

Title: Wednesday, April 9, 2003 . Public Accounts Committee

Date: 03/04/09

[Mr. MacDonald in the chair]

The Chair: Good morning, everyone. I would like to call this meeting to order, please. The first item on our agenda this morning would certainly be an approval of our agenda that was circulated earlier.

Mr. Cenaiko: So moved.

The Chair: So moved. Thank you.

Also, the approval of the minutes of the committee meetings from March 19 and March 26, 2003, as circulated.

Mr. Goudreau: I'll move those, Mr. Chairman.

The Chair: Thank you very much.

On behalf of the Public Accounts Committee this morning I would like to welcome the hon. Mr. Stelmach and his staff. I wish the minister and his staff the very best this morning and great success with their endeavours in this fiscal year as well.

First, I would like to start with introductions.

[The following members introduced themselves: Mrs. Ady, Ms Blakeman, Mr. Cenaiko, Mr. Goudreau, Mrs. Jablonski, Mr. MacDonald, and Dr. Taft]

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

[The following staff of the Auditor General's office introduced themselves: Mr. Dunn and Mr. Hoffman]

[The following departmental support staff introduced themselves: Mr. Hook, Mr. Penny, Mr. Ramotar, and Ms Yiu-Yeung]

The Chair: Thank you.

Now, Mr. Stelmach, if there are any other of your staff at the back that you would like to introduce, please.

Mr. Stelmach: Sure. Cheryl is here, acting director of communications, and, of course, Ron Glen, my executive assistant.

The Chair: They're welcome to join us if you would like.

Mr. Stelmach, if you would like to give a brief overview of your department, we would appreciate that, and it would be followed by Mr. Dunn with a synopsis of the AG's report in regard to Transportation. Thank you.

Mr. Stelmach: Well, thank you, Mr. Chairman, and good morning, everyone. It is a pleasure this morning to provide an overview of Transportation's annual report for the 2001-02 fiscal year and to comment on recommendations made to the department by the Auditor General. We have our senior staff officials here this morning, as well, to assist me with any questions that may come forward at the conclusion of my comments.

I first of all wish to thank the people here with me, the ministry staff, for outstanding work during a very difficult and trying fiscal year, 2001-02. The events of 9-11, the terrorist attacks and the suddenly falling revenues, combined to create fiscal uncertainty for the provincial government as a whole and Alberta Transportation in

particular. In October of 2001 the department was asked to hold back roughly 20 percent of its budget, which was mainly accomplished by deferring capital projects. Though this put a lot of pressure on the department, there is a silver lining. The deferrals highlighted, of course, the problems with boom and bust, capital spending, and the government's fiscal planning processes. This led to the Financial Statutes Amendment Act, introduced earlier this spring, which I'm confident will provide stability and predictability, most importantly, to the ministry's planning and budgeting processes.

Now, despite the uncertainty of the times the department met all of its targets that are outlined in the business plan and in many cases exceeded them. We also managed our resources well during this year, and I want to explain a couple of things about our overall expenditures. We show \$135 million in unexpended budget when compared to the original estimate of \$1.5 billion. However, after all the adjustments the actual budget surplus is only \$150,000. The fiscal analysis in the department's annual report has a more detailed explanation of this. The 2001-02 fiscal year has marked the first full year of Transportation as its own ministry. As you're aware, we were a part of Infrastructure prior to 2001.

I'd like to cover just a few points. Safety is the department's number one priority and a key business plan goal. Through a number of education and advertising campaigns we're trying to get Alberta drivers and all transportation system users to think of safety first. The Traffic Safety Amendment Act was passed during 2001-02, which will alter vehicle impoundment periods for repeat impaired and suspended driving offenders, introduce 24-hour licence suspensions for those charged with impaired driving, and will change the graduated licence program. The amendments were necessary after we put in the Alberta administrative licence suspension. Through a thorough legal overview we found that there were still a few loopholes in the legislation, and through consultation with enforcement agencies and Alberta Justice we had to make some amendments. We finalized and received approval of the regulations for the new Traffic Safety Act, which will go into effect later this year, May 20 in fact.

Construction and maintenance highlights. We continued to build and improve Alberta's highway infrastructure, another business plan goal, before the October deferrals. Alberta was to experience a record year for highway construction. Still, the department undertook significant construction and rehab projects and maintained the highway system with expenditures of \$708 million. Improving highway infrastructure goes hand in hand with increased safety. On average, infrastructure improvements reduced collisions by 40 to 50 percent, depending on the particular improvement.

A department priority, of course, is the north/south trade corridor, which will be a continuous four-lane route from Coutts on the Alberta/Montana border to the B.C./Alberta border west of Grande Prairie. It is a priority because of high growth in Alberta's trade with both the U.S. and Mexico, and we spent roughly \$202 million on the corridor in 2001-02.

The performance measure regarding physical condition of the highway network is on target. I'd point out that the highway condition measure is based on a pavement roughness index, a key factor used to determine when rehabilitation or reconstruction is needed. Deferred maintenance appears to save money in the short term, but it's very expensive in the long term. If a highway is allowed to deteriorate to the point of reconstruction, it costs five times more than regular maintenance or rehab.

8:40

A final word on maintenance. The 2001-02 year marked the first year of the re-engineered maintenance contract tendering process,

and it was a real success. Our contract costs were reduced by an average of 28 percent, while high levels of service were maintained.

The transfer of responsibility for the former secondary highways from municipalities to the department was completed in 2001-02. This saved municipalities about \$85 million per year, a cost the department is now responsible for.

With respect to municipal grants, the department supported them through a number of grant programs at levels recommended by the Premier's Task Force on Infrastructure. Overall, the department provided \$314 million to municipalities through transportation and water/wastewater grant programs to support local transportation systems and, of course, water and wastewater needs. We also participated in the infrastructure Canada/Alberta program. This, as you know, is a three-way partnership between federal, provincial, and municipal governments. We're the only jurisdiction in Canada that has municipal government involved in the decision-making process, and as a result I believe we have got good mileage for the \$171 million that was our share of the Canada/Alberta infrastructure project. Most of the money went to green infrastructure, into the ground for water or wastewater, some improvements to buildings for energy efficiency, and some road improvements.

Water management. Previously the department was responsible for the development of major new water management infrastructure and major rehab of existing infrastructure such as dams, reservoirs, and canals. In 2001-02 the department also assumed additional responsibility for capital maintenance of Alberta Environment's major water management infrastructure.

Conflict of interest. Alberta Transportation employs a fair and open tendering process and takes measures to mitigate any conflicts of interest in regard to contract management. The Auditor General found that the department's contract management system met most of his criteria. However, he did identify one area of concern, and that is in not requiring consultants to formally declare any conflicts of interest with parties bidding for a job. The department acted on this recommendation and incorporated a conflict of interest clause in all consultant contracts.

Infrastructure management systems. I'm pleased to report that we accepted and are in the process of implementing the Auditor General's recommendation regarding infrastructure management systems. These were being developed during the 2001-02 fiscal year and continue to be fine-tuned.

I believe that's a very quick overview of 2001-02, Mr. Chairman, but I'm quite sure there'll be a number of questions. If I can't answer them, I'll certainly punt them over to the staff to answer. So thank you and thanks for your attention. We're open to questions, or I guess the Auditor makes a report.

The Chair: First, we're going to have a brief overview from the Auditor General.

Mr. Dunn: Thank you, Mr. Chairman. Our comments related to the Transportation ministry are contained on page 251 through page 255 in our 2002 annual report. As the minister has just mentioned, we did make one numbered recommendation, which is recommendation 49, dealing with disclosure by employees annually "that they understand and agree to follow the Code of Conduct and Ethics" and declare any conflicts of interest and that "consultant contracts contain a conflict of interest provision." We completed a systems audit on the contract management system in Transportation and Infrastructure. You might remember that in the Infrastructure meeting we had a fair amount of discussion around recommendation 28. We did not find as many matters in Transportation to report on and were restricted to those two areas: around the conflict of interest

declaration by employees and in the consultants' contracts.

In addition, we report on our follow-up on previous recommendations. In 2001 we made a recommendation concerning deferred maintenance, on which we reported in our annual report last year. We report that the ministry is making satisfactory progress in implementing it. Also, in 2001 we repeated a recommendation concerning an unimplemented component of a prior year recommendation dealing with the formalization of the "preparation of a comprehensive business case analysis to support systems development decisions." We also report that the ministry has implemented this recommendation.

We have a reservation in our audit opinion concerning the reporting of costs of site restoration when the restoration work is performed rather than when the liability arises.

Ken Hoffman, the AAG responsible for Transportation, and I will answer any questions that the committee may direct to us during this meeting. Those are my opening comments. Thank you.

The Chair: Thank you.

We will start questioning now, and we're going to ask Dr. Taft to start this morning, followed by Mr. Harvey Cenaiko.

Dr. Taft: Thank you, Mr. Chairman, and welcome to everybody. I noticed the photo of the minister in the annual report. He's wearing black leather. My first question may be: where did he get such a nice jacket?

Well, I'll kick off with a theme that's come up in the comments from both the minister and the Auditor General around conflict of interest. It's an issue of some ongoing interest to me, and I've done some comparison between private-sector policies and government policies on this. So I guess my first question will be: have you in the department found staff to be in conflict of interest? Have there been cases where you've found either consultants or employees to be in conflicts?

Mr. Stelmach: I'm not aware of any.

Mr. Ramotar: I'm not aware of any either.

Dr. Taft: Not aware of any. Okay. Because in a large organization like yours if you're not quite vigilant, they will occur. Well, then, the question is: if you're not aware of any, what are you doing to police that system other than putting a clause in the contract? I don't know what the clause says, but I can imagine. What are you actually doing to ensure that the contracts are lived up to? Are you policing these in some manner?

Mr. Stelmach: For staff?

Dr. Taft: Well, for staff and also particularly for consultants since they were singled out.

Mr. Stelmach: Can you just describe what your definition of conflict of interest is?

Dr. Taft: Well, that's an interesting question. It would concern me that you don't have your own definition actually.

Mr. Stelmach: No. I'm just saying: what's your definition? They might be two different things.

Dr. Taft: Well, we could go through a whole discussion on the nature of conflicts of interest, but to use an example, just thinking off

the top of my head, an engineering consultant advises you on how to proceed on a particular project and that consultant turns out to have some ties to a company that undertakes work on the project. So the consultant has a vested interest, a conflict between his duties to you and through you to the taxpayer and in the other direction to a business he has some connections to.

Mr. Stelmach: Okay. Well, first of all, whether it be construction of roads or water projects, et cetera, the engineering consultants would be hired for a particular task, and that's to design the particular project. When we go to build a project, we go to a tendering process. I'm not aware of any consultants selecting the construction company, but, Jay, you may want to talk about the process.

8:50

Mr. Ramotar: With regard to staff, when we hire a staff member, they're supposed to take an oath, and they're given a document that is basically the code of conduct document. The Transportation community is pretty small. We know basically what our staff are doing and if they have any connections. Of course, if they became new shareholders in a company, they are asked to report that immediately to their supervisor. We haven't had that situation.

With regard to consultants we have a prequalification process. During the prequalification process we ask a lot of questions. What we didn't have is a sign-off, which was picked up by the Auditor General's office. For consultant selection we have a comprehensive selection process that was also reviewed by the AG's office, and they find it in compliance.

With regard to construction contracts all our contracts are tendered. They're open tendered. There's no sole sourcing. The consultants and staff are required to prepare the contract documents. That's all the consultant would do, and then we tender it on the open market. Our staff would open those contracts, review those bids, and award the contract in accordance to set principles. Normally, it's the low bid. So the consultants are not involved in contractor selection.

The Chair: Thank you.

Mr. Cenaiko, followed by Ms Blakeman.

Mr. Cenaiko: Thank you very much. Minister, I'd take you to page 9 of your annual report as well. And, as Dr. Taft mentioned, you do look good in that leather jacket.

One of the areas that I wanted to mention or just ask a question about is in the third last paragraph.

The Commission on Accreditation for Law Enforcement Agencies (CALEA) accredited the Ministry's Inspection Services Branch on November 29, 2001, for upholding professional enforcement standards. This distinction puts Alberta Transportation on the leading edge of transport safety in Canada.

Are you maintaining the same standards, and do you go through an audit procedure with CALEA to maintain those levels?

Mr. Stelmach: We take pride in the fact that our motor transport officers have to all meet a very high standard of training. It's our opinion and policy that our training be standardized so that we're able to provide a consistent application of, you know, any violation of regulations or law from one end of the province to another.

Of course, we also assumed responsibility for all of the secondaries, which added another 15,000 kilometres of highway to our inventory. One of the reasons, quite frankly, maybe not a major reason but an important one, is that it provided and will continue to

provide for a smoother, less interrupted flow of goods from one end of the province to another.

Before, these highways ran through municipalities that had their own jurisdiction. So you would have a truckload of pipe from, let's say, Edmonton going to Fort McMurray, and they would have at least four different counties, four different road bans, and each one through their local council had their own kind of inspection officer doing commercial vehicle inspection. By assuming this responsibility, it not only, of course, saved municipalities a considerable amount of money, but we've improved the flow of those goods and services and the efficiency of the trucking industry. In fact, we've gone even further, where we have a one-call system where any trucker in Alberta can dial up one number and will also receive the road ban information. So that's one part.

On this particular part, in terms of the training of officers, most of the training I believe is done at Lethbridge Community College.

We're maintaining that, if not looking forward to improving it. In fact, our people were in a few other jurisdictions in terms of expounding on our Alberta experience in terms of training, and I believe it's led to much reduced incidents in the commercial vehicle traffic. I think that from 1993 to 2000 – I'm not quite sure – we had a three-fold increase in trucks 41,000 kg and up, yet our incidents are down. There is some tracking of incidents, you know, accidents where truckers are probably driving off the road, single vehicle accidents, falling asleep perhaps. But in terms of these incidents of wheels falling off a truck or a load improperly secured, very few in the province.

Gregg or Jay, do you want to talk about the training?

Mr. Ramotar: Yes. I think the intent is to keep the accreditation. There are one or two little things that we are debating within the department that are required to maintain the accreditation, but I don't think it's a big problem. One of them is psychological testing. That may present some difficulty with PAO. Other than that, I think we are the only agency in Canada that is certified, and we were very happy and surprised that our training program would meet all the requirements of CALEA.

Gregg, anything to add?

Mr. Hook: Just to supplement that, we are the only nonpolice agency in Canada that has achieved CALEA accreditation, really the only nonpolice agency in North America. We're required to meet a number of performance standards including hiring of staff and training, policies and procedures, investigation of complaints, and so on. We were subjected to a very rigorous audit by CALEA in order to get that accreditation, and we have to requalify periodically, including repeat audits, yes, to make sure that our performance is a quality performance and that we can continue to have that designation.

Mr. Cenaiko: Mr. Chairman, I don't have another question, but I'll just add that that is quite an achievement, when we have policing agencies in the province that can't match those standards and the Ministry of Transportation under the minister's guidance has been able to accomplish this.

The Chair: Thank you.

Ms Blakeman, followed by Mary Anne Jablonski.

Ms Blakeman: Thanks very much, and welcome to the minister and his staff and the fun seekers that are joining us in the back there and, of course, to the Auditor General and his staff today.

I'm just going to follow up. My interest was piqued by your

response to my colleague's question. You may well have been asking him for his definition in order to find an example to talk about, but it did pique my interest, so my first question to the minister is: what is the ministry's definition of conflict of interest?

Mr. Stelmach: Well, I think that if anybody, either a staff member or even an elected official such as yourself, through their position gets any personal benefit from a decision they make, that is a conflict of interest. You know, we're all involved in the decision-making, and on the elected side we have some very strict guidelines, probably the strictest, at least from the information I have. Well, I don't know about other provincial jurisdictions but certainly compared to the feds.

With respect to our staff, I think we have a pretty good appreciation and knowledge of the background of the individuals, and it has worked out I think very well in terms of any kinds of issues that might come up that may even be perceived to be conflict of interest. Setting aside the staff, in terms of politicians even a perception of conflict of interest is damaging to reputation.

Ms Blakeman: Okay. Also following up on some of the responses to my colleague's question around monitoring, I'm trying to draw you out a bit on what processes you have in place. Transportation is traditionally a place of great spending of money, especially with contractors, so it's the one that, besides Infrastructure, people tend to put their finger on for potential conflict of interest situations.

So I'm interested in your monitoring of conflict of interest. You follow the guideline of the Auditor General to ensure that people read and sign your conflict of interest form, but from the rest of what happens, it sounds like it's a self-reporting situation to update. What do you have in place to go back and check things or to follow through that what you think is happening is in fact happening? Can you talk about that?

9:00

Mr. Ramotar: Like I said, when we hire staff, they understand the code of conduct and they take an oath. It's a small transportation community, and I don't think that there will be any staff within our organization that is affiliated with consultants or contractors that would be in a decision-making position. As to do we on a routine basis go and ask staff whether they are shareholders of companies, no. With respect to consultants we have an annual prequalification process. It's done every year. At that time we ask a lot of questions with regard to their interest in the contracting business. With respect to contractors once a contract is awarded based on low bid and ability to do the work, they don't have a choice but to follow the terms and conditions of the contract. Should there be a claim at the end of the day on that contract, there is an established process that we have to go through, that our staff and the contractor would have to abide by, to follow through to resolve that claim. There hasn't been a situation that I'm aware of where we have a conflict with consultants or contractors that would include our staff. If we have any inkling that there may be a conflict, then that staff would not be involved in dealing with that claim.

Now, you have to realize how we are set up within the department. Today most of our work is done by consultants and contractors. We have staff in the engineering sector that just monitors the work of consultants and contractors. So we just have a handful of staff that are responsible for this. Most of the staff are basically involved in review of design work and review of contract work. They are not involved in making decisions to resolve problems that might occur between the department and consultants and the department and contractors. So in each region we may have two people. We have

four regions; that's eight people. So it's very easy to keep track of the activities of these folks.

Mr. Stelmach: The other thing is – and maybe we haven't communicated this very well as a department, or maybe it doesn't make news because it's positive, and without any conflict or controversy or conspiracy there is no news – that compared to other jurisdictions, provincial jurisdictions in the country of Canada, we involve many more people in decision-making and in all of the kinds of programs that are available in Transportation, infrastructure Canada/Alberta programs, as I mentioned before. In terms of what projects proceed, those decisions are made by a committee with municipal representation both from AAMD and C and AUMA. We have the cities represented. We have Municipal Affairs and Transportation on the committee making decisions based on criteria that's also been set and put in place through public consultation. Okay? So this criteria isn't something that we designed and said: okay; these projects are going to go according to our criteria. This is where the people of Alberta came together through their elected representatives, mostly municipal officials, and said: okay; this is where we want this money to go. So those projects, so to speak, are agreed to by people from all parts of the province that came together to make the decision on which projects go ahead.

Then most of ICAP is done by the municipalities. They put it out for tender. We don't do it for tender. So the City of Edmonton, you know – I don't know how many millions of dollars they received for various projects – put those contracts out. We're there to monitor. We give them our share of the grant.

Now, on, let's say, the resource road program, again municipal involvement. Collectively we put the criteria in place, and then a committee again reviews the applications and makes decisions on which municipality will proceed with their resource road program project. That, in turn, goes to tender, and again the municipality is responsible for that process.

I think we have a good system in place. As Jay mentioned, the community in the construction industry is very tight. They all want to know who bid on what projects and take a huge interest in that. Well, it was in Infrastructure that he met with one architect. All of them in Edmonton knew that you had a breakfast meeting with an architect. It just traveled boom, boom, boom. There's even a good check amongst the construction industry and the consulting engineers. It's one of the best models, I think, in terms of saving costs, bringing about greater efficiencies. Just coming back from Texas and looking at their huge, huge department, I know that we're on the right track in terms of the way we conduct our business.

Mr. Ramotar: To answer your question fully, I would have to go through the consultant selection process and the tendering process for you, and I'm willing to do that if you'd like.

Ms Blakeman: Well, if you want, you can give it to us in writing through the secretary.

Mr. Stelmach: Well, I can give it to you in writing, but, you know, if you have a real interest, take about an hour or so and sit down with Jay and go through it. It's one thing to do it in writing, but you should actually go through the steps so that you're aware of the process.

Mr. Ramotar: Most of the key decisions are not made by one person. They're made by a committee, starting from the front line, in writing the RFP and going through the consultant selection process, all the way to an ADM committee. All the ADMs are on a

committee that is called the Contracts Review Committee. They review all the suggestions for hiring based on a numerical system, and they approve all contracts as well.

The Chair: Thank you.

Mary Anne Jablonski, followed by Dr. Taft.

Mrs. Jablonski: Thank you very much, Mr. Chairman. Good morning. Mr. Minister, on page 89 of your report footnote 1 states that “salary includes regular base pay, bonuses, overtime and lump sum payments.” In our manufacturing business we paid bonuses when the work performed was of high quality and met deadlines, and a bonus was only paid out when the work was completed and the customer satisfied. So I’d like to know: how does the Department of Transportation determine a bonus and who is eligible to receive it?

Mr. Stelmach: A bonus is payable based on measurement of our goals and if we’ve achieved all of our goals and on quite a rigorous interview process. The minister, the deputy, and about 13 or 14 other people are interviewed by the Deputy Minister of Executive Council. There are a number of criteria that have to be met, but certainly a key one for me, personally, in terms of advancing a recommendation is to ensure that we meet our goals or exceed them; secondly, that we operate within the budget that’s allotted to us. Most importantly, a measurement for me as well is to see how well we do in terms of customer service, meaning how does a taxpayer and how do our municipal partners and others in Alberta perceive our operation. It’s quite a thorough process.

Jay goes through a lot more steps, and maybe you want to pick up on how the final decision is made.

9:10

Mr. Ramotar: A performance bonus is only granted at the end of the fiscal year. At the beginning of the fiscal year in Transportation every department employee must have a performance contract signed by their supervisors. For example, the ADMs would sit down with myself, and we’d go through their performance contract to support the department goals and objectives, which, in turn, supports the government goals and objectives. It’s a rigorous process in these goals and objectives. Each one of them has a measure. There are certain things that have got to be delivered by a certain time. At the end of the year for the staff that report directly to me, I sit with them and go through each one of the goals, objectives, and measures line by line.

Based on my findings, bonuses are allocated in three different categories. As a matter of fact, it’s four. If your performance is below average, you do not get a bonus. If your performance is average, you get an average bonus, and then there are two categories above that. The top category is what I call walking on water. It’s a very rigorous process, and I know that the government of Alberta as a whole is looking at a consistent method of measuring employees, mostly management employees, for allocating bonuses. As a matter of fact, it will be discussed at the deputies’ committee this afternoon.

Mrs. Jablonski: So from your answer, then, I would assume that bonuses are not always paid out and that they’re not always the same amount and that everyone in management is entitled.

Mr. Ramotar: Correct. It’s not a social system. It’s based on performance.

Mrs. Jablonski: Okay. So on page 72 of your report it shows a

decrease in revenue of more than \$800,000 from ’01 to ’02 under fees, permits, and licences, and I wonder if you can tell me: why do we have this decrease, and did this decrease in revenue result in a decrease in bonuses?

Mr. Stelmach: The decrease in revenue is a result of the slowing down of activity in the resource sector. Fees, licences, permits – there’s a fair amount of large, heavy loads moved from, let’s say, a manufacturing plant in Edmonton to Fort McMurray. The trucking company would have to pay a permit fee to use our highway for an extra wide, extra large load. This revenue is very difficult to forecast because it’s solely based on the kind of response we have, you know, the activity mostly in the resource sector. So the less loads moved wherever they be in Alberta, then the revenue decreases.

Mrs. Jablonski: Does that affect our bonus system?

Mr. Ramotar: No. We have to be careful that we don’t tie the bonus system to fees. The bonus system is based on performance. If you tie it to fees, you’re going to have a lot of robocops out there trying to collect more money.

Mrs. Jablonski: Thank you very much.

The Chair: Thank you.

Dr. Taft, followed by Mr. Goudreau, please.

Dr. Taft: Thanks, Mr. Chairman. There are any number of points in the annual report that refer to transportation safety programs – seatbelts, impaired driving, all kinds of things – which is great. I’m sure that all of us through personal experience have known too many tragedies relating to transportation accidents. I’m wondering, first of all, if the department has information – and I’d invite the Auditor General to jump in here too – on the total cost of highway accidents. Yesterday in question period the Human Resources and Employment minister said that he would have us use the word “incidents,” implying that there’s never truly an accident. The total cost of collisions, not just in terms of the obvious ones like property damage and health care but also policing costs, loss of productivity and I’m sure other things. Is there work done in the department to give some sense of the total cost of accidents in Alberta?

Mr. Stelmach: That’s a good question. In fact, as we make a pitch around the Treasury Board table today and in the future, we have to bring forward the benefits of improving a road in terms of the savings to society, in terms of improved safety. We don’t do that today. We don’t measure the cost of health in terms of the hundreds of incidents that occur in the province of Alberta to society.

Now, the Alberta Motor Association has pegged that cost at anywhere from \$3.8 billion and up. The other day one of the think tanks had it at about \$5 billion. It’s something difficult to measure, of course, but it’s an ever-increasing cost. We will also be looking at how to measure savings, quote, unquote, to Albertans in terms of reducing emissions by improving our highways to make them free flow, nonstop, especially on the trade corridors. So when we go to ask for a \$30 million interchange that will provide for the free flow of those goods, not only does it move, of course, the goods and services quicker to the point of destination and improve our competitiveness, but what it does is save Albertans in terms of the future costs, in terms of emission and also safety. We will be looking at that.

There’s a professor at the University of Lethbridge that’s doing a

fair amount of work on it, but in the department, I don't know. We throw out some figures, but I don't believe we have staff dedicated to studying this particular area. We rely on advice and information to flow from other stakeholders, especially the Alberta Motor Association.

But it is a cost to society that's increasing, in insurance, downtime, health especially. Most importantly, the future for our young people is very long, especially if they're incapacitated for the rest of their lives as a paraplegic. You know, that's an ongoing cost, and how do you put a price on it? It's almost impossible, you know, the anguish of the family.

We're on the right track in the province. The enforcement agencies are onside. We've in fact given them additional dollars in support, working through the new Traffic Safety Act, the regulations for the act, given the act into their hands to support the police systems. We're holding training sessions. This whole issue of the new fines, the demerit document, has nothing to do with increasing revenue. It's simply to try and alter the behaviour of the motoring public. There's more aggressiveness on behalf of some people for whatever reason. Even an article the other day in one of the papers said, "Well, you know, what's wrong with rolling through a stop sign?" Well, a stop sign means stop. It doesn't mean roll through. "So why should I have to pay for rolling through a stop sign?" That's an editorialist. So that tells me that he must be reflecting someone's thinking. Not very wise. The number one reason for the incidents, at least for measurable incidents, is running stoplights or stop signs.

Dr. Taft: Right. Okay.

Do you want to jump in?

9:20

Mr. Dunn: Well, I'm just going to try to respond. I'm not aware of any consistently applied measure through all the different jurisdictions. I was the auditor of the Motor Association in my private-sector days. I know that they tried to capture that information. I know that the motor associations across the country together with insurers try to capture it. I think, Dr. Taft, the response is that the amount, however you measure it, is large. It's just: can you find a consistent way of measuring it and then evaluate that measurement? That probably isn't the question. We know it's large. What can we do about it? That's the important question.

Dr. Taft: Right. Okay. This isn't my question, but I'd be very interested in any of the material you have, the AMA material or the U of Lethbridge research.

My question, then, was exactly along the lines that the Auditor General suggests. I mean, if it's \$3.8 billion or \$5 billion plus the terrible anguish, the human anguish, then this is something that covers several government departments. So when we're looking at a comprehensive audit or performance evaluations for the government, is there any effort yet to develop governmentwide or multidepartmental mechanisms to get all the stakeholders at the table and do something about this tragic situation?

Mr. Stelmach: In fact, what we are doing through a cross-ministry initiative – the Solicitor General, Justice, ourselves, and Health, through regional health authority participation – in terms of prevention is to look at focusing on one particular incident, I guess, whether it's a stop sign violation or a seatbelt violation, just focusing on one. Okay? One goal there would be to, let's say, have a blitz on seatbelts, try and get a win, try and get the numbers down in terms of noncompliance. The other very important one is again stop sign

violations. That's important. Again working through a number of ministries so that each one of the ministers can show improvement in one of their measurements in terms of reducing these incidents.

Of course, when we pitch for more money, we use the cost to society, how we can reduce the cost. We know that by putting in interchanges on those intersections where traffic warrants, interchanges will save close to 50 percent, will reduce those incidents by 50 percent. Now, again it's difficult because there's always the immediate need to put it into Health for treatment, and we're still focused on that. So we're going to have to of course treat the people that are still involved in accidents today but at the same time find additional money to reduce them so that we can get the savings on this side. So it means a bit of a bulge perhaps on the safety side, but very quickly we can do it through improving a lot of the major arterial roads in the province.

The Chair: Thank you.

Mr. Goudreau, followed by Ms Blakeman.

Mr. Goudreau: Thank you very much. To the minister. I'm looking at your annual report. On page 47 under goal 3 – and it's an important one on water management and water/wastewater infrastructure – your objective is to "continue to provide funding to support municipal transportation and water/wastewater infrastructure" and then again, on page 49, to look at the completion of major water management construction projects. Then I flip to page 87, and at the bottom there, 2.4, 2.4.1, you've got capital investment in water management infrastructure, and you've got an underexpenditure of close to \$5 million there. So just about 30 percent of your budget was not expended in that particular category, yet we've got some very important projects out there. You know, why are we short? Maybe before you answer, the same thing can be said for the infrastructure Canada/Alberta program on page 88, where you've got operating expenses of just about \$54 million that were not spent in that category. It seems that in my municipalities and around the province there's a big demand for a lot those.

Mr. Stelmach: Yes. Part of the reason for the nonexpenditure of the funds that were allocated to us was the aftermath of 9-11. That's part of the 20 percent. As I said before, previously we used Transportation and Infrastructure as a stabilization account, and that's going to come to an end in this province, so we shouldn't see that in the future. In the future if there are events so catastrophic to absorb our stabilization account, I guess the last thing we'd be worrying about is a road, because it'd be pretty major. But that's really as a result of government trying to find the 20 percent to balance at the end of that particular fiscal year.

Now, all money in terms of ICAP is going to go back in. However, next year – and I don't know if I'll be around but whoever will be before Public Accounts – you'll find that ICAP may not be fully expended again because some municipalities weren't ready to move with their projects. We set money aside for them, but on the municipal side they just couldn't get, you know, the tendering and their projects built. We pay as the projects are completed, pay as you go. ICAP is probably the most complex because you've got three role players there. You've got the feds, us, and the municipalities, and it's up to the municipalities to proceed with the construction and tendering.

Mr. Goudreau: One of the concerns that I had was whether we would lose the federal portion of those dollars and whether those dollars can be carried forward if they're not expended.

Mr. Stelmach: Yes. They'll all be carried forward, and even in the budget before us we've set aside dollars for ICAP to ensure that as the municipalities are moving forward and completing their projects, the money will be available for them.

Mr. Goudreau: Thank you.

The Chair: Mr. Minister, could you please briefly explain ICAP?

Mr. Stelmach: It's called the infrastructure Canada/Alberta program.

The Chair: Okay. Thank you. For the record.
Ms Blakeman, followed by Mrs. Ady.

Ms Blakeman: Thank you. I'm just following up on something here. On page 254 of the Auditor General's report there's some follow-up there under the deferred maintenance, which was recommendation 24 made in the previous annual report, and the Auditor General does make it quite clear that they feel that the ministry is making satisfactory progress in implementing this recommendation. But then I notice that it talks about an action plan with some tasks that are anticipated to be completed, and I'm wondering if this action plan is being incorporated into the business plans and thereby ensuring that there are sufficient dollars set aside to incorporate the action plan. Can you talk about that?

Mr. Stelmach: Sure. A process is in place to come up with, I guess, a consistent model of measuring deferred maintenance, and maybe Jay and perhaps the Auditor General would like to make comments in terms of: how do we have a consistent model of measuring deferred maintenance? I'm just going to make a personal comment. Deferred maintenance is almost similar to accumulated bank debt. You don't want to pass that liability on to the next generation in terms of the debt that Albertans have from previous years, nor do we want to saddle the next generation with a huge deferred maintenance on highways and water and wastewater. Of course, sometimes it's difficult to measure because there's the perception of deferred maintenance when you're driving down a highway that could be a little rough but still structurally sound, and of course there are different ways of measuring deferred maintenance of buildings.

Jay, do you want to take it on then?

9:30

Mr. Ramotar: Yeah. Before I get Rob – it's his area – to explain the process, I would like to make one comment related to the business plan. You know, we have three objectives within the department when we talk about funding. One of them is traffic safety of course. Safety is priority one. The second is preservation, which includes maintenance and rehabilitation, and the third is economic development. So we try to balance the business plan to deliver all three but not in the same proportion. Maintenance and deferred maintenance do have a certain life, and we have a process in place where if we don't have the money, instead of doing the maintenance in year 1, if we believe we can do it in year 3 without further deterioration based on traffic volume and traffic type, then we would so-called defer it and focus some of that money on traffic safety initiatives. So that's how it ties in to the business plan.

As to the methodology, I'll ask Rob to speak to that.

Mr. Penny: Yeah. Jay is correct. We've been working very closely over the fiscal year that this report relies on with the Auditor General to define deferred maintenance. There are two aspects to it. There's

the overall cost of what you have deferred and then what the cost of deferring that maintenance is. Like, if it's going to cost you a million dollars to do it this year and it's going to cost you \$4 million to defer it to year 3, then the cost of that deferral is a \$3 million difference. As Jay explained, if it's going to cost you a million dollars in year 1 but you can defer it to year 3 and it's still a million dollars, then the cost of deferring that maintenance is actually zero if there's no deterioration. So that's one of the things that we've worked on with the Auditor General, to define what the two levels of deferred maintenance actually are.

Within the department one of the things was to acquire new systems that actually measure the extent of that cost, and that's what we are doing. We call it the transportation infrastructure management system, which we are developing within the department. It has an overall database of all information related to highways and bridges and other aspects of the transportation system. Then there are other systems that we are developing that sit on top of that and use that data. One of the key aspects of it, related to deferred maintenance, is what we call ROMARA, which is roadway maintenance and rehabilitation system.

Ms Blakeman: Too many initials.

Mr. Penny: Sorry; too technical.

This will take all of that information and optimize what treatments we should be doing to optimize the maintenance or preservation of the system. We are developing those systems as we speak, and they are within our current business plan and future business plans.

Behind that, though, to make sure that the systems are operating properly, we are doing manual processes to calculate the value of the overall deferred maintenance as well as the cost of the deferred maintenance. We're working on those right now.

Ms Blakeman: Okay. I got that. Could I get a copy, then, of the action plan that's being developed to implement this? I mean, some of the tasks are recorded here, but I'm just looking for a copy of the action plan generally.

Mr. Penny: Okay.

Ms Blakeman: It just goes through the secretary.

Mr. Ramotar: If I may make one more comment on behalf of my colleague on infrastructure.

The Chair: Certainly. Briefly, please.

Mr. Ramotar: The process that is used in Transportation to manage transportation infrastructure is being rolled out to manage what we call vertical infrastructure, as well, across government and also to municipalities and agencies that receive government grants for infrastructure on an ongoing basis.

The Chair: Thank you.
Ms Ady.

Mrs. Ady: That's Mrs. Ady.

The Chair: Mrs. Ady. Sorry.

Mrs. Ady: At least I think I've been married 25 years.

Some have called me the queen of the Deerfoot – I don't know who – so my question is kind of around it a bit. I'm looking at

pages 54 and 55 in your annual report, and I'd like to begin by saying that when the deferrals came last year, they had a direct effect on the trade corridor in Calgary, of course, inasmuch as the work on the Deerfoot Trail that you were trying to do was interrupted a bit. At one time, as you're aware, the city of Calgary was in charge of the Deerfoot even though it was the trade corridor, and they kept putting lights on our trade corridor. So the province took it over and was busy taking the lights back off when we hit some deferrals last year. Now, that's since been corrected, and I'm very happy to say that we're going to some day see that free flowing.

[Mr. Goudreau in the chair]

As I look at your map and I look at the trade corridor, I see how it's a really important piece of your trade corridor. It hits these major big circles – one is in Edmonton, and one is in Calgary – and you're moving through major city populations. I guess my questions kind of regard this trade corridor and its importance in your business plan. As you look forward to the ring roads, has your department been doing any thinking around the TUC and whether there are some innovative ways that we can start to help pay for that ring road as we look forward on this trade corridor and what some of those might be at this point in time? Are you looking at different ways of managing the TUC that might maximize those opportunities or make it even more possible to bring it on-line sooner?

Mr. Stelmach: The corridor is and it's going to be even more important to Alberta's economy as time progresses because there will certainly be more goods traveling down that corridor, and there are a few choke points along there and not only in Edmonton and Calgary. Eventually the communities will all be bypassed to allow for the free flow, but that would be the next stage of development. So it would be Lethbridge, Whitecourt – well, those two for sure, and there's another smaller one in there – Nanton, Claresholm. Eventually maybe in Fort Macleod; I'm not quite sure. Oh, no. It's going through there at the moment. But it's to ensure that we're moving the goods and services as quickly as possible.

The next step, though, on the trade corridor then is: what are the strategic economic corridors to tie into the trade corridor? How do we tie some of the northern communities, like perhaps Fort McMurray and Peace River, into the corridor? Because not all the manufacturing is going to occur along the trade corridor. We'd like to tie the other communities into that corridor. There will be, as we proceed, a number of possibilities in terms of how we advance the completion. One way, of course, is to seriously give consideration to alternative funding mechanisms. But, really, how can we advance it in maybe some of the areas through a relationship between government and the private-sector companies that are involved in that area? Maybe it's through looking at allowing the LOCs, the licence of occupation – these are roads that the private sector is building on our land, so to speak, to get from one well to another. But if you can put these in a narrow band, in the future we can then connect these roads. Make sure that the LOCs are built to a certain standard, and then connect them and then in the future even pave them. But today, let alone worrying about paving, at least we can connect one road to another and make it an all-weather road.

Now, the reason is that today you'll find that much of that resource extraction has very a limited window of opportunity, depending on the weather. It could be two months, it could be four months, could be five months, but all dependent on the weather, because you might have to get out of there once spring thaw comes along. They go through all this expense of hiring people, training

people with the expectation by the employee that "I should have a job there for at least six months of the year," but sometimes it's only two months. So when they go back in next winter, most of the time they have to start rehiring and looking for new people and do new training, so it's a huge cost to industry.

9:40

So roads are a very integral component. Not only that, but look at the number of people we move on a daily basis between Edmonton and Fort McMurray – you know, what strategies can we implement in terms of moving people to work? – and the societal cost to the city of Fort McMurray, for instance, in terms of the population that moves in, you know, for two weeks and then leaves for a week out.

[Mr. MacDonald in the chair]

We'll definitely be looking at kind of a shadow toll process, perhaps, with LOCs in the future. Certainly, I personally am a fan of capital bonds. There are, of course, other P3 mechanisms that could be applied, but we are rigorously pursuing all of these particular alternatives and how they apply to Alberta, to the size of our population, the projected growth in the economy, and most importantly what are the savings to industry to ensure that we remain competitive in the future?

Now, in terms of going around some of the choke points, the plans are 30-year plans. They were designed many, many years ago, so it's just a matter of completing the most important parts where safety is a really critical factor. Let's say between Grande Prairie and Edmonton because, quite frankly, unless the counts have changed this year, we've had much more traffic between Grande Prairie and Edmonton than Edmonton to the border. In fact, from Calgary south the traffic is a lot less than between Grande Prairie and Edmonton. That's where the activity is occurring, probably because they're maybe bringing a lot of their raw product or manufactured product to the city, and then they get some other mode of transportation, maybe rail or whatever, to go to port.

So we'll be investigating all of these options and coming forward with very strict criteria in terms of how we proceed.

Mrs. Ady: Thank you.

As I've been moving through my deferrals of some overpasses and things, I just wanted to compliment Les Hempsey and Alex Broda for the good work that they've done on our behalf, if you could pass that on.

My final question is: if you were to move around the choke point in Calgary and, let's say, the ring road did become a reality, would you then consider giving the Deerfoot Trail back to the city of Calgary?

Mr. Stelmach: Well, that is something we could give consideration to once the ring road is completed. There are a number of phases to the completion of the ring road in Calgary. We would of course be following in Calgary and in Edmonton the traffic counts, where the most dangerous intersections are and where the need is greatest, but eventually the ring roads will be completed around those two cities. The reason that we're sitting on – well, at that time it was about \$600,000 million worth of property which the Alberta taxpayers own, and I believe that it is in our best interest to complete the ring roads once and for all. It was forward thinking by previous Albertans to buy the land for the transportation and utility corridor. In fact, we're one of the few jurisdictions, even visiting some of the American jurisdictions, where we've got this land in place so that we don't have to displace businesses and homes and people when building a ring road around the major centres.

Mrs. Ady: Excellent.

The Chair: Thank you.

Dr. Taft, followed by Mr. Cao.

Dr. Taft: Thanks, Mr. Chairman. My questions actually run along the lines of the previous ones but taking a perspective on Anthony Henday Drive in Edmonton, which will have, I hope, an impact on traffic flow on the Whitemud and throughout the whole city. In developing the Anthony Henday Drive, as it's described here in your annual report, I know there are concerns about the number of stoplights that are proposed, at least in some of plans. At what point does a major road stop being a sort of flow-through highway because there are so many lights on it? I know that's a concern with Anthony Henday Drive.

Mr. Stelmach: Yeah. In fact, the Grande Prairie bypass has 13 lights on it. So the point I'm trying to make here is that once we designate a road as a main artery, we have to ensure that in the future we don't allow development on it, because the cost, let's say in Grande Prairie, is going to be enormous. To now move the bypass way past the airport, again you're displacing people that could have built houses there 20, 30 years ago and never expected a bypass to be going past there. But why? Because we allowed – I say “we” collectively – Albertans allowed development to occur along a major bypass.

I've got, quite frankly, the same thing happening in my own backyard. I drive through Fort Saskatchewan every day where all the new restaurants are being built right along highway 15, which has just been four-laned. So, again, in the future there's going to be a choke point.

Here, with the Anthony Henday, we have to ensure that the integrity of it being an arterial road, a main trade corridor route remains that way well into the future, and my own department's goal is to try and ensure that we put all of the necessary interchanges in place.

Now, I may differ from others around the decision-making table, but if you go back to your previous question and take the cost to health and to society – I'm not an accountant, but I think you wouldn't have to be very creative to find the cost savings in actually even accessing funds for putting those interchanges in today. You won't see the savings, so to speak, because if you save a life . . .

Dr. Taft: You're preventing.

Mr. Stelmach: You are preventing, and it's very hard to put a figure on it, you know. But I think it's imperative that we go with as many interchanges as possible and reduce the number of intersections. Would it be an issue for some living in that area? It may be with some of the current intersections, but remember that we want to move truck traffic as safely as possible.

Also, with respect to your question, we are working closely with the city of Edmonton, because as construction moves ahead on Anthony Henday, they also have some issues with respect to the Whitemud. They can't start until we complete there, and then the city will start on their project on the Whitemud. So it's not that complicated, but it is complex, and we work very closely with the city of Edmonton to ensure that we have some consistency in the planning.

Dr. Taft: Okay. Well, my supplemental, then, is just: what is being done to address the concerns, that I think you share, that this new Anthony Henday bypass is going to have a whole string of stoplights

on it?

Mr. Stelmach: It won't.

Dr. Taft: It won't. Period. Okay.

Mr. Stelmach: In the interim there may be some intersections with lights, but the overall design and the goal is to have interchanges where most appropriate. Now, some of those current intersections – and I'm not familiar with every intersection – may be closed in the future. I'm not quite sure.

Also to your question, not only around Edmonton and Calgary but in rural Alberta we're looking at a policy now in terms of protecting the right-of-way for major arterial routes. It could be 50 years from now, but we know, based on the evidence we have today, that that's where there will be growth, and let's ensure that we have the right-of-ways present.

A matter for an additional point. In Texas, believe it or not, they're going to be buying anywhere from a 1,000- to a 1,200-foot right-of-way around most of the major cities because even their large arterial roads going through the cities are now choke points. That's about a \$5 billion cost to them just for land acquisition.

Dr. Taft: Thank you.

The Chair: Mr. Cao, followed by Ms Blakeman.

9:50

Mr. Cao: Thank you, Mr. Chair. Thank you very much, Minister and staff and Auditor General, for providing us with great information so we can look into it and make the government accountable. My question is referring to page 33 of the Auditor General's report. The Auditor General repeated the earlier recommendation that agencies, boards, and commissions clarify the framework they operate within with a memorandum of understanding, MOU, with ministers. So I would like to ask if the minister can give us some idea of how it is now with those memorandums of understanding with your ABCs.

Mr. Stelmach: We've completed the writing of the MOUs for all of the agencies.

Maybe, Jay, you want to pick that up.

Mr. Ramotar: Yeah. The MOU is done, and the timing was almost perfect. We used to have the board within the operating area under an ADM, and because of a perceived conflict of interest we separated the board. With the new proclamation of the TSA and the implementation on May 20, where we combined four acts into one and two boards into the Traffic Safety Board, it was an ideal time to do an MOU. That MOU was done immediately after the recommendation from the OAG and was signed off by both the chairman of the board and the Minister of Transportation.

Mr. Cao: My supplemental question, in fact, may be to both the minister and the Auditor General. The Auditor General mentioned quite a few times – and I have the same thought – a triple E: effective, efficient, and economical. I've seen a lot of public construction. I was wondering how you define what we call overdesign, which means incurring extra costs, rather than functional design, which is more economical or effective. So my question is: how do you define it, and do you have any comparative benchmarks with other jurisdictions in terms of cost per unit in some way?

Thank you.

Mr. Stelmach: I'm going to have Jay answer the question, but on most of the projects when we go to design, we look at trying to project traffic flow 20 years ahead. So if we're preparing the base of a road today, we want to ensure that in the future when we go to repave it – you know, every time you repave a road, you narrow it. You'd like to start with the most appropriate base when the road is first built, first graded, so that in the future you don't go back and start widening the road at a huge cost. In fact, widening I suspect is almost as expensive as starting a new grade.

We are widening a number of highways in the province at the moment only because the standards have changed since those highways were first built and, of course, a lot more traffic. Some of the highways that were built in the '50s today are being widened, mostly for safety and different engineering on curves, et cetera.

Mr. Ramotar: Everything we do in the department is based on what we call total life cycle cost-benefit analysis. For existing infrastructure, before we pick the right alternative to be done at the right time, we evaluate each alternative based on this process. For new infrastructure we look at the total life, again, and then we compare full construction with phasing. I use Anthony Henday for an example. We may not afford full freeway standard the first time around on the southwest ring road. What we have done there is we have staggered some of the intersections so that we only have right ins, right outs. Where the future interchanges will be located, we are putting in the ramps right now because we are doing the grading only once, and it's economical to move dirt once compared to when traffic is on the road. When we have the money – if we have the money before 2006, for example, which is the target date for opening – we can just drop the bridge structures in. That's the most economical way to do it. So for everything we do, we analyze it from a cost-benefit life cycle point of view.

Mr. Dunn: I'm not sure if we can add much to that, but generally what we've been looking at is not so much overconstruction or overengineering but rather underengineering. Are there choke points or something like that that should have been addressed earlier? Was the business case rigorous enough to anticipate it? So I'm not sure, Ken, if we can add anything to what the deputy minister has just said.

Mr. Hoffman: No, I don't think we can add anything. That's an excellent explanation.

Mr. Cao: There's one point that you haven't addressed, the comparison of cost per unit, if you are thinking about doing it.

Mr. Ramotar: Well, it's very difficult to do that. Alberta Transportation has a unique model in terms of delivery. Alberta Transportation is the only department that I know of in transportation or maybe in other departments in the government that fully outsources the engineering design and the construction administration of transportation projects.

Last year we hired KPMG as an independent consultant to compare our costs of delivering a project today to when we used to do it all in-house, when we were one of the biggest engineering firms in Alberta. The report came back and said that we were saving 35 percent compared to 1995. So today if we compare it to any other province, I think you will find the same type of savings.

Mr. Cao: Thank you.

The Chair: In the time we have . . .

Ms Blakeman: It's quick.

The Chair: It's quick. Okay. Thank you, Ms Blakeman. We have very little time left.

Ms Blakeman: My question is pertaining to notes that appear on page 77 of the annual report. At this point I can just put the questions on the record and ask you to respond in writing. I'm noting under note 2, summary of significant accounting policies and reporting practices, that about halfway down that list it talks about "donated capital assets are recorded at their fair value at the time of contribution." I'm wondering if I could get a list of all of those donated capital assets, what their value was at the time, and perhaps an explanation on this because I didn't know that you donated things.

My supplementary – I'm really getting everything in here – pertains to the next paragraph, which is talking about physical assets that could be "gifted or sold for a nominal sum to parties external to the government reporting entity." So the same thing: a list of which of these physical assets during this fiscal year were gifted or sold. The valuing of is already handled in there and then it shows how it's recorded, so I don't need the value at the time.

So if I could just ask for those, that's great. Thank you very much, Mr. Chair.

The Chair: Okay. Thank you.

Mr. Stelmach, if those responses, all written responses, could be directed through Corinne Dacyshyn, the clerk. Is that fair enough?

Mr. Stelmach: Yes.

The Chair: Okay. Thank you.

At this time I would like to conclude this portion of the meeting and on behalf of the entire committee thank the minister, his staff, and certainly Mr. Dunn and his staff for coming to the meeting this morning. We appreciate your time and the effort you made to respond to the members' questions. Thank you. Again, we wish you the very best with this fiscal year.

Mr. Stelmach: Thank you.

10:00

The Chair: Okay. Now, the date of the next meeting is, of course, next Wednesday. We're going to alter the schedule. I would like to note, please, that we're going to have a meeting with the Auditor General and his staff between 8:30 and 9 a.m. There is going to be a package of information sent to each member of the committee from the Auditor General through the clerk. So expect that in your mail in the next day, hopefully even today later on, and if you could spare some time to have a look through that, it would be just excellent. Mr. Victor Doerksen is going to come at 9 a.m. next Wednesday, so we have half an hour to discuss among ourselves how we can improve this committee. If any of you have any suggestions as to how the chair could make more efficient use of your time during questioning, I would be very grateful for your candid comments. Okay?

Now, there were a couple of other items. There was a response from the visit from the Hon. Pat Nelson that I received. The clerk has graciously photocopied this, and it's going to be distributed to each and every member. It probably has already been done.

Mrs. Jablonski: Doesn't it make you happy?

The Chair: Yes, it certainly does.

That's it. Mr. Dunn, do you have any comments regarding next week's half hour?

Mr. Dunn: Yes. First of all, I want to thank you again because I realize how busy you are, and you've got a lot of material to read. So

what we tried to do was keep any handout material very, very brief and have given you a chance a week in advance to at least glance through what we plan to present. It will be a very, very crisp half hour, so we'd just appreciate it if we could start at 8:30, and we'll start going at that time.

The Chair: Okay. You bet.

Dr. Taft: Will that information package come soon? Oh, we've got it there?

Mr. Dunn: Yeah. That was delivered this morning.

Dr. Taft: Okay.

Mrs. Dacyshyn: I'll send it out this afternoon.

Mr. Cao: When you say "presentation," does that meaning using the screen and projector?

Mr. Dunn: If I can make that projector work, yes, it will be on there.

Mrs. Dacyshyn: We'll work that out.

The Chair: Perfect.

I can only assume that there will be more representation from the Auditor General's office next week. Do we have to make any extra accommodations or anything?

Mr. Dunn: No. I'll do the presentation, but I'll have a couple of staff members who are here for that minister anyway or for any other questions.

The Chair: Excellent.

And a reminder that the first half hour of this meeting next week will be in camera; okay?

Are there any others? Okay. Thank you. Adjournment, Dr. Taft.

[The committee adjourned at 10:02 a.m.]

