MR. N. TAYLOR: My final supplementary is: would the minister be able to table in the House any lands the government still owns within five miles of any population centre of 20,000 or more in this province?

MR. FISCHER: Well, I don't know if that's under our jurisdiction to start with.

MR. N. TAYLOR: When you sell a thing, you must know what you're selling.

THE CHAIRMAN: Could we have the answer, please?

MR. FISCHER: Most of the public lands it has owned are public knowledge anyway. The land titles office has it.

MR. N. TAYLOR: Point of clarification. This is just a clarification.

THE CHAIRMAN: I have to ask: is there any further acknowledgment in the reply to the hon. member's question?

MR. FISCHER: No.

THE CHAIRMAN: I have to cut it off here, because we've had at least six questions, Nick. Moving on to Richard.

MR. N. TAYLOR: I had six questions, but I got two answers.

THE CHAIRMAN: That may well be, hon. member, but you had the questions. So unless there's an objection, Richard.

MR. MAGNUS: Well, Madam Chairman, as a licensed pilot for the last 29 years and a controller for 20, I just have to ask . . .

AN HON. MEMBER: I thought you were the one who was afraid of flying.

MR. MAGNUS: Well, I don't like flying that much anymore, but I used to fly.

I just have to ask a question about our fleet. In '93-94 we sold the helicopter fleet, and we're now contracting out the services. What kind of savings are we looking at here?

MR. FISCHER: Well, there's a savings there of, I guess, \$4.5 million when you take it all into consideration, and that's the capital income from the sale of the planes. So there are some savings by not operating our own.

MR. MAGNUS: How many government aircraft have we got?

MR. FISCHER: We've got four water bombers and three of our King Airs and the Dash 8. So we've still got eight planes.

MR. MAGNUS: Somebody thinks we have Messerschmitts over here.

THE CHAIRMAN: Richard, you're doing a Nick on me, so could you please get to your final supplementary.

MR. MAGNUS: It wasn't a question. It was a comment. But I'm curious. Obviously the water bombers are used by environment. Can you tell me what the other aircraft are used for?

MR. FISCHER: Well, the other aircraft are used by government personnel to fly around in this province and do the work we have to do. It's government officials that use the planes.

THE CHAIRMAN: Thank you.  
Sine.

MR. CHADI: Thank you, Madam Chairman. My colleague Nick Taylor touched on some of the questions I have, and those are with respect to the previous Olympia & York - it's now called Commerce Place - lease. Can you give us an indication as to how many square feet are leased in Commerce Place and in fact if all of it is occupied?

MR. FISCHER: I'm going to let Bob Smith talk to you about that one.

MR. B. SMITH: There's just under 400,000 square feet leased in Commerce Place . . .

MR. CHADI: What would that be in square metres?

MR. B. SMITH: Give or take: 36,000, 37,000 square metres.

THE CHAIRMAN: The chair is going to get very strict here. You wait till the answer has been completed. If there's a point of clarification, I'll allow it, but I don't want this backwards and forwards, because you're being limited to three questions. And that is for government members as well.

I apologize for interrupting you, Mr. Smith.

MR. B. SMITH: Four hundred thousand square feet is approximately 37,000 square metres.

THE CHAIRMAN: Thank you.

MR. CHADI: Just a point of clarification then. I asked not only how many square feet, but is it all utilized?

MR. B. SMITH: Yes. Oh, I'd have to think. There's Municipal Affairs, advanced education and manpower. Who else? Economic Development and Tourism are in the space. Dan, you might want to comment, but I believe it's either all occupied or, if there is any underutilized space, we are in fact in the process of moving somebody into the building. Do you want to supplement that? That's basically it?

MR. BADER: I would just confirm that.

MR. CHADI: Okay. Given the response to a question earlier about the different departments now having to look at getting

charged back that portion - I think that's what I heard. Whatever it is, I suspect you're going to see some of these departments scrambling given the excessive rates on the space in Commerce Place compared to what may be available elsewhere. Has there been any discussion with respect to different departments maybe wanting to move out of Commerce Place because of the excessive rates?

MR. FISCHER: Well, if I could, not that I'm aware of. There hasn't been.

Maybe Ed would like to elaborate on that.

9:20

MR. McLELLAN: My comment on that would be: we're first determining the costs, as I mentioned earlier, and then we're going to be sitting down with the departments and informing them what the costs are. Some will be staggered by some of the costs they have to pay. Others will feel great, because we get some real good deals out there.

THE CHAIRMAN: Final supplementary.

MR. CHADI: Okay. I take you back to the Auditor General's report and page 102 and the comment made just under recommendation 23 around the middle of the page: "The Department does not charge tenants for accommodation services." The Auditor General goes on to say that there would be

benefits of charging tenants for accommodation services . . . improved accountability for total resources consumed, increased incentive to reduce space to minimize costs,

et cetera. Are the tenants referred to by the Auditor General different departments of government? I do know there are of course tenants public works pays for out there. They're not different government departments but perhaps charities and stuff like that out there. What is in fact being referred to here?

MR. FISCHER: Well, that would be government departments mostly.

MR. CHADI: Okay.

THE CHAIRMAN: Thank you, hon. minister.  
Barry McFarland.

MR. McFARLAND: Good morning, Madam Chairman.

THE CHAIRMAN: Good morning.

MR. McFARLAND: How are you?

THE CHAIRMAN: Just great, thank you.

MR. McFARLAND: Is that a question?

THE CHAIRMAN: I'll be permissive and say no. I think it must be spring fever this morning.  
Barry.

MR. McFARLAND: Thank you. Good morning, Madam Chairman and fellows from the department. First of all, I'm going to be on page 119 and page 122 of volume 2 at the same time. I'm talking about the tenant improvements. I gather there are two separate areas here. One is on operating expenses and one would be on capital improvements. There is a total net underexpenditure,

I gather, of \$44,000 based on 3.2.2 on page 122 as well as 3.2.2 on page 119. I just wondered if with the underexpenditures perhaps we could fix the front door where the screw is jammed in the lock. No, that isn't what I meant at all.

THE CHAIRMAN: Hon. minister, if you can follow that question . . .

MR. McFARLAND: What I was getting at, Madam Chairman: if the total tenant improvements are nearly \$5 million on these two improvements, would the minister explain why we're spending this kind of money on improvements when we're downsizing the number of buildings we've got?

MR. FISCHER: A lot of that is moving as well as improving. When you go to a new building, you have to make it so that whichever department is moving in has to have certain accommodations. You can't just walk into one without doing some renovations, and that's what we have to do. Some of it also, I guess, is paying out some of the old leases at some point. If it makes more sense to get out of your other lease and get into one of our buildings that we already own or already have a long-term lease on, then that's what they do as well. We have the underexpenditure on that. I think we've done pretty well with that, and there has been a rental savings of \$2.2 million because of the policy.

MR. B. SMITH: If I could supplement the minister's response just a bit, there have been actually very few leases where we would have to pay out any remaining portion of the lease term. In fact our strategy, as we noted earlier, is that we tend to try and coordinate our moves to the termination dates of leases so we get into very few situations of buying out a lease, but the big part of this is in fact consolidating from leased space so that we can in fact terminate those leases and realize the rental savings. There are considerable rental savings attached to that. Our lease budget has been reduced considerably in the last several years.

THE CHAIRMAN: Supplementary, Barry.

MR. McFARLAND: Thanks. As a means of further reducing government costs and taking into account the loss through a grant in lieu of taxes, have you explored any possibility of leasing space with other levels of government, municipal, county, MD, and that kind of thing?

MR. FISCHER: We have done some of that in Edmonton and Calgary with the court operations in the new Calgary Remand Centre. We're working with that to try and make some more progress with some of the other governments as well.

MR. McFARLAND: Can you give us any examples from the past - I'm trying to stay within the realm of the public accounts here - of successful lease cost-sharing arrangements you may have made?

MR. FISCHER: We have with public works Canada in Jasper and Grande Prairie provincial buildings. Also, Alberta public works leases space for Alberta Agriculture, Food and Rural Development in the federal government's agriculture centre in Lethbridge and in Fort Vermilion. There are numerous cases where local municipalities or school boards lease space in provincial buildings.

DR. PERCY: I'd like to focus on volume 2, page 120, vote 5.2, procurement. If you look at 5.2.2, purchasing, there's an

overexpenditure of \$233,000. I'm curious how such a large overexpenditure would arise.

MR. McLELLAN: The basic reason for the overexpenditure is the downsizing in that particular area. I don't know how many people we've provided severance payments to. Maybe Brian could give us the number in that area. Mainly the overexpenditure is due to that.

MR. BLACK: In 5.2.2 there were nine people who got severance payments.

THE CHAIRMAN: Supplementary, Mike.

DR. PERCY: Thank you. In 5.2.5, supplier development and technical services branch, given that it's a pretty competitive market, what exactly is meant by supplier development?

MR. BLACK: In that particular branch there are two main activities. The first activity is dealing with the Department of Federal and Intergovernmental Affairs in working with the federal government on trade barrier reduction agreements. We have a staff and a half that spend the majority of their time doing that. They also, as a result of that, work with the federal government on developing and making improvements to the open bidding system, which is an electronic bidding system. Finally, that section does some standards work in terms of the products we buy. They work with the industry to develop standards before we go to tender.

THE CHAIRMAN: A final supplementary?

DR. PERCY: No, that's fine.

THE CHAIRMAN: That's it. Thank you.  
Julius.

MR. YANKOWSKY: Thank you, Madam Chairman, and good morning, everyone. My questions are all found in volume 2, page 121. The reference there is 5.5.3. I understand that Public Works, Supply and Services has been contracting out courier services in some centres. The subprogram for central delivery and courier is showing an overexpenditure of \$135,000. My question here is: has contracting out indeed increased the cost of this service?

MR. FISCHER: In that particular case, there were seven severance payments to three employers, and the remaining expenditure was due to implementing the Edmonton delivery contract which was underbudgeted.

THE CHAIRMAN: Supplementary, Julius.

MR. YANKOWSKY: Thank you, Madam Chairman. Which centres have been contracted out, and how has this been accomplished?

9:30

MR. FISCHER: The Fort McMurray courier operation has been operated by the private sector since 1984, and based on the goals of my department to both reduce costs of common services and outsource delivery of services, the decision was made to further outsource courier operations. In '92-93 the Medicine Hat operation was completely outsourced, and in '93-94 the delivery operations of both Lethbridge and Edmonton were outsourced. There are substantial savings with this outsourcing.

THE CHAIRMAN: Final supplemental, Julius.

MR. YANKOWSKY: Thank you, Madam Chairman. I wonder if the minister could expand a little more on outsourcing. Are there further plans indeed for outsourcing of courier services?

MR. FISCHER: During '94-95 the Peace River and Grande Prairie operations were completely outsourced as well as delivery operations in Red Deer, increasing government savings by a further \$44,000. In '95-96 the Calgary operation will be operated by the private sector as well. Other outsourcing will include sortation operations in Lethbridge, Red Deer, and Edmonton. So we have been busy outsourcing and privatizing fairly substantially since our policy changed.

THE CHAIRMAN: Thank you, hon. minister.  
Peter Sekulic.

MR. SEKULIC: Yes. Thank you, Madam Chairman. I'll be referring to volume 2 of public accounts and referring specifically to page 119, 3.3.2, which is leases. I note that the authorized amount is \$88,300,000 and the expended amount is \$87,651,000. Noting that there's an amount unexpended - I'm not really concerned with that amount. I drive by the O & Y building every day, and I'd like to know what percentage of that \$88 million goes to the O & Y lease?

MR. FISCHER: I couldn't tell you that, but maybe Bob Smith could.

MR. B. SMITH: Just roughly, it would be about 13 percent.

THE CHAIRMAN: Supplementary, Peter.

MR. SEKULIC: Okay. My supplemental is found in volume 2 as well, and it's on page 125. I'll be referring to the entire 4.9 area, which is Family and Social Services. I believe these are capital costs. There seems to be a pattern of underexpenditure here, not that that's a bad thing. But I'm just curious: when we do have an increased demand in facilities that are represented in this vote, how is that we're spending less? How are we managing to save money in those areas?

MR. FISCHER: I think mostly it's our change in policy and our downsizing. I think Family and Social Services is a good example. We don't need the space that we had before.

Ed would like to supplement.

MR. McLELLAN: What the minister is indicating is correct. In addition to that, some of these projects were finished earlier the previous year. Some may have been delayed, so the moneys would have to be expended the following year.

MR. SEKULIC: My final supplemental also deals with this pattern of underexpenditure. This pertains to 4.10, the Department of Justice, and most of these are remand centres, correctional camps. We see fairly significant underexpenditures here, yet I would have assumed that if anything the demand on these facilities would have been maintained and perhaps increased. I'm curious: how do we manage to save money in this area?

MR. BADER: Generally it's the same comment that Ed made. The cash flow that's indicated is for an annual cash-flow projection. Schedule shifts affect the cash flow in a given fiscal year but

don't necessarily mean that the projects didn't happen. Also, in general in '93-94 we took a much more rigorous approach to reviewing the projects with the program departments based on the business planning process. That resulted in downscaling of a number of the projects, so the combination.

THE CHAIRMAN: Thank you.  
David Coutts.

MR. COUTTS: Thank you. Good morning, gentlemen. I don't know whether I've got comments or questions. The references I'm going to make here deal with demolition projects. I'd like to refer to volume 2 of the public accounts, in particular reference 4.12.61. For your reference, that's on page 125. The reason I've got a particular interest in this is that I come from a town where we don't like to demolish buildings. In Fort Macleod, with our Mainstreet program, we like to build up and preserve old buildings rather than demolish them. So I find this one quite fascinating. That being said, in demolishing some of these projects and these buildings, can you tell me what work was done to justify this expenditure even though it came in under authorized expenditures?

MR. FISCHER: Yes, I can. There were three projects undertaken. The decommissioning and reclamation of the former radar site in Penhold was one of them, and the demolition of the programs centre building at the Eric Cormack Centre in Edmonton as well as the demolition of the brick chimney at Michener Centre in Red Deer. Sometimes we do have to tear things down after they have been built.

MR. COUTTS: Thank you. I know that at the Claresholm care centre just this last summer a number of buildings that used to house health facilities were demolished. What would be the consequences of not demolishing these buildings?

MR. FISCHER: Well, certainly they are an ongoing cost to us, and there's risk to health. There are security risks and safety risks and those types of things that we have to be responsible for, so at some point you have to demolish. Certainly the liability is another cost, and many of these buildings require supervision as well. So I think that in the cases I've named, certainly it's important that we do that.

MR. COUTTS: Was there any study done on whether we could make some cost savings upgrading these buildings as compared to building new?

MR. FISCHER: Yeah. I think we always look at that before we demolish, but in many cases the needs change - the radar site, for instance - and quite often the building isn't in the right place either. That quite often determines it, but yes, we do look at it.

MR. COUTTS: Thank you very much.

THE CHAIRMAN: Thank you, David.  
Nick.

MR. N. TAYLOR: Thank you. My question is on page 121, volume 2. It's rather intriguing. It runs all the way through vote 2.3: environmental research, help end landfill pollution, land conservation, operation and maintenance of water resources systems, fisheries habitat, natural areas program, public access to fisheries, and resource management program. There's a total of

\$75 million authorized, and not one penny was spent on all these environment matters. Just what happened?

9:40

MR. FISCHER: Maybe I'd better let Bob answer that.

MR. B. SMITH: I was here when it happened or didn't happen. I think the minister commented earlier that in terms of the budgeting process a lot of these projects involve land that just isn't on the market. We're basically going to owners and saying: we'd like a piece of your land for a specific use. They're not lands that are typically listed for sale. So in many cases it becomes a timing issue as to when we can successfully conclude a negotiation with a landowner to acquire the property for that purpose.

The other situation, too, is that it's part of the business planning process that started in this fiscal year. As Dan commented earlier, we did a much more rigorous review in terms of capital work. That same rigorous review took place with respect to land acquisitions, and working with departments, we either eliminated or deferred transactions.

MR. N. TAYLOR: So all these essentially environmental things were canceled, eh?

THE CHAIRMAN: A Supplementary, or you want clarification?

MR. N. TAYLOR: No. I don't understand why the date of the sale of property has anything to do with environmental research, for instance, and access to fisheries.

MR. B. SMITH: Excuse me. Two things. One is in fact a timing issue. Even though there may be a valid program requirement, if the landowner doesn't want to sell his land and it's not something we're prepared to expropriate, we in fact don't acquire his land. So that's part of it. The second part of it was in fact a review of the program need itself, given the change in philosophy through the business planning process.

MR. N. TAYLOR: I can see it now.

A second supplementary then. As I wander through the province, I run into a number of auctioneers who complain that your surplus — public works, I guess, auctions off surplus equipment — is all concentrated in the big cities and they don't get a chance at it. I've talked to them; they say they're working on it. Is there any program being worked out now whereby local auctioneers through the rural areas could have a crack at auctioning off a certain percentage of your surplus equipment?

MR. FISCHER: We do that now in our rural areas as much as possible, but it doesn't really make a lot of sense to take something out of Edmonton when it's already here and doesn't have to be moved and they sell it on site. That's been an ongoing thing, and I've heard quite a bit about it as well. I think we're trying our best to accommodate that as much as is feasible.

MR. N. TAYLOR: If you could try a little harder, it would be more appreciated.

In the last two minutes of the minister's speech he talked about planning for overall capital for the health care plan expansion. Could the minister say what percentage of that he feels will be coming out of government general revenue, your revenue, and what percentage you will raise by local requisition?

MR. FISCHER: On health care projects?

MR. N. TAYLOR: On capital funds for the health care regions.

MR. FISCHER: Well, from what I know, we fund 100 percent of those projects.

MR. McLELLAN: If I could just supplement that, we fund the majority of it. I figure it would be in the order of 98, 99 percent. There are certain requisitions in the localities for different aspects that are the responsibility of the locals, but it's small in comparison to the total dollars.

THE CHAIRMAN: Thank you. Thank you, Nick.

MR. N. TAYLOR: That was two and a half.

THE CHAIRMAN: No, I think it was a full three with a little icing on it as well.

Moe.

MR. AMERY: Thank you, Madam Chairman. Good morning, Mr. Minister. On public accounts, volume 2, page 221, item 2.0.4, with respect to the capital fund. I wonder if the minister could explain the expenditure of over \$2.3 million relating to the Pine Coulee project.

MR. FISCHER: Yes. This includes the amount required to complete the field studies for the environmental impact assessment. It also includes moneys that are spent on land acquisitions and further site investigation and design development with the Pine Coulee.

THE CHAIRMAN: Supplementary, Moe.

MR. AMERY: Yes. I understand that a regulatory ruling was made with respect to this project in February. I wonder if the minister could explain the nature of this ruling.

MR. FISCHER: Yes. The Pine Coulee project was the first one to be reviewed under the federal/provincial harmonization agreement with respect to environmental reviews. The panel that reviewed the project was the NRCB and an environmental assessment review joint panel. This panel conducted formal hearings into the environmental, social, and economic impacts of the proposed project.

MR. AMERY: Mr. Minister, I wonder if you could give us some indication of the conclusions of this panel regarding the value of this project.

MR. FISCHER: Well, certainly there is major value to the interest of people in that particular area. They have done a lot of study on not only the economic effects but also the environmental effects and the value of the water and fisheries and so on. There's substantial value to the residents.

THE CHAIRMAN: Thank you.

Pearl.

MS CALAHASEN: Thank you. Just a question on volume 2 also, on page 125, 4.9.25 regarding the Youth Assessment Centre in High Prairie. There was an authorization of \$60,000 and it's unexpended. Could you tell me why that would be unexpended?

MR. FISCHER: Can you give me the number again?

MS CALAHASEN: It's volume 2, 4.9.25, page 125.

MR. FISCHER: Ed will answer that for you.

MR. McLELLAN: That was 4.9.25?

MS CALAHASEN: Yes.

MR. McLELLAN: I've got the answer now. The project was delayed. It's going to be looked after in later years.

MS CALAHASEN: When you talk about the project, are you talking about a construction program, or are you talking about a specific other program?

MR. McLELLAN: No. These were to address health and safety problems in the facility.

MS CALAHASEN: Then that will be moved forward for a following year?

MR. McLELLAN: I believe – and again I'm not a hundred percent sure – that was probably taken care of in the following fiscal year. It's probably already been done.

MS CALAHASEN: Thank you.

THE CHAIRMAN: Sine.

MR. CHADI: Thank you, Madam Chairman. My question is going to be related to 4.1.2 on page 120. There is an authorized expenditure of \$73 million in the capital fund principal repayments. I'm trying to grapple with that. I'm wondering what in fact is the capital fund principal repayment to start with.

MR. RESHKE: The capital fund was used to fund construction projects like health care facilities, and on an annual basis the repayment is basically an amortization of the principal amount that was advanced for us to undertake the construction. Facilities are amortized basically on a 35-year amortization period.

MR. CHADI: I understand that, but I'm wondering why each department doesn't deal with their own facilities and why public works has to deal with it. I suspect that, for example, when you have these loans . . . Am I correct? Is it not from Treasury and Treasury goes out and borrows the money, or does public works go out and do the borrowing here? These are principal repayments back to Treasury?

MR. RESHKE: Yes, they are.

MR. CHADI: Okay.

I want to talk a little about the property management contracts that are in place. Again it's page 120, at the top of the page. Can you give me an indication, as at this year-end, of what percentage of the property management has been outsourced?

9:50

MR. FISCHER: We're over half now, in that neighbourhood, and we're working towards more if it is more efficient to do that.

MR. CHADI: I suspect as you get less properties under your control, of course these numbers should be reduced significantly then.

My final supplementary would be in relation to revenue, of course just as important as expenditures are. On page 128 I'm looking at things like sales of assets: land and other. Given the fact that the department is looking at reducing the amount of lease space and also looking at subleasing in some way or leasing any surplus space that can't be sold, where do the revenues from those sorts of sales or activities accrue to? Would it be in the revenue section of public works, and if it is, why don't I see it here?

MR. FISCHER: I guess they go directly back to Treasury. Is that it?

MR. RESHKE: Yes, that's correct. I can supplement that. The revenue from land sales is shown on that schedule you're looking at under sales of assets, land. The revenue from rentals of property, from leases is shown under miscellaneous rentals. Those are the two items. They record as revenue in our department, but the revenue does go back to Treasury, to the GRF.

THE CHAIRMAN: Thank you.

Lorne, do you wish to ask a question?

DR. L. TAYLOR: No. At the present time I'm fine.

THE CHAIRMAN: Okay.

Is there any government member that wishes to ask a question? If not, Peter.

MR. SEKULIC: Yes. Just one quick question, and I may have the answer. I just want to confirm it. It's volume 2, page 120, 4.1.5, capital project administration. I see there's an overexpenditure of \$796,000. Earlier I asked about the underexpenditure on a whole bunch of capital projects, and we have an overexpenditure in this capital project administration. So I'm curious. Is this \$800,000 severances to employees?

MR. McLELLAN: Yes, it is.

MR. SEKULIC: Thank you.

THE CHAIRMAN: Do you have one, Pearl?

MS CALAHASEN: If I may, Madam Chairman. On page 121, 2.3.7, existing provincial parks, there was an overexpended amount of \$97,000. Where did that go? How was that overexpended?

MR. FISCHER: This overexpenditure was due to the purchase of land containing the source of Big Hill Springs for the Big Hill Springs provincial park near Cochrane.

MS CALAHASEN: Oh. Okay.

MR. FISCHER: The value of the land exceeded the original estimate, and that's where it comes from.

MS CALAHASEN: Okay. Thank you, Madam Chairman.

THE CHAIRMAN: Thank you.

At this point in time I'd like to move on to other business. I think it's only appropriate this morning that we as members of Public Accounts – and I know the minister and the Auditor General and his staff would want to join me – thank Corinne in the commendable job she does for Public Accounts. It's the day that we honour – and it's publicly known as secretary's, but I

don't think of Corinne just as a secretary. She's certainly the key to support of Public Accounts. So, Corinne, thanks for always making me, I hope, look good. I know you do that.

Thank you to the hon. minister and staff and also, once again, the Auditor General and Nick.

Our next meeting is Wednesday, May 3. The Hon. Mike Cardinal will be appearing before Public Accounts. We stand adjourned. Thank you.

[The committee adjourned at 9:55 a.m.]